

Community Managed Libraries Review - Update

Purpose

- 1.1 In November 2022, Cabinet received an update on the Community Managed Libraries (CML) review and stated that a further report would be brought setting out the arrangements for operation of the CMLs post March 2023.
- 1.2 This report provides Cabinet with an update on the CMLs and seeks the necessary approvals to progress with the next steps for this project.

Recommendation(s)

- 2.1 Subject to a budget to support CML's being approved as part of the MTFP budget process, to approve an extension of Direct Help and Advice's (DHA) operation of CMLs until the end of July 2023 at an estimated total cost of between £100,000 - £108,000. The budget required will be paid to DHA on a monthly basis and will reflect the level of CML operation being delivered.
- 2.2 To note that within the period up to the end of July, a handover schedule will be agreed with DHA for the CML buildings to be transferred back to the Council or other organisation, where required.
- 2.3 Subject to a budget being available to support CML's, to approve that where it is not possible to agree an extension of DHA's operation of CML's beyond 31 March 2023, that the relevant CML site shall revert to the Council to operate as a library until the review is completed.
- 2.4 To approve officers carrying out a formal expressions of interest process having done an initial market testing exercise, which gathered ideas from existing charities, organisations and constituted community groups who would like to be considered to provide delivery of services within the community library buildings.
- 2.5 To note that as part of the expressions of interest process, assessment criteria will be used to evaluate the viability of proposals within the budget envelope and where there are deemed to be viable proposals for the CML buildings to delegate authority to the Deputy Chief Executive, following consultation with the Section 151 Officer and the Cabinet Member for Community Development, Place and Tourism to negotiate the terms of any future transfer and all necessary legal agreements and ancillary documents to facilitate such proposals.
- 2.6 To note a further CML update will be provided in a future Cabinet report, which will seek approval to formal transfer of the CMLs to new providers.

- 2.7 To note further revenue funding of £117,000 is being considered to support CML's as part of the MTFP budget process to cover appropriate costs associated with the community buildings post March 2023.

Reason(s)

- 3.1 The review of CMLs is one of the proposals in the Council's Medium Term Financial Plan (MTFP) to enable it to deliver a balanced budget for 2023/24. This is alongside an asset rationalisation review to enable best use of Council buildings. These proposals were part of the budget consultation which closed on 26 January 2023 and any feedback received is being taken into consideration by the Council.
- 3.2 The Council invited proposals from existing charities, organisations and constituted community groups who wanted to deliver services within the community library buildings that would have clear benefits for their communities. The deadline for the initial market testing exercise was 3 February 2023 and a high-level assessment of these submissions is being completed. It has been excellent to see the interest and ideas submitted from various groups, which provide opportunities for consideration for all the community library buildings/spaces.

Supporting Information

- 4.1 The Council is obliged to provide a comprehensive and efficient public library service under the Public Libraries & Museums Act of 1964. This statutory service in Derby is made up of 5 library sites and a store at Blagreaves. The 5 library sites are Alvaston, Mickleover, Normanton, Riverside Library in the Council House, and Derby Local Studies & Family History Library in Riverside Chambers.
- 4.2 There are 10 other library sites that are not part of the statutory service, and the Council is not legally obliged to maintain them. As part of a strategic library review, these sites became Community Managed Libraries (CMLs) in 2017/18. The libraries are Allenton, Allestree, Blagreaves, Chaddesden, Chellaston, Derwent, Mackworth, Sinfen, Spondon, and Springwood.
- 4.3 The 10 libraries that were transferred to a Community Managed Library service model have been operated by DHA after an expression of interest process was completed by the Council in 2017/18.
- 4.4 In July 2022, Council Cabinet accepted notice from DHA to withdraw from the CML arrangements, ceding its CML operations back to the Council with effect from 30 November 2022, however an interim arrangement was approved at Cabinet in November 2022 and grant funding of £104,784, was provided, for the period from 1st December 2022 to 31st March 2023 for DHA to continue operating the CML provision.

