



Derby City Council

COUNCIL CABINET 12 July 2017

Report of the Cabinet Member for Leisure,
Culture and Tourism

Libraries Strategic Review: New service delivery model

SUMMARY

- 1.1 Our aim is to deliver on our vision for a Library Service that improves life chances by encouraging reading, informal learning and digital access in a safe and welcoming environment.
- 1.2 The Council's Medium Term Financial Plan (MTFP) requires the Library Service to identify £648k additional savings by April 2018. In September 2015 a Libraries Strategic Review was initiated to determine the best way to maintain a modern, high quality library service whilst delivering the essential cost savings. As part of the Review the Council instructed independent consultants to carry out a major 'phase 1' consultation over 12 weeks from 30 November 2015 and 19 February 2016. Data collected during the consultation was used alongside information from a variety of other sources to conduct a needs assessment exercise. This robust process then informed the development of four options for a new service delivery model. These were detailed in a report to Council Cabinet on 3 August 2016, and Cabinet agreed that all four options should be the subject of a further – 'phase 2' – consultation.
- 1.3 The phase 2 public and stakeholder consultation took place between 19 September 2016 and 14 December 2016. Response to the phase 2 consultation was outstanding, with a total of 4,378 questionnaires being completed and over 1,000 individuals expressing their interest in becoming a volunteer and helping run a local library. Analysis of responses to the consultation revealed that the Council's preferred option for the future of the library service in Derby – Option B – was the only one of the four options to enjoy net support. The consultation also showed a majority in favour of transferring the city centre lending library and internet service from the Central Library to a new Riverside Library at the Council House.
- 1.4 Whilst there was a majority in favour of Option B, including the Riverside Library proposal, the phase 2 consultation also revealed some areas where the approach could be revised or improved. This report therefore describes the development of a further service delivery model, firmly rooted in Option B but with some amendments to accommodate, where appropriate, the responses to the findings of the phase 2 consultation. The new service delivery model is referred to as Option B *Plus*.
- 1.5 Under Option B *Plus* the Council would continue to run five libraries as part of its statutory offer. As well as Riverside, the Local Studies and Family History Library, Alvaston and Pear Tree Libraries, which were all included in the original Option B, Mickleover Library would also be part of the statutory offer. The other ten existing libraries would be earmarked as potential Community Managed Libraries (CMLs) outside the Council's statutory offer. An annual Grant pot of £175k would be

established until 31 March 2022, to be distributed between the CMLs through a mechanism to be agreed by the Strategic Director of Communities and Place, in consultation with the Cabinet Member for Leisure, Culture and Tourism.

- 1.6 The report recommends that Cabinet approves Option B *Plus* on the grounds that it improves on Option B, which is judged to be the most favourable of the four options that were consulted upon. Specifically, Option B *Plus*:
- Changes the needs assessment methodology, giving equal weight in the analysis to socio-economic deprivation, library usage and library location factors.
 - Frees up funding for another Council-run library by not increasing opening hours as significantly as outlined in Option B. Opening hours under Option B *Plus* would, however, remain higher than at present.
 - Adds Mickleover to the portfolio of Council-run libraries. This means that the second busiest library in the city is retained as part of the statutory offer and that the geographical spread of Council-run libraries is improved.
 - Increases shelf capacity at Alvaston, Mickleover and Pear Tree Libraries, creating space on open public access for some of the books displaced from the Central Library by the move to Riverside.
 - Creates a robust framework for the establishment and sustainability of CMLs.
- 1.7 There will be a Minimum Standard Resource that a CML would be expected to provide for the benefit of its local community in return for access to the Grant. The report goes on to describe two Enhanced Support Packages that would be available to organisations / community groups choosing to work closely with the Council. The packages would offer support with stock acquisition and management, computer systems and internet and wi-fi access. The Enhanced Support Packages would be a voluntary choice, and organisations / community groups could opt to provide the Minimum Standard Resource, and have access to the Grant to support this, without accepting them.
- 1.8 The annual Grant, the two Enhanced Support Packages and the additional support measures described in the report are intended to maximise the likelihood that all ten potential CMLs will be successfully established and will continue to thrive. This, in turn, will reduce the prospect of the Big Lottery seeking to recover part of the grant it awarded the Council to support the building of libraries at Allenton, Chellaston and Mackworth. Advice from the Big Lottery indicates that if a community organisation takes over the running of a library with financial and/or in-kind support from the Council “claw back” may not be sought, subject to the Lottery having agreed to the agreement that the Council would enter into with the CML.
- 1.9 The process for inviting suitable Expressions of Interest from organisations / community groups wishing to operate a CML would begin in late July 2017, with initial Registrations of Interest sought by 29 August. The deadline for completed Applications is 23 October 2017; support would be available to groups from external organisations with relevant expertise.
- 1.10 A review of CML Grants and the Enhanced Support Packages is proposed between October 2020 and March 2021, with any modifications being implemented from April 2022.

- 1.11 The report provides further information about the proposed Riverside Library, including details of its stock-holding capacity, a draft floorplan, artist's impressions and new proposals to relocate, to the other Council-run lending libraries, some of the stock displaced from the Central Library. The Business Case for transferring city centre lending library and internet services from their current location at the Central Library to the Riverside Library is appended to the report.
- 1.12 This report describes an informal expression of interest from Derby Museums Trust to take over occupancy of the Central Library building following the transfer of library services to the Council House, which is expected to take place midway through May 2018. A letter from the Trust's Executive Director, outlining some proposals, is appended to the report.
- 1.13 Recommendations 2.2 – 2.4 of this report, the latter in particular, are of significant importance. Cabinet's attention is drawn to the fact that if not resolved as recommended, the remainder of the recommendations that follow all become redundant. Should that be the case, Cabinet's express steer on the appropriate direction to take in relation to the Libraries Strategic Review will be necessary.

RECOMMENDATIONS

- 2.1 To note the final report of the phase 2 consultation, which is included at Appendix 2, the petitions outlined at paragraph 5.11 and the other notable submissions outlined at paragraph 5.12. The text of the comments and other submissions received is available for members to review.
- 2.2 To reject Options A, C and D.
- 2.3 To note that, based on results of the phase 2 consultation:
- Option B is judged to be the option that best provides a firm foundation upon which to build a new service delivery model.
 - It is judged that Option B could be improved by responding constructively to the feedback received during the consultation. Option B *Plus* is firmly rooted in Option B, but with some amendments in response to the findings of the phase 2 consultation.
- 2.4 To reject Option B, and to approve Option B *Plus*, as the new service delivery model for Derby's libraries.
- 2.5 Subject to Cabinet's approval of the Council House Reconfiguration Project as a whole on 21 June 2017, and of Option B *Plus*, to approve the recommendations relating to Riverside Library (details of which are set out at paragraph 6.15).
- 2.6 To approve expenditure up to a value of £160k to increase the stock holding capacity at Alvaston, Mickleover and Pear Tree Libraries, as outlined at paragraph 7.9, funded through the Property Rationalisation funds, delegating authority to the Strategic Director of Communities and Place following consultation with the (Interim) Director of Finance, to add the relevant elements of the £160k to the capital programme as appropriate.

- 2.7 To approve the template wording for CML leases (details of which are set out at Appendix 9) and to delegate to the Strategic Director of Communities and Place, in consultation with the Cabinet Member for Leisure, Culture and Tourism, authority to agree the final terms of Lease, Management and Grant Agreements for libraries identified by this report as potential CMLs.
- 2.8 To approve provision of the Minimum Standard Resource, as set out in Appendix 10, as the minimum criteria to qualify for a CML Grant.
- 2.9 To agree in principle, subject to key decisions and other constitutional considerations that may apply at the time, to consider indemnities for CMLs for specific TUPE liabilities if they arise.
- 2.10 To approve the recommendations set out in paragraph 8.14 regarding the Grant to organisations / community groups taking on the running of CMLs.
- 2.11 To approve Enhanced Support Packages (1) and (2), as outlined in Appendices 12 and 13 respectively, noting that although CMLs accepting Enhanced Support Packages would work closely with the Council and within many of its procedures, this is a voluntary choice, and organisations / community groups can provide the Minimum Standard Resource without accepting the Packages.
- 2.12 To approve the provision of ongoing training and guidance to CMLs, accessible on a voluntary basis, in relation to routine library operations, processes and activities by creating a permanent Community Library Development Team within the Council's structure.
- 2.13 To establish a one-off CML pump-priming fund of £90k (the purpose of which is described in paragraph 8.25) in accordance with the Cabinet decision of 15 February 2017, and to delegate to the Strategic Director of Communities and Place, in consultation with the Cabinet Member for Leisure, Culture and Tourism, authority to develop and implement a mechanism for allocating the pump-priming fund.
- 2.14 To note the range of support that is proposed to inform and assist groups / community organisations completing an Expression of Interest and preparing to run a CML.
- 2.15 To approve the outline process for transferring some libraries from Council control to community management, as described in paragraphs 8.34 to 8.39, and to delegate to the Strategic Director of Communities and Place, in consultation with the Cabinet Member for Leisure, Culture and Tourism, authority to refine the process and make final decisions on Expressions of Interest / Applications.
- 2.16 To commission a review, with a particular focus on levels of Grant, the Grant allocation mechanism and the Enhanced Support Packages, to take place between October 2020 and March 2021. Any changes resulting from the review would be implemented from April 2022 meaning that groups / community organisations running CMLs would receive 12 months' notice of any changes.

REASONS FOR RECOMMENDATIONS

3.1 Option A was rejected because:

- The consultation revealed a large body of opposition to Option A, but few substantive arguments in its favour.
- It withdraws funding from 11 out of 15 existing statutory libraries but does not offer Grant funding to groups / community organisations that might wish to take over their running. As a result all 11 would almost inevitably close.

3.2 Option C was rejected because:

- Despite high levels of support from users of some libraries, overall the consultation revealed significant net opposition to this option.
- It withdraws funding from 5 out of 15 statutory libraries but does not offer Grant funding to groups / community organisations that might wish to take over their running. As a result all 5 would almost inevitably close.

3.3 Option D was rejected because:

- Despite high levels of support from users of some libraries, overall the consultation revealed significant net opposition to this option.
- Although it guarantees the future of more libraries than Option B by making them Council-run, the smaller Grant available under Option D increases the risk that not all potential CMLs will come into being or prove sustainable in the longer term.

3.4 Option B is judged to be the option that best provides a firm foundation upon which to build a new service delivery model because, as well as achieving the Library Service's Medium Term Financial Plan (MTFP) savings target:

- In the consultation it attracted 11% more support than any other option, and was the only option to be supported by more respondents than opposed it.
- Although it secures the future of fewer libraries than Option D by making them part of the statutory offer, the larger Grant available under Option B *Plus* would improve the sustainability of any potential CMLs in the longer term.

3.5 Option B *Plus* responds positively to the phase 2 consultation, and improves on Option B by:

- Adjusting the needs assessment methodology so that, relatively speaking, more importance is attached than previously to how busy libraries are and how remote they are from other libraries, while relatively less importance is attached to the levels of deprivation / disadvantage in the communities they serve.
- Freeing up funding for another Council-run library by not increasing opening hours as significantly as outlined in Option B. Opening hours under Option B *Plus* would, however, remain higher than at present.
- Adding Mickleover to the portfolio of Council-run libraries. This means that the second busiest library in the city is retained as part of the statutory offer and that the geographical spread of Council-run libraries is improved.
- Increasing shelf capacity at Alvaston, Mickleover and Pear Tree Libraries,

creating space on open public access for some of the books displaced from the Central Library by the move to Riverside.

- Clarifying and/or increasing support given to CMLs. For example, under Option B *Plus*:
 - The size of the permanent Community Library Development Team is increased from 2.5 fte to 3.0 fte, while the demand on it is decreased by the reduction in the number of potential CMLs from 11 to 10.
 - The size of the Grant pot is fixed until 31 March 2022, reducing uncertainty and giving CMLs time to become established.
 - The details of two Enhanced Support Packages are confirmed. Although it would not be mandatory for CMLs to take these up, those doing so would, for a peppercorn fee, gain access to and use of the Library Management System, support with stock selection and management, and support with the provision of public internet and wi-fi.
 - A funded package of support is proposed for groups / community organisations interested in running a CML.

3.6 Option B and Option B *Plus* are judged to offer the highest standard of library service that is achievable while still meeting the Library Service budget savings that are required by the Council's MTFP. However Option B is recommended for rejection and Option B *Plus* for approval because the latter retains the positive aspects of the former, while improving the quality of the total offer having taken on board, so far as appropriate, the consultation findings.

3.7 Cabinet is recommended to approve the creation of the Riverside Library as the location for a city centre lending library and internet service on the grounds that:

- It transfers services from a venue where levels of use fell by around 50% between 2011/12 and 2016/17, a decrease that reflects in part the limitations of the Central Library building, the relatively low levels of footfall in that part of the city centre and the increased incidence of anti-social behaviour at the library.
- It enables the continuation of city centre lending library and internet services in an appropriate, modern and attractive environment situated in a building that has achieved the CredAbility Award for access
- It allows opening hours to be substantially increased while reducing operating costs, and therefore makes an important contribution to the aim / intended outcome of the Libraries Strategic Review.
- It supports the Council's aim to develop the Council House as a municipal hub for the citizens and visitors to Derby by increasing the building's total service offer.



4 BACKGROUND

- 4.1 At a Cabinet Member Meeting on 8 September 2015, the Cabinet Member for Communities and City Centre Regeneration approved a recommendation that officers carry out a Libraries Strategic Review and Needs Assessment, including a comprehensive 'phase 1' public and stakeholder consultation exercise.
- 4.2 The intended outcomes of the Libraries Strategic Review are:
- Clarity as to the role and purpose of Derby's Library Service.
 - Agreement on and implementation of a legally compliant delivery model that will enable a high quality Library Service to fulfil its role and purpose, and to be sustainable.
 - A contribution to corporate savings targets (the Libraries MTFP savings target is £648k).
- 4.3 The 'phase 1' public and stakeholder consultation took place between 30 November 2015 and 19 February 2016. The results were described in a report to Council Cabinet on 3 August 2016. Information gathered during the consultation provided the basis for developing a new vision and statement of objectives for Derby's Library Service. These were agreed by Cabinet on 3 August 2016.
- 4.4 Using data collected during the phase 1 consultation and drawn from a variety of other sources, a needs assessment exercise was carried out to inform the development of options for a new service delivery model. Four options were detailed in the 3 August Cabinet report, which is included with the current report at Appendix 2:
- **Option A:** 4 Council-run libraries with increased opening hours; 11 libraries likely to close. Savings £967k (£319k above target).
 - **Option B:** 4 Council-run libraries with increased opening hours. Up to 11 libraries to become community managed (CMLs), with an average Grant of £17.5k. CMLs would be outside the Council's statutory public library provision. Savings £648k.
 - **Option C:** 10 Council-run libraries. 5 libraries likely to close. Savings £648k.
 - **Option D:** 8 Council-run libraries. Up to 7 libraries to become community managed (CMLs), with an average Grant of £10k. CMLs would be outside the Council's statutory public library provision. Savings £648k.
- 4.5 Under all four options:
- The city centre lending library and internet service would transfer to the ground floor of the Council House and named the Riverside Library, with increased opening hours.
 - The Home Library Service would continue to provide doorstep deliveries to

people unable to visit libraries in person due to age or disability.

- Selected e-Books, e-AudioBooks, e-Magazines and e-Reference items would continue to be available to be downloaded by anyone with a membership card for the Derby libraries statutory offer, an internet connection and appropriate hardware.

- 4.6 Details of the libraries that would be Council-run under each option, and their proposed opening hours, are shown in the tables at page 54 of Appendix 2. At the Council Cabinet on 3 August 2016 Option B was identified as the Council's preferred service delivery model.
- 4.7 Public libraries are a statutory service under the Public Libraries and Museums Act 1964. The Act requires library authorities to provide a 'comprehensive and efficient service' for people who live, work or study within the authority area, but the meaning of this term is not defined. The government superintends library authorities' compliance with their duties under the Act. If the Government receives a complaint that an authority is failing to deliver a comprehensive and efficient service, the Secretary of State can order an enquiry, and if the complaint is upheld they can require the authority to take remedial action.
- 4.8 On 10 February 2017, the Council formally notified the Department for Culture, Media and Sport of the Council's Libraries Review. In his letter to Rob Wilson MP, Parliamentary Under Secretary of State for Civil Society, the Cabinet Member for Communities and City Centre Regeneration provided a short summary of the review to date, including a link to the full Cabinet paper dated 3 August 2016. The letter observed that the delivery of library services in Derby would be significantly changed by the Review's implementation, and invited the minister to meet with the Cabinet Member and Council officers who would provide further information and answer any questions. To date the Council has received no response to this invitation.

5 PHASE 2 CONSULTATION

Background

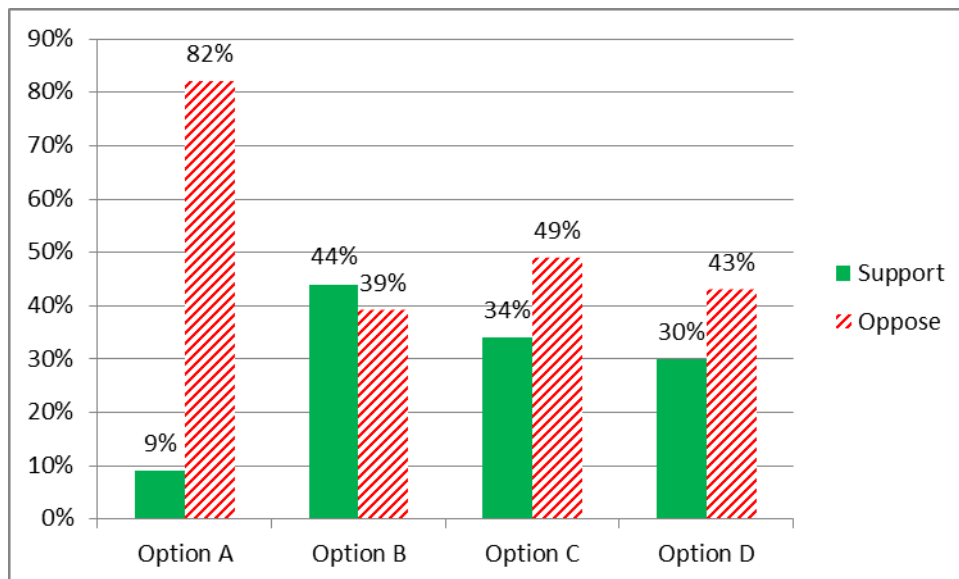
- 5.1 At its meeting on 3 August 2016 Cabinet agreed to consult on Options A to D. The 'phase 2' public and stakeholder consultation took place between 19 September 2016 and 14 December 2016. Like the phase 1 consultation it was conducted for the Council by Enventure Research, an independent market research agency. The methodology that was employed combined quantitative and qualitative techniques, and was chosen in order to provide statistical validity, robustness and representativeness, and also depth of understanding.
- 5.2 The consultation took the form of a paper and online survey. The survey was also available in Urdu, Punjabi, Slovakian and Polish, both online and in paper format. A paper format Large Print version was also provided.
- 5.3 The consultation enquired into four main areas:
- Feedback on each of the Options A to D.
 - Feedback on the relocation of the Central Library to the Council House.
 - Respondents' interest in volunteering to help run a CML.

- Alternative savings suggestions.

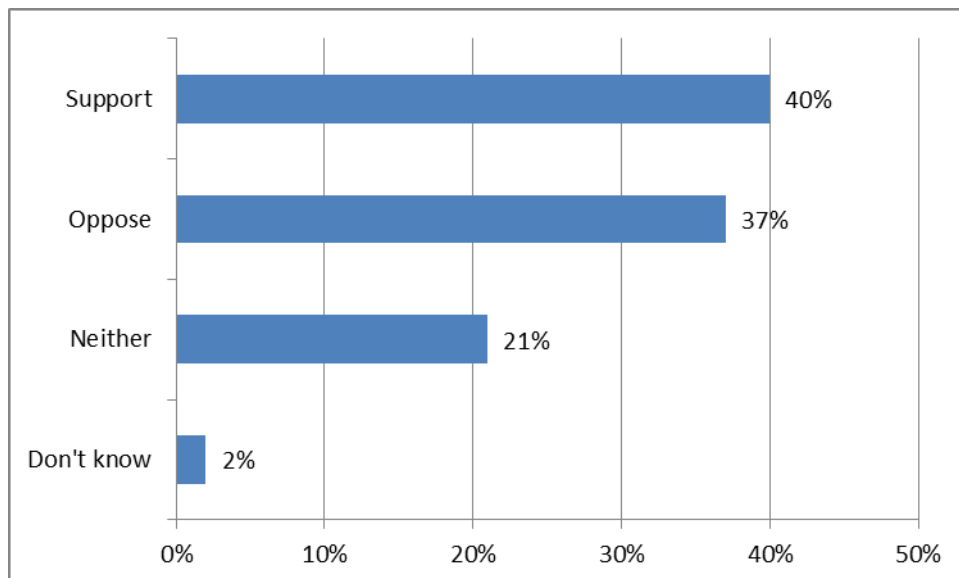
5.4 Response to the phase 2 consultation was outstanding, with a total of 4,378 questionnaires being completed. Most responses were received from adult library users. The final report on the consultation, prepared by Enventure Research on behalf of the Council, is given at Appendix 3. Cabinet is recommended to note the final report of the phase 2 consultation, as well as the petitions listed at paragraph 5.11 below and notable submissions outlined at paragraph 5.12 below.

Headline results

5.5 The table below shows the percentage of respondents supporting and opposing each option, excluding “don’t know” responses. Only Option B had more supporters than opponents (5% *net* support, reflecting 44% gross support and 39% gross opposition).



5.6 Slightly more respondents supported the relocation of the Central Library to the Council House than opposed it. Around a fifth offered no opinion:



- 5.7 Participants in the consultation were asked “if the Council goes ahead with Option B or Option D, would you be interested in becoming a volunteer and helping run a local library?” In their responses, 243 people said “yes, definitely”, while a further 941 said “yes, maybe.” However, potential volunteers are not evenly distributed between libraries: four libraries each attracted interest from over 150 potential volunteers, while at a further four fewer than 75 people put their names forward.

Due Diligence

- 5.8 The consultation questionnaire included several free text fields, allowing space for respondents to share their thoughts, concerns and suggestions. Around half of all participants in the consultation took advantage of this opportunity. Members of the project team read all free text comments, and grouped those that were substantive under broad headings. These were summarised in several reports that were considered carefully by a “Due Diligence Sub-group” of the Libraries Strategic Review Project Board.
- 5.9 The due diligence process described in the previous paragraph enabled a greater understanding of the issues raised through the phase 2 consultation than could be achieved through consideration of the statistical analysis alone. This in turn has helped shape a variation on one of the four original service delivery models.
- 5.10 The issues identified during the phase 2 consultation and considered by the Due Diligence Sub-group included:
- The choice of libraries to be Council-run under Options A to D, and the methodology used to arrive at those choices.
 - The proposal to substantially increase the opening hours of Council-run libraries under Options A and B.
 - The desirability, workability and sustainability of CMLs.
 - The probability that the Council would need to repay substantial sums to the Big Lottery if Allenton, Chellaston and/or Mackworth Libraries were to close as a result of the Review.
 - The impact on the Central Library building and the surrounding area of relocating city centre lending and internet services to the Council House, and the suitability of the proposed Riverside Library to deliver a replacement service to an acceptable standard.
 - Ideas and suggestions to meet the Library Service’s savings target by means other than Options A to D.
- 5.11 Copies of the comments received during the course of the formal phase 2 consultation, and of the petitions and submissions received through other channels (referred to in paragraphs 5.12 and 5.13 below), is available for Cabinet members to review. They can also be requested by emailing libraries@derby.gov.uk.

Petitions and other submissions

- 5.12 Alongside the formal consultation process, feedback on Options A to D has been received through other channels, including the following petitions:

- A petition to “Save Derby’s libraries from Labour cuts” was received on 1 February 2017. It included 1,219 signatures.
- A ten signature petition stating “we ask Derby City Council not to close Sinfin’s Library and its function as a valuable community centre.”

5.13 Other notable submissions received included:

- A report from the Friends of Chellaston Library arguing the case “to keep Chellaston Library open as the vital and well-used southern outpost of the city’s statutory library provision.”
- The results of a survey undertaken by the Spondon Village Partnership, which highlights the impact of closing the local library and recommends the Council considers all options, not just its preferred option.
- A worked-up proposal that the Council adopts an approach that would see volunteers working alongside paid staff in most libraries. This suggestion would however only generate £250k annual savings, rather than the target of £648k that the Library Service has to achieve.
- An un-costed proposal to build a replacement for the Central Library on the Council House car park rather than create Riverside Library within the existing footprint of the Council House.

Evaluating Option A

- 5.14 Under Option A there would be four Council-run libraries with increased opening hours; the remaining 11 Derby libraries would be likely to close. This option would generate savings of £967k, £319k above the MTFP savings target for the Library Service.
- 5.15 The phase 2 consultation shows Option A to be the least acceptable service model amongst respondents: the public response was overwhelmingly negative with just 9% supporting it while 82% opposed it (Appendix 3, page 22, figure 16).
- 5.16 The potential closure of 11 out of 15 libraries appears to have shaped public reaction to Option A. Only amongst respondents who prefer Alvaston Library (42%) and Pear Tree Library (38%) was there significant support for this option, unsurprisingly given that both would remain Council-run with greatly increased opening hours. However, even at these libraries there was more support for Option B than Option A (Alvaston 55%, Pear Tree 56% – see Appendix 3, page 23, figure 17). Meanwhile 90% or more of respondents who preferred the following libraries opposed Option A: Spondon, Allenton, Chellaston, Mackworth, Mickleover, Chaddesden and Allestree (Appendix 3, page 26, figure 20).
- 5.17 The primary argument in favour of Option A over Options B, C and D is financial: the Council would achieve more savings from the Library Service budget. The closure of 11 libraries would also reduce property maintenance costs and in most cases would enable the generation of a capital receipt through disposal of the building. It is also likely to be the simplest option to implement and operate.

- 5.18 In service terms, however, there are no compelling arguments in favour of Option A. The closure of eleven libraries with no support for them to operate differently through a community managed model would concentrate the service in a relatively small area of the city, leaving most residents without access to a local library service. Appendix 3, pages 27-28, figures 21 and 22 shows that respondents believed that Option A would have a greater negative impact on their use of libraries and their reading habits than any of the other options.
- 5.19 Both Options C and D would guarantee the future of more Council-run libraries than Option A, and while Option B also retains just four libraries within the Council's statutory offer, its generous financial and non-financial support package for CMLs improves the chances of all 15 existing libraries remaining sustainable in the longer term. The results of the phase 2 consultation clearly echo this analysis, demonstrating 73% net opposition to Option A (Appendix 3, page 22, figure 16).
- 5.20 Cabinet is therefore recommended to reject Option A, on the grounds that:
- The consultation revealed a very large body of opposition to Option A, but few substantive arguments in its favour.
 - It withdraws funding from 11 out of 15 existing statutory libraries but does not offer Grant funding to groups / community organisations that might wish to take over their running. As a result all 11 would almost inevitably close.

Evaluating Option C

- 5.21 Option C retains 10 libraries within the Council's statutory offer, the most of any of the four options. However the remaining five Derby libraries would be likely to close. This option would generate savings of £648k, thus achieving the MTFP savings target for the Library Service.
- 5.22 The phase 2 consultation shows that Option C enjoys more support than any other option (33%) except Option B, but is also opposed by more respondents than any other option (49%) except Option A. This is illustrated at Appendix 3, page 22, figure 16.
- 5.23 The relatively high level of support for Option C appears to derive from the fact that it guarantees the future of the most libraries. Looking at the support for each option by preferred library, it is the most supported option by users of the following libraries: Chaddesden (55%), Derwent (50%), Mackworth (54%), Mickleover (58%), Sinfin (57%) and Spondon (72%). Under Option A each of these libraries would close, while under Option B each would become community managed if volunteer groups come forward. Mackworth, Sinfin and Spondon would also be Council-run under Option D, while subject to the availability of volunteers Chaddesden, Derwent and Mickleover would each become a CML (Appendix 3, page 23, figure 17).
- 5.24 The high level of support for Option C amongst respondents who prefer Derwent is anomalous given that the library would close, whereas under Options B and D it could potentially become a CML. It is perhaps explained by the small sample: only 2% of respondents had used Derwent within the previous 12 months (Appendix 3, page 15, figure 9). This equates to 76 people, of whom 70 had also used another library during

the same period. The level of support for Option C amongst respondents who prefer Derwent could imply that their views have been shaped by their knowledge of libraries elsewhere in the city, and reflect an awareness of the citywide impact.

- 5.25 Paradoxically Option C also attracted a high level of opposition. Putting aside the Derwent anomaly, it is unsurprising that opposition to Option C is fiercest amongst users who prefer the libraries that would be closed by it: Allestree, Chellaston, Springwood and Blagreaves. More intriguing is the level of opposition from users whose preferred libraries would remain Council-run under Option C. At Pear Tree and Alvaston this opposition is 35%, perhaps reflecting to some degree the fact that both libraries would do better under Options A and B due to their increased opening hours. But between 20% and 30% of users who prefer Mickleover, Sinfen, Chaddesden and Mackworth oppose Option C; at Allenton opposition was 43%, while amongst Central Library users the equivalent measure was 47% (Appendix 3, page 38, figure 32).
- 5.26 The level of opposition to Option C amongst users whose preferred library would be unaffected by it reinforces the point made in the discussion about Derwent in paragraph 5.23, namely that some respondents appear to have been influenced by an awareness of the citywide impacts rather than by purely local considerations.
- 5.27 Superficially the arguments in favour of Option C appear strong, as it guarantees the future of the largest number of libraries with those service points being spread widely across the city. The closure of five libraries would also reduce property maintenance costs and in most cases offer the prospect of some capital receipts. However these arguments in favour are counter-balanced by the fact that five libraries would close, some of which are well used. Overall the majority of phase 2 respondents were unconvinced by the arguments in favour of Option C, which is shown by the net opposition rating of 16% (Appendix 3, page 22, figure 16).
- 5.28 Cabinet is therefore recommended to reject Option C, on the grounds that:
- Despite high levels of support from users of some libraries, overall the consultation revealed significant net opposition to this option.
 - It withdraws funding from 5 out of 15 statutory libraries but does not offer Grant funding to groups / community organisations that might wish to take over their running. As a result all 5 would almost inevitably close.

Evaluating Option D

- 5.29 Under Option D there would be eight Council-run libraries, and an annual Grant pot of £70k (equivalent to an average Grant of £10k per library) would be available to support communities to take over the remaining seven libraries. Although this option includes more Council-run libraries than Option B, opening hours would not be increased and the average Grant would be significantly lower. This option would generate savings of £648k, thus achieving the MTFP savings target for the Library Service.
- 5.30 The phase 2 consultation shows that Option D enjoys less support than either Options B or C (30%). It has more opponents (44%) than Option B, but fewer than Option C.

This is illustrated at Appendix 3, page 22, figure 16.

- 5.31 Looking at the support for each option by preferred library, only amongst users of Allenton is Option D the most popular option (Appendix 3, page 23, figure 17). It is unclear why, at this library, support for Option D is much greater than for Option C given that under both it would remain Council-run. The highest support for Option D is at libraries that would be Council-run under it, but would (potentially) become CMLs under Option B, ie Allenton, Spondon, Sinfin and Mackworth (Appendix 3, page 44, figure 38).
- 5.32 For every library that would potentially become community managed under both Options B and D the former is more popular, presumably reflecting the bigger Grant that would be available (Appendix 3, page 23, figure 17).
- 5.33 From the perspective of most libraries, Option D is the “second best” option, or worse. For libraries that would remain Council-run under Options B, C and D, Option B is preferred because of the better opening hours. For libraries that would potentially be CMLs under both B and D, B is preferred because of the size of the Grant. For libraries that would be Council-run under Option C but a potential CML under Option D, the former is inevitably more popular. Net opposition to Option D is slight less than to Option C (14% v. 16%, extrapolated from Appendix 3, page 22, figure 16), but based on the results of the consultation it is difficult to argue that either represents the best direction for the service as a whole.
- 5.34 Cabinet is therefore recommended to reject Option D, on the grounds that:
- Despite high levels of support from users of some libraries, overall the consultation revealed significant net opposition to this option.
 - Although it guarantees the future of more libraries than Option B by making them Council-run, the smaller Grant available under Option D increases the risk that not all potential CMLs will come into being or prove sustainable in the longer term.

Evaluating Option B

- 5.35 As with Option A, under Option B there would be four Council-run libraries with increased opening hours. However under Option B a Grant would be available to support communities to take over the management of their local library with the help of volunteers. The annual Grant pot would be £175k. This equates to an average annual Grant of £17.5k per library, although the actual amount each library would receive could be more or less than this depending on factors including but not limited to its running costs and its requirement for new books. Although CMLs would not be part of its statutory offer, the Council could offer non-financial support as well as the annual Grant with a view to reducing the risk of closures. This option would generate savings of £648k, thus meeting the MTFP savings target for the Library Service.
- 5.36 Option B attracted the most support of any of the options (44%), and also the least opposition (39%). It is the only option to be supported by more respondents than the number opposing it. These points are illustrated at Appendix 3, page 22, figure 16.

- 5.37 When responses are analysed by preferred library, Option B is the most popular option for users of eight libraries: Allestree (48%), Alvaston (55%), Blagreaves (47%), Chellaston (47%), Central (42%), Local Studies (36%), Pear Tree (56%) and Springwood (52%). This is illustrated at Appendix 3, page 23, figure 17.
- 5.38 However, opposition to Option B is also significant. At eight separate libraries, opposition to Option B amongst respondents preferring those libraries equated to 40% or more: Allenton (50%), Allestree (40%), Chaddesden (49%), Derwent (41%), Mackworth (49%), Mickleover (44%), Sinfyn (43%) and Spondon (49%). This is illustrated at Appendix 3, page 32, figure 26.
- 5.39 At some libraries and to some degree, opposition to Option B can be explained by the fact that another option offered a better outcome for the library in question, but the findings are clearly more complex. This is illustrated by analysis of the responses of respondents who prefer Allestree Library. Objectively, Option B is the best of the four options for users of that library (under Options A and C it would close, and under Option D the Grant would be significantly smaller), but still 40% of respondents whose preferred library is Allestree oppose it. The message is that for these people, and by inference for countless others too, even the “best” option is simply not good enough to be deemed worthy of support.
- 5.40 Many of the free text comments about Option B question the choice of the Council-run libraries and the proposed increases in opening hours at those libraries. They also highlight a number of concerns about CMLs, with many respondents doubting that sufficient volunteers can be recruited and retained, questioning the ability of volunteers to deliver a good standard of service and querying the support that the Council would provide (see Appendix 3, page 36, figure 30).
- 5.41 Option B enjoys 5% net support, the only one of the four options to be supported by more respondents than oppose it. However the feedback from the consultation indicates that there is room for improvement on Option B.

Building on Option B: Introducing Option B *Plus*

- 5.42 Due diligence analysis of the free text comments raises a number of important issues in relation to Option B, including:
- Objections to the relative weighting given to the socio-economic, usage and location factors included within the needs assessment methodology under Option B, and to the choice of libraries to be Council-run as a result of employing that methodology.
 - Opposition to the increase in opening hours at libraries that would be Council-run under Option B.
 - Concerns about CMLs, with many respondents worried about the recruitment and retention of volunteers, service standards and the level of Council support for CMLs.
 - The impact on the Central Library building and the surrounding area of relocating city centre lending and internet services to the Council House, and

the suitability of the proposed Riverside Library to deliver a replacement service to an acceptable standard.

- 5.43 Responding positively to some of the feedback about Option B could offer an improved outcome for library users while still delivering the required budget savings. A further service delivery model has therefore been developed, firmly rooted in Option B but with some amendments in response to the findings of the phase 2 consultation. The new service delivery model is referred to throughout this report as Option B *Plus*.
- 5.44 Cabinet is recommended to note that, based on results of the phase 2 consultation:
- Option B is judged to be the option that best provides a firm foundation upon which to build a new service delivery model.
 - It is judged that Option B could be improved by responding constructively to the feedback received during the consultation. Option B *Plus* is firmly rooted in Option B, but with some amendments in response to the findings of the phase 2 consultation.
- 5.45 Option B *Plus* responds positively to the phase 2 consultation, and improves on Option B by:
- Adjusting the needs assessment methodology so that, relatively speaking, more importance is attached than previously to how busy libraries are and how remote they are from other libraries, while relatively less importance is attached to the levels of deprivation / disadvantage in the communities they serve.
 - Reducing the increase in opening hours proposed for the four Council-run libraries under Option B.
 - Adding Mickleover to the portfolio of Council-run libraries. This means that the second busiest library in the city is retained as part of the statutory offer and that the geographical spread of Council-run libraries is improved.
 - Increasing shelf capacity at Alvaston, Mickleover and Pear Tree Libraries, creating space on open public access for some of the books displaced from the Central Library by the move to Riverside.
 - Clarifying and/or increasing support for CMLs. For example, under Option B *Plus*:
 - The size of the permanent Community Library Development Team is increased from 2.5 fte to 3.0 fte, while the demand on it is decreased by the reduction in the number of potential CMLs from 11 to 10.
 - The size of the Grant pot is fixed until 31 March 2022, reducing uncertainty and giving CMLs time to become established.
 - The details of two Enhanced Support Packages are confirmed. Although it would not be mandatory for CMLs to take these up, those doing so would, for a peppercorn fee, gain access to and use of the Library Management System, support with stock selection and management and support with the provision of public internet and wi-fi.
 - A funded package of support is proposed for groups / community organisations interested in running a CML.

- 5.46 Through the range of financial and non-financial support it offers to prospective CMLs Option B *Plus* reduces the likelihood that the Big Lottery will seek to claw back part of the grant funding it awarded the Council to support the construction of Allenton, Chellaston and Mackworth libraries.

Option B *Plus*: Equalities

- 5.47 The Equalities Impact Assessment shown at Appendix 14 concludes that it would be acceptable to “continue with [Option B *Plus*] despite potential for negative impact.” The following paragraphs, extracted from the Equalities Impact Assessment, explain the reasons for reaching this conclusion.
- 5.48 Option B *Plus* will have a positive impact on users of four libraries, including users from protected groups. Alvaston, Mickleover and Pear Tree users will benefit from improved opening hours and additional stock, and Local Studies Library users will also enjoy longer opening hours. Although there will be a little less money spent on new books, a reduction in the loan period will increase stock turnover while more frequent stock exchanges between libraries will also, over a period of time, improve the choice of stock at libraries
- 5.49 The impact of Option B *Plus* on users of the Central Library will be mixed when services are transferred to the Council House. Users of the Riverside Library will have access to a reduced range of shelf stock; this will have a negative impact on users from some protected groups, specifically some older and disabled people in respect of large print and audio books, young people in respect of children’s books and audio books, and some people of BME heritage in respect of foreign language books. However, allowing users 12 free holds per year will enable users of Riverside who cannot also use other libraries access to more stock without incurring additional costs, while reducing the loan period from four to three weeks will increase turnover and improve, over a period of time, the choice of shelf stock available at the Riverside Library.
- 5.50 Under Option B *Plus* all users of Riverside, including members of protected groups, will benefit from longer opening hours, and a modern and attractive library space in a building that has achieved the CredAbility Award for access. As such, its facilities are superior to those available the Central Library.
- 5.51 All front-line staff in Council-run libraries will receive refresher training on Diversity, Equality and Discrimination, with the key messages from the corporate eLearning course of that name being tailored to reflect the practicalities of a library setting.
- 5.52 Central to the success of Option B *Plus* is the transfer of 10 libraries from Council control to community management, and the Council will commit substantial resources to support this. An annual Grant, two Enhanced Support Packages, guidance on practical issues relevant to setting up a suitably constituted voluntary organisation to run the library, training on diversity, equality and discrimination issues, training on library operations and access to a pump priming fund will be available to the group whose Application to run a CML is approved.

- 5.53 Option B *Plus* will only have a significant negative impact on protected groups if one or more potential CMLs does not come into being, or closes after opening. This negative impact could be experienced by some people who will find it difficult or impossible to travel to another library. The EIA shows that this may be particularly relevant to some older people, children, disabled people and people from ethnic minority communities. The EIA also includes a comprehensive action plan which seeks to minimise the prospect of any library closing.
- 5.54 The Home Library Service will continue to provide a doorstep delivery service for elderly / disabled users who are negatively impacted by Option B *Plus*. Under the Minimum Standard Resource that CMLs will have to deliver in return for their annual Grant they will be required to direct people, where appropriate, to the Home Library Service. The Council will monitor closely any changes in demand for the Home Library Service as a result of implementing Option B *Plus*, and will direct additional resources towards as necessary in order to ensure that it continues to be able to provide a service to everyone meets its criteria and want to make use of it.
- 5.55 The eBooks / eMagazines service will remain available to any Derby resident who has a home internet connection and an appropriate computer or other electronic device, regardless of which library they currently use. Under the Minimum Standard Resource that CMLs will have to deliver in return for their annual Grant, they will be required to direct people, where appropriate, to the eBooks / eMagazines service. The downloading of eBooks is rising, which is opposite to the trend for the borrowing of printed books. The Council will therefore continue to invest heavily in the service, buying a wide range of titles to suit all tastes.
- 5.56 In the event of it becoming apparent that a library faces imminent closure because no community group has come forward to set up a CML, or because a CML is in danger of collapse, the Council will explore the possibility of additional mitigations tailored to the specific circumstances of the library that is facing closure.

Option B *Plus*: Conclusion

- 5.57 Option B and Option B *Plus* are judged to offer the highest standard of library service that is achievable while still meeting the Library Service budget savings that are required by the Council's MTFP.
- 5.58 Cabinet is recommended to reject Option B, and to approve Option B *Plus*, as the new service delivery model for Derby's libraries because the latter retains the positive aspects of the former, while improving on some of its shortcomings.

6	RIVERSIDE LIBRARY
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Introduction

- 6.1 The phase 2 consultation sought feedback on four options for a new service delivery model. All four included the relocation of the city centre lending library and internet service from the current Central Library on the Wardwick / Strand site to a new facility

on the ground floor of the Council House to be known as the Derby Riverside Library. The limitations of the current Central Library and a range of arguments in favour of the Riverside Library were cited in paragraphs 6.27 to 6.29 of the August 2016 Cabinet report, which is included with the current report at Appendix 2.

- 6.2 As well as being asked for comments on each option, respondents to the phase 2 consultation were asked “to what extent do you support or oppose the proposal to relocate the city centre lending library services to Derby Riverside Library on the ground floor of the Council House.” A total of 4,297 people responded to this question, and slightly more respondents said they were in favour (40%) than those who were opposed (37%). Over a fifth (21%) offered no opinion.
- 6.3 A free text field enabled respondents to comment on the Riverside proposals. Comments received totalled 1,950, making this the most heavily answered of any of the free text questions in the phase 2 consultation. The following paragraphs of the report examine and respond to main themes emerging from an analysis of the free text comments.

Future of the Central Library building

- 6.4 Michael Thomas Bass was a benefactor who was instrumental in the development of the original Derby Library and Museum. Some respondents argued that it is not possible to change the use of the Central Library building because of the terms of the “Thomas Bass covenant.” However extensive research by the Council’s Estates team has confirmed that a restrictive covenant dating back to the 1870s required the Central Library premises to be utilised as a free library for a period of 50 years. This term has now lapsed, and there is no other restriction currently in force preventing disposal, alteration or a change of use, other than any planning requirement relevant to the building’s Grade 2 Listed status.
- 6.5 Many respondents declared their admiration for the Central Library building and their anxiety that it may fall into disuse and disrepair, or be re-purposed in an inappropriate way. These concerns have been noted and subsequently Derby Museums Trust has expressed an interest in using the ground floor of the Central Library building during the Silk Mill redevelopment project. It would use the current library for activities such as learning events and commercial activities including meetings, receptions, seminars and book fairs. The Trust also proposes to use the space to put on display more items from its collections.
- 6.6 In the longer term, and subject to its ability to raise the necessary funds, the Trust has expressed an ambition to refurbish the shared Museum and Library building to create a Museum of Arts and Science inspired by Joseph Wright. Derby Museums Trust’s thinking on how it might use the Central Library building is described in more detail in the letter shown at Appendix 4.

Riverside Library: Location, design and facilities

- 6.7 A number of respondents to the consultation appeared to comment unfavourably on the location of the proposed Riverside Library. However, closer examination of the

comments indicates that people responding in this way may have been comparing the location of Riverside with their local library rather than with the Central Library.

- 6.8 The environment of the Council House was thought by some respondents to be unsuitable for a library. A thoughtful and sympathetic design will help to address those issues, and to overcome the shortcomings of the existing Central Library building. The Council aims to develop the Council House as a municipal hub for citizens and visitors to Derby by increasing the building's total service offer, and the library will contribute to this vision. Artist's impressions of the Riverside Library can be seen at Appendix 5(a) and 5(b).
- 6.9 Many respondents focused their concerns on the reduction in services and stock that they feared would follow from transferring city centre lending library and internet services from their current location to the Council House. Limited information was available at the time of the phase 2 consultation and this will have added to anxieties. Since then officers have worked closely with project architects to draw up a detailed floorplan for Riverside Library. Appendix 6a shows the location of Riverside Library within the reconfigured ground floor of the Council House; Appendix 6b is a larger scale plan of the library layout. The floorplans enable a better understanding of the contrast between the Central and Riverside Libraries.
- 6.10 The Central Library has a separate learning room, located away from the main public service area. To ensure the most efficient use of the space available at Riverside, a learning area will be created within the main body of the library. When the computers in this area are not being used to deliver job clubs, code clubs or other learning activities they will be available for use by any library user. Overall the number of public internet PCs on open access will be the same at Riverside as it is at the Central Library, and because opening hours will be substantially increased, access to the internet will be improved. However this improvement may be offset by the presence of Job Centre Plus within the reconfigured Council House, which is likely to increase demand for internet access.
- 6.11 The popular literacy / reading group will continue to run at the Council House, split between the Riverside library study tables and, subject to its availability, the new public meeting room that will be created in the Council House foyer as part of the ground floor reconfiguration project. To manage growing demand for this activity and the job clubs, additional sessions will be held at Pear Tree Library. Meanwhile, for children, Riverside will continue the Central Library's pattern of offering regular rhyme-times and code clubs.

Riverside Library: availability of books

- 6.12 Riverside Library will be 402 square metres in size, compared with 852 square metres of public space at the Central Library. The potential for reduction in shelf stock was raised as a concern by some respondents to the phase 2 consultation. A number of steps will be taken to minimise the impact of the Riverside proposal on stock capacity:
- The layout of the Riverside Library will maximise the availability of shelving whilst ensuring that the space is attractive and comfortable for users.
 - The standard loan period across the service will be reduced from four weeks to

three weeks. This means that popular stock will circulate more quickly, improving users' choice over a given period of time.

- The choice of stock available will be improved by increasing the rate at which items are exchanged between Riverside and other Council-run libraries. These exchanges can also involve the stock of Community Managed Libraries that indicate a wish to work closely with the Council.
- Stock holding capacity will be increased at the other Council-run lending libraries, meaning that many of the books displaced from Central which cannot be accommodated at Riverside will be placed on open access elsewhere. The cost will be £160k. As a result of this measure the net loss of stock on public access will be reduced to around 12.5%. Each Council-run library, including Riverside, will be designated a hub for specified areas of stock; this stock will be accessible from any Council-run library and any CML that expresses an interest in participating in the holds system.
- As recommended in the August 2016 Cabinet report, any relevant stock currently on public access at the Central Library which cannot be accommodated either at Riverside or at another Council run-library will be held in closed access storage at the Blagreaves Lane site and available via the holds service. The report proposes that 12 holds per year should be available free of charge.

Riverside Library: Business Case and recommendations

- 6.13 Some consultation respondents made representations to the effect that the capital cost of creating Riverside Library would be prohibitive, and that the money would be better spent on improving the Central Library. The Business Case for the Riverside Library is available at Appendix 7. Option 2 of the Business Case is to “move the majority of stock, services, IT and staff from the Central Library to the Riverside Library. Distribute the remaining book stock to libraries across the city or to closed access storage. Lease the current Central Library space to the Museum for three years.” This option is recommended to Cabinet.
- 6.14 The Derby Riverside Library Business Case indicates a cost for the construction of Riverside Library, as part of the larger project to reconfigure the ground floor of the Council House, to be £860k. The breakdown of costs for the capital projects is detailed at Appendix 7 of the Ground Floor Reconfiguration Business Case, which was the subject of a separate report to Cabinet on 21 June 2017. Moving the city centre lending library and internet provision from the Central Library to Riverside will substantially increase opening hours while reducing running costs, and thereby make an important contribution to the Libraries MTFP savings target.
- 6.15 Subject to Cabinet's approval of the Council House Reconfiguration Project as a whole on 21 June 2017, and of Option B *Plus*, Cabinet is recommended:
- To note the Riverside Library Business Case shown at Appendix 7.
 - To approve the creation of a new city centre lending library and internet service to operate from the Council House, to be known as the Riverside Library.
 - To approve the decommissioning of the Central Library as a city centre lending library service.

- To authorise Strategic Director of Communities and Place, in consultation with the Cabinet Member for Leisure, Culture and Tourism to enter into formal negotiations with Derby Museums Trust to occupy, for three years, the ground floor of the decommissioned Central Library.

6.16 The Riverside Library development would be part of a wider project to reconfigure the ground floor of the Council House. Subject to the necessary approvals work would begin on creating accommodation for Job Centre Plus towards the end of September 2017, with construction of Riverside Library starting approximately two months later. It is envisaged that the Central Library would close towards the end of April 2018, with Riverside Library opening midway through May 2018.

7 COUNCIL-RUN LIBRARIES

7.1 The phase 2 consultation revealed opposition to the proposed increase to library opening hours at Council-run libraries under Option B. Under Option B *Plus* a smaller increase is proposed, as can be seen in the table below. This change will release funding to support an additional Council-run library.

Library	Weekly opening hours		
	Current	Option B	Option B <i>Plus</i>
Alvaston	26	43	32
Local Studies	26	32	30
Pear Tree	26	43	32
Riverside	33*	51	46.5

**Central Library opening hours*

7.2 The libraries that would be Council-run under Option B were selected through an objective, statistically based needs assessment. The ranking methodology that was used comprised scores for socio-economic deprivation (double-weighted), levels of library usage and library location. The methodology is described in section 6 of the August 2016 Cabinet paper, which is included as Appendix 2 of the current report, and in more detail at Appendix 3 of the 2016 report.

7.3 Many respondents to the phase 2 consultation objected to the choice of libraries to be Council-run under Option B. A number of responses to the formal consultation, as well as some feedback outlined in paragraphs 5.11 and 5.12, made the case for retaining one specific library within the Council's statutory offer. These comments are understandable, but given that every user would probably be able to make an argument for their preferred library to be regarded as a special case this approach cannot help the Council in making the difficult decisions that are necessary in order to deliver the required budget savings. A systematic, robust and objective methodology, similar to that which underpins Option B, is needed to help guide those decisions.

7.4 Details of the methodology that was employed to arrive at the rankings that underpin Options A, B, C and D were made available to people responding to the phase 2 consultation. Some respondents directly questioned that methodology, saying that more emphasis should be given to levels of usage at each library, while others suggested that the geographic spread of Council-run libraries should be given more

emphasis. A few objected to the part of the methodology that double-weighted the deprivation component of the ranking score.

7.5 In response to that criticism it is proposed under Option B *Plus* to remove the double weighting of the socio-economic profile. This means that, relatively speaking, more importance is attached than previously to how busy libraries are and how remote they are from other libraries, while relatively less importance is attached to the levels of deprivation / disadvantage in the communities they serve.

7.6 Adopting this approach produces the following ranking:

	Socio-economic profile (deprivation) rank	Performance (usage) rank	Location (remoteness) rank	Total ranks	RANK OF RANKS *
Alvaston	5	=4	4	13	1
Pear Tree	1	3	=10	14	2
Riverside (Central)	6	1	=8	15	3
Mickleover	13	2	3	18	4
Spondon	=10	=9	1	20	5
Chellaston	12	8	2	22	6
Sinfin	7	6	=10	23	7
Chaddesden	8	=9	7	=24	=8
Blagreaves	9	7	=8	=24	=8
Allestree	14	=4	6	=24	=8
Allenton	2	=12	=12	26	11
Mackworth	4	11	=12	=27	=12
Springwood	=10	=12	5	=27	=12
Derwent	3	14	14	31	14

7.7 The unweighted methodology under Option B *Plus* produces no change to the libraries previously ranked in the top three under Option B. Therefore, under the updated methodology, Alvaston, Pear Tree and Riverside would remain Council-run. The Local Studies Library is not susceptible to the needs assessment methodology as it is a specialist research library. In August 2016 Cabinet agreed that Local Studies should also be run by the Council.

7.8 The table in paragraph 7.6 shows that under Option B *Plus* the fifth Council-run library would be Mickleover. The benefits to including Mickleover amongst the Council-run libraries under Option B *Plus*:

- It is Derby's second busiest library.
- Being on the western fringes of the city it helps address the concern that the Council-run libraries are all clustered in the centre / inner south of the city.

7.9 Mickleover would be open for 30 hours per week under Option B *Plus*, four more hours than currently. The proposed opening pattern for it, and for the other four Council-run libraries under Option B *Plus*, are shown at Appendix 8. It should also be noted that:

- Mickleover is widely held to be Derby's best designed library. Its versatility means that it can host a range of activities and services that will add value to the city's library offer.

- Subject to some minor building works Mickleover has the capacity to absorb on open access around 3,000 volumes that would be displaced should the city centre lending library and internet service relocate from Central to Riverside. Mickleover can therefore help mitigate a potential negative impact of the Riverside initiative which attracted many expressions of concern during the consultation.

7.10 As mentioned in an earlier paragraph, to help offset the impact of reduced shelf stock at Riverside (when compared with Central) it is proposed to undertake some minor building works and increase the quantity of shelving, at an estimated cost of £160k, to improve stock holding capacity at the other Council-run lending libraries, enabling them to become citywide hubs for particular areas of stock as follows:

- Alvaston – Health and Lifestyle.
- Mickleover – Wellbeing and Family.
- Pear Tree – Digital Support, Learning and Language.

7.11 Cabinet is recommended to approve expenditure up to a value of £160k to increase the stock holding capacity at Alvaston, Mickleover and Pear Tree Libraries, funded through the Property Rationalisation funds, delegating authority to the Strategic Director of Communities and Place following consultation with the (Interim) Director of Finance, to add the relevant elements of the £160k to the capital programme as appropriate.

7.12 In addition Riverside would be the city hub for Culture, Literature and the Arts while Local Studies would remain the centre of excellence for Derby People and Heritage.

8 COMMUNITY MANAGED LIBRARIES

Background to CMLs

8.1 In August 2016 Cabinet agreed the following recommendations regarding Community Managed Libraries (CMLs):

- “To support the proposal that, if the Council adopts Community Managed Libraries (CMLs) as part of its strategy for the future of the Library Service in Derby, a financial and in-kind support package be provided to assist in their establishment and sustainability. The precise details of that package, and allocation of available resources between CMLs, would be determined later in the Review.”
- “If, as part of the proposal, any CMLs are established in Derby, to support the principle that they be deemed to be outside the Council’s statutory offer.”

8.2 The August 2016 Cabinet report went on to discuss the ways in which the Council could support the creation and operation of CMLs. The report said: “A finalised package to support some libraries to transition from Council-run to community-managed would most likely comprise four elements:

- A financial grant [totalling £192.5k under Option B, to be divided between 11

libraries].

- Creation of an in-house Community Library Development Team.
- Specialist, time-limited external support to assist groups in setting themselves up to take over the running of their local libraries.
- Access to a version of the Library Management (computer) System tailored for the use of volunteers, and to broadband connectivity.”

8.3 Although Option B, which includes the creation of up to 11 CMLs, received net support in the phase 2 consultation many respondents questioned the desirability, workability and sustainability of CMLs. Others said that the information provided was insufficient to enable them to reach any conclusion on these matters. The following paragraphs respond to the issues raised about CMLs, providing additional information on the Council’s offer and the support it could provide.

CMLs: Lease arrangements, books, Minimum Standard Resource and TUPE

8.4 Although CMLs will not be required to operate out of existing library premises, a lease of the current library buildings will form part of the offering from the Council. While the terms of each lease will be tailored to the unique circumstances of a specific library, they will be based on the template wording that is set out at Appendix 9.

8.5 Cabinet is recommended to approve the template wording for CML leases set out at Appendix 9 and to delegate to the Strategic Director of Communities and Place, in consultation with the Cabinet Member for Leisure, Culture and Tourism, authority to agree the final terms of Lease, Management and Grant Agreements for libraries identified by this report as potential CMLs

8.6 The Council will retain ownership of all library stock on the premises on the day the CML comes into existence. The CML’s right to hold and lend that stock will be conditional on its agreeing to lend printed books free of charge, and applying the Council’s charging policies in respect of audio books.

8.7 In order to qualify for its share of the Grant pot, each organisation/community group will be required to demonstrate a Minimum Standard Resource, which is set out at Appendix 10. Cabinet is recommended to approve the Minimum Standard Resource, as the minimum requirement to qualify for a Grant.

8.8 TUPE (the Transfer of Undertakings (Protection of Employment) Regulations) could apply to staff affected by libraries moving from Council to community management. If it does, those staff employed in libraries – or liability for their claims - could transfer to the CML. The financial implications of the application of TUPE would be substantial, which could result in either (1) groups not coming forward to run CMLs, or (2) the failure of CMLs if they are hit by TUPE/other costs. The usual approach to such a situation is to take all reasonable steps to minimise the risk, and to consider offering indemnities to the other party as a form of insurance should those risks arise. The extent of such exposure cannot currently be quantified, and it would not be possible to do so until all CMLs proposals have been received and assessed. Cabinet is therefore recommended to agree in principle, subject to key decisions and other

constitutional considerations that may apply at the time, to consider indemnities for CMLs for specific liabilities if they arise.

CML Grant and Enhanced Support Packages

- 8.9 A sum of £175k has been identified within the Libraries Review budget to provide an annual grant to CMLs. The actual amount of Grant each CML receives will vary depending on factors including, but not limited to, its running costs (or current operational budget where appropriate) and its requirement for new books. This means that the actual level of Grant will vary from CML to CML, with some receiving more than £17.5k and other less than £17.5k. Details of each library's running costs and Grant will be made available as part of the Expressions of Interest process.
- 8.10 The Grant will comprise two elements. The first will be ring-fenced for the purchase of new books and audio books, while the second will be available to meet other costs incurred by the CML. The CML will not be permitted to use the element of the Grant that is ring-fenced to be spent on books and audio books for any other purpose.
- 8.11 In certain circumstances organisations / community groups can secure charitable rate relief equivalent to 80% of business rates (NNDR). If organisations / groups running CMLs constitute themselves in a way that will secure rate relief it is currently anticipated that each CML's Grant should be sufficient to cover its day-to-day premises and basic running costs, excluding IT costs (IT issues are discussed in more detail in paragraph 8.16 and 8.17 below).
- 8.12 Grants will be fixed until 31 March 2022; the Grant for the first year of operation will be pro-rata, reflecting the point in the Council's financial year when each CML becomes operational. The Grant will not be adjusted for inflation.
- 8.13 The Council will not require the CML to remain in the premises it currently occupies. If it chooses to relocate to alternative premises the Council may review the amount of grant it pays, but will not increase the Grant if the CML moves to more expensive premises. The Council will not maintain, or contribute to the maintenance costs of, alternative premises.
- 8.14 Regarding the Grant to Community Managed Libraries Cabinet is therefore recommended:
- To establish an annual Grant pot of £175k until, and including, 2021/22.
 - To delegate to the Strategic Director of Communities and Place authority to develop and implement a Grant allocation mechanism, including but not limited to factors reflecting a library's running costs (or current operational budget where appropriate) and its requirement for new stock.
 - In the first year of a CML's operation, to make a pro-rata adjustment to its Grant reflecting the point in the Council's financial year at which it becomes operational.
 - If the CML relocates from the current library premises to alternative premises, to review its Grant and adjust it if appropriate. The Grant will not be increased if the CML relocates to more expensive premises.

- 8.15 Officers believe that the best outcome for the city's library users would be achieved if CMLs offer to work in conjunction with the Council's statutory libraries. Historically libraries have been able to improve the service they offer to their local communities by participating in an integrated, mutually-supportive network. The Council therefore wishes to encourage organisations/community groups to work closely with its own libraries, the statutory offer, in accordance with the ethos of *Libraries Better Together*, which is set out at Appendix 11.
- 8.16 The Council will offer Enhanced Support Package (1) for CMLs signing up to the *Libraries Better Together*. A CML doing so will forego certain freedoms: for example, it will be bound by the Council's loan periods and charging policies for late fees and holds and be tied to the Council's procedures for most of the books it buys. In return the CML will receive, for a peppercorn fee, access to the computerised Library Management System (LMS), and the network connectivity and hardware required to operate it. The CML may also be able to benefit from stock exchanges with/between Council-run libraries, while its users will be able to draw on the stock of those libraries through the holds system. An outline of Enhanced Support Package (1) is shown at Appendix 12.
- 8.17 The Council will make available a second Enhanced Support Package to assist CMLs in the provision of internet and wi-fi access at their premises. This will include, for a peppercorn fee, network connectivity and the provision and maintenance of some associated hardware. An outline of Enhanced Support Package (2) is set out at Appendix 13. CMLs signing up to this package will be required to provide internet and wi-fi access free of charge.
- 8.18 Cabinet is recommended to approve Enhanced Support Packages (1) and (2), as outlined in Appendices 12 and 13 respectively, noting that although CMLs accepting Enhanced Support Packages would work closely with the Council and within many of its procedures this is a voluntary choice, and organisations / community groups can provide the Minimum Standard Resource without accepting the Packages.
- 8.19 Organisations / community groups may choose to sign up to both Enhanced Support Packages, to either or to neither. After initial handover training, those signing up to neither will have total freedom to determine how they will deliver the Minimum Standard Resource set out in Appendix 9. The Council will undertake monitoring to satisfy itself that the Grant is being used in accordance with the terms of the Grant Agreement, but otherwise will have no regular involvement with the CML. Any subsequent support provided by the Council to the CML, except in relation to property (see paragraph 8.27) below, will be chargeable.
- 8.20 Although the Council wishes to encourage CMLs to work closely with it and adopt the *Libraries Better Together* ethos, it recognises that the constitution of their organisation may require more independence and freedom. Declining to adopt the *Libraries Better Together* ethos, or to take up either or both of the Enhanced Support Packages would not be a disadvantage at the Expression of Interest stage. Decisions on which groups will be selected to run a given library will be based primarily on the sufficiency of their responses to the Expression of Interest and, in essence, on the robustness of their

proposals and their relevance to local library users and local communities.

Community Library Development Team

- 8.21 A permanent Community Library Development Team will be created to provide ongoing training and guidance on library operations, and to act as the first point of contact between the CML and the statutory library service. Each CML signing up to Enhanced Package (1) and/or (2) will be allocated to a member of the Team who will visit regularly to provide guidance and deal with queries on library matters; where necessary they will signpost to the relevant Library Service experts. The Community Library Development Team will also act as the interface between CMLs and other Council employees, to help them identify the right person to talk to about a particular issue or problem in relation to property maintenance and, where appropriate, IT matters.
- 8.22 The Community Library Development Team will also encourage the identification of “expert volunteers”, a concept that has worked well in other parts of the country, and will facilitate “buddying” between CMLs where appropriate. Members of the Team will not, however, provide frontline service delivery at CMLs. The operation of the Community Library Development Team will be within the scope of the review that is envisaged to take place between October 2020 and March 2021.
- 8.23 The August 2016 report envisaged that the Community Library Development Team would comprise 2.5 FTE. However, given the concerns expressed during the phase 2 consultation about the ability of CMLs to deliver and maintain an acceptable level of service, it is proposed to increase the staffing complement to 3.0 FTE. Under Option B *Plus* this move, combined with the reduction from 11 to 10 of the number of potential CMLs, will substantially increase the support available to each. Cabinet is recommended to approve the provision of ongoing training and guidance to CMLs, accessible on a voluntary basis, in relation to routine library operations, processes and activities by creating a permanent Community Library Development Team.

Additional support measures for CMLs

- 8.24 The Council is fully committed to the concept of CMLs, and is determined to do all that it can to encourage the successful transfer of some of its libraries to community management. As well as the generous Grant and Enhanced Support Packages that will be available for a peppercorn fee it proposes a number of additional measures to support groups / community organisations to take over their local libraries. These measures are outlined in the following paragraphs.
- 8.25 The MTFP agreed by Cabinet on 15 February 2017 includes a one-off provision to “allocate [in 2018/19] £90,000 towards supporting our City libraries, should they transfer to be community managed.” The sum could be used to create a pump priming fund into which groups / community organisations could bid in order to help pay for the establishment and launch of CMLs. It could help cover, for example, the legal costs associated with becoming constituted, promotion and publicity for the new community venture or the purchase of small items of furniture, equipment, etc. Cabinet is therefore recommended to establish a CML pump-priming fund of £90k in accordance with the Cabinet decision of 15 February 2017, and to delegate to the

Strategic Director of Communities and Place, in consultation with the Cabinet Member for Leisure, Culture and Tourism, authority to develop and implement a mechanism for allocating the pump-priming fund.

- 8.26 The Council recognises that few members of the organisations / community groups will have public library experience, and that CML operatives will require training to enable them to be familiar with some of the considerations of library and property management provision. All CMLs will be offered induction training prior to the handover of the premises. Should CMLs sign up to Enhanced Support Package (1) they may also benefit from ongoing support from a permanent Community Library Development Team.
- 8.27 Prior to handing over a library, the Council will provide training in relation to Health and Safety responsibilities and tenant building compliance checks. This will be backed up with the provision of a property handbook, and the Council will carry out regular checks to monitor compliance.
- 8.28 Since the August 2016 Cabinet decision the Council has been assisted in developing its thinking on CMLs by Locality, which describes itself as “the national network of ambitious and enterprising community-led organisations, working together to help neighbourhoods thrive.” Locality has significant experience of assisting the establishment of CMLs in other parts of the country, and in 2011 established the national Community Managed Libraries Peer Network. During the last nine months Locality has helped Derby to develop its own vision for transferring some libraries to community management.
- 8.29 It is anticipated that Locality will continue to assist the Council during the implementation phase of the Libraries Review, for example by delivering, prior to the deadline for submitting Registrations of Interest, some introductory briefing sessions for groups / community organisations / individuals considering submitting an Application to run a CML. At these sessions experienced library staff will be on hand to provide information and answer questions about library operations. Locality will also be able to share with prospective CMLs information on the challenges faced by similar organisations elsewhere in the UK, and the solutions they adopted.
- 8.30 The Council recognises that setting up and shaping a voluntary organisation capable of managing a library building and everything that happens within it, as well as properly administering a substantial Grant and raising additional funds, will be very challenging. It will therefore give consideration to engaging, for a period of up to 12 months, a local infrastructure organisation to support groups / community organisations as they develop and, where appropriate, implement their proposals to run a CML. This will require a procurement exercise to be undertaken. Funding would be sought for this initiative through Delivering Differently.
- 8.31 The infrastructure organisation could offer tailored guidance on a range of practical issues including, for example, governance structures, incorporation, charitable status, setting up an appropriate bank account, the Crowdfund Derby initiative and other fundraising strategies etc. Engaging a local infrastructure organisation in this way may help reduce the risk that no groups will come forward to run some libraries, that

Applications will be so deficient that they will be rejected by the Evaluation Panel, or that groups making successful Applications will be poorly prepared to take on their responsibilities with the result that the CMLs they run will quickly prove unsustainable. This initiative could therefore improve the likelihood that all 10 libraries will successfully transition from Council control to community management.

- 8.32 Cabinet is recommended to note the range of support that is proposed to inform and assist groups / community organisations completing an Expression of Interest and preparing to run a CML.
- 8.33 The annual Grant, the two Enhanced Support Packages and the additional support measures described in the report are intended to maximise the likelihood that all ten potential CMLs will be successfully established and will continue to thrive. This, in turn, will reduce the prospect of the Big Lottery seeking to recover part of the grant it awarded the Council to support the building of libraries at Allenton, Chellaston and Mackworth. Advice from the Big Lottery indicates that if a community organisation takes over the running of a library with financial and/or in-kind support from the Council “claw back” may not be sought, subject to the Lottery having agreed to the agreement that the Council would enter into with the CML.

Expression of Interest process

- 8.34 Groups / community organisations wishing to run a library, under Option B *Plus*, will be required to follow the Expression of Interest (Eoi) process. The first stage of this process will be to submit a simple Registration of Interest, by the deadline of midday on 29 August 2017. By setting this deadline the Council will receive an early warning of any prospective CMLs that might struggle to become established. In this event, the Council will take appropriate remedial action, taking additional steps to mobilise interest within the local community.
- 8.35 Subject to Cabinet approval of Option B *Plus* on 12 July 2017, the Eoi process will be launched, with information packs for each library being published online, during week beginning 24 July 2017. During the following weeks, as described in paragraph 8.29, Locality and library staff will deliver some briefings for groups / community organisations / individuals thinking of submitting a Registration of Interest.
- 8.36 Having submitted a Registration of Interest, groups / community organisations will move on to complete a full Application to demonstrate how their proposals for the library premises would ensure or contribute to:
- A diverse and confident local community of readers.
 - A digitally enabled and connected community.
 - A connected and well-informed learning community.
 - A welcoming and accessible facility.
 - A safe and well managed building.
 - A viable and sustainable facility.

- 8.37 The deadline for submitting completed Applications will be 23 October 2017. The Evaluation Panel will begin meeting in later that month and will continue to meet as and when required until all Applications have been processed. It will scrutinise each Application carefully, and will meet with representatives of the groups / community organisations to ask them more about their proposals. Where necessary the Panel may ask for proposals to be amended or developed further before making a final recommendation about the transfer of a library to community management. Subject to Cabinet approval, final decisions on the groups / organisation to run each CML will be delegated to the Strategic Director of Communities and Place, in consultation with the Cabinet Member for Leisure, Culture and Tourism.
- 8.38 Once a group or community organisation has been identified to run a particular library, the Council will work with it to arrange handover as soon as practicable. It anticipates that the process could take up to six months, but will work with each successful group / community organisation to achieve handover swiftly, enabling the energy and enthusiasm of the volunteers to be harnessed and budget savings to be delivered promptly.
- 8.39 Cabinet is recommended to approve the outline EoI process for transferring some libraries from Council control to community management, as described in paragraphs 8.34 to 8.38, and to delegate to the Strategic Director of Communities and Place, in consultation with the Cabinet Member for Leisure, Culture and Tourism, authority to refine the process and make final decisions on Expressions of Interest.

CML Review, October 2020 to March 2022

- 8.40 The existence of CMLs will constitute a transformational shift in the way library services in the city are delivered, possibly the biggest change ever in the history of Derby's public libraries. Given the scale of this transformation, the continuing pressure on public sector budgets and the impact of relentless technological and societal change, it would be prudent to give consideration to the cost-effectiveness of this initiative after a reasonable period of operation. Cabinet is therefore recommended to commission a review, with a particular focus on levels of Grant, the Grant allocation mechanism and the Enhanced Support Packages, to take place between October 2020 and March 2021. Any changes resulting from the review would be implemented from April 2022 meaning that groups / community organisations running CMLs would receive 12 months' notice of any changes.

9	OPTION B <i>PLUS</i>: CONCLUSION
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- 9.1 Option B *Plus* seeks to keep all 15 of the city's libraries open, by engaging with residents and harnessing the ability of local communities to take over the running of some libraries. This new relationship between Council and community offers the prospect of protecting a resource that is greatly valued while coping with the inevitability of budget cuts.
- 9.2 The support being offered to CMLs, both financial and non-financial, is generous because the Council is determined that potential CMLs should be given every

opportunity to succeed. If this is achieved the negative impact on library users could be slight. This point is clearly recognised by the Equalities Impact Assessment at Appendix 14, which concluded that it is safe to continue with Option B *Plus* without contravening the Council's equalities duties.

- 9.3 Although there will be significant challenges to overcome, the changes proposed in Option B *Plus* can also be regarded as an opportunity for a new beginning, a chance to look afresh at the Library Service and to reinvent it for the digital, financially constrained times in which we live. There will be opportunities for library staff to focus resources in ways that will have the greatest impact, and for residents to help shape the use of library buildings in line with local priorities and needs. Clearly, implementation of Option B *Plus* will mark the end of an important chapter in the history of Derby's public libraries; however it can also be seen as the beginning of a new and equally exciting chapter in the history of a much-loved public resource.

10 NEXT STEPS AND DRAFT TIMETABLE

- 10.1 The following table outlines the key milestones for the implementation phase of the Libraries Strategic Review:

Dates(s)	Milestone
12 July 2017	Cabinet approval of Option B <i>Plus</i> .
w/c 24 July 2017	Launch CML Expression of Interest process.
August 2017	Launch formal staff consultation.
Late July / early August 2017 (details tbc)	Briefing sessions for groups / community organisations / individuals with an interest in running a CML.
29 August 2017, midday	Deadline to submit Registrations of Interest.
23 October 2017, midday	Deadline to submit completed CML Applications.
Late October / early November 2017	Panel evaluations of CML Applications begin.
November / December 2017	Decisions begin to be made on CML Applications, and transfer processes begin.
Late November 2017	Work begins on construction of Riverside Library.
Late April 2018	Closure of Central Library.
Mid May 2018	Anticipated date for the opening of Riverside Library at the Council House.

11 OTHER OPTIONS CONSIDERED

- 11.1 During an earlier stage of the Libraries Strategic Review four options for a new service delivery model were developed and worked up in detail. Following consideration of the response to the phase 2 consultation Options A, B, C and D have been rejected for the reasons outlined by the report.

- 11.2 Continuing to deliver the service in its current form is not an option given the scale of the budget challenge that the Council continues to face.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Olu Idowu, Head of Legal Services Mandy Fletcher, Head of Finance (Organisation and Governance Directorate) David Cox, Head of HR Phil Derbyshire, Head of Property Design and Maintenance Claire Davenport, Service Director: Leisure, Culture and Tourism Jill Craig, Interim Director of Information Systems Richard Boneham, Head of Governance & Assurance
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For more information contact: Background papers: List of appendices:	David Potton 01332 641719 david.potton@derby.gov.uk Phase 1 Public and Stakeholder Consultation: Final Report (Appendix 2 of Libraries Strategic Review: Options for a new Service Delivery Model [report to Derby City Council Cabinet, 3 August 2016]) Appendix 1 – Implications Appendix 2 – Libraries Strategic Review: Options for a new Service Delivery Model (Cabinet report dated 3 August 2016; <u>excludes</u> Appendix 2) Appendix 3 – Phase 2 Public and Stakeholder Consultation – Final Report Appendix 4 – Derby Museum Trust’s ambitions for the Central Library building Appendix 5a – Artist’s impression of the Riverside Library entrance Appendix 5b – Artist’s impression of the Riverside Library children’s area Appendix 6a – Riverside Library – configuration of ground floor of the Council House Appendix 6b – Riverside Library – layout Appendix 7 – Riverside Library business case Appendix 8 – Opening patterns of Council-run libraries Appendix 9 – CML leases: template wording Appendix 10 – Minimum Standard Resource to be provided by a Community Managed Library Appendix 11 – Libraries Better Together – The Public Library Ethos Appendix 12 – Enhanced Support Package (1): Acquisition and management of book stock, and access to the Library Management System Appendix 13 – Enhanced Support Package (2): Internet and Wi-Fi Appendix 14 – Equalities Impact Assessment of Option B <i>Plus</i>
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IMPLICATIONS

Financial and Value for Money

- 1.1 The Council's financial position remains challenging. The MTFP requires that £673k be saved from Libraries budgets, split between 2017/18 (£336k) and 2018/19 (£337k). However £25k of this saving has been achieved early so the saving for 2017/18 now stands at £311k. Option B Plus has been designed to deliver the required savings,
- 1.2 The emerging timetable for implementation of the Libraries Strategic Review renders the MTFP savings target particularly challenging during 2017/18. Progress towards achieving the target will be monitored closely throughout the year, and compensatory actions to enable its achievement will be identified as necessary.
- 1.3 The budget for cleaning library buildings is held by Facilities Management. Additional cleaning costs at the Council House resulting from the opening of Riverside Library will be covered from savings that Facilities Management would make from no longer cleaning the Central Library. Although cleaning costs will increase slightly at the other four Council-run libraries due to the extended opening hours, this will be more than offset by savings on the cleaning of those libraries that are earmarked to become CMLs. The overall saving to Facilities Management on cleaning is estimated at £35k; this will be set against Property Rationalisation savings targets.
- 1.4 Financial risks associated with the project include:
 - The cost of indemnifying CMLs against any liabilities that arise if TUPE applies; the maximum liability is estimated at £550k (see paragraph 3.3 below).
 - Fixing the CML Grant until March 2022, which will limit the Council's ability to respond flexibly to budget pressures.
 - Continuing, and possibly increasing costs of property maintenance at the Central Library, and CMLs.
- 1.5 The building of Allenton, Chellaston and Mackworth Libraries was financed primarily through a grant of £2m from the Big Lottery. One of the grant conditions was that these libraries had to operate for at least 20 years; if they did not the Big Lottery would be able to seek claw back. The 20 year period ends in 2029 (Allenton) and 2030 (Chellaston and Mackworth). The value of the clawback is reducing over time so assuming closure of libraries on or around 1 April 2018 the sums involved would be as follows:
 - **Allenton:** claw back around £205,459. For every month that closure is delayed beyond April 2018 the amount the Big Lottery would seek to recover would fall by £1,437.
 - **Chellaston:** claw back around £495,787. For every month that closure is delayed beyond April 2018 the amount the Big Lottery would seek to recover would fall by £3,491.
 - **Mackworth:** claw back around £419,468. For every month that closure is delayed beyond April 2018 the amount the Big Lottery would seek to recover

would fall by £3,227.

- 1.6 Advice from the Big Lottery indicates that if a community organisation takes over the running of a library with financial and/or in-kind support from the Council claw back may not be sought, subject to the Lottery having agreed to the agreement that the Council would enter into with the CML.
- 1.7 Redundancy costs resulting from the restructuring that will be required to implement Option B *Plus* will be met from the appropriate corporate budget; the maximum liability is estimated at £170k.

Legal

- 2.1 In carrying out the Libraries Strategic Review the Council must be mindful of its duties under the Public Libraries and Museums Act 1964. The Act requires the Council to provide a 'comprehensive and efficient' public library service, but the term 'comprehensive and efficient' is not defined in statute. The Act specifically requires library authorities to provide, free of charge, access for people who live, work or study in their area, to borrow books or other material in line with their needs. This need will continue to be met, satisfactorily, through the Council's statutory offer provided by five libraries that will remain Council-run, irrespective of the success or otherwise of any CML proposal that the Council may receive.
- 2.2 In carrying out the Libraries Strategic Review the Council must also be mindful of its duties under Section 149 of the Equality Act 2010. This Section, known as the public sector equality duty, requires the Council, and Cabinet members as decision makers in particular, to have due regard to the needs to:
 - Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
 - Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it.
 - Foster good relations between persons who share a relevant protected characteristic and those who do not share it.
- 2.3 In order to enable Cabinet members to fulfil their responsibilities under the Act, Council officers have carried out, in consultation with the Derby Diversity Forum, an Equalities Impact Assessment of Option B *Plus*. It is included as Appendix 14 to this report.
- 2.4 Consultations undertaken as part of the Libraries Strategic Review must be carried out in good faith and with an open mind. The Council must not enter into such consultations having already pre-determined the outcome. It was this issue that led, in July 2014, to the High Court quashing Lincolnshire County Council's proposed changes to its library service. The judgment notes that while it is proper for an authority to have a preferred option and to consult on it, for the consultation to be meaningful the authority must be prepared to think again if those consulted are unhappy with the proposal and suggest a reasonable alternative. Although Option B *Plus* is based on the Council's preferred option as identified in the August 2016 Cabinet report, it has been adjusted / updated in several significant ways in response to the findings of the phase 2 consultation, in particular:
 - The adjustment to the needs assessment methodology by abandoning the

double-weighting of the deprivation component.

- The reduction in the proposed opening hours of Council-run libraries.
- The addition of Mickleover to the list of Council-run libraries.
- The development of proposals for the future of the Central Library building that respect the thinking behind the original gift to Derby by Michael Thomas Bass.
- The redesign of the architect's first iteration of the floorplan of Riverside Library in order to significantly increase stock holding capacity.
- The proposal to increase the shelf stock at Alvaston, Mickleover and Pear Tree libraries to help offset the reduction in stock caused by the relocation of city centre lending services from the Central Library to Riverside.
- The increase in the size of the Community Library Development Team from 2.5 FTE to 3.0 FTE.
- The fixing of the CML support grant until at least March 2022.

These examples serve to illustrate that the Council undertook the phase 2 consultation in good faith, and was willing to take into account the feedback it received.

- 2.5 In planning to shift some libraries from its management to management by groups of volunteers, the Council must refrain from being excessively prescriptive to avoid suggestions that it is simply commissioning other bodies to deliver its services. The Minimum Standard Resource given at Appendix 10 has been drafted with this in mind, allowing CMLs significant freedom in the way they operate while still ensuring that a Grant to support the provision of a provision at the library can be justified. Although CMLs Enhanced Support Packages (1) and (2) would work closely with the Council and work within many of its procedures (Appendices 12 and 13) this is a voluntary choice, and groups can provide the Minimum Standard Resource without adhering to this ethos.

Personnel

- 3.1 Spend on employees will be reduced by almost £0.5 million under Option B *Plus*. It is anticipated that there will be a net loss of 39 jobs (18.9 Full Time Equivalent). There will also be an impact on cleaning jobs in Facilities Management, estimated at 7 jobs, (1.2 FTE).
- 3.2 It is therefore expected that up to 46 posts will be made redundant through a restructuring of the service. The Council will seek to mitigate the impact of the potential redundancies through vacancy management, and by applying its well established Policies and Procedures relating to Voluntary Redundancy and Redeployment.
- 3.3 One of the main provisions of TUPE is that those employees employed in the business immediately before the transfer (or who would have been so employed if they had not been dismissed) transfer to the new employer with their acquired rights. The more the new business looks like the old business, the more likely it is that TUPE will apply. The more prescriptive we are about what the CMLs do the greater the risk that a service provision change (SPC: another type of TUPE transfer) might arise. TUPE implications will be explored further when the Council has become fully aware of CMLs' proposals through the EoI process. At the present time the Council

does not know the sort of business that might be conducted at any of the CMLs. Until it does it cannot be certain that TUPE will not apply to any of these transactions. Nevertheless, it is likely that some/all CMLs will seek indemnities from the Council for liabilities (under TUPE and or unfair dismissal or both). In the worst case, an indicative estimate of those liabilities (if uncapped) is £550k. The report recommends Cabinet to agree in principle, subject to key decisions and other constitutional considerations that may apply at the time, to consider giving CMLs indemnities in appropriate cases. Legal advice will be sought to fully understand on a case-by-case basis the implications for the Council and the CMLs.

IT

- 4.1 IT Services are working closely with the Head of Libraries and his team to understand the IT implications of the changes and to find solutions that are both secure and that represent good value.
- 4.2 If there is to be any IT link between CMLs and the Council's network it will be necessary to identify and implement the steps required to ensure PSN (Public Service Network) and PCI (Payment Card Industry Standard) compliance. The Council's minimum expectations in relation to data security must be set out clearly, together with the steps that it will take if these expectations are not met. The project team will work closely with the Interim Director of Information Systems and her team to identify the challenges and potential mitigations

Equalities Impact

- 5.1 An Equality Impact Assessment has been prepared with the support of the Council's Lead on Equality and Diversity and the involvement of members of the Diversity Forum. It concludes that although there is a potential for negative impact the Council could legally continue with Option B *Plus*. It argues that the chances of significant negative impacts due to the failure of proposed CMLs are minimised by the financial and non-financial support that will be available to organisations running them and that, in the event of any closures, Riverside Library will provide a high quality and accessible facility centrally located and just a short walk from the bus station. It adds that the Home Library Service will continue to be available to provide a doorstep delivery service for elderly / disabled users, while the eBooks service will continue to be available to anybody with a home internet connection and an appropriate computer or other electronic device.
- 5.2 Cabinet members must give due regard to the content of the assessment, which is included with the report at Appendix 14, in coming to their decision.

Health and Safety

- 6.1 Handing over some libraries to community management groups / community organisations will require that some of the health and safety responsibilities also transfer. The Council will retain some health and safety responsibilities for the volunteers operating from its premises and undertaking work on its behalf. Training and supervision will be important in transfer of management. There will also be implications in terms of health and safety in relation to managing a property to

ensure it is safe to occupy as a workplace and a business. Examples would be the management of asbestos (where present) and fire safety. The Council will ensure the appropriate measures are in place to enable to effectively carry out its corporate landlord function in relation to CMLs.

- 6.2 Prior to handing over a library, the Council will provide training in relation to Health & Safety responsibilities and tenant building compliance checks. This will be backed up with the provision of a property handbook, and the Council will carry out regular checks to monitor compliance. CML leases will state that failure to follow the required Health & Safety procedures may result in termination.

Environmental Sustainability

- 7.1 Under Option B *Plus* no libraries will close if all ten potential CMLs are successfully established. However if any CMLs do not materialise, or if they open and if they fail at a later date there could be an increase car journeys, or longer car journeys, by customers whose regular library has closed.
- 7.2 Where leases are to be awarded to CMLs it is preferable that this takes place prior to the 1 April 2018. Leases awarded after this date will be subject to the Minimum Energy Efficiency Standard (MEES) under the ***Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015*** which will affect any library with an Energy performance Certificate (EPC) that has a rating lower than E unless the council have carried out all cost-effective works to improve energy efficiency. This will need further consideration should leases be awarded after the implementation date. Further investigation will be undertaken on a library-by-library basis clarify the possible impact and cost implications of these Regulations on the CML proposals.

Property and Asset Management

- 8.1 Option B *Plus* assumes that libraries not directly operated by the Council will be run by communities as CMLs. The Council will continue to maintain the CML buildings that it owns, although CMLs would be responsible for internal decoration and floor coverings.
- 8.2 In order to support the property maintenance budgets, £20k from within the Library Service's budget has been identified to be vired to property maintenance budget to assist with future work.

Risk Management and Safeguarding

- 9.1 Option B *Plus* is proposed following a robust strategic review informed by a comprehensive needs assessment, the latter having been described in detail in the report to cabinet on 3 August 2016.
- 9.2 Failure to adhere to Section 149 of the Equality Act 2010 would place the Council at risk of Judicial Review. Several authorities have had their proposals for changes to library services referred to the High Court, and some of these challenges have been upheld because the councils' processes have contravened the Equality Act. In seeking to manage this risk, officers have sought to learn their experiences. Cabinet members must therefore give due regard to the Equality Impact

Assessment (Appendix 14) in coming to their decision.

- 9.3 Predetermining the outcome of the Strategic Review and failing to carry out consultations in good faith would also place the Council at risk of an adverse Judicial Review decision. In managing this risk, officers have sought to learn from the experience of Lincolnshire CC. Option B *Plus* includes a number of adjustments to the original Option B, as described in the August 2016 cabinet report. These adjustments have been directly prompted by the phase 2 consultation, and help demonstrate the Council's willingness to listen and respond to feedback on its original proposal.
- 9.4 Full implementation of Option B *Plus* will take several months. Given the negative impact on jobs resulting described earlier in this Appendix it is inevitable that many staff will begin looking for alternative employment, and this may affect the Council's ability to maintain service continuity during the implementation period.
- 9.5 CMLs present a number of potential risks for the Council relating to, for example, its role as corporate landlord and the security of its data. It may also risk reputational damage by association if it is seen to be providing financial or in-kind support to a group whose service standards do not comply with legal requirements or Council values. The Council will seek to address this by clearly setting out its expectations in the Management Agreement, and monitoring CMLs' adherence to it.
- 9.6 The council will cover relevant safeguarding issues as part of the induction training offered to CMLs prior to handover.
- 9.7 Option B *Plus* offers generous financial and non-financial support to groups / community organisations willing to take over the running of the libraries that are identified in this report as potential CMLs. It should be noted however that Option B *Plus* does not absolutely guarantee that no library will close: if groups / community organisations do not come forward with viable plans some CMLs may not come into being, or may close soon after opening.

Corporate objectives and priorities for change

- 10.1 Through the network of library buildings, the services delivered and the resources made available to communities the Library Service contributes to the vision outlined in the Derby Plan 2030 to be a safe, strong and ambitious city.
- 10.2 Public libraries in Derby make a significant contribution to three of the Council's priority outcomes:
- Enabling Individuals and Communities
 - Promoting Health and Well-being
 - Raising Achievement and Skills.
- 10.3 Change is at the heart of the Libraries Strategic Review, which therefore aligns closely with the Council's priority outcome of Delivering our Services Differently. In particular, turning some of our service points into CMLs will transform the way library services are delivered in Derby. This would demonstrate commitment to the corporate priority outcome of Enabling Individuals and Communities which, the Council Plan 2016-2019 says 'may include the transfer of some key responsibilities back to our communities as the budget we have available to deliver services

declines.'

- 10.4 On 12 April 2017 Cabinet approved the document "The Future of Derby – Cabinet Pledges and Council Delivery Plan 2016-19." Option B *Plus*, which retains five Council-run libraries and provide generous financial and in-kind support for the remaining ten libraries to transition to community management, is in line with the pledge from the Cabinet Member for Leisure, Culture and Tourism to "protect Derby's libraries by grant funding volunteers and/or community library groups, and/or directly funding wherever possible."
- 10.5 Relocating the city centre lending library provision to the Council House and finding an alternative use for the existing Central Library building is in line the corporate priority outcome of Making the Most of our Assets.