



SPECIAL EDUCATION FOR LIFE SCRUTINY COMMITTEE – 19TH JUNE 2014

**SUBJECT: CAERPHILLY COUNTY BOROUGH LIBRARY SERVICE MEDIUM TERM
FINANCIAL PLAN 2015/17 – ITEMS FOR CONSIDERATION**

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To consider Medium Term Financial Plan (MTFP) contributions from Caerphilly County Borough Library Service in accordance with the Cabinet report – next stages of MTFP – 2015/16 and 2016/17 dated 16 April 2014.

2. SUMMARY

- 2.1 This report is put before Education for Life Scrutiny Committee to consider the County Borough Library Service's review options in assisting the Local Authority to meet its obligations in respect of the 2014/17 Medium Term Financial Plan, taking due note that:-
- i) The Councils MTFP requires estimated savings of £6.5m for the 2015/16 financial year and £6.9m for 2016/17.
 - ii) Discretionary services are reviewed in full, including those areas of statutory provision where delivery exceeds the minimum required levels, with a view to identifying savings proposals totalling over £8m. Saving proposals are to be presented to Special Scrutiny Committees after April 2014 and before October 2014.
 - iii) Further proposals for Members to consider in respect of up to 3% efficiency savings. These efficiency savings targets to be applied to those statutory and essential services that the Authority has to deliver, either directly or via a third party organisation. Reports to be presented to Special Scrutiny Committees after April 2014 and before October 2014.
- 2.2 Cabinet on 16th April 2014 agreed that 9 discretionary services will be considered by the Education for Life Scrutiny over three meetings:
- 19th June 2014
 - 18th September 2014
 - 22nd October 2014
- 2.3 The range of discretionary services are listed in Appendix 1 of the report, together with an approximate budget value.
- 2.4 The three service areas being reviewed at the Education for Life Scrutiny meeting of the 19th June 2014 are:

- (1) Library Services

- (2) Home to School Transport (discretionary element)
- (3) Music Service

2.5 Five options for the future delivery of the Council's Public Library Service form the basis of this report to Scrutiny Members. The options put forward are as follows:-

1. Maintain present Public Library Network 'as is' – the Status Quo option with no reduction to the Borough's 18 facilities or opening arrangements.
2. Council withdraws from delivering a Public Library Service – the No Service option.
3. Present network of Public Libraries maintained but opening arrangements and contracted hours of staff employment are tapered to a more economical sustainable level linked to the Borough's present banding model of delivery.
4. Smallest Libraries serving communities of approximately 4,500 residents or less are offered to Community bodies to operate, subject to appropriate legal/transfer safeguards and charitable status of each local organisation being established – Alternative delivery option.
5. Smallest Libraries serving communities of approximately 4,500 residents or less are closed – Reduced network option with Library sites reducing from 18 to 12.

2.6 Each option noted in 2.5 above takes account of the other areas of possible Library Service saving identified in the long list of efficiencies presented to Members at a special MTFP seminar held on November 21st 2013 totalling £239,000, as detailed in section 4.5 below.

3. LINKS TO STRATEGY

3.1 The work of Caerphilly County Borough Library Service contributes to a number of the Council's key strategic priority areas and plans including 'Caerphilly Delivers: The Single Integrated Plan 2013-2017', in particular with respect to:

- **Prosperous Caerphilly** – supporting local people to improve their employment opportunities and compete for work.
- **Learning Caerphilly** – providing access to a range of resource, facilities, and services that underpin basic skill development, qualification attainment, and access to materials that support improved educational achievement among residents of all ages.
- **Healthier Caerphilly** – supporting older residents to live in their own homes and communities independently through the work of the Housebound Library Service.

3.2 Caerphilly County Borough Library Service supports the Authority in addressing Strategic Equality Objectives 3, 4, 5, 6, and 7.

3.3 The Authority is committed to work toward meeting the Welsh Government's 5th Quality Framework of Public Library Standards, wherever possible and as funding permits, and the priority areas of 'Libraries Inspire: The strategic development framework for Welsh libraries 2012-16'.

3.4 Public Library Services in Wales are governed by the 1964 Public Libraries and Museum's Act. The Welsh Government Minister with responsibility for Culture and Sport superintends this Act, and its adoption by Local Authorities in Wales, through the prevailing Standards Framework in place at that time.

4. THE REPORT

4.1 The County Borough Library Service has prepared five possible future delivery options for Scrutiny Members to consider and comment on.

