



EDUCATION FOR LIFE SCRUTINY COMMITTEE - 13TH JANUARY 2015

**SUBJECT: CAERPHILLY COUNTY BOROUGH LIBRARY SERVICE MTFP 2015/17 –
REVISED ‘TIERING OF DELIVERY’ OPTIONS FOR CONSIDERATION**

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To update Members of Education for Life Scrutiny Committee with information on the service tapering options requested following the Special MTFP meeting held on June 19th 2014.
- 1.2 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 The Medium-Term Financial Plan agreed by Council on the 26th February 2014 identified an estimated savings requirement of £6.5m for 2015/16 and £6.9m for 2016/17. This was based on an indicative reduction in Welsh Government funding of 1.34% for 2015/16 and, in the absence of further guidance from WG, an assumed reduction of a further 1.34% for 2016/17.
- 2.2 The budget strategy agreed by Council for 2015/16 and 2016/17 is currently being taken forward via two main strands. The first of these is further savings proposals for Members to consider in respect of up to 3% efficiency savings. These efficiency targets require savings of circa £5m and will be applied to those statutory and essential services that the Authority has to deliver. The second strand of the agreed budget strategy is a review of discretionary services, including those areas of statutory provision where delivery exceeds the minimum required levels, with a view to identifying savings proposals totalling over £8m.
- 2.3 Members of the Education for Life Scrutiny Committee will be aware of the letter from the Minister for Local Government on the 24th June 2014 informing Local Authorities that due to a range of emerging cost pressures, particularly in the NHS, further significant reductions in the Local Government financial settlement are now anticipated for 2015/16 and beyond. This has serious consequences as WG is now asking Local Authorities to consider how they would respond to funding reductions of up to 4.5%. A report was presented to Cabinet in the 16th July 2014, which identified that a cut in WG funding of 3% would increase the required savings for 2015/16 and 2016/17 from the current planning figure of £13.4m to £22.2m. A cut of 4.5% will increase the savings target to £30.1m. A further report will be presented to Cabinet early in the autumn when the position has been examined in more detail.
- 2.4 This report outlines revised saving options for the Council's Public Library Service, based on the outcome of an initial consultation meeting with Education for Life Scrutiny Members that took place on June 19th 2014, to support the agreed Local Authority budget strategy. Members requested that option 3, retention of the present network of service points but opening on a reduced core hour's basis, merited further development and consideration by the Committee.

- 2.5 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', has been revised into two substantive proposals for Education for Life Scrutiny Committee Member consideration namely:
- (1) All locations share reductions in opening times, linked to the Council's banding scheme for provision, equitably with contracted staff employment amendments to affect the efficiency savings required. – **Fair distribution tapering model.**
 - (2) All locations share reductions in opening times but present Saturday access arrangements are retained, linked to the Council's banding scheme for provision – **Saturday retention model.**
- 2.6 Each option noted in 2.6 above and detailed in the body and appendices of this report will require a significant degree of risk assessed single staffing at a number of the Borough's smaller Libraries and initial capital investment of £70,000 to introduce self service kiosk provision at seven locations to support direct delivery to the public with a reduced employee complement.
- 2.7 Both proposal options detailed in this report are additional to the efficiency savings noted in section 6.2 and endorsed by Members at the Special Education for Life Scrutiny Committee on June 19th 2014.

3. LINKS TO STRATEGY

- 3.1 The work of Caerphilly County Borough Library Service contributes to a number of the Councils 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 Council Library Service has refined two variations of option 3, 'present network of Libraries is maintained but with a tapered reduction in opening times and contracted hours of staff employment', to take account of Member feedback and comment

whilst also taking due note of the financial pressures facing the Local Authority within its Medium Term Financial Plan requirements, 2015/17.

