**Appendix 3**

# PROJECT BUSINESS CASE

# LIBRARY SERVICE REVIEW

# ALTERNATIVE SERVICE DELIVERY APPROACHES

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| Version: | 0.1 |
| Prepared by: | Christine May |
| Issue date: | 2nd November 2010 |
| File held in: | |

## 1.    VERSION HISTORY

| Version | Date | Comments |
|---|---|---|
| 0.1 | 2nd November 2010 | First draft |
| 0.2 | 5th January 2011 | Second draft |
| 0.3 | 16th January 2011 | Third draft |
| 1.0 | 18th January 2011 | Final Version |

## 2.    DOCUMENT APPROVALS

Note that the Business Case approval is only one element of initiating a project. The following documents are also required:
- Project Initiation Document
- Project Plan or Stage Plan for first stage

| Name | Role | Signature / Reference to evidence of approval | |
|---|---|---|---|
| | | | Date |
| Rod Craig | Project Sponsor, Executive Director CAS | | |
| Cllr Sir Peter Brown | Portfolio holder for Communities | | |
| Mike Hosking | Director of Libraries, Learning and Culture | | |
| Pat Harding | Director of Customer Service & Transformation | | |
| Janet Bosworth | Head of HR | | |
| Christine May | Head of Libraries, Archives & Info (Acting) | | |
| Chris Heaton | Head of Policy, Planning and Culture, LLC | | |
| Helen Maneuf | Head of Audit and Risk Management | | |
| Eve Jarvis | Strategic Support Manager, LLC | | |
| Sue Hughes | Board member, MLA | | |
| Jon Anderson | LSR Project Manager | | |
| Rebecca Morgan | Alternative Service Delivery project lead | | |
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## 3. PURPOSE OF THIS DOCUMENT

The Business Case is a description of the reasons for the project and the justification for undertaking it, based on the estimated costs, risks and the expected business benefits and savings. The Business Case is the most important set of information for the project as it drives the decision-making process. It is updated if any changes occur to the project to ensure it is still aligned to the business objectives.

## 4. BACKGROUND

The Library Service Review commenced in Autumn 2009 when leading library consultants, Kentwood Associates, were commissioned by the County Council to undertake an external review of the service. Their report in November 2009 coincided with initial work on the Council's Integrated Plan and budget for the following three years, in the context of the national budget deficit and the requirement for huge savings as a result. It is expected that a large proportion of these savings will be found through externalising the service and / or sharing services with other library authorities (this aspect is the subject of a separate business case). A package of other savings proposals was constructed, including reductions to the book fund and archive service budgets, a fundamental reshaping of the mobile library service, increased income and efficiencies.

Nevertheless, it was clear that the level of savings required could not be fully met by these measures, and a sum of £100,000 was identified for savings from 'library closures' during 2011-13. However, early on in the Review it was suggested that library closures might be avoided by finding alternative approaches to frontline service delivery that made more use of self service facilities and volunteer support, thereby reducing and minimising the cost of staff and spreading resources further. This project aims to investigate that approach, test its viability, the savings it would make, and the risks and issues associated with it. [Please note that the Integrated Plan for 2011-15 now sets out a further £100,000 to be made from the Alternative Service Delivery model, based on early estimates of savings, totalling £200k.]

## 5. PURPOSE OF THE PROJECT

### 5.1. Description

**The overall aims of this project are to:**
**Maximise the efficiency of library service delivery in order to continue to provide a comprehensive and efficient service within available resources**
**Maximise the contribution of local individuals and communities to the service, as part of the government's Localism agenda**
**Respond to trends in society and technology in order to transform the service to be fit for the future**

**The scope of the project includes:**
**Internal management and delivery of Libraries, Archives and Information (LAI)**
**The structure and staffing of static library service points**
**The business processes undertaken in front line library service points**
**The overall LAI operational management structure**

**A review of how we recruit and manage volunteers and work with Friends Groups and Community Management Boards, in order to increase community participation in the service**

**The scope of the project excludes:**
**The structure and staffing of the mobile library service**
**The structure and staffing of Cambridgeshire Archives & Local Studies**
**The structure and staffing of Library Learning Centres**
**Externalisation and shared services options (the subject of a separate business case)**
**Criteria and assessment of libraries for possible closure (the subject of a separate business case)**

## 5.2. Business Need

This project is one the elements of the Library Service Review, which aims to:

- seek positive and innovative outcomes which will benefit customers and embody best practice and modernised services
- achieve the required budget savings in a way that minimises the impact on frontline service delivery, whilst reducing management and overhead costs to the minimum
- ensure the long term sustainability of services which are fit for purpose and meet community needs
- support staff and customers through the change and challenges ahead, ensuring they are kept well informed and able to engage / participate in the process

It addresses the need to find new and alternative ways of managing and delivering the service in order to transform it so that:

- the Council can continue to meet its statutory obligation to provide a comprehensive and efficient Library Service
- the service is sustainable whilst delivering the challenging savings required as a result of the national budget deficit
- the service continues to transform, modernise and adopt best practice, in line with the needs and demands of the community

Customers will benefit from:

- the most comprehensive service possible within available resources, delivered through greater efficiency
- increased availability of self service and remote access to the service
- many more opportunities to participate in the planning and delivery of the service

## 5.3. Contribution to Corporate Mission

This project links to the existing corporate vision, strategy, aims and goals in the following ways:

*Strategic Objective 1: Enabling people to thrive, achieve their potential & improve their quality of life*
This project will help to retain library services which are well used and enjoyed by people of all ages and abilities across the county, and which make a significant contribution to their life chances, learning and skills, and quality of life. It will improve access through self service and remotely through technology. It will also encourage participation by individuals and the community in

planning and delivering the service, giving opportunities for people to develop their skills and interests and feel a valued part of a more cohesive community.

*Strategic Objective 4: Promoting improved skill levels and economic prosperity across the County, helping people into jobs and encouraging enterprise*
By encouraging participation by individuals and the community in the planning and delivery of the service, this project will provide opportunities for people to develop their skills, work experience and employability.

*Service Delivery Principle: delivering high-quality effective and efficient services*
The project aims to maintain a high quality and effective service through greater efficiency and more use of technology.

*Service Delivery Principle: Listening and being responsive to the needs of Cambridgeshire's communities*
The project will use the results of public consultation on the Library Service Review which tested the public 'appetite' for alternative models of delivery, including more self service and greater use of volunteers, and increased remote delivery of services.

Similarly, there is a close strategic fit between this project and the priorities identified by Cabinet to inform and underpin the 2011-12 Integrated Plan process - around:
- managing the financial gap;
- CCC's increasing role as a commissioner rather than a direct provider of services;
- community engagement and localism;
- safeguarding vulnerable people of all ages

## 6.    PROJECT DEFINITION

### 6.1.    Objectives

The overall objectives of the project are to:
- Reduce staffing costs in order to maximise the number of static library service points that can be retained within budget
- Streamline administrative and business processes to ensure the greatest efficiency with fewer staff
- Make best use of the latest technology to encourage greater customer self service
- Maximise the opportunities for individuals and communities to participate in the planning and delivery of library services

### 6.2.    Detailed Objectives

| Objective 1 | Reduce staffing costs in order to maximise the number of static library service points that can be retained within budget |
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| How is the objective to be achieved? | There are currently 32 libraries in the county, each of which has a Library Supervisor and dedicated operational staff.  Staff costs account for around 57% of expenditure on the service.  It is proposed to reduce this expenditure by grouping libraries into clusters, rationalising opening hours, and reducing the number of supervisors and operational staff to work across each group.  Each group of libraries would share a Library Supervisor and sufficient operational staff to work across the group to a rationalised pattern of opening hours.  Staff terms and contracts would be reviewed to enable staff to work at all libraries in the group as required, at no additional cost.  It is proposed that standard contract hours be established to reduce the cost and management overhead of managing large numbers of staff on varied short hour and relief contracts. |
| What are the success criteria? | <ul><li>Sufficient savings to cover the £100k on library closures as set out in the previous IPP, as well as pay back the investment required over a period of 5 – 10 years</li><li>A delivery and staffing structure which is efficient and sustainable, i.e. is able to cope with the demands made of it without additional resource, and which continues to meet the needs of local communities</li><li>Reduced staff time and expenditure on payroll services, recruitment and HR from managing large numbers of short contract and relief staff, with their associated turnover</li></ul> |
| How are they to be measured? | <ul><li>Delivery of savings within the Council's Integrated Plan</li><li>Customer feedback, use levels and satisfaction surveys</li><li>Evidence of ability to deliver the service without undue recourse to relief staffing</li></ul> |
| By when is this to be achieved? | By April 2012 |
| Are there any interim objectives? | |
| **Objective 2** | **Streamline administrative and business processes to ensure the greatest efficiency with fewer staff** |
| How is the objective to be achieved? | By reviewing and analysing existing administrative and business processes, both in front line libraries and centrally within LAI, and business process re-engineering to ensure the greatest efficiency |
| What are the success criteria? | Administrative tasks undertaken by frontline staff will be reduced / streamlined such that libraries are able to cope with fewer staff on duty |
| How are they to be measured? | Time and motion audits before and after business process re-engineering |
| By when is this to be achieved? | By April 2012 |
| Are there any interim objectives? | |
| **Objective 3** | **Make best use of the latest technology to yield greater efficiency and encourage greater customer self service** |
| How is the objective to be achieved? | By calculating the costs and feasibility of introducing self service technology into every library, and by reviewing the latest technology and trends to provide for greater efficiency and more remote access to services. |

## Project Business Case

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| What are the success criteria? | The proportion of library transactions (issues, returns, payments, requests, use of online resources etc.) undertaken by self service is 85% or higher at every library.  Remote access to library services continues to increase |
| How are they to be measured? | By tracking and recording levels of usage as now |
| By when is this to be achieved? | By July 2012 |
| Are there any interim objectives? | |
| **Objective 4** | **Maximise the opportunities for individuals and communities to participate in the planning and delivery of library services** |
| How is the objective to be achieved? | Seek to recruit, train and manage a large number of additional volunteers in a wide range of roles to support and add capacity to the service, using the latest best practice models.  Establish advocacy / fund raising Library Friends Groups and Community Management Boards for each library.  Embed opportunities for work experience within libraries.  Work with appropriate partner agencies to co-ordinate this work. |
| What are the success criteria? | <ul><li>The number of volunteers working with the service exceeds 1000</li><li>Every appropriate area of service is supported by volunteers</li><li>Every library (or cluster of libraries) has a Friends Group and a Community Management Board</li><li>The service is able to meet existing demand and expand value added activities</li><li>Processes for working with volunteers are well documented and follow best practice</li></ul> |
| How are they to be measured? | The number of volunteers is recorded.  Audit of volunteer management processes. |
| By when is this to be achieved? | By July 2012 |
| Are there any interim objectives? | |

## 6.3.   Key Benefits

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| *Greater efficiency, enabling reduced resources to stretch further in order to maintain a comprehensive and efficient library service* |
| The rationalisation of opening hours and staffing, combined with business process re-engineering, will eliminate duplication and any unnecessary activity, in order to make the service even more efficient.  This will allow resources to stretch further in order to keep as many service points as possible open.  This is anticipated to save in the region of £250,000. |
| *More efficient customer service, enabling more self service for routine transactions* |
| A high proportion of library use consists of routine transactions – the issuing and returning of items for loan, and the payment of fees and charges.  By rolling out self service facilities in all libraries, this will reduce queuing, enable a reduction in staffing, and free staff to spend more time with users who need more individual support. |
| *Greater community involvement in planning, supporting and delivering library services* |
| Nearly 50% of respondents to the Library Service Review questionnaire said that they would be willing to volunteer to support the service in some capacity. Additional volunteers in a wide range of roles in every aspect of service delivery will add capacity to the service and enable a wide |

range of activities and support that would not otherwise be possible. Communities will also be encouraged to form Friends Groups and Community Management Boards for all libraries, to increase community participation in planning and decision making. Individuals and communities will feel a greater sense of ownership and involvement in the service, helping it to thrive and advocating for the service within the community. The input of volunteers is expected to bring £1000s equivalent value of activity to the service.