- 4.2 Each option has been carefully considered to offer the best economic case for future Library provision within the broader context of the Council's Medium Term Financial Plan. For completeness two options, remain 'as is' (option 1), and withdrawal of provision (option 2), are provided to ensure Members can consider the widest range of measures that may be open to the Authority.
- 4.3 Options 3 to 5 have been prepared on the basis that whilst provision of a Public Library service is statutory, as governed by the 1964 Act of Parliament noted in 3.4 above, there is a degree of discretion awarded to the Authority in how it interprets the delivery of 'a comprehensive and efficient service' and that elements of present activity may exceed the minimum requirements of the Welsh Government 5th Quality Standards Framework, enabling reductions in delivery to be considered and adopted where Members see fit. In respect of options 3, 4, and 5 the specific areas of Welsh Government Public Library Standards that would be reduced to, or nearer, the minimum accepted levels are opening hours per thousand resident population and number / proximity of sites to occupied households within the Borough. In each option due consideration has been given to the Standards impact of each model and the possible statutory implications that each might entail should one or more be deemed appropriate to pursue further.
- 4.4 Option 3 which focuses on tapering present Library opening hours and staffing contracted levels of employment has been linked to the Council's adopted banding scheme for site development, approved by Council in 2003 and revalidated by Member in 2009. This option includes a refocusing of provision toward developing a consistent pattern of delivery at locations serving the Borough's towns and main population centres and aligning Saturday access to a more manageable number of facilities, please see Appendix 2 and 3 for more detailed information.
- 4.5 Members should note that included in each option under consideration are the long list of possible additional Library Service efficiencies outlined to Members in the November 21st 2013 MTFP Seminar. The savings noted relate to 2015-16 and 2016-17 as highlighted in the long list provided to Members previously. Members should note that the saving identified for 2014-15, £98,000 in this instance, have already been achieved and are not included in the costs provided within the Library Review options under assessment as part of this process. For completeness the remaining long list of possible savings relate to:

Possible Efficiency Area	2015-16	2016-17	Totals
Public Libraries – Book fund reduction		£75k	£75k
Back Office Review –Efficiencies (Withdrawal of Acquisitions Service and adoption of fully automated and managed direct delivery to site scheme for material receipting and processing. Deletion of three part-time posts)		£50k	£50k
Public Libraries – Vacancy Management (Service restructure – reduced management team)	£91k		£91k
Public Libraries – Supplies and Services (relocation of services from one or more remote site leading to reduced occupation fees)	£13k		£13k
Public Libraries – Relocate Acquisitions team (Part of phased withdrawal of present Acquisitions service and adoption of direct delivery of materials to site – current team relocated to Bargoed Hanbury Chapel)	£10k		£10k
Totals	£114k	£125k	£239k

4.6 Library Service Review Options

4.6.1 Maintain Present Public Network 'as is' - **Option 1** (status quo).

Budget Title / Ref:	Maintain Present Public Network 'as is' - Option 1 (status quo)
Savings (£):	Those already identified in the long list of possible savings within the 2014-17 MTFP excluding Library Network rationalisation or efficiencies achieved during 2014-15 = £239k for 2015-17.
Financial Year(s):	2015/17
Comment:	Option 1: Delivery of savings, less Library site closures or changes in opening hour levels. These areas of saving do include a reduction to present management arrangements, withdrawal of the Acquisitions/Back Office Service, down-sizing of present Book-fund and withdrawal from sites where we presently do not deliver direct to the public.
<u>Cost to Implement</u>	
Staff Costs:	Three Acquisition Posts deleted (34.5 hour / 28 hour / 26 hour grade 4 Library Assistant posts) = £50k. Costs to redeploy or redundancy for posts in Acquisitions – anticipate we may be able to redeploy within Public Library network (subject to present number of sites/opening hours remaining 'as is' and appropriate vacancies becoming available). Two posts at grade 10 withdrawn as part of changes to present Library Service Management Arrangements. Full saving of £90k planned from April 1 st 2015 onward.
Resource Costs:	Back Office re-engineering costs to implement electronic data processing and direct delivery of new materials to site. Cost to relocate Acquisitions process and other related operational functions to Bargoed Hanbury Chapel site and disinvest from Old Library Risca and Unit 12 Oakdale Court.
Additional Costs:	See above
<u>Timeframe to Implement</u>	
Consultation:	HR / Trade Union consultation in respect of withdrawal of Acquisitions Function and staff affected. Extensive consultation has already concluded with regard to restructure of Library Management Arrangements. IT and Audit – discussions and involvement in planning and delivery arrangements for Acquisitions back office changes.
Statutory Process:	Changes to book fund and total staffing complement will have a material effect on Welsh Government 5 th Quality Framework returns for the Council – linked to Minster's statutory duty to superintend the Public Libraries and Museums Act of 1964.

