

Open Report on behalf of Tony Hill Executive Director for Public Health and Community Wellbeing

Report to:	Executive
Date:	03 February 2015
Subject:	Future Shape of Library Provision
Decision Reference:	I007586
Key decision?	Yes

Summary:

At its meeting on 3 December 2013, the Executive received a report setting out the results of a Library Needs Assessment for Lincolnshire. Consideration of the needs assessment led to a decision (I005893) to adopt a proposed revised structure for statutory library provision in the county and proposals for support to be given to communities to provide a network of Community Hubs including library services. Following a Judicial Review (JR) in July 2014 this decision was quashed because the public consultation process was considered to be flawed, and because an Expression of Interest from Greenwich Leisure Limited (GLL) had been not been appropriately dealt with as an expression of interest under section 81 of the Localism Act 2011.

The points identified by the Judicial Review were addressed through a further period of public consultation in October 2014 alongside further discussions with GLL. The latter resulted in a further submission from GLL which has been considered to be a valid Community Right to Challenge under the Localism Act 2011.

An internal review of the conduct of the original activity leading to the December 2013 decision of The Executive has been conducted. The audit findings are largely concerned with the internal actions and decisions which led to the findings of the judicial review into the December 2013 decision.

The lessons from both the JR and the internal audit review have been taken into account in preparation for the recommendations of this report. Those from the JR are well described throughout the report and those from the internal audit review include:

- Increased opportunity for engagement of council members in scrutiny of the proposals being put before the Executive;
- The production of a 'brief guide' to the model of service provision

recommended alongside this very detailed paper.

This report builds on the Library Needs Assessment previously reported to the Executive, informs the Executive of the results of both phases of public consultation; proposes a model for the future of library services in Lincolnshire and seeks delegated authority from the Executive to pursue a competitive tender process to procure this new model of service for Lincolnshire.

Recommendation(s):

That the Executive:

1. Adopts the model of library provision described in Section 7 of this report, as the library service to be delivered by the Council in exercise of its duty under section 7 of the Public Libraries and Museums Act 1964.
2. Approves the delivery to communities of 550 households or more, not served by a Tier 1 or Tier 2 library, to access library stock on a regular basis through:
 - (i) community run hubs; or
 - (ii) a mobile library stopas described in Section 9 of this the report
3. Approves the delivery to communities of less than 550 households not served by a Tier 1 or 2 library, of a mobile library stop in accordance with paragraph 9.22 of this report.
4. Delegates to the Executive Director for Public Health and Community Wellbeing, in consultation with the Executive Councillor for Libraries, Heritage, Culture, Registration and Coroners the authority to conduct a competitive procurement exercise designed to secure the delivery of the statutory service referred to in paragraph 1 above, support to community run hubs referred to in paragraph 2(i) above and the provision of the mobile stops referred to in paragraphs 2(ii) and 3 above and take all necessary decisions up to but excluding award of contract .
5. Takes a further decision in due course whether or not to authorise the award and entering into of all contracts and other legal documents necessary to give effect to the procurement referred to in paragraph 4 above.

Alternatives Considered:

1. Not to make any further change to library provision and continue to provide the level of service delivered now as described in Appendix 3;

2. To maintain the same number of static sites and as far as possible the same levels of service as the pre-December 2013 model of library service delivery as described in Appendix 1 and deliver the savings through efficiencies in the operation of the library service and/or income generation and/or technological innovation;
3. To return to the pre-December 2013 model of library service delivery as described in Appendix 1 by finding savings from other parts of the County Council's budget;
4. Not to undertake a competitive procurement process but instead directly award a contract without competition

Options 1 to 3 are compared and analysed in section 6 of this Report.

Option 4 is assessed in section 12 of this report

Reasons for Recommendation:

The reasons for recommendations 1 to 3 are as set out in the report and in particular the Options Appraisal in section 6.

The reasons for recommendations 4 and 5 are set out in section 12 of this report.

1. Background

The Decision to be made

- 1.1 The background to the Executive's decision is complex and it is important to be clear as to the decision the Executive is being called on to make. This has two aspects. Firstly the decision-making history, in terms of the decisions previously made and the effect on them of the Judicial Review. Secondly, the interaction between decisions as to the shape of the library service and the Council's obligations under section 81 of the Localism Act 2011.

Decision-making history

- 1.2 On 22 February 2013, the full Council approved a budget that provided a sum of £4.1m for spending on frontline library services for the financial year 2013/14 and beyond. This represented a reduction of £2m on the equivalent budget for 2012/13 which had stood at £6.1m.
- 1.3 On 2 July 2013, the Executive received a report setting out the results of a Library Needs Assessment (LNA) which, building on work started in 2007 with a review and consultation on what services a library should provide, had sought to identify the appropriate shape of service required to meet the

available budget. Section 2 of that Report described the library service as it was shaped in July 2013. That description is reproduced at Appendix 1 of this Report. Sections 2 and 3 of that Report set out the LNA and considered the Service Analysis of Need. That Report forms one of the background papers to this Report and the Executive are specifically referred to section 3 of that report for the results of the LNA.