- 4.2 Option 3 (b) is specifically developed to reflect Education for Life Scrutiny Member requests for a retained Saturday provision proposal to be prepared with alternative closure arrangements incorporated into week day delivery.
- 4.3 The main findings and areas of note identified in preparing options 3 (a) and (b), see section 4.5 and Appendices 1 and 2 respectively, are as follows:
- Single Staffing is required across a significant part of the present Library network to achieve the reductions in opening times proposed and to enable the levels of budgetary savings to be achieved that contribute sufficiently to MTFP targets between 2015/2017.
 - Capital investment of £70,000 is required to introduce Self Service Kiosk technology at 7 smaller Library sites, £10,000 per building, to facilitate the adoption of single staffing at these locations.
 - Contracted employment arrangements of staff will need to change in both 3 (a) and 3 (b) in order to achieve the saving levels anticipated. The savings possible from closing sites with regarding to heating, lighting, and cleaning are at best limited in their impact on the levels of efficiency required.
 - Restructuring of the County Borough Library Service's public facing staffing structure, to reflect changes in opening time arrangements, is the most equitable method of progressing employee elements of 3 (a) and 3 (b). This approach will ensure the contracted staffing hours of all public facing Library posts better reflect the new opening arrangements once agreed and ensure all ring-fenced officers have the same level of opportunity to apply for roles within the new structure.
 - Option 3 (b), where opening hours are reduced but Saturday provision is retained, will be challenging to implement and sustain as staff employed at part-time Libraries that open during the morning on these days will be required to work every Saturday in order to deliver the access requested. It is anticipated that under either option, but proposal 3 (b) in particular, the rate of unexpected site closure due to employee sickness will rise as cover will be challenging to put in place, often at very short notice, impacting on Standards performance.
 - Both option 3 (a) and (b) meet the 5th Welsh Government Public Library Standards Framework with regard to annual opening hours per thousand resident population.
 - Both option 3 (a) and (b) will fail to meet the total staffing Standard.
- 4.4 Library Service review options 3 (a) and 3 (b) are to be considered alongside the planned efficiency savings, see section 6.2, when assessing the overall reductions in funding that may be achievable.

4.5 County Borough Library Service Review Options – Tapered delivery models linked to present service banding designations

4.5.1 Tapered Library Service - Option 3 (a) - Equitable rebalancing of opening hours across all sites

Budget Title / Ref:	Rebalancing banding scheme to retain greater equity in opening hours at smaller community sites
Savings (£):	MTFP = £134k 2016-17
Financial Year(s):	2016/17
Comment:	The Authority currently opens 18 static sites 570.5 hours per week this would be tapered to a minimum of 496.5 hours with staff contracted employment arrangements reducing accordingly. The tapering would synchronise with the Authority's present banding arrangements for its library network endorsed by Council in November 2003.

The current network of Library facilities would be retained. No loss of community provision though reduction in access at each site within the Borough Network.

A number of anomalies would be removed from current opening patterns to assist staff to maintain local access arrangements. These include:

- Common opening time across the Network of 9.30 am.
- All sites below Portal and Hub size close between 1 and 2 pm for lunch – reducing need for lunchtime cover.
- No facility would open later than 6 pm – reducing broader staffing pressures and cover for late night provision.
- Portal and Hub locations retain 6 day provision however no other Libraries open on Saturday's.
- 7 Smaller Library sites require capital investment of £10k, per location, to introduce Self Service Kiosks and stock tagging technology to support the introduction of single staffing.
- The risk assessed introduction of single staff service delivery remains key to the saving target noted above and the ability of the Authority to maintain the present number of Library sites within the Medium Term Financial Planning cycle. Single staffing is required at up to 9 Libraries – this represents 50% of the present network.

The tiering arrangement for service delivery would be amended as shown below:

Tiering Designation	Present Opening Hours per week	Proposed Opening Hours per week
Portal and Hub Libraries		
Blackwood (Portal)	46	46
Caerphilly (Portal)	50	46 (-4)
Bargoed (Hub)	46	46
Risca (Hub)	50	46 (-4)
Town Libraries		
Newbridge	30	30
Rhymney	37	34.5 (-2.5)
Ystrad Mynach	43	34.5 (-8.5)
Joint Use / Village Libraries		
Abertridwr	35.5	28 (-7.5)
Bedwas	30	28 (-2)
Abercarn	21	20.5 (-0.5)
New Tredegar	37	20.5 (-16.5)
Oakdale	20.5	20.5
Community Linked Libraries		
Aberbargoed	25	15 (-10)
Nelson	31	20.5 (-10.5)
Pengam	20.5	15 (-5.5)
Deri	15	15
Llanbradach	16	15 (-1)
Machen	17	15 (-2)

The reduced weekly opening arrangements noted above remain within the Welsh Government's Public Library Standards and Quality Framework requirements of 120 hours per 1,000 residents per annum. The tapered proposal noted above, and detailed in **Appendix 1**, provides 138 hours of opening per 1,000 residents per annum.

<u>Cost to Implement</u>	
Staff Costs:	Savings of £134k on staffing costs through reductions in employee contracts of employment to fit proposed tapered opening times of the 18 static sites.
Additional Costs:	<p>Proposal based upon re-structure/re-recruitment process for all public facing sites with the introduction of tailored Library Assistant and Senior Library Assistant roles that better match the new opening patterns outlined. All present staff would be ring-fenced within the process to enable the retention of core skills, experience, and expertise.</p> <p>Redundancy and early pension related costs not known – dependent on which staff apply for the new roles planned at each site, etc. £70k capital funding required, 'invest to save costs', to introduce 7 self service kiosks and tagging resources to enable reduced staffing levels to be implemented and the longer-term savings required to be achieved.</p> <p>Management related costs to undertake staff, trade union, and public consultations – any changes in opening times currently requires additional consultation as defined within the Council Constitution.</p>
<u>Timeframe to Implement</u>	
Consultation:	6 to 9 month employee and trade union consultation timeline. Changes anticipated to effect 60+ staff across the whole Library network.
Statutory Process:	<p>Public consultation including full Equality Impact Assessments (EIA's) and Local Authority's constitutional requirements to liaise with local stakeholder groups, town, community, and village Councils, 9 to 12 months required to appropriately and comprehensively complete the consultation processes detailed.</p> <p>Introduction of new service arrangements by March 31st 2017 and earlier where possible.</p> <p>1964 Public Libraries and Museums Act. HR related processes and protocols (26 weeks within the redeployment pool).</p>
<u>Risks of Implementation</u>	
Not Achieving -	Achievable, however detailed staff and trade union negotiations will be required to agree a sustainable model for adoption. 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 being undertaken on lone working patterns at each affected facility where this will be a requirement.
Savings:	Gross savings possible of £134k.
Timeframe	Invest to save capital spend of £70k to fully implement self service kiosks should also be considered as part of this option moving forward. Consultation process required will determine the timescale constraints enforced.

<u>HR Implications:</u>	
Redundancy:	Opening Hour changes and service realignment implications would result in up to 60+ posts being affected. Level of redundancy or early retirement requests difficult to gauge at present.
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. Some employees may wish to be considered for opportunities at other sites that better match their present working pattern or contracted employment status.
<u>Other Options/Issues:</u>	
<p>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 5th Quality Framework Standard for opening hours per thousand resident population.</p> <p>Would fail to meet a number of other Standards that relate to staffing levels and possibly emergency non-opening arrangements.</p>	

4.5.2 Tapered Library Service – **Option 3 (b) - Saturday Opening retention**

Budget Title / Ref:	Tapered Library Service (option 3) – Proposal 2 Saturday Opening retention
Savings (£):	MTFP = £119k 2016-17
Comment:	<p>The Authority currently opens 18 static sites 570.5 hours per week this would be tapered to a minimum of 497 hours with staff contracted employment arrangements reducing accordingly.</p> <p>In order to retain Saturday opening at those locations, where access is currently being provided, each Library below Portal or Hub banding would close an additional half a day within the working week, Monday to Friday, as indicated on Appendix 2.</p> <p>The tapering would synchronise with the Authority's present banding arrangements for its library network endorsed by Council in November 2003.</p> <p>The present network of Library facilities would be retained. No loss of community provision though reduction in access at each site within the Borough Network.</p> <p>A number of anomalies would be removed from current opening patterns to assist staff to maintain local access arrangements. These include:</p> <ul style="list-style-type: none"> • Common opening time across the Network of 9.30 am. • All sites below Portal and Hub size close between 1 and 2 pm for lunch – reducing need for lunchtime cover. • No facility would open later than 6 pm – reducing broader staffing pressures and cover for late night provision. • Portal and Hub locations retain 6 day provision. • 7 Smaller Library sites require capital investment of £10k, per location, to introduce Self Service Kiosks and stock tagging

technology to support the introduction of single staffing.

- The risk assessed introduction of single staff service delivery remains key to the saving target noted above and the ability of the Authority to maintain the present number of Library sites within the Medium Term Financial Planning cycle. Single staffing is required at up to 9 Libraries, 50% of the present network.
- Libraries would close at other times during the week in order to open on Saturday's, as proposed in Appendix 2.
- Presents sites that open on Saturdays would see their provision at this time retained but no new locations have been included in the proposal scoped to date.

The tiering arrangement for service delivery would be amended as shown below:

Tiering Designation	Present Opening Hours per week	Proposed Opening Hours per week
Portal and Hub Libraries		
Blackwood (Portal)	46	46
Caerphilly (Portal)	50	46 (-4)
Bargoed (Hub)	46	46
Risca (Hub)	50	46 (-4)
Town Libraries		
Newbridge	30	30
Rhymney	37	34.5 (-2.5)
Ystrad Mynach	43	35 (-8)
Joint Use / Village Libraries		
Abertridwr	35.5	28 (-7.5)
Bedwas	30	28 (-2)
Abercarn	21	20.5 (-0.5)
New Tredegar	37	20.5 (-16.5)
Oakdale	20.5	20.5
Community Linked Libraries		
Aberbargoed	25	15 (-10)
Nelson	31	20.5 (-10.5)
Pengam	20.5	15 (-5.5)
Deri	15	15
Llanbradach	16	15 (-1)
Machen	17	15 (-2)

The reduced weekly opening arrangements noted above remain within the Welsh Government's Public Library Standards and Quality Framework requirements of 120 hours per 1,000 residents per annum. The tapered proposal noted above, and detailed in **Appendix 2**, provides 138 hours of opening per 1,000 resident per annum.

In order to retain the level of savings required in the Council's Medium Term Financial Plan and maintain Saturday access where provided Library staff will be required to work every Saturday. This proposal is likely to be more challenging to implement than 3 (a) with more detailed employee and trade union discussion anticipated. Cover and morale issues may also be considerations prior to any adoption with a greater likelihood of Library closures on Saturdays as alternative staff arrangements will prove difficult to implement and add additional cost pressures to the service.

<u>Cost to Implement</u>	
Additional Costs:	<p>Savings of £119k on staffing costs through reductions in employee contracts of employment to fit proposed tapered opening times of the 18 static sites. Saturday Library opening arrangements protected with site closures at other times during the working week.</p> <p>Proposal based upon re-structure/re-recruitment process for all public facing sites with the introduction of tailored Library Assistant and Senior Library Assistant roles that better match the new opening patterns outlined. All present staff would be ring-fenced within the process to enable the retention of core skills, experience, and expertise.</p> <p>Redundancy and early pension related costs not known – dependent on which staff apply for the new roles planned at each site, etc. £70k capital funding required, ‘invest to save costs’, to introduce 7 self service kiosks and tagging resources to enable reduced staffing levels to be implemented and the longer-term savings required to be achieved.</p> <p>Management related costs to undertake staff, trade union, and public consultation – any changes in opening times currently requires additional consultation as defined within the Council Constitution.</p> <p>In year costs to cover sickness absence on Saturdays may prove a hidden expense at part-time facilities where staff employed will be required to work every weekend to deliver this option within the saving profile outlined.</p>
<u>Timeframe to Implement</u>	
Consultation:	<p>6 to 9 month employee and trade union consultation timeline. Changes anticipated to effect 60+ staff across the whole Library network. The timeline may need to increase under this option as the Saturday retention implication on a reducing workforce may prove challenging to address with staff and the respective Trade Unions.</p> <p>Public consultation including full Equality Impact Assessments (EIA's) and Local Authority's constitutional requirements to liaise with local stakeholder groups, town, community, and village Councils, 9 to 12 months required to appropriately and comprehensively complete the consultation processes detailed.</p>
Statutory Process:	<p>Introduction of new service arrangements by March 31st 2017 and earlier where possible.</p> <p>1964 Public Libraries and Museums Act. HR related processes and protocols (26 weeks within the redeployment pool).</p>
<u>Risks of Implementation</u>	
Not Achieving -	<p>Achievable, however detailed staff and trade union negotiations will be required to agree a sustainable model for adoption. 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 being undertaken on lone working patterns at each affected facility where this will be a requirement.</p>