<u>Risks of Implementation</u>	
Not Achieving -	Least challenging option, elements part achieved and effect on overall staffing and public facing delivery the least significant of all the proposals under consideration.
Savings:	Savings can be realised within the timescales noted – elements are already in place.
Timeframe	Timescales are within scope and achievable by 2017 as noted in the long list of possible savings presented to Members in November 2013.
<u>HR Implications:</u>	
Redundancy:	Possible risk of redundancy for two Acquisitions post (third already vacant but being retained on establishment at present).
Redeployment:	Possible redeployment – subject to appropriate posts becoming available and retention of current network and opening hour designations.
Redirected Resource:	Potential to redeploy one officer role from Acquisitions team into a dual Public facing role with some elements of back office responsibilities retained – impact on level of saving that could be realised.
<u>Other Options/Issues:</u>	
The option with least implications for services to the public or present pattern of provision. Provides £239k contribution to Council MTFP.	
Elements of this option – as highlighted in the initial possible long list of savings could be mapped to one or more of the other considerations detailed below.	
Protects Statutory service to best effect – will impact on Standards in respect of book fund reductions and areas linked to resource procurement – though other options under consideration would have more substantive implications.	

4.6.2 Council withdraws from delivery of Public Library provision - **Option 2** (No service).

Budget Title / Ref:	Council withdraws from delivery of Public Library provision - Option 2 (No service)
Savings (£):	£2,932k (based on 2014-15 budget figure)
Financial Year:	2016/17
Comment:	Option 2: Complete withdrawal of Library Service and back office support function.
<u>Cost to Implement</u>	
Staff Costs:	Whole service staffing saving and impact of significant redundancy costs, 100+ staff and 67 Full Time Equivalent (FTE) = £1,890,555
Resource Costs:	Whole service closure administration and consultation costs would be significant, including potential legal fees associated with any High Court challenge and the requirement to fund the service withdrawal and personnel changes.

<p>Additional Costs:</p>	<p>Impact on partner services, residents, staff, and support agencies (HR/Finance/IT etc).</p> <p>CyMAL grant claw back of circa £1.137 million for sites that have received Community Learning Libraries Programme funding:</p> <p>Abertridwr (£100,645) Nelson (£110,374) Rhymney (£109,600) Pengam (£92,205) Bargoed (£279,600) Risca (£150,464) Blackwood (£94,000) Caerphilly (£200,000)</p> <p>Additional grant claw-back for Bargoed Hanbury Chapel might also be a consideration for Heads of the Valleys monies, in excess of £1m, and CADW of circa £100k.</p> <p>Leasing costs and legal implications for a number of sites where the Council is a tenant on a long term full insuring and repairing basis. At best there will be buy out costs for long term leases with the respective landlords. Sites affected include – Oakdale, New Tredegar, Bargoed, Risca, Abercarn, and Newbridge.</p> <p>Other contractual obligations that may have a material cost and/or reputational damage consideration include the Council’s contribution to the All Wales Book Purchasing Consortium, E-Book Scheme, and E-Magazines Scheme.</p>
<p><u>Timeframe to Implement</u></p>	
<p>Consultation:</p> <p>Statutory Process:</p>	<p>Detailed consultations in line with EIA obligations, Council’s Constitution and 1964 Public Libraries and Museum Act contravention.</p> <p>Consultees would include as a minimum: Staff, Unions, Public, Elected Members, Town and Community Councils, Community Partnerships, Special interest groups (Youth / Junior Forum, 50+ Positive Action Partnership).</p> <p>Full Service withdrawal would contravene the 1964 Public Libraries and Museum Act which requires the Council to provide a ‘comprehensive and efficient library service to all residents who wish to make use thereof’. Difficult to determine the nature of any legal or government led challenge to a full service closure as no other UK local authority has undertaken this action to date.</p>
<p><u>Risks of Implementation</u></p>	
<p>Not Achieving -</p>	<p>See above – closure of whole service would have significant reputational damage to the parent organisation and could lead to the Authority being required to pay a neighbouring service to take on this role or have the function administered by Welsh Government appointed consultants at a cost to the Borough.</p>