- 4.5 In order to gauge interest from the market for services to be delivered from the CML buildings post March 2023, in January the Council asked for interest and ideas from community organisations, charities and groups in the CML buildings to be submitted by 3 February 2023. This has resulted in the Council receiving good interest from the soft market testing exercise and as such approval is sought to carry out a formal expression of interest process. This will enable organisations who want to formally register their interest in taking over a CML building as a CML or to deliver other services that meet local need to do so. A request for a four month extension of the arrangements with DHA will enable the time for this process to be completed.
- 4.6 To help understand what some of the elements are in relation to an E.O.I. process the points below show some key stages:
- Organisations are asked to indicate interest and ideas by the Council
 - Council issues formal E.O.I. documents
 - Closing date for E.O.I clarification questions
 - Closing date and time for E.O.I.
 - Assessment of E.O.I. submissions
 - Request for further clarification of E.O.I submissions
 - Preferred organisation identified
 - Signing of lease and management agreements, which will include proposed arrangements for future maintenance of the CML buildings
 - Agree timetable for handover for viable proposals

Public/stakeholder engagement

- 5.1 The proposal to end the funding to DHA for CMLs was included in MTFP proposals that were shared with residents as part of the wider MTFP consultation process from December to 26 January 2023.
- 5.2 The Council's Locality Team had worked with Community Action Derby to carry out a CML review. This provided a summary of library specific information and identified any potential opportunities. This review will be published on the Council's website, though it should be noted that it has since been superseded by the MTFP process.
- 5.3 Councillors and officers are actively engaging with communities about the potential future of the CML buildings. A formal expression of interest exercise is currently being formulated and the Council will look to enable viable options to be implemented.
- 5.4 The National Lottery provided funding to build Mackworth, Allenton and Chellaston library buildings with a grant of £1,957,181. The Council has spoken with the Lottery and it's been agreed that the Council is released from the restriction on disposal of the Property without the consent of the Fund and from the requirement to continue using the Property for the approved purposes.
- 5.5 Library staff affected by the current proposals are being consulted through the Achieving Change process, following the Council's HR procedures.
- 5.6 An Equality Impact Assessment is being written should the CML buildings not continue to deliver library services, and this will be published on the Council's web site.

Other options

- 6.1 The Council could opt to keep all the CMLs operational under a similar model. In terms of the years beyond March 2023, a further estimate of a minimum of £314,500 of grant will be required each year with presently unknown inflationary increases added each year. There is currently revenue of £120,000 p.a. currently available for the CML service, therefore this option will create a pressure of a minimum of £194,500 each year that will need to be added to the MTFP along with any inflationary increases.
- 6.2 There is an option of returning CMLs to the Council who operate the statutory service. The Council can either deliver the CML service using paid staff, the estimate of which would be a cost of a minimum of £562,000 thus creating a pressure of a minimum of £442,000. Alternatively, the Council could choose to use volunteers, but ultimately its costs will still be significantly higher than the voluntary sector, because of, not least, the business rate costs incurred. This is estimated currently at £85,000 p.a. Whilst the Council will pay 100% of the rates bill a voluntary sector organisation may only pay 20% and some voluntary sector groups pay no rates if discretionary rate relief is applied for and approved.
- 6.3 There is an option of closing all CMLs as of 31 March 2023 and transferring all buildings currently housing CMLs back to the Council from DHA. This would enable the property to become part of the wider Council property asset rationalisation programme, whilst also enabling officers to explore any locality working proposals across the Council for these buildings. The current estimated cost of transferring all CML buildings back to the Council without any service delivery being incorporated by organisations is £224,000 in 23/24 and £178,000 in 24/25.

Financial and value for money issues

- 7.1 The current estimated cost of DHA continuing to operate the required CML's provision until the end of July 2023 is between £100,000 - £108,000. A budget to support the delivery of CML's is subject to approval as part of the MTFP budget process.