- 1.4 For current purposes the results of the LNA can be summed up in the following propositions:
 - 1.4.1 The current service was comprehensive;
 - 1.4.2 The current service was not efficient in that there was significant overlap of catchments and 96% of households were able to access more than one static library within 30 minutes drive time, and 55% were able to do so within 30 minutes by public transport.
 - 1.4.3 The current service could not be afforded within the available budget.
- 1.5 As a result of the LNA, the 2 July 2013 Report proposed a revised shape for the library service in Lincolnshire as follows:
 - 1.5.1 A statutory library service consisting of:
 - universal services open to all via the internet and Customer Service Centre
 - Core Libraries - 10 Tier 1 Libraries and 5 Tier 2 Libraries; and
 - Targeted provision
 - 1.5.2 A non-statutory service consisting of:
 - A package of support for up to 60 Tier 3 communities of more than 550 households, 30 of which already had a Tier 3 library. OR
 - "super mobile" provision on a fortnightly basis
 - Mobile library provision to 66 Tier 4 communities of between 100 and 549 households
- 1.6 The detail of the proposed statutory and non-statutory service was set out in section 4 of that Report. On the basis of that Report the Executive adopted the proposed shape of library services as its preferred option and authorised a period of public consultation on that preferred option. That consultation was carried out between 2 July and 30 September 2013.
- 1.7 On 3 December 2013 Executive received a further Report setting out the results of the public consultation and proposing some changes to the Executive's preferred option. The Report recommended an amended version of the original preferred option as the shape of services for libraries in Lincolnshire. That recommended shape of services had two elements – a statutory service provided by the Council under section 7 of the Public

Libraries and Museums Act 1964 and a non-statutory service consisting of support to communities to provide library services as part of community hubs or a mobile library stop, plus continued support for other charged for services, to prisons, schools, reading and drama groups.

- 1.8 On 3 December 2013 the Executive approved the recommendations. The service that the Executive determined should be provided under the section 7 duty is set out in Appendix 2 Part 1 of this Report. The non-statutory service approved by the Executive is described in Appendix 2 Part 2 to this Report.
- 1.9 In addition to approving the recommended shape of service, the Executive on 3 December 2013 approved the implementation of an interim level of service to be delivered by the Council until 31 March 2015 or individual communities were able to take over the provision of services in their area whichever was the earlier. Under the decision of 13 December 2013 the interim service was non-statutory and the implementation of community-run provision would have happened as and when it was possible.
- 1.10 On 31 January 2014 Judicial Review proceedings were commenced in the High Court in London. Four grounds of challenge were alleged:
 - 1.10.1 the consultation process was flawed;
 - 1.10.2 the Council had failed to comply with the public sector equality duty;
 - 1.10.3 the Council had acted irrationally and unlawfully in its treatment of a whole service alternative proposal from Greenwich Leisure Limited (GLL), including having failed to treat it as an expression of interest under section 81 of the Localism Act 2011
 - 1.10.4 the Council's proposed statutory service did not comply with the section 7 duty.
- 1.11 On 6 May 2014, the Council concluded implementation of the interim service approved by the Executive in December 2013. As a result of the Judicial Review proceedings the Council did not proceed to implement any community run provision.
- 1.12 On 17 July 2014 the Executive's decision of 3 December 2013 was quashed by the High Court on the grounds that the consultation was flawed and that the Council had failed to treat the GLL proposal appropriately as an expression of interest under section 81 of the Localism Act 2011. The challenges based on breach of the public sector equality duty and section 7 of the PLMA 1964, were rejected.
- 1.13 As a result of the quashing of the December 2013 decision, the current library service implemented on 6 May 2014 is the Council's statutory service. It is described in more detail in Appendix 3 of this Report.

- 1.14 Since the Judicial Review judgment was handed down, the Council has been pursuing the following lines of action:
- 1.14.1 carrying out a further period of consultation and
 - 1.14.2 engaging with GLL and ultimately considering a proposal from GLL as an expression of interest under section 81 of the Localism Act 2011.
- 1.15 On 3 December 2014, the Executive Councillor for Libraries, Heritage, Culture, Registration and Coroners accepted the proposal from GLL as a valid expression of interest under section 81. It is important to understand what this means.
- 1.16 Firstly, acceptance of an expression of interest under section 81 does not mean that the service will be provided by the body that submitted the expression of interest.
- 1.17 Having accepted the expression of interest, the Council is now required to carry out a procurement exercise (as referred to in 2.26 below) and in so doing must comply with its wider procurement obligations in carrying out such an exercise and take into account its obligation to obtain best value.
- 1.18 Secondly, acceptance does not mean that the contract that will be specified (whether as to content, scope or otherwise) as part of the procurement exercise will be precisely the same as the proposal made in the relevant expression of interest, in this case by GLL, for the delivery of the relevant service.
- 1.19 The Council's obligation is to carry out a procurement exercise relating to the provision on behalf of the authority of the relevant service to which the expression of interest relates. That relevant service is the library service, not any one particular shape of library service.
- 1.20 It is still a matter for (indeed a statutory duty of) the Council to provide a library service that is comprehensive and efficient and it is for the Executive to determine the shape of the library service that should be provided pursuant to that duty.
- 1.21 The decision that the Executive is therefore being invited to make in this Report is the decision as to the future shape of library services in Lincolnshire. That decision is not determined by the existence of a proposal from GLL or the acceptance of that proposal by the Council as being a valid expression of interest under section 81. The Executive is, in reaching its decision, obliged to have regard to the relative merits of alternative options, whether expressed as an interest under section 81 or otherwise coming to the attention of the Council through the consultation. Those alternative options are identified and analysed in section 6 of this Report.
- 1.22 Nor is the Executive's decision determined by any of the previous proposals or decisions. The Executive must come to a new decision based on the

relative merits of the options open to it. Therefore, on the basis of that options analysis, the Executive will be invited to approve a particular shape of library service for Lincolnshire. Following on from that decision and secondary to it, the Executive will be asked to approve a recommended procurement route to comply with the section 81 duty to go through a procurement exercise.

- 1.23 This decision-making history has led to the production of voluminous documentation and a particular approach to that documentation has been required in order to keep this Report and its Appendices to a manageable size. Accordingly, previous reports have not been appended to this report. Instead, they have been identified as Background Papers. Nevertheless, elements of those previous reports are directly relevant to the decision the Executive is being asked to make and, where this is the case, it is specifically identified in this Report and the attention of the Executive is specifically drawn to the relevant parts of those Reports. The Executive will need to have regard to those elements of the Background Papers in reaching their decision and they have been made available to all Executive members electronically.