Savings:	£2,932k (though the cost to implement, redeploy, decommission, and pay back grant monies are likely to result in significant costs up front to the Borough - £1.137 million in capital one-off fees for CyMAL claw-back alone).
Timeframe:	12 to 18 months to fully realise – subject to any legal challenges that may occur.
<u>HR Implications:</u>	
Redundancy:	100+ staff may face redundancy and/or redeployment
Redeployment:	See above
Redirected Resource:	N/A no service remains in total closure took place. Should WG or neighbouring LA take over service there would be a requirement to retain some or all of the present staffing insitu.
<u>Other Options/Issues:</u>	
<p>Most significant and high profile reputational damage might occur if this option were implemented. Total service closure – most significant impact of all options under consideration, no other Local Authority in the UK has fully withdrawn their Public Library provision. Likely legal and Welsh Government redress. Possible central government challenge via Secretary of State for Culture, Media and Sport. Council unable to discharge its statutory obligation with regard to 1964 Public Libraries and Museum Act.</p>	

4.6.3 Opening Hours and contracted employment across Council Library Network reduced - **Option 3** (tapered delivery linked to present banding and population profiles).

Budget Title / Ref:	Opening Hours and contracted employment across Council Library Network reduced - Option 3 (tapered delivery linked to present banding and population profiles)
Savings (£):	£178k
Financial Year:	2016/17
Comment:	<p>Could be considered alongside elements of savings from option 1, £239k, totalling £417k during the 2015-2017 MTFP time period.</p> <p>Currently open 18 static sites 570.5 hours per week this would be tapered to minimum of 488.5 hours with staff contracted employment arrangements reducing accordingly.</p> <p>The tapering would synchronise with the Authority's present tiering arrangements for its library network endorsed by Council in November 2003.</p> <p>Present 18 static Libraries retained. No loss of community provision though reduction in access to match geographic profile and funding available.</p> <p>Under this tapered opening hour proposal 3 libraries would see an overall uplift in the their present opening hours to match the size of communities served, and banding designation, while 15 sites would see their access times reduce between 0.5 and 18 hours per week based on the same rationale. Please see Appendix 2 and 3 of this report for</p>

	<p>information on present opening hour patterns and the initial proposals put forward for the changes detailed in this option.</p> <p>Under the tapered opening hour changes proposed the Council would still meet the respective Welsh Government Standard, 120 open hours per thousand resident population per annum, achieving an outcome of 136.4. However total staffing levels would decline below the present minimum set for Wales of 3.6 Full Time Equivalent staff per 10,000 residents with a score of 3.1.</p>
<u>Cost to Implement</u>	
Staff Costs:	<p>£178k saving by reducing contracted hours of employment with a worst case scenario of 21 posts, including part time and full time roles, being deleted on the Library Service establishment. Additionally 16 posts would see their contracted hours of employment reduce.</p> <p>It is not possible to forecast accurately the anticipated redundancy costs for this option at present as it will depend on the recruitment and restructuring arrangements put in place to facilitate the adoption of tapered opening and contracted hours of employment.</p>
Resource Costs:	<p>Invest to save funding for Self Service Kiosks should be considered to assist in facilitating the move to single staffing at 7 locations at a capital cost of £70k.</p>
Additional Costs:	<p>Management related costs to undertake staff, union, and public consultation – any changes in opening times currently requires additional consultation as defined within the Council Constitution.</p>
<u>Timeframe to Implement</u>	
Consultation: Statutory Process:	<p>Public and staff consultation timeline – circa 6-9 months HR related processes and protocols (26 weeks within the redeployment pool).</p>
<u>Risks of Implementation</u>	
Not Achieving -	<p>Achievable, however significant union and staff challenges are anticipated. Public opposition likely where opening hours are reduced. Health and Safety concerns raised by union and staff, in respect of single staffing, may lead to additional costs or materially impact on specific arrangements and the level of opening hour reductions delivered – subject to appropriate risk assessments determining that lone working is not appropriate at one or more location or planned period of opening.</p>
Savings:	<p>Gross savings possible of £178k.</p> <p>Invest to save capital spend of £70k to fully implement self service kiosks should also be considered as part of this option moving forward.</p>
Timeframe:	<p>Consultation process required will determine the timescale constraints enforced.</p>

<u>HR Implications:</u>	
Redundancy:	The maximum redundancy implications would result in 21 posts being deleted – a mix of Part and Full time roles. It is not possible to forecast accurately the anticipated redundancy costs for this option at present as it will depend on the recruitment and restructuring arrangements put in place to facilitate the adoption of tapered opening and contracted hours of employment.
Redeployment:	As above.
Redirected Resource:	A number of staff affected may be accommodated by job share arrangements within the revised employee complement – dependent on individual consultation with staff and HR advice.
<u>Other Options/Issues:</u>	
Will support present proximity/access levels to the Service and ensure all 18 areas presently supported remain so into the future, albeit in the majority of cases at lower levels of delivery. Would meet Welsh Government's 5 th Quality Framework Standard for opening hours per thousand resident population. Would fail to meet a number of other Standards that relate to staffing levels and possibly emergency non-opening arrangements. If addressed alongside Option 1 the net impact on Standards relating to stock would also need to be considered.	