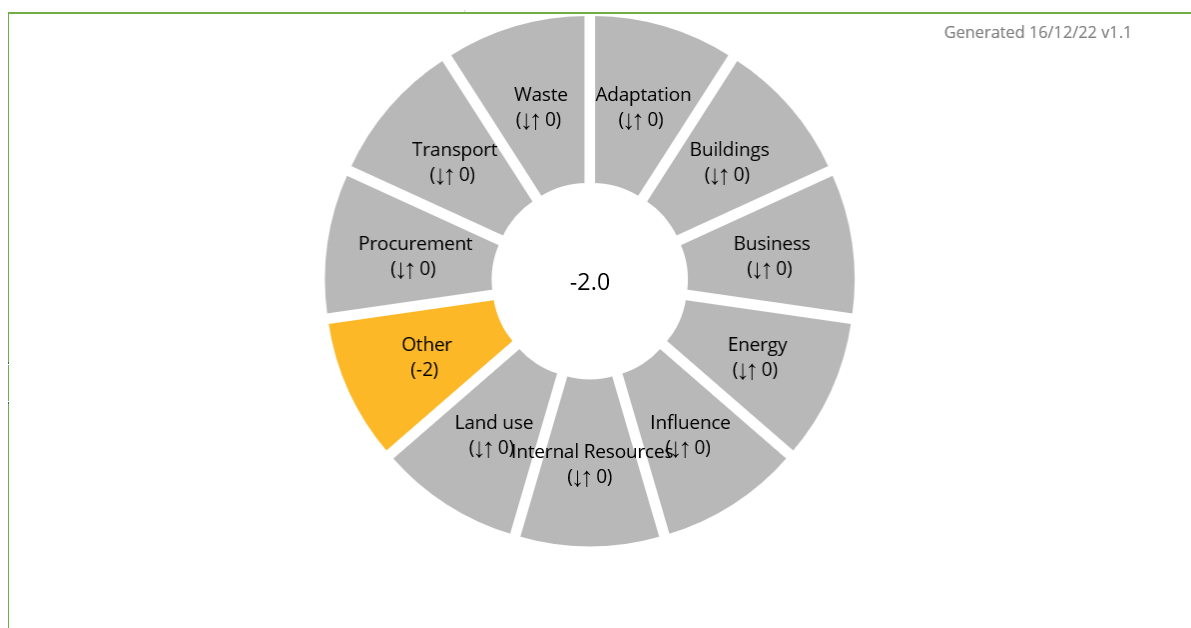
Legal implications

- 8.1 DHA gave notice to the Council of their intention to withdraw from operating the ten CML buildings at the end of November 2022. This followed a period when DHA had advised that they were unable to demonstrate that they were able to operate the facilities within the available grant. At the time, the imminence of the proposed closure date resulted in temporary respite financial arrangements being made available to keep services operational, equating to a monthly sum of approximately £26,000 being made available to DHA. The current arrangement remains in place until the end of March 2023, with those respite payments being made outside of the original grant process. The intention is to engage with DHA about a possible further extension to this arrangement.

- 8.2 The leases with DHA for all 10 facilities were also terminated at the end of May 2022, with DHA instead continuing to occupy those facilities on the basis of tenancies-at-will. As the lease agreements are no longer in place with DHA it also means that there is no management agreement between both organisations. The relationship has operated as an informal arrangement in order to implement the Cabinet's November decision, which was to approve DHA delivering the services of 10 CML's from 1 December 2022 to up to 31 March 2023 with grant funding of £104,784.

Climate implications

- 9.1 With the potential non-continuation of some or all CMLs it's anticipated that some customers may travel to statutory sites, or other sites, to use the library.



Social and Economic impact

- 10.1 Whilst some CMLs are well-supported by volunteers, a number are not, and this limits the impact they have socially and economically within their local communities.
- 10.2 The type of impact the CMLs could have is best documented on the website of the library sector's lead body [Libraries Connected](#). Libraries Connected seeks to explain the library offer through a series of packages. In Derby, the statutory service focuses on the promotion of literacy, particularly children's literacy, and on supporting well-being / health. Clearly there is a difference between what a staffed statutory site can offer and what a volunteer-delivered satellite site can provide, but even a satellite site can deliver a range of social / economic impacts. It will obviously be up to the group that takes on a site and delivers a library what their ambition and objectives are.
- 10.3 Derby Libraries offers a range of activities that support people's wellbeing, including creating a sense of community / place. If a library was operated by a voluntary group, what they offered the community would be up to them. However, if the

Council still had a stake in the library operation, then a wide range of promotions and activities could be offered, some examples follow:

- Storytimes and family learning sessions for parents with young children
- Health consultations delivered by the NHS and other external partners
- Staff trained, via the Council's Elklan Training, to recognise speech and language difficulties in toddlers so that they can signpost parents to support.
- Book collections for adults, young people and children to support improvements in mental health
- Yoga groups and Livewell exercise classes
- Book recommendations for health initiatives, such as Men's health week and menopause support
- Developing Digital Health Literacy internet tasters with midwives and the NHS
- Regular activities to reduce loneliness and isolation: for example, Knit and Natter, reading groups, lunchtime talks, shared reading, Local Studies research opportunities, friends groups, seed exchanges / garden clubs, yoga sessions.

Other significant implications

11.1 If the Council continues to have ownership of the CML buildings, consideration will need to be given to long term maintenance costs of them

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Emily Feenan	6 Feb 2023
Finance	Janice Hatfield	5 Feb 2023
Service Director(s)	Claire Davenport	6 Feb 2023
Report sponsor Other(s)	Rachel North	6 Feb 2023

Background papers:

List of appendices: