

Addendum to the Community Managed Libraries Review – Update

Purpose of this Addendum

- 1.1 A Council Cabinet report has been published providing an update on the Community Managed Library (CML) Review. That report sets out the arrangements for operation of the CMLs post March 2023 for consideration at the Cabinet meeting on 15 February 2023.
- 1.2 This addendum to that report provides Cabinet with a further update, which requires recommendations in paragraphs 2.1, 2.2, 2.3 and 2.7 to be revised from the original Cabinet report.
- 1.3 Cabinet is requested to consider the revised information in all the sections of this addendum, in conjunction with the original Cabinet report, prior to providing the necessary approvals to progress with the next steps for this project.

Revision to the original Recommendation(s) for the Addendum

- 2.1 To note that DHA will continue to operate CML libraries until the end of March 2023.
- 2.2 To note that a phased handover schedule starting in April 2023 will be produced by DHA and agreed with the Council. This will enable the CML buildings to be transferred back to the Council to operate them in line with the agreed handover schedule.
- 2.3 Subject to the Budget being approved by Full Council on 27th February 2023, to approve CML's reverting to the Council to allow the continued provision of community library services from the buildings from 31 March 2023 in accordance with the handover schedule. To note that this arrangement will remain in place until the outcomes of the formal expressions of interest process are known and proposals are formulated from the responses to determine the next steps of the project and the implementation of them. The operation of the services by the Council intends to include the use of volunteers in this interim period, so that they can continue to be involved in supporting the delivery of these valuable services.
- 2.7 To note the estimated costs and funding for the transfer of the Community Managed Libraries to the Council detailed in Paragraph 7.1

Revision to the original Reason(s) for the Addendum

- 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. These proposals were part of the budget consultation which closed on 26 January 2023 and feedback received is being taken into consideration by the Council.
- 3.2 The Council invited ideas 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 there was a high level of indicative interest from a range of community and voluntary organisations. The Council therefore wishes to provide the best opportunity to develop the interest and ideas submitted from various groups providing maximum time and flexibility to become established and successfully transition as appropriate.
- 3.3 An indicative timetable has recently been provided for the expressions of interest process. It was identified that it could take between 4-6 months to complete. Therefore, plans may still be being formulated from August 2023 for some of the proposals and this recommended approach is able to accommodate this, should it be necessary.
- 3.4 The Council continues its ambition to co-design and co-locate services within community managed library buildings with the active support, engagement, and participation of local communities and partners. This will enable communities to create opportunities to deliver valuable services, provide access to support and advice, and help connect residents.

Additional Supporting Information for the Addendum

- 4.5 The proposal to end the funding to DHA for CMLs from 31 March 2023 was included in MTFP proposals that were shared with residents as part of the wider MTFP consultation process from December to 26 January 2023.

A request was being made in the original Cabinet report for a four-month extension of the arrangements with DHA until the end of July 2023. It was anticipated that this would enable the time for an expressions of interest process to be completed. However, DHA and the Council have since had a discussion and after consideration of several key factors have agreed that from April 2023 the operation of CML's will revert to the Council. This will be in line with an agreed handover schedule for the CML buildings, that will be produced by DHA.

- 4.7 One of the key benefits of the alternative approach being proposed is that it will enable existing charities, organisations and constituted community groups who want to deliver services within the community library buildings to transition when they are ready and able to do so. Depending on whether the organisations are new or existing, or what their ideas are for their delivery of services, will determine the speed they may be able to enter formal arrangements with the Council. This approach allows for flexibility of circumstances, such as these, giving the best opportunity for viability and sustainability to be achieved from the proposals.

- 4.8 An indicative timetable has recently been provided by the project team for the expressions of interest process. It was identified that it could take between 4-6 months to complete, therefore starting in March 2023 may still mean plans are being formulated from August 2023 for some of the proposals, making this alternative option more conducive to that timeline.
- 4.9 The formal expressions of interest process is open to charities, organisations and constituted groups who may have not already submitted their interest or ideas by 3 February 2023. All organisations who have registered their ideas will be contacted by the Council to be informed of the next steps.

Revisions to the Public/stakeholder engagement in the Addendum

- 5.2 The Council's Localities 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 is now published on the Council's website, and although it has since been superseded by the MTFP process, it provides some useful information to support this process.
- 5.5 Some Council colleagues are affected by the current proposals and are being consulted through the Achieving Change process, following the Council's HR procedures. This is likely to need to be reviewed subject to the Cabinet decision
- 5.6 DHA Colleagues that are affected by the current proposals will need to be updated on implications for them, subject to the Cabinet decision.
- 5.7 Public and stakeholder communications will be developed in line with the Cabinet decision.

Revisions to the Other options in the Addendum

- 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 £0.562m, thus creating a pressure of a minimum of £0.442m. However, if the Council chooses to use volunteers as part of the new model being proposed, then costs could be reduced to £0.415m, thus creating a pressure of £0.295m. It is therefore being recommended in this addendum that use of volunteers by the Council is noted. Volunteers who are interested will need to register with the Council.