4.6.4 Libraries serving smaller communities, under approximately 4,500 residents, offered to the Community to Operate - **Option 4** (Alternative delivery method - linked to tiering model and community size).

Budget Title / Ref:	Libraries serving smaller communities, under approximately 4,500 residents, offered to the Community to Operate - Option 4 (Alternative delivery method - linked to tiering model and community size)
Savings (£):	£220k
Financial Year:	2016/17
Comment:	<p>Could be considered alongside elements of savings from option 1 above totalling £459k during the 2015-2017 MTFP time period.</p> <p>Six Libraries serve communities of approximately 4,500 residents or lower. One exception in the list below is Nelson which provides facilities to 4,647 residents. The Libraries under consideration via this option are:</p> <ul style="list-style-type: none"> • Aberbargoed (3,642 residents, open 25 hours per week) • Deri (2,607 residents, open 15 hours per week) • Llanbradach (4,383 residents, open 16 hours per week) • Machen (4,303 residents, open 17 hours per week) • Nelson (4,647 residents, open 31 hours per week) • Pengam (3,848 residents, open 20.5 hours per week) <p>Please see Appendix 4 for more detailed information on each of the six libraries under consideration for this option.</p>

The model proposed for the delivery of Community Managed Libraries in Caerphilly Borough would be based on other emerging examples of good practice in Neath Port Talbot and parts of England. The building and a range of resources would be asset transferred to a formerly constituted legal entity a 'Charitable Incorporated Organisation' (CIO) or equivalent that met the Council's approved legal definition in this regard. The charitable body would take over the building, possibly on a lease basis for a defined period of years, and be responsible for maintenance, Health and Safety, and all other related issues.

The charitable body would recruit and utilise volunteers from the local area to run the Library day to day while the Council's Library Service would offer a degree of professional support and guidance will full access to the Borough's stock holdings, request service, and ability to loan and return materials to customers.

The charitable group would be offered good practice guidance in the recruiting of volunteers and the Library Service would undertake the following type of services to assist the local body to be effective and responsive to residents Library needs:

- An agreed level of training for new volunteers and per annum top up development for existing helpers – defined in a formal Community Library Service Level Agreement.
- Access to a PC for Library Issue, Return, Renewal and Requests of stock – including access to the catalogue. Access to the Council Library Management System (LMS) would be restricted to ensure no loss of personal data or ability to reach other Corporate/Council back office systems.
- Refreshed stock on a quarterly basis and weekly access to the present request/delivery service.
- Public PC's would be allowed to remain on site however broadband access would be provided by the charitable group at their own expense – apart for the separate secure data link for the LMS.
- NNDR could be negotiated on terms favourable to a registered charity (80% rate relief and the option of full 100% exemption subject to Council approval).
- Access to professional stock management support on a pro-rata basis of approximately 5 hours per month.
- Guidelines on Health and Safety, Data Protection, Equality matters, etc may be provided by the Council for information and local adoption – however full responsibility would rest with the Community Managed Library body.

The local charitable group would undertake formally to maintain an agreed level of opening hours for a minimum of 24 months subject to their ability to sustain volunteer levels of staffing at a minimum of two assistants during 'core delivery times'. This would form part of the Service Level Agreement terms and conditions and need formal signing prior to any asset transfer process being adopted.

No Library Service staff, apart from professional support and training arrangements, would work onsite or be employed at these locations.