2. Statutory, Financial, Service and Strategic Context

Legal

- 2.1 The Executive, in reaching a decision on the future of Lincolnshire's library service, must ensure that they do so with a proper understanding of the legal framework and their legal obligations. It is important that they understand and properly apply the law in relation to:
- the duties and powers under which the library service is provided;
 - the relevance of responses to the consultation which has been undertaken to inform the decision as to the future shape of the library service;
 - the duty to give due regard to the matters contained in Section 149 Equality Act 2010 (S149 of the Equality Act); and
 - the matters contained in Section 81 of the Localism Act 2011 (S81 of the Localism Act) and its procurement law obligations
- 2.2 This section of the report is intended to enable the Executive to reach a lawful and rational decision based on a proper understanding of the relevant legal issues, including to understand which parts of this proposal are intended to meet the Council's statutory duties and which parts go beyond that and are intended to be delivered using discretionary powers.

The duty to provide a comprehensive and efficient library service

- 2.3 Under section 7(1) Public Libraries & Museums Act 1964 (S7 of the PLMA), the Council is under a duty to provide a comprehensive and efficient library service for those living and working in its area who wish to use it. Section

7(2) says that in fulfilling this duty, the Council must have regard in particular to the 'desirability' of:

- (i) keeping adequate stocks and (whether by arrangement with other library authorities or other appropriate means) that facilities are available for borrowing a range of materials sufficient in number, range and quality to meet the general and specific needs of adults and children;
- (ii) encouraging both adults and children to make full use of the library service, and providing advice as to its use; and
- (iii) securing, in relation to any matter concerning the functions both of the library authority as such and any other authority whose functions are exercisable within the library area, that there is full co-operation between the persons engaged in carrying out those functions

2.4 The courts have held that a 'comprehensive' service is one which is accessible by all those wishing to use it, using reasonable means, including digital technologies. An efficient service must make the best use of the assets available in order to meet its core objectives and vision, recognising the constraints on council resources. They have said that there is 'leeway for judgement' as to whether the service in any particular Council area meets the test.

2.5 The courts have also recognised that the question of what constitutes a comprehensive and efficient library service cannot be divorced from resource issues, so it is lawful for the Council to make an overall budget decision and then consider how best to structure its library service provision in the light of the available funding.

2.6 However, the courts have also held that a decision as to how to fulfil the duty under S7 PLMA requires the library authority to assess the needs which the library service should meet, so that it can form a rational view of whether the proposed service is comprehensive and efficient.

2.7 A Library Needs Assessment (LNA) has been undertaken by the library service during 2012 and 2013, drawing on data collected by the service, Experian and the Lincolnshire Research Observatory to establish levels of library usage in relation to population and access. The results of this analysis can be found on www.lincolnshire.gov.uk/librariesconsultation website. Sections 2 and 3 of the December 2013 Report set out the LNA and considered the Service Analysis of Need. That Report forms one of the background papers to this Report and the Executive are specifically referred to section 3 and 4 of that report for the results of the LNA. The Executive must have regard to the LNA in reaching its decision.

2.8 The Library Needs Assessment work built on work carried out as part of the Fundamental Library Review begun in 2007. That Review included the carrying out of a Fundamental Library Review Survey to gauge people's views as to what a library should be. This led to the adoption of a three stage approach to the Review consisting of:-

- A stabilisation phase consisting of changes to opening hours and the development of a "group offer";
- A development phase which took the form of improvements to the look and feel of libraries and the introduction of self-service technology; and
- A review of the shape and size of the Library Network, where sites are located, how well they perform and how much they cost.

The LNA picked up this work that had already been identified as the third phase of the Fundamental Library Review. However, in the new financial climate following the CSR of 2010 (as detailed in the Financial Context part of this section 2 below) and the Council's Core Offer Review, a key aspect of the LNA work was to identify the detailed changes that could be made to deliver the necessary savings.

- 2.9 Without prejudice to the detail of the LNA that the Executive must consider, the LNA concluded that the existing network was overly comprehensive with significant overlap in catchments of static libraries and was therefore inefficient. One of the factors used in the Library Needs Assessment was a 30 minute by public transport criterion for identifying an appropriate measure of accessibility of static library provision in determining efficiency and comprehensiveness of the service. At paragraph 7.11 of the December 2013 Executive Report it was suggested that that criterion was based on Department for Transport (DfT) guidance. In fact, the document referred to in that paragraph identified actual travel times rather than guidance. It nevertheless has been used in the LNA to inform the Council's judgment that 30 minutes by public transport is an appropriate criterion to be used. This was a subject of challenge in the Judicial Review but the Council's position was accepted by the Judge who stated that:

" They have in fact been described by the Department as guidance and I have no doubt that the council was entitled to have regard to them in deciding on a proper basis for deciding on accessibility".

The Executive is also referred to paragraphs 8.10 to 8.12 below.

Legal powers to support community provision

- 2.10 The Council is not limited in its ability to support library services to the direct provision of such services under the statutory duty under S7 PLMA. In addition to that which is provided in fulfilment of the statutory duty under S7 PLMA, the Council has the power to provide further support to communities for whom accessing a statutory library will be more difficult than accessing a library under the previous provision.
- 2.11 The Council can do this using its general power of competence under section 1 of the Localism Act 2011. The section 1 power is a power of first resort and enables a local authority to do anything that an individual of full capacity can do. Instead of a local authority requiring a specific power to pursue an action, the Council is now empowered to do anything it is not expressly

prohibited from doing. There is no express prohibition against a local authority supporting its communities to provide their own services.