### 6.4. Key Stakeholders

| Stakeholder Group | Role/Contribution | Potential Conflicts |
|---|---|---|
| Staff | Running front line library services | Resentment from job losses and increased use of volunteers |
| Library users | Using library services | Have stated they do not want to volunteer in roles that directly replace paid staff. Some dislike using self service facilities. |
| Local communities | Recognising and valuing library services as a vital part of the fabric of the local community. Advocating for the service locally and volunteering / participating in the service and its management | Will resist any diminishment to local services, although 69% of questionnaire respondents said they would support the Alternative Service Delivery model if it would prevent library closures. |
| Local Councillors – County, District, Town, Parish | Representing the interests of the local community | Balancing the interests of local staff losing jobs and the interests of the local community in retaining their library service. |

## 7. OPTIONS

The following option has been appraised in detail in this Business Case:
- The creation of 6 library 'clusters' based on the current 'hub' libraries and Central Library

### 7.1. Options considered but not appraised

Aligning the 6 library clusters geographically to fit with Children's Centre Locality boundaries was considered, and would require the movement of several libraries into different cluster groupings. This option has not been worked up in great detail because the required re-arrangement did not make sense of the way libraries and their staff and catchment populations work together currently. With these few exceptions, the clusters work well with the CYPS locality boundaries and it was felt that working relationships would be established at individual local library level, given there are 40 children's centres and 32 libraries currently.

## 8. OPTIONS APPRAISAL

### 8.1. Option 1: Creation of 6 library clusters

#### 8.1.1. Description

This option would deliver a reduced cost model of delivery based on grouping libraries together into 6 'clusters', with a major (Central or hub) library in each cluster. The 6 clusters would be formed as follows:

- Cluster 1: Fenland: **Wisbech**, Whittlesey, **March** and Chatteris libraries (note, this cluster includes 2 hub libraries)
- Cluster 2: Huntingdonshire: **Huntingdon**, Warboys, Sawtry, Ramsey and Yaxley libraries
- Cluster 3: Central Cambs: **St Ives**, Willingham, Bar Hill, Histon (and in future Northstowe) libraries
- Cluster 4: South West Cambs: **St Neots**, Buckden, Papworth, Cambourne and Comberton libraries
- Cluster 5: East Cambs: **Ely**, Littleport, Soham, Burwell and Cottenham libraries
- Cluster 6: South East Cambs: **Cambridge Central**, Arbury, Milton Road, Barnwell, Rock Road, Cherry Hinton, Great Shelford, and Linton libraries

The majority of the savings would be made by the clusters sharing supervisory staff, and by smaller (level 2) libraries moving to single staffing where possible. The clusters were formulated by joining libraries that are geographically close together (with travelling distance within any cluster not exceeding 16 miles) along district council boundaries so far as is reasonably possible. An attempt was made to balance the population served by each cluster, as well as to balance the supervisory responsibility for each cluster.

Staffing would be organised to work across each cluster, with harmonised / rationalised opening hours, and individual staff hours of no fewer than 18.5 hours per week. There would be significantly less reliance on relief staffing; instead, permanent staff would be deployed across the cluster of libraries as needed. Clusters would be managed by a Senior Group Leader (S01/2) based in the hub library (and an Assistant Group Leader (Scale 5/6) where required), with a Site Co-ordinator (Scale 3) at each of the smaller libraries, supported by Library Assistants (Scale 1C/2) across the group. Staff would be required to deliver the core service offer (issues, returns, requests, enquiries, all 'normal' library business) during advertised opening hours. However, the model would be reliant on volunteer support to delivery value added activities such as IT buddying / training, children's activities, older people's activities etc.

The reduction in staffing is predicated on the introduction of self service facilities into all libraries; this is proven to account for more than 85% of normal library transactions (issues, returns and payments).