Cost to Implement

<p>Staff Costs:</p> <p>Resource Costs:</p> <p>Additional Costs:</p>	<p>14 Library staff, a mix of full and part time roles, would be at risk of redundancy and there may be a reduction to a further post where the employee works across multiple sites, 6.2 FTE in total. Present employment costs for these staff are circa £162k per annum.</p> <p>Initial indications suggest redundancy costs could exceed £40k dependent on the detail of those affected and alternative redeployment options available at the time of service change.</p> <p>Cost to train and support volunteers in partnership with Community Managed Libraries, and to sustain the professional delivery elements of each site over their lifespan.</p> <p>Stock, Library Management System link and PC/Self service where provided.</p> <p>Branding and marketing of ‘Community Managed Libraries’ may be a consideration and have an upfront and ongoing cost via Communications team.</p> <p>IT support for public access Internet Terminals if they are simply transferred over to community – this may have to be paid for by the local Charitable group and based on a separate service level agreement with the Borough’s IT Section.</p> <p>Possible £203k CyMAL grant claw-back, £110.3k Nelson Library, £92.2k Pengam Library. Capital one-off expense involved, however if provision and site is being maintained by the Community this may not be enforced by Welsh Government.</p>
<p><u>Timeframe to Implement</u></p>	
<p>Consultation:</p> <p>Statutory Process:</p>	<p>6-12 months, includes initial public consultation on whether each site should change its method of delivery or status (closure-option 5).</p> <p>Equality Impact Assessments, Trade Union, staff views and formal Council bound constitutional consultation routes (Town / Community Councils / other stakeholder groupings).</p> <p>Notify Welsh Government and CyMAL as consultees. Clarify whether the 6 locations remain part of the Authority’s statutory responsibility under 5th Framework definitions, due to the ongoing access to the Council’s stock holdings, data system, and professional guidance.</p> <p>Impact on overall Standards attainment is anticipated to include under performance with respect to staffing levels, stock procurement, and opening hours dependent on the commitment each Community Managed Library is able to make via volunteers to retain present patterns of delivery.</p>
<p><u>Risks of Implementation</u></p>	
<p>Not Achieving -</p>	<p>Savings not made to level outlined above.</p> <p>Substantive risk is that fewer or no community groups elect to pursue the asset transfer model due to their legal obligations and/or capacity.</p>

	Those libraries located in Community Council areas may benefit from their involvement and any agreement on their part to take over the funding and/or running of these sites.
Savings:	£220k pressure possibly on other budget lines or service areas if there is no interest by the Community in taking over sites via the Asset transfer/Community Library route.
Timeframe:	Sourcing sustainable community/charitable groups to take on the new facilities may take substantial time and effort beyond the clearer consultation process. This has been borne out in other Welsh Authorities (Conwy for example).
<u>HR Implications:</u>	
Redundancy:	14 Library staff, a mix of full and part time roles, would be at risk of redundancy and there may be a reduction to a further post where the employee works across multiple sites, 6.2 FTE in total. Initial indications suggest redundancy costs could exceed £40k dependent on the detail of those affected and alternative redeployment options available at the time of service change.
Redeployment:	It may be possible to redeploy some or all within the Borough – some within Libraries, subject to vacant posts being available of a suitable grade and designation.
Redirected Resource:	Impact on Community Librarians within the service to additionally support any Community Managed Libraries as part of the partnerships Service Level Agreements put in place.
<u>Other Options/Issues:</u>	
Risk that the Council may part support/fund the 6 Community Managed Libraries but they are deemed by Welsh Government to be ineligible for consideration within the Standards Framework and statutory definition of the Authority's Library Service. Clarity would need to be obtained prior to the Authority formally progressing this option.	
Legality of Service Level Agreements and the Council's ability to enforce the framework of provision – what if a charitable group were to fold or be unable to maintain the minimum requirements.	
Reputational concern that the Council could still be viewed as the deliverer / landlord and culpable for any serious breaches in Health and Safety, equality contraventions, etc, at Community Managed Library locations.	

4.6.5 Libraries serving smaller communities, under 4,500 residents closed - **Option 5** (Reduced network).

Budget Title / Ref:	Libraries serving smaller communities, under 4,500 residents closed - Option 5 (Reduced network)
Savings (£):	£202.5k (less National Non Domestic Rates, circa £18k, that would transfer to Property Services following site decommissioning)
Financial Year:	2016/17
Comment:	Could be considered alongside elements of savings from option 1 above totalling £441.5k during the 2015-2017 MTFP time-span. The six Libraries serving the smallest community populations in the County Borough would be closed and all staff affected either re-employed via vacant posts within the Library Service/Council

redeployment pool or made redundant.

The following Libraries would close:

- Aberbargoed (3,642 residents, open 25 hours per week)
- Deri (2,607 residents, open 15 hours per week)
- Llanbradach (4,383 residents, open 16 hours per week)
- Machen (4,303 residents, open 17 hours per week)
- Nelson (4,647 residents, open 31 hours per week)
- Pengam (3,848 residents, open 20.5 hours per week)

Please see Appendix 4 for more detailed information on each of the six libraries under consideration for this option.