Consultation

- 2.12 At its meeting of 2 July 2013 the Executive approved a staff and public consultation on the proposal that emerged from the LNA as summarised above. There are two legal elements to the issue of consultation. Firstly, whether there is any obligation to consult in the first place. Secondly, the general principles governing lawful consultation where the Council is required or decides to consult.
- 2.13 The original consultation was carried out under S 3(1) of the Local Government Act 1999 under which the Council has a duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 2.14 The Council has treated itself as being under a statutory duty to consult under S 3 (2) of the Local Government Act 1999 for the purpose of deciding how to fulfil the section 7 PLMA duty.
- 2.15 Since the original consultation was carried out some guidance as to the applicability of the duty under section 3 has been provided by case law, which suggests that the obligation applies to major strategic decisions about how the Council will go about fulfilling the best value duty. It is therefore not clear that the Council is under a duty to consult. However, having decided to consult, the Council is under an obligation to do so properly.
- 2.16 The Council does have a duty as an employer to consult if redundancies are contemplated. The Council has fulfilled these obligations by carrying out full 90 day consultations with members of the public, staff, trade unions, other interest groups and the population of the county as a whole.
- 2.17 The wider law on consultation has been developed in a number of decided cases but is generally summed up in the so-called Gunning principles (after the case in which they were stated). Those principles can be summarised as follows.
- 2.18 First, consultation must take place at a time when the proposal is still at a formative stage. However, the Council is entitled to consult on a preferred option and is not obliged to consult on all options. What is most important is that, having identified a preferred proposal, the decision-maker maintains an open mind and is ready to proceed differently in the light of the consultation responses.
- 2.19 Secondly, the consultation process must be fair. Sufficient reasons must be put forward for the proposal to allow consultees to give the proposals intelligent consideration and response.

- 2.20 Thirdly, the consultation process must ensure that consultees are given adequate time for consideration and response.
- 2.21 Fourthly, the decision-maker must be aware of the product of consultation and take it conscientiously into account. The body of this Report (sections 4, 5 and 6 below) and Background Papers 5 and 9 set out the product of the consultation. The Executive must conscientiously take the responses into account in reaching a decision.
- 2.22 The consultation, the results of which the Executive is required to take into account, was undertaken in two stages. The first stage was undertaken in the summer of 2013. The consultation activity that was carried out and the scale of the responses received on that occasion are described in section 4 of the December 2013 Executive report. All of the responses, plus a number of petitions, some of which were accompanied by additional comments, were analysed by Sheffield Hallam University and a final report and addendum published on the www.lincolnshire.gov.uk/librariesconsultation web pages and hard copies of them made available in all libraries across the county. The Sheffield Hallam Report and Addendum were attached to the December Executive Report as Appendix 5. The Executive's attention is specifically drawn to these documents.
- 2.23 The original consultation process was considered to be "flawed" in the Judicial Review of July 2014 on the basis that the language used in the consultation document may have led potential respondents to believe that they could not propose alternative means of providing library services within the available budget and that elements of the Council's proposal (principally the number of Tier 1 and Tier 2 libraries were fixed and could not be influenced). The second stage of the consultation was therefore a further period of public consultation which ran from 1 to 31 October 2014. This consultation sought to provide an opportunity for any potential alternative library provision model to be brought forward.

Section 81 of the Localism Act 2011

- 2.24 This section of the Act requires the Council to consider an expression of interest submitted by a "relevant body" in providing, or assisting in providing, a relevant service on behalf of the Council.
- 2.25 The Council has adopted a Community Right to Challenge Scheme which sets out when and how expressions of interest can be submitted and how they will be considered by the Council, and reproduces the requirement of a valid expression of interest and the grounds on which they can be rejected.
- 2.26 Under section 83(2) of the 2011 Act, if the Council accepts an expression of interest, it must carry out a procurement exercise relating to the provision on behalf of the authority of the relevant service to which the expression of interest relates.

- 2.27 During the second period of public consultation in October 2014, four service-wide proposals were received and these were considered within the Council's Right to Challenge Scheme as potential expressions of interest under the 2011 Community Right to Challenge legislation.
- 2.28 All four proposals were reviewed by the Public Health Consultant and Chief Legal Officer with the objective of deciding whether any met the base requirements of the legislation and local scheme. Those that were considered potentially valid were then submitted to the process described in the Council's published Scheme.
- 2.29 Whilst none of the proposals was received in accordance with the Council's published scheme, two of them were considered as being potentially valid. Mrs Palmer's two proposals were discounted as they did not express an interest in delivering or assisting in delivering the service in the future on the Council's behalf. They were proposals as to how the Council might go about delivering the services.
- 2.30 The two other proposals were submitted to the Council's published process and an appropriate officer panel met on 12 November 2014 and recommended to the Executive Councillor for Libraries, Heritage, Culture, Registration and Coroners that the Executive Councillor:
- Accepts the expression of interest from GLL under S.81 of the Localism Act, 2011, because it could not be rejected on any of the statutory grounds of rejection.
 - Rejects the submission through consultation from Northamptonshire County Council under section 81 of the Localism Act 2011, because it was not presented by a relevant body under the legislation or Council's Scheme.
- 2.31 The Executive Councillor accepted the Panel's recommendation on 3 December 2014 (Decision reference I008088 of 3.12.2014 refers).
- 2.32 The meaning of this decision and its impact on the decision before the Executive are dealt with in detail in paragraphs 1.15 to 1.21 inclusive above.