### 8.1.2. Implementation Approach

A project team would be established to rapidly roll out RFID (Radio Frequency Identification) self service technology and associated training (including culture change) during 2011. 9 libraries will already have this equipment by April 2011 (Central, Huntingdon, Wisbech, St Ives, St Neots, Ely, March, Great Shelford and Ramsey libraries), leaving 23 libraries plus 10 Library Access Points. Experience from other library authorities (e.g. Northamptonshire and Kent) shows that it is possible to install self service at a rate of 1 library per week, using an established and experienced project team. It should, therefore, be possible to complete the roll out starting in June 2011 (following 90 day staff and public consultation) and completing by April 2012 (around 40 weeks in total available), including occasional breaks and longer installation periods as required.

Rollout will require the installation of additional data and power lines and basic self service equipment, as well as any minor building alterations required - usually adaptations to the library counter and carpeting. It will also require a carefully planned training programme to equip staff both to work with the new technology and to adapt quickly to new ways of working. Running alongside this programme of building adaptations will be a programme of recruiting staff to the posts in the new structure, working with completed clusters in order to make half year savings of £100,000 from October 2010 onwards.

### 8.1.3. Interdependencies

There are interdependencies between this project and both the externalisation work stream and the library infrastructure work stream. The externalisation of the service to a trust or third party supplier is due to take place from April 2012; it will be important to have delivered the Alternative Service Delivery model by this date in order to have established a stable infrastructure and pattern of delivery for the external body to take over, with known and reduced running costs. Similarly, library closures are due to take place during 2012/13 financial year, and it will be important to have self service facilities in place ready for communities to take over the running of these libraries, if they are willing and able. In the same way, it is important that Library Access Points are set up with self service facilities so that all community run library facilities are operated in a consistent way, using self service rather than staff access to the system in future.

### 8.1.4. Costs

The cost of delivering self service and everything associated with it is estimated to be £358k in 2011/12 (to cover all libraries) and £97k in 2012/13 (to cover all Library Access Points). This is a reliable estimate based on actual quotes from all the companies and colleagues that would be involved in the installation. It does not include the cost of providing any training, on the basis that this would be delivered internally by staff.

It was initially expected that these investment costs could be paid back over 5 years, as the savings on the Alternative Service Delivery approach far exceeded the £100k savings target for library closures. However, now that £200k has been set as the savings target for Alternative Service Delivery, these costs will take longer (10 years) to pay back.

### 8.1.5. Major Risks

The following table lists key risks facing the project that, if they happen, would seriously affect delivery of the outcome.

| Risk 1 | | Probability: M |
|---|---|---|
| **Description**: Restructuring the service results in insufficient numbers of paid staff to handle the volume of work and to cover for staff absences | | |
| **Impact**: The overall performance of the library service would decline, library users would become dissatisfied and this would result in a higher number of complaints to staff and Councillors. In extremis, libraries might be obliged to close at short notice or to draw on expensive relief cover options. Staff would suffer work related stress, resulting in greater sickness absence, further exacerbating the issue. | | **Cost impact**: £ Difficult to determine |
| **Minimisation** | **Cost** | **Person Responsible** |

| | | |
|---|---|---|
| **The core service will be clearly defined to staff and users to help manage expectations of the service. Volunteers will be recuited to provide assistance for non core services. Business process re-engineering will help to reduce bureacracy and non-essential tasks, whilst self service will enable a large proportion of transactions to be carried out by customers for themselves. It is suggested that a small number of relief library staff (one in each cluster) be retained in the short term in order to cover any unplanned absences or to help out in extremis, whilst the reconfigured service settles down.** | £ | Head of Service |

