

Decision Maker: **Renewal and Recreation Portfolio Holder
For Pre Decision Scrutiny by the Renewal and Recreation
PDS Committee**

Executive

Date: **5 July 2011
20 July 2011**

Decision Type: Urgent Executive Key

Title: **LIBRARIES - SHARED SERVICES**

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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 15 February 2011 Members considered the Final Report of the Members' Libraries Working Group which put forward a number of recommendations for the future shape, structure and composition of the borough's library service. The Member Working Group identified four options, and these are contained in the full report which is Appendix 1 of this report. The PDS Committee agreed to pursue further work around Option 4, which included:

- a) exploring the concept of partnership working with the London Borough of Bexley;
- b) looking at the possibility of a Trust option for Libraries;
- c) consideration of the distribution of the library branch network.

1.2. On 12 April 2011 the Renewal and Recreation PDS Committee met again and recommended that the Portfolio Holder:

- a) note the position on shared services and in particular the benefits including the levels of potential savings that have been identified; and
- b) 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

this meeting outlining the available options and the outcome of negotiations and staff consultation.

- 1.3 This report seeks to address the points raised in 1.1 above. Furthermore, at the last meeting of the Renewal and Recreation PDS Committee Members sought further clarity and information around Option 4 of the members Libraries Working Group which included the Trust Option for Libraries and the scope to increase potential savings.
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2. RECOMMENDATION(S)

2.1. The Renewal and Recreation PDS committee is recommended to: -

- 2.1.1 Note the responses received from staff and their representatives to date with regard to entering into a 'shared services' arrangement with the London Borough of Bexley and also seek the committee's perspective on the proposals. Comments from all parties will then be fed back to the Executive Committee at its meeting on 20 July 2011 when they will be asked to approve the Shared Services Agreement between the London Borough of Bromley and the London Borough of Bexley for the provision of back office and library management functions across the two boroughs, and**
- 2.1.2 Note the options set out in this report to vary the hours of operation of the borough's library service and also the option whether or not to close a number of libraries; subject to the outcome of any consultation with staff, their representatives, ward Councillors and library users to consider further detailed proposals which will be the subject of a separate report, should the R & R PDS Committee consider this to be the appropriate direction of travel.**
- 2.1.3 Note the option as set out in the report to implement charges for the Peoples Network**
- 2.1.4 Subject to the views of the R & R PDS Committee, that the Executive be asked to support the proposed consultation with staff, their representatives, ward Councillors and library users on library opening hours and closure of a number of libraries and the introduction of charging for the Peoples Network as identified in this report.**

Corporate Policy

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

1. Cost of proposal: Estimated cost Potential savings of £702k for 12/13, reducing to £672k in 2013/14 and £642k for 2014/15
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Library, Archive and Museum
 4. Total current budget for this head: £7.3m
 5. Source of funding: Existing Revenue Budget 2011/12
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Staff