The remaining 12 Libraries are within reasonable proximity to occupied resident households across the County Borough considerably exceeding the Welsh Government target of 75% within 2.5 mile radius of a static service point.

Two of the six sites have received Welsh Government Community Learning Libraries Programme grant aid to be refurbished and/or extended. There would be a contractual requirement for this funding to be paid back in full to CyMAL. The costs would be as follows:

- Nelson, £100,645
- Pengam, £92,205

In the case of all 6 Libraries there would be redeployment and/or redundancy risks for 14 staff, 6.2 Full Time Equivalents (FTE).

Initial indications suggest redundancy costs could exceed £40k dependent on the detail of those affected and alternative redeployment options available at the time of service change.

Cost to Implement

Staff Costs:

14 Library staff, a mix of full and part time roles, would be at risk of redundancy and there may be a reduction to a further post where the employee works across multiple sites, 6.2 FTE in total.
Present employment costs for these staff are circa £162k per annum.

Initial indications suggest redundancy costs could exceed £40k dependent on the detail of those affected and alternative redeployment options available at the time of service change.

Resource Costs:

None in the longer term however there may be initial decommissioning costs linked to making the site surplus to requirements (electric, gas, water, BT & broadband termination) and any making safe works to site as part of the hand over to Property Services.

There may be capital receipt income from any subsequent sale of one or more property, and the associated land, that would come back into the Authority centrally.

Additional Costs:

Anticipated £203k CyMAL Community Learning Libraries Programme grant claw-back (£110.3k Nelson Library, £92.2k Pengam Library).
Capital one off expense.

<u>Timeframe to Implement</u>	
Consultation:	6-12 months, includes initial public consultation on whether each site should change its method of delivery or status. Equality Impact Assessments will be required on each of the 6 communities affected including appropriate consideration of any alternative delivery option available for particular at risk resident groupings. Trade Union and full staff consultation as part of redeployment and/redundancy discussions. Formal Council bound constitutional consultation routes (Town / Community Councils / other stakeholder groupings include 50+, Child, and Youth Fora).
Statutory Process:	Notify Welsh Government and CyMAL as consultees. Clarify that closure of 6 sites will not lead to the Authority being unable to discharge its statutory duties under the 1964 Public Libraries and Museums Act, specifically in relation to the 5 th Quality Standards Framework and proximity of facilities to residents. Proof of appropriate public consultation will also be required by Welsh Government in line with the Welsh Public Sector Equality Duty 2011.

<u>Risks of Implementation</u>	
Not Achieving -	Savings not made to level outlined above. Public consultation process and political guidance regarding the closure or alternative delivery options under review could change the number of sites under assessment, the type of alterations or closure models agreed, and level of any real-term savings that may be recouped. The decision to close the 6 facilities noted above rests with the Council therefore any determination not to proceed or to consider alternative changes are within the Authority's full control.
Savings:	£202.5k, less than that achievable under option 4 above as rates budget cannot be saved as it will be required by Property Services who will take over each building once made surplus to requirements.
Timeframe:	It is anticipated that the process will require between 6 months and a year to complete. Governed by a requirement for appropriate consultation on the proposals to close each of the 6 sites linked to Equality Impact Assessments and Welsh Government 5 th Quality Standards Framework.
<u>HR Implications:</u>	
Redundancy:	14 Library staff, a mix of full and part time roles, would be at risk of redundancy and there may be a reduction to a further post where the

<p>Redeployment:</p> <p>Redirected Resource:</p>	<p>employee works across multiple sites, 6.2 FTE in total.</p> <p>Initial indications suggest redundancy costs could exceed £40k dependent on the detail of those affected and alternative redeployment options available at the time of service change.</p> <p>It may be possible to redeploy some or all within the Borough, some within Libraries - subject to vacant posts being available of suitable grade and designation.</p> <p>Dependent on the outcome of each Equality Impact Assessment and any requirements to provide alternative services to at risk groups in the areas affected. Any remedial works in each community may require staff allocation or create additional HR pressures.</p> <p>Community Librarians will continue to work closely with local Schools and other organisations in each area to support the reading and information needs of residents. The focal point for direct delivery to users will be the remaining 12 static service points provided by the Authority.</p>
<p><u>Other Options/Issues:</u></p>	
<p>Risk that the Council may be deemed to be in contravention of its statutory obligations under the 1964 Public Libraries and Museums Act in respect of providing residents with access to a 'comprehensive and efficient service' by withdrawing provision from the 6 areas listed in this option.</p> <p>The risk is considered low as the remaining 12 static service points are within relatively close proximity to residents and the Authority as a whole remains able to exceed the proximity/access measure of the 5th Quality Standards Framework where 75% of occupied households should be within at 2.5 miles of a static location. Within option 5 performance against the Library Standards proximity measure exceeds 90%.</p>	
<p>Possible reputational damage in closing 6 Libraries in some of the smallest, but also most deprived communities in the County Borough. Aberbargoed, Deri and parts of Pengam fall among the most deprived wards and lower super output areas in Wales. See Appendix 3 for details on each of the six sites detailed within this option.</p>	