Public Sector Equality Duty

- 2.33 The Council needs to make sure that it complies with the public sector equality duty set out in S149 Equality Act 2010 when coming to a decision on the library proposals. In doing so, the Executive as decision-maker must have due regard to the needs to:
- (1) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - (2) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

- (3) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it: Equality Act 2010 S149(1).
- 2.34 The relevant protected characteristics are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation: S149(7).
- 2.35 Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:
- (1) Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - (2) Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - (3) Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
 - (4) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 2.36 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.
- 2.37 Compliance with the duties in this section may involve treating some persons more favourably than others.
- 2.38 This duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified, consideration must be given to measures to avoid that impact as part of the decision-making process.
- 2.39 In reaching their decision on the future shape of the library service, the Executive must satisfy themselves that they:
- a) understand the likely potential impact of the proposals on the statutory equality goals, on the basis of sufficient information;
 - b) that they have conscientiously and rigorously addressed what steps could be taken to remove or mitigate disadvantages identified for particular equality groups; and

- c) have taken such of those steps as they consider appropriate bearing in mind the extent of any adverse effect on members of protected equality groups and the other factors which feed into the decision-making process.
- 2.40 Prior to the decision of the Executive in December 2013, a detailed Equality Impact Analysis was undertaken on the original proposal (See Appendix 7 of the December 2013 Report). The impacts and how they could be mitigated were set out in detail in Appendix 7 and the body of the December 2013 Report. A further assessment of the impacts has been undertaken for the purposes of this Report and the Equality Impact Analysis updated. The result is attached at Appendix 8 of this Report.
- 2.41 As a result of the Impact Analyses, a range of groups/individuals have been identified as being likely to suffer some adverse impacts as a result of the adoption of the proposed model. These potential impacts are taken into account in the design of proposals in sections 7 and 9 of this Report. A range of mitigating factors to address these impacts has also been considered. This is dealt with in detail in sections 8 and 9 of this Report.
- 2.42 The Executive are also referred to section 10 of the Report for further legal considerations.

Financial context

- 2.43 As indicated above, the Council is able to take into account its resources when considering what is a comprehensive and efficient service. When doing so, it will want to ensure that the service provided is sustainable and affordable. In this context the Council should reflect on the very difficult and unprecedented financial circumstances it finds itself in.
- 2.44 In February 2011, the County Council approved a revenue and capital budget up to and including 2014/15 based upon the outcome of a fundamental review of services undertaken in 2010/11. This review was necessary following the Chancellor's Comprehensive Spending Review 2010 when it was announced significant savings in local authority spending were required and Central Government support for the Council would fall by some 25% over the four year period 2011/12 to 2014/15.
- 2.45 Government grants, the Council's main source of income, have been reduced substantially in increments from 2011/12; these reductions are expected to continue into the foreseeable future. In 2011/12 on an equivalent basis the grant received was £193m, reducing to £93m in 2015/16 (a 52% reduction).
- 2.46 The Council's other main source of income is Council Tax. The Council has chosen not to increase Council Tax for the last four years as it aims "to keep the level of Council Tax one of the lowest in the country". As a consequence of Council Tax not increasing, Central Government has provided a Freeze

Grant in each of the four years equivalent to a 2.5% increase in Council Tax in 2011/12 and 2012/13 and the equivalent of 1% in 2013/14 and 2014/15.

- 2.47 The Council identified an original total saving of £125m needed over 2011/12 to 2014/15 to re-invest in services to meet unavoidable cost pressures and reduction in Government support. As time has passed, further savings were required to meet new cost pressures, mainly due to changes in the funding mechanism for local government up to 2014/15. The savings now expected to be delivered for the period 2011/12 to 2014/15 are in the region of £146m and will include the use of reserves in 2013/14 and 2014/15.
- 2.48 These savings ensured the Council was well placed to withstand the immediate uncertainty surrounding local government funding up to and including 2014/15. However, the Council's local government finance settlement for 2015/16 and expected further challenges arising from a new comprehensive spending review, to be announced following the 2015 general election, give rise to additional resources or further savings being required to deliver a balanced budget in those years. The Council has undertaken a fundamental review of its service priorities and related spending needs to inform the setting of a 2015/16 budget.
- 2.49 On 6 January 2015 the Executive determined to consult on a budget that would deliver £30m savings on the 2014/15 base budget. In order to balance that budget, the Executive is proposing to use £33m of reserves (55% of those available) and increase Council Tax by 1.9%. The remaining reserves represent a prudent level of reserves for the Council to hold. They are considered necessary also to manage future uncertainty as referred to below. The alternative to increasing Council Tax would be the need to find an additional £1.7m of savings or using more reserves.
- 2.50 The budget on which the Council is currently consulting is a single year budget covering 2015/16 only. The reasoning behind that was the uncertainty surrounding future government funding intentions and does not allow the kind of detailed proposals to be put together that would allow a balanced budget for future years to be proposed. It is known, however, that the general trend is towards continued reductions in local authority funding, to the extent that spending on areas such as the health services and education is presently safeguarded at a national level the need for reductions falls disproportionately on other areas of public services including local government. At the same time, existing and foreseeable future pressures, especially an increasingly ageing population and legislative change in Adult Care, mean the available money has to be stretched further.
- 2.51 It was in response to these pressures that the Council on 22 February 2013 approved a budget which provided £8.8m in 2013/14 and £6.8m in 2014/15 for the provision of library and heritage services. Of this, the amount available for front line library services was £6.1m in 2013/14, reducing to £4.1m in 2014/15.

- 2.52 It is within the context of that decision and the draft budget for 2015/16 approved as a basis for consultation by the Executive on 6 January 2015 which would not propose additional funding for Libraries that these proposals are made. More detail of the financial aspects of the budget and the proposal are set out in section 11 of this Report.