1. Number of staff (current and additional): 139 Fte
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: <please select>
 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 On 15 February 2011 the Renewal and Recreation PDS considered the Final Report of the Members' Libraries Working Group which put forward a number of recommendations for the future shape, structure and composition of the borough's library service. The PDS Committee agreed to pursue further work around Option 4 of the Report and asked officers to report back on progress, which included details on the concept of shared services with the London Borough of Bexley.
- 3.2 In the report to the Renewal and Recreation PDS and Portfolio Holder on 12 April 2011 the rationale was set out for the proposals to develop a 'shared service' agreement. The key objectives being; to reduce the costs including the overheads of the library service by having a new joint, combined library service management team.
- 3.3 Furthermore the report went on to set out a range of benefits that this approach could bring:
- the creation of a single joint management structure to provide overall leadership whilst retaining democratic accountability to each borough
 - sharing of specialist and support staff
 - harmonising service contracts and joint procurement
 - rationalising arrangements for storage, home library service and transport arrangements
 - developing a dual approach to the use of assets, e.g. mobile library service
 - Exploiting the best parts of each library service to the benefit of both authorities and library users.
- 3.4 Since the last report to Members on 12 April 2011 good progress has been made across the two boroughs. Regular steering groups have been held comprising Assistant Directors and Heads of Service, along with other relevant senior management representing Human Resources, Legal services, Finance and Corporate Communications. The project has been tracked across both boroughs by an inter-borough shared services board at Chief Executive level.
- 3.5 It is expected that there will be savings of approximately £370k for Bromley arising from the shared service and a new library management system in 2012/13.
- 3.6 The key principles behind the agreement are that:
- This will be a partnership between both boroughs sharing the benefits and costs as agreed by both parties;
 - Bromley Staff will be seconded to the new library shared services and will continue to be employed by Bromley on appropriate terms and conditions
 - Appropriate governance arrangements to ensure democratic accountability will be in place to provide appropriate levels of control and transparency as set out in paragraph 4.2.
 - The majority of back office and management staff will be based at Footscray offices, but will work flexibly across both boroughs with 'touch down' spaces at libraries as necessary.

- Bexley's book stack is likely to be relocated to Bromley and Bromley's three book stacks will be consolidated into one new joint borough book stack, initially at the Central Library. A number of staff from Bexley may therefore be based in the borough of Bromley.

3.7 Subject to approval of these proposals it is intended that the first task will be appoint to the key management roles in this new structure. They will then start to put in place the new structure as outlined in Appendix 2 and begin to deliver the new shared service.

3.8 Subject to the proposed timetable which is set out at paragraph 4.13, the steering group have identified a consultation programme which envisages the senior management team for the combined library service being in place by September 2011. This team would then be responsible for developing the new structure by April 2012.

Consultation Timetable

3.9 All affected staff, trade unions, staff side secretary and departmental representatives were sent a full consultative document on 6 June 2011 and the consultation process highlighted above has now been concluded. A summary of comments, by theme, received by the time this report went to print have been included in Appendix 3. A summary of comments received after this deadline will be circulated to the Renewal and Recreation PDS and Portfolio Holder on the night of the Committee meeting and a summary of all comments will be attached to the report that will go to the Executive on 20 July 2011 along with the Director's response. Following consultation both boroughs will consider all comments received and review the proposals where necessary.

3.10 The proposals set out the staffing requirements as agreed jointly with Bexley Council officers and these are shown in the proposed new 'shared service' structure in Appendix 2. Each borough will retain full management of their own branch structure through two key posts of Assistant Director, Bromley and Deputy Director, Bexley. These posts will ensure the needs of each borough are being met through the equitable use of the shared staff. The emphasis of these new posts is to ensure a strong shared strategic vision for the shared service and to establish a structure that can commission, plan and execute consistent quality offers and services to customers across the two boroughs. Some aspects of the joint services will be developed over a period of time, however in terms of reporting lines the new teams will be established from the commencement of the shared service

4. PROPOSED SHARED SERVICES GOVERNANCE MODEL

4.1 It is proposed that the London Borough of Bexley will host the shared service. The key reasons for this approach are as follows:

- Performance – The best practice adopted when services are shared across boroughs is for the better performing borough to act as host. Whilst statistics are clearly open to interpretation, the 2009/10 CIPFA statistics demonstrate that LB Bexley marginally out-performed LB Bromley in five of the eight areas in 2009/10 – as illustrated in the table below.

Cipfa Actuals 2009-10 (last full year available)	Bexley	Bromley
User satisfaction (Adult PLUS) % of users rating library as Good/Very good	92.1	91.6
Revenue Cost per visit	3.95	3.39
Revenue Cost per book issue	4.30	3.72
Book issues per head of staff	10,142	11,661
Book issues per item of stock	6.0	4.2
Visits per 1,000 population	6,422	6,384
% Active users per head of population	24.0	22.5

- It is important to note that LB Bromley out-performed LB Bexley in relation to 2009-10 service provision costs. However, when Bexley's 2010-11 costs and visits are analysed (i.e. the approved net libraries budget for 2010-11 and the visitor figures for 2010-11) Bexley's revenue cost per visit drops to £3.78, making the service only 6 pence more expensive than Bromley's in 2010-11. Furthermore, the Bexley revenue cost per visit is expected to drop further – it is currently anticipated to fall to £3.21 in 2012. It should be noted, however, that similar proposals are also being developed in Bromley as set out in this report which will make further cost reductions and will also impact in a positive manner on our cost base.
- Geographical location - the combined back office and management function will be located at the Footscray Offices in Bexley.

Governance Arrangements

- 4.2 It is proposed that the strategic direction of the combined library service will be provided through a Joint Councils Library Board. This will comprise Member representation and will meet either annually or bi-annually to review the performance of the shared library service and to advise the two borough Councils as appropriate on any matters that they would like to bring to their attention. It will be necessary to consider whether the Joint Councils Library Board will have decision making powers, or whether it will play an advisory role in developing the relationship between the Councils with regard to the Joint Councils Library Board arrangements. If it is decided that the Board should have decision making powers, it will be necessary to set up a Joint Committee (under section 102 of the Local Government Act 1972).
- 4.3 It is anticipated that a Joint Library Services Management Team will sit below the Joint Councils Library Board. This Team will have delegated responsibility for overseeing the management of the service at officer level. The Team will comprise the Deputy Director for Leisure, Arts and Tourism in Bexley, the Assistant Director for Renewal and Recreation in Bromley, the Head of the Joint Library Service and the operations managers, and also a Finance and HR representative from each borough. Other colleagues may also be invited to join the Team on a joint-invitation basis to give advice on key issues as they arise.
- 4.4 The Joint Library Services Management Team will have delegated responsibility for management of the joint working arrangements. Key responsibilities will include:
- preparing a three-year rolling joint business plan
 - preparing and agreeing a detailed work programme in accordance with an Approved Business Plan
 - preparing the budgets and estimates for approval by both Councils
 - overseeing the implementation of the agreed work programme
 - overall responsibility for delivery against the Approved Business Plan
 - identifying the need for specific projects or tasks to be undertaken
 - identifying business development opportunities

Financial Model

- 4.5 The Directors of Finance and senior finance and service staff of Bexley and Bromley have met to discuss the financial model that will form the basis and allocation of costs of the proposed arrangements. The ongoing costs of the joint arrangements will include staffing, accommodation costs, ICT costs and support costs. There will also be non-recurring costs that will include redundancy and ICT costs as well as staff training and development costs.
- 4.6 The costs of the operation of the back office will be on an open book arrangement and costs will be incurred by both boroughs. It is important that the basis of the sharing of the costs is simple, fair and certain.
- 4.7 The size of the back office is not directly proportional to the level of direct service provided to users but this will be a factor. There will be a base level of provision in the back office function but again, this will not be directly proportional to each borough's current frontline service. In view of this, a financial cost sharing model has been agreed between finance officers which combine the fixed and variable costs of the back office function. This will be as follows:
- 2011/12 - (part year) and 2012/13 (full year) - equal share of costs (50:50)
 - 2013/14 - Bromley 52%: Bexley 48%
 - 2014/15 - half the cost being shared 50:50 and the other half based on relative visitor numbers. Based on the latest published statistics this would mean that the costs will be shared Bromley 54%: Bexley 46% as Bromley has 15 libraries compared to the 12 that Bexley operate. It is proposed that the level of visits will be reviewed before year 3 and the proportions adjusted accordingly.