5. EQUALITIES IMPLICATIONS

- 5.1 Dependent on which option, or options, Members wish to explore further appropriate Equality Impact Assessments will be prioritised as part of the next stage in the formal Library Review process. Where required the detailed Equality Impact Assessments undertaken will form part of subsequent reports to Members for their information and consideration.

6. FINANCIAL IMPLICATIONS

- 6.1 The financial implications of each Library Review option considered as part of this report have been noted where known at present in section 4 above. The full cost implications of the option, or options, that Members may wish to take forward will be prepared as part of the next stage in the process and included in a further report to Education for Life Scrutiny Committee and Cabinet in due course. To summaries at this stage the following indicative savings may be possible from each option outlined, subject to any redundancy / redeployment costs, and grant claw-back that may apply in certain cases:

Library Review Option	Estimated level of saving	Possible additional financial pressures linked to this option
Option 1 - Maintain Present Public Network 'as is'	£239k	Redundancy/redeployment, Relocation of services, IT/Back Office re-engineering.
Option 2 - Council withdraws from delivery of Public Library provision	£2932k	<p>Redundancy/redeployment Service closure expense, legal fees, site decommissioning.</p> <p>Minimum Welsh Government grant claw-back of £1.137 million.</p> <p>Possible capital receipt(s) for any sites sold may offset some costs.</p>
Option 3 - Opening Hours and contracted employment across Council Library Network reduced	£417k	<p>Redundancy/redeployment, Relocation of services, IT/Back Office re-engineering.</p> <p>£70,000 self service kiosk deployment – invest to save.</p>
Option 4 - Libraries serving smaller communities, under approximately 4,500 residents, offered to the Community to Operate	£459k	<p>Redundancy/redeployment (circa £40k), Relocation of services, IT/Back Office re-engineering.</p> <p>Legal and property related fees in establishing lease arrangements and asset transfer.</p> <p>Community Managed site – IT link, gifting of public PC's £70,000 self service kiosk deployment – invest to save.</p> <p>Possible £203,000 grant claw-back at two sites.</p>
Option 5 - Libraries serving smaller communities, under 4,500 residents closed	£441.5k	<p>Redundancy/redeployment (circa £40k), Relocation of services, IT/Back Office re-engineering.</p> <p>£203,000 grant claw-back at two sites</p> <p>Site decommissioning costs.</p> <p>Possible capital receipt(s) for any sites sold may offset some costs.</p>

- 6.2 The anticipated general Medium Term Financial Plan efficiency savings required of the Borough Library Service, between 2015/17, are detailed in section 4.5 above and total £239,000. These overarching savings have been incorporated into each of the five review proposals considered to ensure that the maximum efficiencies can be realised.

7. PERSONNEL IMPLICATIONS

- 7.1 A number of the Library Review options outlined in section 4 of this report have significant personnel implications that will require detailed consideration, consultation, and costing dependent on which proposals Members elect to take forward. The full HR implications of the option, or options, to be considered further will form a key part of future reports to Members as and when required.

8. CONSULTATIONS

- 8.1 The views of all consultees listed have been incorporated in this report.

9. RECOMMENDATIONS

- 9.1 That Education for Life Scrutiny Members consider the Library Review options detailed in this report and identify which proposal, or proposals, they consider merit further investigation as part of the Council's Medium Term Financial Planning strategy for 2014/17.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure that the views of the Scrutiny Committee are considered prior to the report being presented to Cabinet.

11. STATUTORY POWER

- 11.1 1964 Public Libraries and Museums Act.

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Corporate Management Team
Education Senior Management Team
Kathryn Davies, Acting Principal Personnel Officer
Cllr R Passmore, Cabinet Member, Education and Lifelong Learning
Jane Southcombe, Principal Accountant

- Appendix 1 Initial list of discretionary services to be reviewed
Appendix 2 Present Library Opening Hours and Banding Arrangement
Appendix 3 Option 3 – Tapered Library Opening Hours Proposal
Appendix 4 Libraries included in Service Review Option 4 and 5