Savings:	Gross savings possible of £119k. Invest to save capital spend of £70k to fully implement self service kiosks should also be considered as part of this option moving forward.
Timeframe:	Consultation process required will determine the timescale constraints enforced.
<u>HR Implications:</u>	
Redundancy: Redeployment: Redirected Resource:	Opening Hour changes and service realignment implications would result in up to 60+ posts being affected. Level of redundancy or early retirement requests difficult to gauge at present. As above. 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. Some employees may wish to be considered for opportunities at other sites that better match their present working pattern or contracted employment status.
<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 unexpected closures increase due to employee sickness at times of lone working.

5. EQUALITIES IMPLICATIONS

- 5.1 Dependent on which option Members wish to explore further appropriate Equality Impact Assessments will be prioritised as part of the next stage in the formal County Borough Library Service 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 County Borough Library Service 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:

County Borough Library Service - Review Options (3 a, b)	Estimated level of saving	Possible additional financial pressures linked to this option
Option 3 (a) - Rebalancing banding scheme to retain greater equity in opening hours at smaller community sites	£134k directly from this version of option 3.	

	£373k (including efficiency savings of £239k agreed at Education for Life Scrutiny meeting of June 19 th 2014)	
Option 3 (b) - Saturday Opening retention	£119k directly from this version of option 3. £358k (including efficiency savings of £239k agreed at Education for Life Scrutiny meeting of June 19 th 2014)	

- 6.2 The anticipated general Medium Term Financial Plan efficiency savings required of the County Borough Library Service, between 2015/17, are re-stated below for completeness. The efficiency savings outlined were endorsed by Education for Life Scrutiny Members on June 19th 2014:

County Borough Library Service - 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

7. PERSONNEL IMPLICATIONS

- 7.1 Both variations of option 3, detailed in section 4.5 above, have personnel implications that will require further development, appropriate employee and trade union consultation, and costing dependent on which proposal(s) that Members elect to examine in greater detail.
- 7.2 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 The views of the Scrutiny Committee are sought in relation to the suggested savings from the Education and Lifelong Learning Directorate's County Borough Library Service.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure that Scrutiny Members' views are reported to Cabinet in the budget setting process.

Author: Gareth Evans, Interim Manager Community Education
Consultees: Sandra Aspinall, Acting Deputy Chief Executive
Tony Maher, Assistant Director, Education and Lifelong Learning
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

Background Papers:

Education for Life Scrutiny Committee 19th June 2014. Caerphilly County Borough Library Service Medium Term Financial Plan 2015/17 – Items for Consideration

Education for Life Scrutiny Committee 8th July 2014. Caerphilly Library Service Strategy 2014-2017

Cabinet 16th July 2014. Caerphilly Library Service Strategy 2014-2017

Appendices:

Appendix 1: OPTION 3 (a) – Fair Opening Hour Distribution Tapering Model

Appendix 2: OPTION 3 (b) – Fair Opening Hour Distribution Tapering Model (Saturday access retained)