Revision to the Financial and value for money issues for this Addendum

- 7.1 The transfer of the 10 Community Managed Libraries to the Council on the 1st April 2023 is estimated to cost £415K for a full financial year. The breakdown of the costs is detailed below

	2023/24 (£000s)
Building Operating Costs	167
FM Costs	13
Staffing Costs	215
One-off Costs	20
Total	415

These are the costs which would be incurred by the Council in operating the libraries and include costs such as full NNDR payments that will reduce when future proposals are evaluated and implemented during the year, for example voluntary groups are likely to be able to claim rate relief. As such, the estimated 12 month costs will reduce during the financial year as libraries transfer to new models of operation

- 7.2 The proposed MTFP to be approved by Budget Council on 27th February includes the following funding to support the transfer of the libraries to the Council on the 1st April 2023

	£000s
Base Budget for Community Managed Libraries	129
Premise Costs of CML Libraries (Pressure included in December Budget Report)	100
Funding for CML Libraries (Allocation in February Budget Report (Para 4.3.3))	117
Additional Settlement Funding (announced February 2023)	69
Total	415

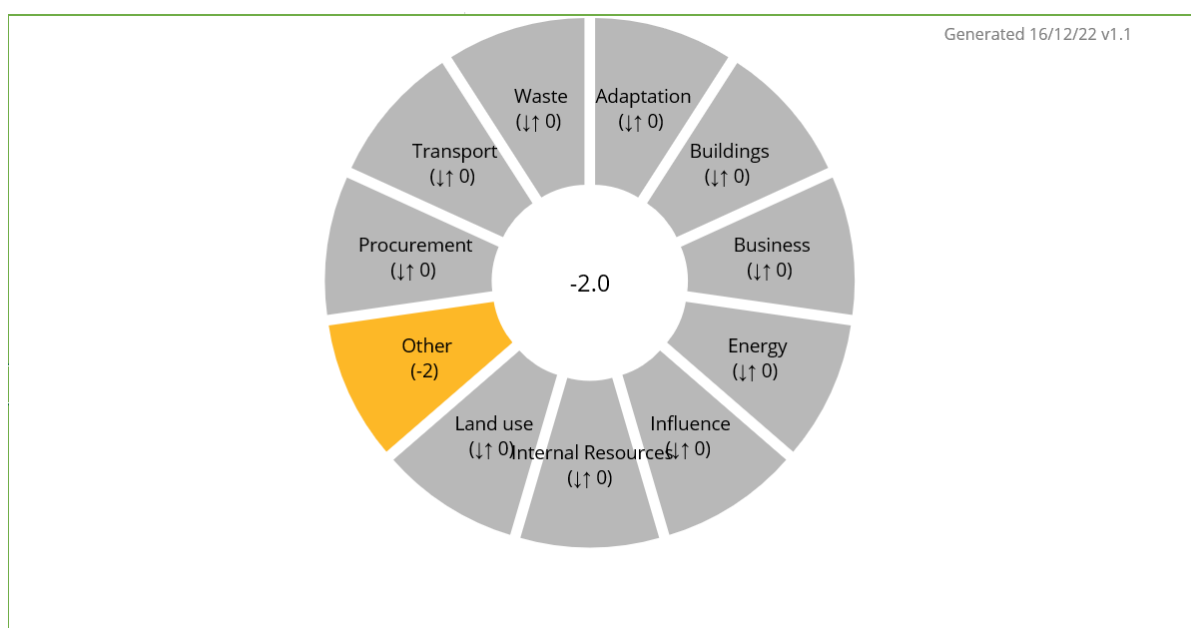
7.3 Full financial appraisals will be undertaken of the proposals for future operation of the 10 buildings. Depending on options transfers may be implemented at different stages of the year

Revisions to Legal implications in the Addendum

- 8.1 A temporary financial arrangement had been made available to keep services operational, equating to a monthly sum of approximately £26,000 being made available to DHA. This current arrangement remains in place until the end of March 2023, with the respite payments being made outside of the original grant process. The intention to engage with DHA about a possible further extension to this arrangement has been explored and it has been agreed with DHA that from April 2023 the operation of CML's will revert to the Council in line with an agreed handover schedule for the CML buildings that will be produced.
- 8.3 As Cabinet is being requested to approve CML's beyond 31 March 2023, reverting to the Council to operate as a library, until the outcomes of the formal expressions of interest process are known and proposals are formulated from the responses for the next steps of the project, TUPE -Transfer of Undertakings (Protection of Employment) Regulations 2006, implications will need to be clarified and potential costs have been estimated to be £107,000 in annual salaries and approximately £5,000 in redundancy costs. There may also be liability for pension shortfall.
- 8.4 The temporary transfer of CMLs to the statutory service to operate will mean extensive use of volunteers to maintain the public service. It's likely that the current Achieving Change document for the CMLDT will need to be updated or paused.

Climate implications

- 9.1 If in the future there was 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

- 10.2 Clearly there is a difference between what a staffed statutory site can offer and what a community led satellite site can provide, though 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.

- 10.4 There has been high interest from some existing charities, organisations and constituted community groups who want to deliver services within the community library buildings and who would provide varied and important benefits for their communities.

Other significant implications

- 11.2 The transfer of libraries back to the Council will require the Council to manage these assets and put in place appropriate arrangements such as public liability insurance and compliance checks for health and safety requirements so that potential risks can be mitigated and managed effectively.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Emily Feenan	02/2023
Finance	Janice Hadfield	02/2023
Service Director(s)	Claire Davenport	13/02/2023
Report sponsor	Rachel North	14/02/2023
Other(s)	Simon Riley	14/02/2023

Background papers:
List of appendices: