

PART 1 - PUBLIC

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Decision Maker: **Renewal and Recreation Portfolio Holder
For Pre Decision Scrutiny by the Renewal and Recreation PDS
Committee on the 12th April 2011.**

Date: 12th April 2011

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **Library Service - Shared Working**

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Chief Officer: Marc Hume, Director of Renewal and Recreation

Ward: Borough Wide

1. Reason for report

1.1 At the meeting of the Renewal and Recreation PDS Committee on the 15th February 2011, Members, in consideration of the report by the Member Working Group on delivery of the borough's library service agreed to pursue further work around Option 4. In particular, that the concept of partnership working with the London Borough of Bexley be further considered as the preferred option for the future management of the borough's library service.

1.2 Furthermore, Members agreed that consideration should be given to the existing borough network of libraries and whether there was scope for the closure and amalgamation of a number of these service points.

1.3 This report updates Members on the outcome of the discussions with the London Borough of Bexley on 'Shared Services' and provides for Members a clear indication on the likely levels of savings that could be achieved through adopting such an approach. Furthermore, the report makes a number of recommendations with regard to the library branch network and similarly identifies a range of savings that could be realised. As such, this report sets out a clear direction of travel in terms of developing the Option 4 model with regard to shared services.

2. **RECOMMENDATION(S)**

That the Portfolio Holder:

2.1 **Notes the position on 'Shared Services' and in particular the benefits including the levels of potential savings that have been identified.**

- 2.2 Agree that the Director of Renewal and Recreation continues with the detailed negotiations with the London Borough of Bexley and that a further report be brought to a future meeting of the Renewal and Recreation PDS on the outcome of these negotiations and staff consultation**

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Vibrant Thriving Town Centres.
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Libraries and Museum
 4. Total current budget for this head: £7.1m
 5. Source of funding: Existing Revenue Budget 2011/12
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Staff

1. Number of staff (current and additional): 146 FTE
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory requirement.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 2,005,251 visits per annum
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 The proposals around shared services have at their heart the principle that by combining services across the two boroughs, that this offers a better prospect to reduce management costs and other overheads, in a manner which retains the delivery of the frontline library service. Furthermore, the concept of shared services mitigate the impact of alternative, single borough reductions, either through reduced management capacity or the failure to achieve enough savings which potentially leave frontline services at greater risk. It is increasingly more difficult for local authorities to assume that undertaking any activity on a stand-alone basis is the most cost effective way of going forward.
- 3.2 The key objectives behind this shared services proposal are:
- i) to reduce the costs including the overheads of the library service by having a new joint combined library management team.
 - ii) To realise the benefits of a combined library service management as set out in paragraph 3.7
- 3.3 At present the management structure for the delivery of library services across the two boroughs Bromley and Bexley are duplicated, with similarly a number of services that are delivered within or for libraries also being duplicated. The nature of activity and processes are generic and well defined, rather than specialist to each of two local authorities. Furthermore, the professional disciplines of staff involved are capable of being exported across each local authority boundaries.
- 3.4 The London boroughs of Bromley and Bexley first came together as part of the Future Libraries Programme (FLP). This programme sought to support Councils with the development of innovative change programmes, with the overarching aim of preserving services that are highly valued by communities, whilst achieving the efficiencies needed to adapt to the challenging economic climate.
- 3.5 As part of this programme, exploratory work was undertaken with a view to two or more library services joining together under one management structure to deliver an integrated library service. In response to this officers from both Bromley and Bexley agreed to explore the shared services concept for both boroughs. Both boroughs have an appetite for this, given the likely scale of savings that each borough's library service faced having to identify. Geographically both boroughs are well suited to developing a shared services approach and, similarly, both authorities are looking to achieve savings within the same time frame, i.e. 2012/13 onwards.
- 3.6 In addition to the strategic compatibility of "ambition to merge" and "geographical location", there are significant synergies between the two borough's library services, which share the common objectives of library services, namely:
- Reading
 - Learning – supporting informal and formal learning
 - Digital – support, training and use
 - Information – both digital and paper
 - Community resource – a broader destination
 - Access point for other corporate services

3.7 Following further meetings with the London Borough of Bexley, the areas that the shared service approach, and where potential savings could be achieved, would encompass:

- the creation of a single joint management structure to provide overall leadership and democratic accountability to each borough
- sharing of specialist and support staff
- harmonising contracts and joint procurement
- rationalising arrangements for storage, home library service and transport arrangements
- developing a dual approach to the use of assets, i.e. mobile library service
- Exploiting the best parts of each library service to the benefit of both authorities.

3.8 It is proposed that the development of a joint library service will allow for the creation of an integrated management team but that at the point of delivery the services will remain distinct to the two individual boroughs in line with local community needs and requirements. In addition to this, it is proposed to develop an integrated management structure but that as part of this a dedicated operations management post is created for each of the two boroughs. These posts will be essential to ensure that the linkage between the new structure and local accountability is maintained.

3.9 At the meeting of the Renewal and Recreation PDS on 15th February 2011 it was reported that estimated savings of between £350k - £550k could be achieved by pursuing Option 4 – the shared service approach. Further detailed work has been undertaken with the London Borough of Bexley since the meeting on 15th February and this work indicates that the Potential savings figure from adopting a shared service approach is approximately £350k. This figure may be subject to amendment as all of the new posts that would be created on the new joint structure would be subject to full and joint evaluation.

3.10 The estimated savings taken to date and those proposed from this report are shown in the table below: -

Area of Saving	2010/11 £'000	2012/13 £'000	Total £'000
Savings previously agreed			
Staffing reductions made during 2010/11	340	0	340
	340	0	340
Savings agreed by Full Council 28.2.11			
Review of site officers	0	50	50
Amalgamation of Penge and Anerley libraries *	0	90	90
	0	140	140
Future estimated savings for 2012/13			
Shared services with LB Bexley **	0	350	350
Cost efficiencies in library management system	0	50	50
	0	400	400
Total Savings for Libraries over period 1.4.10 to 31.3.13	340	540	880

* Subject to the identification and purchase of suitable premises.

** Subject to final agreement on structure, set up costs and any starting implications that arise from developing the new structure.

3.11 At this point in time it has not been possible to undertake a full library analysis to determine possible options for branch rationalisation, amalgamation and/or closure. This work is

currently ongoing and depending on Members' views with regard to the levels of saving identified in 3.10, will be subject to a further report back to Members at a later date.

- 3.12 In addition to this work, officers are also exploring the potential (financial) benefits of developing a comprehensive volunteer programme. Bromley is not as far advanced as Bexley in terms of using volunteers to staff libraries, and despite significant gains in other parts of the authority i.e. the Friends of Parks Scheme, little current use is made of volunteers. This may be an area where the benefit of developing a shared service approach would allow for best practice in Bexley to flow into Bromley through the integrated management approach.
- 3.13 A further area for consideration is that of a programme of rationalisation. This approach could for instance see a reduction in opening hours/days and the introduction of a closure period at lunch times. At present a significant proportion of the borough's libraries operate extended hours up until 8pm at night with no closure for lunch. Whilst it is clear that such an offer is attractive to library users, such an approach requires the maintenance of a higher staffing establishment to cover shift working. A reduction to 'office hours' only with a one hour lunch time closure would significantly reduce the staffing establishment. Further work is being developed around this option to determine the costs savings that could be achieved.

4. FINANCIAL IMPLICATIONS

- 4.1 The estimated saving from the proposal to provide shared services with the LB of Bexley are expected to be around £350k. This is subject to final agreement on structure, set up costs and the formula agreed for sharing the service costs.
- 4.2 Officers are also investigating options to reduce the costs of the library management system and it is expected that savings in the order of £50k per annum may be achieved.

5. LEGAL IMPLICATIONS

- 5.1 The Public Libraries and Museums Act 1964 requires that library authorities provide a "comprehensive and efficient" public library service. The terms "comprehensive and efficient" are not defined within the Act; however the Act requires local authorities to provide, free of charge, access for people who live, work or study in their area to borrow or refer to books and other material in line with their needs and requirements.
- 5.2 Whilst charges can't be made for lending or looking at books unaided Regulations made under the act permit charges to be made for assisting people to use computers, where copies of material or catalogues are produced which become the property of the person requesting them, for providing private rooms, for providing electronic or other facilities to view books or material and for making available any other library facilities which go beyond the statutory duty.
- 5.3 The 1964 Act brought libraries under the overall supervision of the Secretary of State. Under the act each London Borough is a Library authority for its own area. However Section 4 provides that a library authority's functions "*may also be exercised elsewhere than within its library area if the authority thinks fit.*"
- 5.4 Section 5 of the Act provides that if the Secretary of State is prepared to make the necessary Order two or more library authorities can combine to form a joint Library Board. Any Order would deal with management arrangements, transfer of staff and transfer of property.

- 5.5 There are also a number of powers which allow local authorities to provide services to each other at a charge or otherwise – for example The Local Authorities (Goods and Services) Act 1970 or to place staff at the disposal of another local authority – Section 113 Local Government Act 1972.
- 5.6 The recent case of *RMP v London Borough of Brent* has effectively taken most local authority shared service initiatives which include only public bodies outside of the EU procurement regime.
- 5.7 The race relations (Amendment Act) (2000), Disability Discrimination Act (2005) and the Equality Act 2006 further place a duty on a public body to carry out equality Impact Assessments as soon as a new policy, function or service is considered.
- 5.8 The Local Government and Public involvement in Health Act 2007 and the new Statutory Guidance for the Duty to involve as it places authorities under a duty to consider the possibilities for provision of information to, consultation.

6. PERSONNEL IMPLICATIONS

- 6.1 The proposals for an integrated joint management team of this nature are a new direction for the Council. The project will have give rise to significant HR and industrial relations issues, and include possible redundancies amongst the staff in both Boroughs arising on the implementation of the new organisational arrangements. These implications will need to be carefully planned for and managed in accordance with the policies and procedures of both Boroughs, and with due regard for the existing framework of employment law. With this in mind HR representatives from both Bromley and Bexley are involved with the project group to ensure that the issues are identified and addressed in a timely and appropriate manner.
- 6.2 To date staff and managers have been involved directly or indirectly with informal consultation and there has been trade union involvement in the Members’ working group. As more detailed proposals are developed these will be the subject of further formal consultation with staff, trade unions and departmental representatives.

Non-Applicable Sections:	Policy Implications
Background Documents: (Access via Contact Officer)	[Title of document and date]