Staff Considerations

- 4.8 There are a number of staffing issues which need to be addressed in a move towards shared service arrangements. In some shared service arrangements, staff have transferred from one authority to a second lead authority under the Transfer of Undertakings (Protection of Employment) regulations. In this instance, Bromley's preferred approach is to second their staff. This approach retains maximum flexibility should the shared services arrangement be extended to another authority in the future. Any Bromley staff that are offered and accept new roles in the structure will be seconded to the shared library service and will be appointed on Bromley's terms and conditions. All staff will continue to be paid through their current payroll arrangements.
- 4.9 There are currently 36 staff in Bromley management and back office and 35 Bexley management and back office staff. The proposed new joint structure has 36 posts. The Council has a policy of avoiding compulsory redundancies wherever possible and all efforts will be made to find redeployment across the wider Council for post holders at risk who do not secure a post in the new shared library service. In the event that suitable alternative employment cannot be found however they will be made redundant.
- 4.10 In accordance with our statutory and procedural obligations, meetings have been held with staff both directly and indirectly affected by the proposals and have also been held with Trade Unions, Departmental Representatives and the Staff Side Secretary. Whilst both boroughs have undertaken this consultation separately, it was undertaken concurrently, with many documents standardised across both authorities to ensure a consistent message by those consulted.

Office Location

- 4.11 The back office and management library function will be located at the Footscray offices in Bexley. The back office and management function, plus the e-library service, will require ICT support services. Work is in hand to define specific ICT requirements and these will include ICT arrangements for both Bromley and Bexley employees. A range of ICT aspects are being assessed, including personal computing, software, Bexley and Bromley data and voice network connections, data security, and internet arrangements. Work is also in hand for both Councils to share the same Library Management System platform which will be externally hosted and managed.
- 4.12 It is anticipated that a suitable site in Bromley will house both boroughs' reserve stack and stock services; initially this will be through a rationalisation of the joint boroughs' stack and is likely to be based on Floor 6 of the Central Library situated in Bromley town centre.

Implementation Timetable

- 4.13 The table below outlines the proposed implementation timetable for the shared services project.

Trade Union and Staff Consultation commenced	6 June 2011
Press release	6 June 2011
End of consultation	5 July 2011
Decision made to share services subject to full signoff by both boroughs	20 July 2011
Appointment process commences	August 2011
Appoint to Head of Service post	August 2011
Appoint to all other posts	September/October 2011
New structure established	November/December 2011
Staff relocate to new locations	January 2012
'Soft start' to shared service	February 2012
Formal commencement of shared service	1 April 2012

- 4.14 Throughout this process officers will be seeking to ensure that a consistent message is communicated across both boroughs in relation to the progress of the shared library service project. In order to ensure this happens, both boroughs have coordinated dates for the release of key information and press releases.

5. OPENING HOURS OF LIBRARIES WITHIN BROMLEY

- 5.1 At the last meeting of the Renewal and Recreation PDS members discussed the importance of examining all of the available options that could be considered to contribute to the funding reductions that the Council faces. One such option is amending the hours of operation at Bromley libraries.
- 5.2 Members stressed the need for the opening hours of libraries to extend beyond office hours and that there should be at least one evening a week where there was a late opening. It is intended to commence consultation with staff, their representatives, Ward Councillors and library users on a range of options including details of potential savings, details of which will be the subject of a separate report to this Committee. The table in Appendix 4 illustrates one potential model whereby the hours of opening could be amended to meet the ambition of further savings.

5.3 The underlying rationale behind the proposal to amend opening hours is as follows:

- *Central, Beckenham & Orpington:* These three libraries have the highest level of investment in buildings and stock and are strategically placed to give good cover across the borough. These libraries provide the widest range of stock and will attract an audience from further away because of their specialist nature and should be available to people who work during the standard week and also family use. Any future proposals would need to take into account these considerations.
- *Chislehurst, Petts Wood, West Wickham:* These branches fill in the major geographic gaps left by the three larger libraries. An analysis has shown that they do not offer the full range of services but have an interest to working people and family use. Any future proposals would need to take into account these considerations. There are no proposed changes in hours at Biggin Hill as the building is operated over an extended period beyond that of existing library opening hours as part of the leisure management contract.
- *Burnt Ash, Hayes, Mottingham, Shortlands, Southborough, St Paul's Cray, Anerley and Penge:* These Community libraries have a far more restricted range of services purely aimed at young families and the elderly who would have more difficulty travelling further. They do not cater adequately for working people of larger families. They are not connected to larger shopping areas thus there is far less special demand for them being open on Saturdays. Maintaining the same hours across the borough would also allow more flexibility in the use of staff. There is less demand for morning opening whilst it is important to be open for local schoolchildren after school. The two suggested mornings could either be fully open or adopt a more flexible approach with the branch arranging special opening for children's events, school visits, reading groups or learning activities.

5.4 If Members were to consider this the direction of travel they wished to pursue, this would need to be the subject of consultation with all stakeholders, including staff and their representatives.

6. TRUST OPTION

6.1 The Member Working Group for Libraries identified a number of options with regard to the future management of the borough's library service. In particular Members raised the issue of generating further savings through the creation of a not-for-profit Trust organisation.

6.2 Whilst there can be a number of reasons for transferring a service to a trust, the key driver is a financial one with potential savings to the local authority through savings on non-domestic rates.

6.3 Two options exist with regard to transferring the existing Library Service into a trust:

- i) A new stand-alone trust
- ii) An arrangement with an existing trust

6.4 Developing a new trust for the provision of library services would require considerable time and the allocation of resources. In order to qualify for the current 80% relief from business rates, a new trust would have to be constitutionally formed as a registered charity before the re-localisation of Business Rates from 2013.

6.5 The transfer and set up costs of establishing a new library trust would far outweigh the financial benefit to the authority. In addition, unlike other trust models such as leisure;

libraries do not generate significant levels of income and would continue to be reliant on the local authority for ongoing funding to maintain existing levels of service provision. Therefore, if Members were minded to pursue the transfer of the Library Service to a Trust, a far simpler and more cost effective route would be to effectively market test such an approach with a number of existing (leisure and cultural) trusts.

- 6.6 There is a shared ambition across both boroughs to develop a framework which enables further expansion of the shared service over time. This approach will ensure that the service is able to respond positively to changes in the library market going forward. Ideas for development might include merger of front offices between Bexley and Bromley; other boroughs joining the shared service, bidding for outsourced library management opportunities in other boroughs and the development of a cross-borough Trust. Clearly, both boroughs will need to jointly agree any further business development opportunities going forward.

7. CLOSURE OPTIONS

- 7.1 Members are aware that subject to identifying suitable premises there is an option to merge Anerley and Penge libraries which was included in the report agreed by Full Council in February 2011 as part of the overall efficiency savings. One option available to Members is to consider the case for branch closures, which if Members were to consider this the direction of travel they wished to pursue, would need to be the subject of consultation with all stakeholders, including staff and their representatives.

- 7.2 Following the meeting of the Renewal and Recreation PDS on 12 April 2011, a user needs and Equalities Impact Assessment has been undertaken on each of the eight Community Libraries. This exercise has looked at usage patterns, broken down by user groups, activities, book issues and computer use at each of the libraries in question. Consideration has also been given to continuing to meet existing levels of need were a library to be closed. Information has been taken from the Public Library User Survey (PLUS) for both children and adults has been included in the needs assessment together with information from Bromley Libraries performance statistic and other demographical and statistical data held by the local authority. Such an approach is necessary to address the key considerations as outlined in the letter of 3 December 2010 from the Minister for Culture, Communications and Creative Industries which advised Councils to undertake a full assessment of the needs of the community. From an initial analysis by officers two libraries have been identified for further consideration at this stage.

Example 1

- 7.3 The analysis of Burnt Ash Library indicates:
- Restricted opening hours (21.5hours per week) which affects the type of use.
 - Low level active library membership
 - 32,375 visits per year (the lowest in the borough with the exception of the mobile)
 - Overall book loans the lowest in the Borough at 22,239 (lower than the mobile)
 - Computer use has fallen over the last three years to 32% of library visitors
 - Majority of users fall into two groups, children and adults between 25 and 44.
- 7.4 If Burnt Ash Library were to close the authority would expect to meet the needs of residents in Plaistow and Sundridge using a combination of delivery methods:
- Provision of a library service form Central Library (1.5 miles) served by three bus routes 336,126 and 261 with a journey time of 5 – 10 minutes. Walking time of 33 minutes.

- Promotion of the Home Library Service for housebound readers
- Development of borough wide on line library services
- Downham Library – London Borough of Lewisham

7.5 Closing Burnt Ash Library would save £68k per annum providing opening hours are not reduced, with the site having a potential capital value of £130k.

Example 2

7.6 The analysis of Southborough library indicates:

- Currently open 43.5 hours per week including one late night at present
- Active library membership of 2,570 in 2009/10. Ninth highest level of active membership in Bromley.
- Registered 595 new borrowers in 2009/10
- Highest number of issues out of the community libraries
- Book borrowing still remains the most popular activity for adults and children
- Computer use at 40% of visitors
- Used by 0 -10 age group and 25 – 64

7.7 If Southborough were to close the authority would expect to meet the needs of the residents in Bickley Ward through a variety of means:

- Provision of a library service from Petts Wood Library (open 45.5 hours per week including two late nights and all day Saturday opening) (1.1 miles) served by one bus route 208.
- Provision of a library service from the Central Library
- Promotion of Home Library service for housebound readers

7.8 Closing Southborough Library would save £80k per annum, providing opening hours are not reduced, with the site having a potential capital value of £700k.

7.9 If Members wish to consider these or any other closure options it would be necessary to undertake a full consultation exercise with library users including:

- a statement of what the service is trying to achieve
- a description of local needs, including the general and specific needs of adults and children who live, work and study in the area
- a detailed description of how the service will be delivered and how the plans will fully take into account the demography of the area and the different needs of adults and children in different areas (both in general and specific terms)
- the resources available for the service, including an annual budget.

8. NEW INITIATIVES - PEOPLES NETWORK CHARGING OPTIONS

8.1 At present there are 160 People's Network terminals located in the boroughs 15 libraries with an average time per user of around 30 minutes. Users currently self book themselves onto the network, avoiding the use of librarians in administering this process. The average number of hours of use across the borough per month is approximately 3,700, this equates to 42,400 hours of use per annum. Given the usage figures this service is seen as a key component of the library offer within the borough and in addition to the normal range of internet access that it offers, it allows users to interact with the authority through services such as: Library e services, Home Seekers and job search. It is likely that the quantity of electronic interaction

with the Council will continue to grow over time and introducing a charging policy that charges for every minute on line could be seen as being at odds with this approach. At present no London library service charges for the first hour of use.

- 8.2 Based on current usage if we were to charge £1 per hour for all use of terminals this would generate an annual income of £42k. However, if we were to follow the approach of some other London boroughs where a charge of £1 per hour is levied with no charge for the first hour of use (86% of Peoples Network users are on the system for an hour or less) this would generate a more modest annual income of £4k. It would be possible to provide one stand-alone computer in each of the borough's libraries which could allow the public to access Bromley sites at no cost to the user. If this approach was adopted then following the initial outlay on stand-alone terminals, and assuming no drop-off in use, there is a potential income stream of £42k per annum.
- 8.3 There is also the consideration of the Wi-Fi usage where the public use their own equipment, this is at present a free service offered by the library service.
- 8.4 Examples from other Library Services in London indicate that where charges have been introduced there has been a significant impact on the usage figures and in some cases this has led to a reversal of the decision to charge. Westminster and Camden have previously introduced charges but subsequently withdrawn them.

9. POLICY IMPLICATIONS

- 9.1 The review of the Library Service is entirely consistent with the Councils objectives around Vibrant and Thriving Town Centres and an Excellent Council.

10. FINANCIAL IMPLICATIONS

- 10.1 The potential savings from the proposals in this report are as follows: -

Area of Saving	2012/13 £'000	2013/14 £'000	2014/15 £'000
Shared back office services with Bexley *	340	310	280
Cost efficiencies in library management system	30	30	30
	370	340	310
New savings options			
Reduction in opening hours **	350	350	350
Income from charging for peoples network	42	42	42
Less reduction in savings for Penge/Anerley	(60)	(60)	(60)
Total savings from proposals in this report	702	672	642

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

** It is assumed that any potential redundancy costs arising from this option will be met from the central contingency provision.

- 10.2 The savings from the shared back office services with Bexley reduce over the three years as shown above which reflect the financial cost sharing model as detailed in 4.7.

- 10.3 For information, the table below shows the amount of savings made in 2010/11 and the savings agreed by Full Council in February 2011: -

Area of Savings	2010/11 £'000	2012/13 £'000	Total £'000
Staffing reductions made during 2010/11	340		340
Savings agreed by Full Council on 28th February 2011			
Review of site officers		50	50
Amalgamation of Penge & Anerley libraries***		90	90
Total savings previously agreed	340	140	480

*** Subject to the identification and purchase of suitable premises.

- 10.2 If the reduction in hours is agreed for the Penge and Anerley libraries, the savings already agreed by Full Council for the merging of the two libraries will be significantly reduced as shown by the Cr £60k in the table within 10.1 above.
- 10.3 A change was made to the delegation process by the Executive at its meeting on 12 January 2011, which gave the Chief Executive the authority, in consultation with the relevant Chief Officer, Portfolio Holder and the Leader, to approve service reorganisations which have financial implications arising from redundancy/early retirement costs. The Chief Executive has been advised that there are likely to be redundancy/early retirement implications arising from these proposals. Based on the Council's redundancy policy framework, the maximum redundancy costs are estimated to be £467k and the cost of early release of pension estimated at £217k (total estimated cost of £684k). The proposal is that these costs will be funded from the central contingency provision set aside for redundancy/early retirement costs arising from the budget efficiency savings identified in the same report, which were approved by the full Council in February 2011. Given that the redundancies will be spread across both Councils, and these figures represent the worst case scenario, it is likely that the final redundancy/early retirement costs will be lower.

11. LEGAL IMPLICATIONS

- 11.1 The Council is under an obligation to inform the Department of Business, Innovation and Skills where there is a risk of redundancies involving 20 or more staff. It is also an obligation to formally consult with the relevant recognised trade unions and staff affected by changes of this nature.
- 11.2 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.
- 11.3 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.

- 11.4 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."*
- 11.5 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.
- 11.6 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.
- 11.7 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.
- 11.8 The Local Government and Public involvement in Health Act 2007 and the new Statutory Guidance for the Duty to involve places authorities under a duty to consider the possibilities for provision of information to consultation.
- 11.9 In accordance with the Equality Act 2010 there is a duty on public bodies to publish information showing how they are complying with the public sector equality duty when taking decisions and making policies, including information about the impact of their policies and decisions on both employees and the public.
- 11.10 The intention to reduce staff has employment implications and may result in claims for breach of contract and/or unfair dismissal under the Employment Rights Act 1996 and/or under the Equality Act 2010. The new Equality Act 2010 protects employees from direct/indirect discrimination, harassment or victimisation on grounds of sex, race, disability, age.

12. PERSONNEL IMPLICATIONS

- 12.1 The proposals for a shared library service have redundancy implications and formal consultation, in line with the Council's procedures for managing change, is now underway with staff, Trade Unions, Staff Side Secretary and Departmental Representatives. They are being consulted on the impact on staff of the proposed shared library services.

Non-Applicable Sections:	[List non-applicable sections here]
Documents: (Access via Contact Officer)	[Title of document and date]