Service context

- 2.53 The Council currently provides its library service through a range of different types of provision, including static libraries (which vary in size and usage), mobile library provision, a range of targeted library provision for groups with access issues and on-line services (including internet access from some static and mobile services). In addition to these, a range of other services are provided to the community, some of which generate fees.
- 2.54 The library service has also explored co-location with other organisations and services to improve efficiency and access. Partnership working is already in place to deliver efficiency, for example the Community Access Points at Horncastle and Mablethorpe which are run in collaboration with East Lindsey District Council, and Horncastle Town Council. In March 2013, the South Kesteven Community Access Point and Library in the Corn Exchange in Bourne has offered an even more “joined up” approach to service delivery, with the library being operated by South Kesteven District Council. It is important that exploring and developing these shared service opportunities continues to be a priority for the Council beyond the life of this major review through service culture of continuous improvement and efficiency.
- 2.55 Many library buildings are used by community groups and public sector organisations as access points to deliver their services to the public. For instance, the service is already being used by children's services to engage with NEETs (young people not in employment, education or training), Lincoln College to deliver adult education, Police, Citizens Advice and many other partners. Increasingly, the public is also being signposted to the Library service by Central Government, NHS, Job Centre Plus, young people's services and Adult Care for programmes such as Universal Job Search and Universal Credit. Libraries are already a major contributor to GO ON UK 'digital by default' agenda and have helped tens of thousands of people get online for the first time in recent years.
- 2.56 Statutory and policy requirements and financial pressures on public services are an imperative to change and examples of increasingly, shared public spaces are now many and varied. These trends are moving library planning from being about library buildings to shaping a library service that can contribute in a number of ways to people's well-being and enjoyment of life and learning.
- 2.57 The Council has considered, as it is required to do, the desirability of full co-operation with other authorities carrying out functions in its area in order to deliver the statutory function of the library service. There is some co-

operation across county boundaries in that library stock is purchased through the Mid-Anglia Stock Consortium, but the Council does not wish at present to rely on such arrangements to fulfil its statutory service which require a wide range of organisations and groups to agree delivery model(s) which are not proven as a sustainable approach for statutory service provision across a county.

2.58 It is only appropriate in times of financial austerity that the Council should review its service provision.

2.59 In carrying out that review, regard has been had to the way the future of libraries is envisaged within the profession and by government. Central to this thinking has been a series of publications from the Arts Council for England since 2011 in which they have sought to articulate a vision of the library of the future. In 2011 ACE commissioned research into “Envisioning the library of the future” to support their development of a long term vision for libraries. This identified four priorities, which are summarised here:

- Library space and the cultural offer - ‘Libraries in the future will need to be creative, flexible, community spaces which are both physical and virtual’.
- Digital technologies and creative media – ‘Libraries have a role as active connectors of communities to digital media’.
- Resilient and sustainable business models – ‘Envisioning has shown a need for libraries to diversify new funding and governance models to decrease their reliance on local authority funding and to develop sustainability. In addition, there is an increasing use of volunteers to support the delivery of library services’
- Leadership, skills development and the role of library staff – ‘library staff should no longer only provide access to books or information or act as a mediator between user and library resources. In the future library staff must be active and engaged with their communities’.

2.60 In its own response to the “Envisioning the Library of the Future” research in a publication entitled “The library of the future”, ACE set out its own four priorities as

- Place the library as the hub of a community
- Make the most of digital technology and creative media
- Ensure that libraries are resilient and sustainable
- Deliver the right skills for those who work for libraries.

The opening page of the document summary reads “So we can expect to see a shift from a service *provided* to a community to one in which *local people are more active and involved* in its design and delivery. Libraries will be recognised as connecting individuals, communities and organisations to innovate, create and provide new library based services and ideas.”

2.61 In January 2013, ACE produced a document by Locality, 'Community Libraries, Learning from Experience: guiding principles for Local Authorities. It identified four major drivers of change for library services:

- The digital revolution and customer expectations
- Joining up services
- Unprecedented financial challenges
- Localism

It is in this service context that the proposals in this Report have been developed

2.62 There is a clear strategic imperative in a period of public sector austerity for public services to shift their emphasis away from 'doing for' people and communities and towards 'doing with'. In this way, the reduced assets of the Council can support much more activity by communities than direct provision of services to communities could.

2.63 In rural communities, especially, the loss of built resources through reductions in services can prevent any opportunity for those communities to support service provision even where community resources exist to do so. This has been brought to life in the Council's discussions with community groups who wish to take control of existing library buildings and develop a whole range of other activities – with continued support from the Council.

2.64 Although a somewhat vexed subject, there has undoubtedly been a strong response by communities to the prospect of operating Community Hubs. What is perhaps most striking is the position some 18 months since the Council first invited communities to express an interest. Of the 37 who originally expressed, some 36 are still interested. Although a number of these could be said to be reluctant participants who would much prefer the Council to run the service, elsewhere there is genuine enthusiasm for community run facilities and some frustration at delays in achieving the original vision.

2.65 Additionally, the libraries consultation in 2013 identified a desire for communities to take on existing library premises, combine them with others or to develop new ones (in the case of Barrowby, Chapel St Leonards, Ingoldmells, Heckington, Navenby, Sutton Bridge and Swineshead). This idea of community resilience and self-help continued to receive support during the 2014 consultation.

2.66 Now that service provision has been reviewed and the various alternative proposals examined in detail, officers have concluded that a reduced (but still comprehensive and efficient) statutory service can be delivered efficiently in-house with the available budget. It is also clear that there are desirable strategic and community development goals to be achieved if some of the available money is used to support communities to deliver community hubs including library services themselves on a non-statutory basis.

- 2.67 Although this service could be delivered efficiently in-house, the existence of a valid section 81 Localism Act challenge means the Council will need to go through a procurement exercise. This may lead to an external provider taking over the service. That may lead to additional efficiencies. Some of the learning from the October 2014 additional consultation makes it clear that the library service in Lincolnshire has been unable to fund some activities in libraries from which other communities benefit. Prime examples include universal Wi-Fi access and universal opening hour extension into the evening and weekends. This learning gives clear direction to how services might be enhanced through investment of any efficiencies achieved by an external provider that are not available to the in-house service.
- 2.68 The Council is statutorily required to provide a 'comprehensive' and 'efficient' library service for all persons desiring to make use of the service, but what constitutes such a service involves a significant element of judgement based on an understanding of local conditions and needs. It is the role of the Executive, armed with this understanding, to determine the shape that a comprehensive and efficient service should take in Lincolnshire. It is that judgment that the rest of this Report addresses.

3. Structure of this Report

- 3.1 The Executive are referred to Appendix 1 for the shape of the Library service prior to its decision of December 2013. Appendix 2 sets out the shape of the service approved by Executive in December 2013. Appendix 3 describes the service the Council is currently providing.
- 3.2 Section 4 of this Report sets out the consultation process the Council has been through, dealing with its original consultation in the summer of 2013 and the additional consultation conducted between 1 and 31 October 2014.
- 3.3 Section 5 reports the findings of both phases of this consultation as a single consultation. In doing so, the Executive is apprised of both the feelings and views expressed in both phases together with the alternative proposals put forward in both phases but particularly through the second phase.
- 3.4 Section 6 of this Report describes the various options that have been put forward during the consultation and analyses their relative merits. In conducting this analysis, officers have been careful not to limit their thinking to a detailed critique of the particular proposals put forward. Instead they have sought to identify certain types of options and sought from their own knowledge of the library service in Lincolnshire to test their viability. The proposals have been used very much as an aid to Council officers in developing the best shape of services to be delivered using the budget available.
- 3.5 This is important. It is essential that the Council benefits from expert advice in determining what will and will not work. It is not enough therefore to establish that someone else's proposal derived from a more limited understanding will not work. What matters is whether the type of model that

the proposal represents could be made to work given the requisite understanding of the service.

- 3.6 Equally, the process the Council is engaged in is not to defend its own proposals from the critical scrutiny that comes with considering alternative options, but carry out a rational open minded assessment of the alternatives in coming to a solution.
- 3.7 Section 7 identifies the proposal for the shape of Library services in Lincolnshire that is being recommended for approval by the Executive as the statutory service to be delivered by the Council pursuant to its obligations under section 7 of the Public Libraries and Museums Act 1964.
- 3.8 Section 8 identifies the impacts of those recommended proposals including impacts on people with a protected characteristic.
- 3.9 Section 9 identifies the non-statutory community support that is being recommended for approval by the Executive. This section also identifies the impacts of those recommended proposals including the impacts on people with a protected characteristic.
- 3.10 Section 10 identifies additional legal considerations.
- 3.11 Section 11 deals with the financial implications of the proposals.
- 3.12 Section 12 then moves on to consider the implications of section 81 of the Localism Act and the Council's wider legal obligations for the way in which the Council should proceed to secure the service it is looking to implement.

4. Consultation

Consultation with the public

- 4.1 The changes to the Library Service approved by Executive in December 2013, and described in Appendix 2, were made after, and in the light of, comments received from the public consultation undertaken in the summer of 2013.
- 4.2 In particular, a number of consultation proposals were put into action in the changes approved in 2013, including:
 - Staffing levels at Tier 1 and 2 libraries and on the mobile libraries
 - A reduction in Tier 1 and 2 library opening hours in order to support greater mobile provision and support for Tier 3 libraries
The need for LCC staffing at Mablethorpe Library on Tuesdays
The abandonment of the “super mobile” idea.
 - The increase in the amount of stock to be made available to Community Hubs, with 4,000 items being a minimum with these items of stock being rotated between different hubs. The development of the Spydus Lite Library Management System for volunteers in Community Hubs.

- Greater clarity on the availability of library buildings, and the terms upon which they would be made available to community groups.
 - Greater clarity on what the proposed grants of £5,167 could be used for to support the operations of Tier 3 community libraries.
 - Greater clarity on the transition arrangements between the County Council operation coming to an end, and Community Hubs commencing operations.
 - The use of 2011 Census Data when determining the number of households in a particular location and the withdrawal of the 100 household urban area threshold.
 - The continued use of large mobile libraries, all with satellite connectivity and double staffing where necessary to serve both Tier 3 and 4 communities with as many stops as possible.
- 4.3 The library service worked with the County Council's Community Engagement Team to plan both the 2013 and 2014 consultation processes. The Consultation Institute was commissioned to advise on the design of the 2013 consultation process. This process lasted 90 days and consisted of a mix of activities aimed to reach and obtain the views of as broad a range of the population as possible on the Council's proposals for changes to the service. The consultation activities undertaken were set out in detail in section 4 of the Executive Report of December 2013 and the Executive's attention is drawn to that section.
- 4.4 By the end of the consultation period on 30 September, 5,599 surveys had been returned or completed online.
- 4.5 In addition to participating in public consultation events and completing surveys, over 600 Lincolnshire residents wrote letters, emails or communicated via social media to LCC to provide their feedback on the 2013 proposals.
- 4.6 In addition to the Council's own consultation in the summer of 2013, there was significant other community action and engagement, which was also taken into account. A large number of public meetings were organised by various organisations across the county and a Save Lincolnshire Libraries campaign was established, and a petition with over 23,000 signatures and 900 comments was presented to the County Council.
- 4.7 Petitions were also generated in support of libraries at: Alford, Boutham, Branston, Deepings, Kirton, Metheringham, Nettleham, North Hykeham, Scotter, Sutton on Sea, Wainfleet and Welton. The Deepings petition was also accompanied by 432 comments. Four of these petitions were presented to Full Council on 13 September 2013 and this generated over an hour's debate.
- 4.8 Both consultation periods generated a considerable amount of local media attention, including over 250 newspaper articles and two separate debates on BBC Radio Lincolnshire lasting a total of four hours.

