

<b>REPORT FOR DECISION</b>
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<b>Agenda Item</b>	
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<b>DECISION OF:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>10 JULY 2013</b>
<b>SUBJECT:</b>	<b>PLAN FOR CHANGE REVIEW OF LIBRARIES – PROPOSALS FOLLOWING CONSULTATION</b>
<b>REPORT FROM:</b>	<b>Councillor Jane Lewis, Cabinet Member for Leisure, Tourism and Culture</b>
<b>CONTACT OFFICER:</b>	<b>Graham Atkinson, Executive Director of Communities and Neighbourhoods. David Fowler, Assistant Director (Localities).</b>
<b>TYPE OF DECISION:</b>	<b>KEY DECISION</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	This paper is within the public domain
<b>SUMMARY:</b>	<p>This report outlines the next steps in the Library Review process and reflects on the consultation undertaken since the last report to Cabinet in April 2013. This report outlines how the savings required as part of the Plan for Change can still be successfully achieved, but amends the original proposals to reflect the feedback received through the consultation process and significant worsening of the level of budgets cuts to be made over the next two years, covering 2014-15 and 2015-16.</p> <p>The revised proposal still ensures that for now all the Borough’s library services will be retained and located in their current premises. Changes will still have to be made to reflect public support to make them fit for purpose. This requires the roll out of new self service technology and reduced staffing and service levels.</p> <p>The development of community hubs remains a priority for the council but their future development has to recognise the further levels of cuts to Government funding for local government as part of the 2015-16 Comprehensive Spending Review (CSR). The development of Community Hubs will be dealt with in a more holistic approach and will now form part of the ongoing Asset Management Reviews.</p>

<b>OPTIONS &amp; RECOMMENDED OPTION:</b>	<p><b>Option 1:</b> Cabinet is recommended to approve the proposals set out in this report, which keeps all libraries open across the borough.</p> <p><b>Option 2:</b> Do nothing and find the £570,000 from other budgets.</p>
<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	Do the proposals accord with the Policy Framework? Yes

**Statement by the S151 Officer:  
Financial Implications and Risk Considerations:**

The draft co-location proposals outlined in the report to Cabinet in April 2013 were clearly identified as being subject to structural/technical surveys, dependent upon development of affordable business cases and pending residents' comments identified through the consultation exercise.

This work has now been completed and it is clear that whilst the capital investment required has always been significant, the prospect of further spending cuts to the Council budget, as expected from the CSR, mean that the level of spend can no longer be justified and a valid business case cannot at this time be proven.

New proposals have therefore been developed which see the Plan for Change (PFC) savings being achieved through a combination of staff restructuring and further roll out of self service (RFID) technology.

The proposals involve investing £156,400 in equipment, furniture and IT for the rollout of self service systems in the Council's main libraries.

This will be funded from the Transformation Reserve and maintenance costs for the system will be met from existing budgets.

Salary savings of £518,000 are envisaged from the revised staffing rotas.

The balance of the PFC savings (£52,000) will be met from efficiencies elsewhere within the libraries service.

There are potentially significant one-off severance costs to achieve the staff reductions envisaged, but it has not yet been possible to quantify the amount as this will depend on the selection of employees at risk.

As is the case for all services, anticipated reductions in future Government funding may necessitate a further re-examination of the library budget.

**Statement by Executive Director of Resources:**

The proposal to create four community hubs, in addition to the considerable co-location of services and the Council Information Points already in existence, continues to be supported. However, as reported in April 2013, the original proposals were based on high level estimates of the works required. Since that time more detailed surveys have indicated that the level of unsupported capital expenditure required would be cost prohibitive and would lead to questionable value for money should the works proceed at this stage.

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The Plan for Change savings can be achieved on time through staff restructuring within existing libraries that will lead to staffing ratios that are comparable to library services in other boroughs.

<b>Equality/Diversity implications:</b>	Yes Please see the attached Equalities Impact Assessment.
<b>Considered by Monitoring Officer:</b>	Yes The proposals have been drawn up in the context of unprecedented cuts in local authority expenditure and the Courts have held that decisions on the allocations of scarce public funding are primarily for democratically elected bodies. It is important that decisions on library provision are carefully considered in the context of consultation and its outcome; the duty to provide a "comprehensive and efficient" library service and with due regard to the Council's equalities duty.
<b>Wards Affected:</b>	All but primarily Radcliffe East, St Mary's, Unsworth and Pilkington Park.
<b>Scrutiny Interest:</b>	Overview and Scrutiny

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Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
24 June 2013	Yes		
Scrutiny Committee	Committee	Council	
	Cabinet 10 July 2013		

**1.0 INTRODUCTION**

- 1.1 This report sets out the second phase of the strategy to restructure and modernise the Library Service in Bury. It puts forward proposals which will secure the Plan for Change budget cut of £570,000. A report was considered by Cabinet on the 10<sup>th</sup> April 2013, who agreed to consult with all stakeholders on a detailed proposal to establish four community hubs in Radcliffe, Prestwich, Whitefield and Unsworth. Results of the consultation have been analysed and the findings are reflected in this report.
- 1.2 Alongside the consultation officers have now developed detailed business case proposals for the new community hubs; considered technological opportunities for the service and work has been undertaken to draw up a new proposed staff structure, which would be subject to the appropriate employee consultation under section 188 arrangements.
- 1.3 The proposals outlined in the report to Cabinet in April 2013 and Appendix A of this report contains information regarding the current form and structure of the library service in the borough.