| Risk 2 | | Probability: M |
|---|---|---|
| **Description**: The Library Service is unable to operate its core services without a dependency on the input of volunteers | | |
| **Impact**: Volunteers may be unreliable and adversely affect service delivery if it is dependent on them. Staff will resent volunteers if the service is dependent on them and they replace paid staff, leading to bad feeling and poor working relationships, and ultimately poorer performance. | | **Cost impact**:<br><br>£ Difficult to determine |
| **Minimisation** | **Cost** | **Person Responsible** |
| This project will set out to clearly define staff roles and volunteer roles as different and discrete from each other. Staffing, opening hours and timetables will be planned to ensure that the core service can be delivered by staff without dependence on volunteers. | £ | Head of Service |

| Risk 3 | | Probability: M |
|---|---|---|
| **Description**: Staff and customers do not support the changes, with resentment between staff and volunteers, and resentment from users to new technology | | |
| **Impact**: Resentment between staff and volunteers would cause poor working relationships and lead to poor service performance. Some users may refuse to use new technology and make demands on remaining staff | | **Cost impact**:<br><br>£ Difficult to determine |
| **Minimisation** | **Cost** | **Person Responsible** |
| **It will be important to communicate the benefits of this project and the stark alternatives, as well as to build a healthy distinction and relationship between staff and volunteers. The ethos of Localism and the Big Society will need to be clearly communicated and shared with both staff and communities** | £ | Senior staff and Members |

| Risk 4 Description: The service lacks capacity to implement such wide ranging changes, including significant cultural change, in such a short time, especially with all the other service changes happening at the same time. | | Probability: M |
|---|---|---|
| Impact: The project may slip or not be delivered as effectively as possible. Staff may become overworked and stressed, leading to a breakdown in the work flow, risking the overall timetable. The same staff involved in this project may also be required to work on other aspects of the Library Service Review, leading to overload and potentially sickness of key staff. | | Cost impact:<br><br>£ |
| **Minimisation** | **Cost** | **Person Responsible** |
| **It will be important to establish a dedicated project team which can focus on this project, with limited call on them for other pieces of work. The rollout timetable will also build in regular short breaks in order to allow project staff a 'breather' between multiple installations.** | £ | Project Manager (to be appointed) |
| Risk 5 Description: The move to increased single staffing of smaller libraries exposes more staff to associated personal risk. | | Probability: M |
| Impact: Staff have concerns about single staffing libraries, and increasing this way of working could expose them to greater levels of risk. This could result in increased levels of staff anxiety and potentially actual incidents of threatening or abusive behaviour from members of the public. | | Cost impact:<br><br>£ |
| **Minimisation** | **Cost** | **Person Responsible** |
| **A risk assessment will be carried out for every individual library and appropriate action taken to minimse the risks. This will also be reflected in decisions taken about library opening hours and the hours of single staffing as opposed to double staffing of individual service points. All affected staff will receive appropriate training in health and safety and handling conflict.** | £ To be determined by may include the cost of CCTV installation, personal alarms, etc. | Customer Services Managers, Training Manager, Health and Safety colleagues. |

## 9. PREFERRED OPTION

A 'hub and cluster' model of 6 clusters based on existing hub libraries, broadly based on District Council boundaries, is the preferred model for delivering the maximum possible savings.

## 10. AFFORDABILITY OF PREFERRED OPTION

### 10.1. Costs

The overall costs and savings are set out in the above paragraphs. The costs are expected to be met through a CAS Invest to Transform project, with payback over a 5-10 year period.

### 10.1.1. Cost Monitoring Approach

Costs and savings will be monitored by the Project Manager for this project (to be appointed internally) throughout 2011/12, and regularly reported to the Library Service Review Project Board.

## 11.    ACHIEVABILITY - HIGH LEVEL PLAN

| Milestone Point/ Task/Phase | Date | Dependency/ Interface | Overall Responsibility | Resources agreed? Yes/No |
|---|---|---|---|---|
| Present Alternative Service Delivery business case to Cabinet for approval | 25/1/11 | | Project Board | |
| Gain agreement of Full Council to proceed with Alternative Service Delivery approach | 15/2/11 or 18/2/11 (to be confirmed) | | Project Board | |
| Carry out 90 day staff and public consultation | March - May | | Project Team | |
| Implement ASD rollout to achieve cost reductions | June 2011 – April 2012 | | ASD Project Team | |