**2.0 ISSUES****2.1 CONSULTATION FEEDBACK**

- 2.1.1 Appendix B outlines the findings of the consultation and methodology. The consultation included an online questionnaire, hard copy questionnaire available in all libraries and all public buildings, a series of road shows and focus groups. Separate consultation was carried out with adult care users. The headlines from the consultation indicate that:
- (i) from those who responded there is broad support for the principle of community hubs and this builds on the first phase consultation which also endorsed this approach;
  - (ii) there was a much less favourable response towards each of the proposed co-location models outlined in the April report.
- 2.1.2 Appendix B and the full data set from the consultation has been considered by officers and Members to help inform this report to Cabinet, which is in line with the Council's ongoing commitment to open and transparent decision making, reflecting the views of the community at all stages.

## 2.2 DETAILED BUSINESS CASE ANALYSIS AND DEVELOPMENT

- 2.2.1 The draft co-location proposals outlined in the report to Cabinet in April 2013 were also clearly identified as being subject to structural/technical surveys which in turn would influence the development of affordable business cases. Since Cabinet approved the decision to consult in April 2013, a range of officers have been involved in developing a more detailed business case for the four co-location sites. This included consideration of moving library services, the necessary structural changes to buildings, fit-out costs for the buildings (e.g. IT costs, furniture & equipment requirements) and consideration of access requirements for all service users, as well as the costs of introducing self-service technology (RFID).
- 2.2.2 Detailed surveys and specifications have now been completed, and it is clear that the capital investment required is significantly higher than originally anticipated at a time when Council income looks set to reduce again.
- 2.2.3 The funding of this cost requirement would require considerable borrowing costs and also the commitment of capital receipts from marketing assets that are as yet not surplus to requirements. Borrowing alone will lead to a commitment to revenue costs of around £150k per annum for 25 years. In addition, capital receipts from the release of assets would not be immediate, and the time to make the necessary adaptations would delay savings, leaving a short term financial cost to the authority and a significant draw on General Fund reserves. This would mean an inability for the Council to make the required level of cuts for 2014-15 not only for this service but at a corporate level. Furthermore, the financial position is now such that the business case will not facilitate a contribution towards the running costs of the Civic Halls at Prestwich and Radcliffe as previously hoped in the short to medium term.
- 2.2.4 After consultation with the Executive Director of Resources and the Section 151 officer it is clear that the scale of capital costs now identified as a result of the more detailed surveys undertaken following the April 2013 Cabinet report mean that the establishment of four community hubs no longer demonstrates value for money to the Council. The lack of a clear business case in the current economic climate and the consequential delay to the achievement of savings would present the authority with an unacceptable level of risk. It is also recognised that the use of prudential borrowing without a satisfactory business case and the need to commit capital receipts that are less than certain means that the proposals may be in danger of breaching the Council's Golden Rules.
- 2.2.5 Furthermore the financial climate, where the Council is already having to make difficult decisions to achieve savings of £24.6 million cuts as outlined in the Plan for Change, is likely to worsen significantly given recent indications from the findings of the 2013 Comprehensive Spending Review. In light of past grant allocations it is also likely that Bury will face a disproportionate reduction in Revenue Support Grant and in specific grants and this places the authority in a position where the potential borrowing costs arising from the April proposals are no longer affordable.

2.2.6 After further consideration, and in the light of consultation responses, it is felt that it would be more prudent for the Council to continue to consider the creation of community hubs as part of its wider Asset Management Plan and asset review programme. This will involve consideration of buildings within the wider asset base rather than just the current operational library buildings.

### **2.3 ACHIEVING REQUIRED SAVINGS (STAFFING)**

2.3.1 In addition to the proposals for the establishment of community hubs the April 2013 Cabinet Report also proposed a considerable change in the current staffing structure of the Library Service including the introduction of new self-service technology. It is recognised that this will have an effect on the overall delivery of the service and will require a significant restructuring of services; but the primary aim is to ensure that the Council discharges its statutory duty to provide a "comprehensive and efficient" library service by its own provision and without library closures.

2.3.2 The proposal is that it will be necessary to reduce the staffing establishment by 20.25 FTEs. This would comprise 12.89 FTEs from Operational Library staff and 7.36 FTEs Management and Support posts. Should the proposal be approved then consultation with staff under s188 of the Trade Union Labour Relations Act will commence with the intention that the new structure would be in operation by no later than April 2014.

### **3.0 CONCLUSIONS**

3.1 Despite the requirement to make very considerable savings from within the library service, the report sets out a way forward that means for now all libraries will be retained in their current premises across the Borough. Savings will be made by exploiting efficiencies from the use of self service technology and by reducing staffing levels.

3.2 The Council remains committed to continuing its programme of co-location of services and to delivering on proposals for community hubs. However it is very clear that the 2013 Comprehensive Spending Review will impose very significant additional cuts on the Council's budget which means that the proposals set out in the April 2013 report will no longer be affordable. Despite this the development of community hubs remains a priority and they will be reconsidered as part of wider Asset Management reviews and the work undertaken as part of the Libraries' review will be of considerable use.

**Councillor Jane Lewis**  
**Cabinet Member for Leisure, Tourism and Culture**

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#### **List of Background Papers:**

Appendix A: 10 April Cabinet Report

Appendix B: Consultation Report – Phase 2

#### **Contact Details:**

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