- 4.10 As well as the formal consultation, a number of organisations representing people with protected characteristics participated in an Impact Analysis Workshop in November 2013 on the revised proposals, to ensure that the Council had sufficient information to enable it properly to perform the public sector equality duty.
- 4.11 In the post consultation period, the service also sought out the views of non-library users, using the County Council's Citizen's Panel with the same online survey as during the public consultation.
- 4.12 Further, the views of business were canvassed at the Greater Lincolnshire Local Economic Partnership annual summit. The summit was attended by a wide variety of organisations (about 180 attendees), including small, medium and large businesses, charities and local authority representatives. Officers spoke with 16 representatives about their organisation's views on public libraries and the proposals which had been consulted upon. These included local and national businesses, local councils, chaplaincy services, charities and Lincolnshire Police. Points raised included: importance of libraries being accessible and well-used, benefit of shared facilities, IT/ Wi-Fi access, opportunities for networking and promotion. The importance of support to communities around Tier 3 proposals was highlighted by most. Several contacts were made to follow up on joint or closer working.]
- 4.13 Following the Judicial Review in July 2014, a further period of public consultation was undertaken from 1 to 31 October 2014 to ascertain if members of the public had alternative proposals to deliver the library service with the available budget. This involved the promotion of an online questionnaire, hosted on www.lincolnshire.gov.uk/librariesconsultation, and it was promoted using posters in libraries, e-mail contact with over 2,500 people who had participated in the 2013 consultation, and the provision of hard copies of the online questionnaire in libraries across the county. It also received considerable coverage in the local media.
- 4.14 The 2013 consultation process generated a response from approximately 1% of the population of Lincolnshire. 81% of those responses were from library users and 19% from non-users. The October 2014 consultation resulted in the completion of 167 questionnaires, 163 of which were completed online, plus 4 which were completed in hard copy. 92% of these were completed by library users.

5. Consultation Findings

- 5.1 The Executive is referred to the independent analysis of the 2013 public consultation exercise undertaken by Sheffield Hallam University which was considered previously as Appendix 5 in the December 2013 Executive report and which forms a background paper to this report. These findings were also reported to the Council's Community and Public Safety Scrutiny Committee on 30 October 2013, published on the libraries consultation website and personal copies were provided to members of the Executive. The Executive's attention is drawn to the Sheffield Hallam University report.

- 5.2 Additionally, a supplemental report was prepared analysing feedback from specific groups of respondents and the Citizens' Panel on 15 November 2013, and this formed Appendix 5 of the December 2013 Executive report. It was published on the libraries consultation website and personal copies were provided to members of the Executive. The Executive's attention is drawn to that Report.
- 5.3 The Executive is also referred to the report on the second period of public consultation undertaken in October 2014 prepared by the Public Health Community Engagement Team which can be found in Appendix 4 to this Report and on www.lincolnshire.gov.uk/librariesconsultation.
- 5.4 This section seeks to draw out the general responses to the consultation on the future of the library service in Lincolnshire.
- 5.5 The 2013 public consultation generated over 8,000 submissions. The most extensive response came from active library users. 81.3% of respondents to the adult survey were library customers, and this figure rose to 93% in the October 2014 survey. 98.8% of respondents in the children's survey in 2013 were library customers.
- 5.6 In 2013 the adult survey respondents largely reflected Lincolnshire's population in terms of the number of people from different ethnic groups and people with disabilities. However, female respondents outnumbered male respondents by almost two to one. Whilst responses were received from all age ranges 63% were from the over 50s, which is significantly more than the 41% they make up of the county's population. The views of working age people are likely to be under-represented, as are those of residents aged 16-24 years of age (SHU October 2013, P54). In the public surveys in 2013 and 2014, 15% of respondents considered themselves to have a disability, and (excluding those who "preferred not to say") 2.08% of respondents were from an ethnic minority group eg not White British, White Irish or White Other (SHU October 2013, P55). This figure was slightly higher in the October 2014 survey with 4% not responding in this way.
- 5.7 Many members of staff and participants in the consultation were angry and upset, and disagreed with the idea of saving £2m from the library service, suggesting that the County Council find the savings from elsewhere. Consultees expressed the view that all communities, rural and urban, should have access to a library to support education and lifelong learning, and to enhance their quality of life. Participants felt that reducing opening hours, sites or mobile stops would reduce access to books and would have an impact on both learning (decreasing literacy levels within the population) and the quality of life of individuals and especially families, young people, the elderly and job seekers. This view was particularly strong amongst the young people, and their parents, who participated in the children and young people's consultation.
- 5.8 Libraries were seen as an essential part of many people's lives, and the effects of library changes would be keenly felt by most survey respondents.

Overall in the 2013 consultation, 63% of public respondents stated that the changes to their library would have a significant effect on them personally, whilst 68% said that the effect on their community would be significant. "Access issues" (including travel, cost and location) were cited in a further 100 comments, with many of the comments in this category indicating that individuals would no longer be able to use a library if the proposals were approved" SHU October 2013, section 4.5, P107.

- 5.9 Many public respondents highlighted the role of the library as a 'community hub' and the social benefits it brought to individuals and communities. Staff also highlighted the use of libraries by various groups and organisations including reading groups, housing and benefit surgeries and concerns about how the proposals would affect users from deprived areas. This was the most frequently mentioned theme within the Save Lincolnshire Libraries 900 comments document (SHU October 2013, section 6.2, P140), and second most frequently made comment in the Deepings Library petition comments section (SHU October 2013, table 31, P144) "almost 100 comments (from the correspondents to the consultation) indicated that those writing very strongly believed that removal of the library or reducing services would have a detrimental impact upon community life and community cohesion. The issue of greater rural isolation was also a major concern" SHU October 2013, section 4.5, P107. Responses from Deepings Library also figured prominently in the October 2014 consultation and the commentary split into two main assertions. The first was that the Council should reconsider the designation of Market Deeping Library as a tier 3 library and the second that an alternate provider should be sought for the future of library provision, with the main alternate suppliers referred to being GLL.
- 5.10 There was strong feeling from participants in the consultation that the impacts of the changes to the service would be damaging to communities, particularly affecting the elderly, children and young people and jobseekers. However, whilst the consultation generated significant input from the elderly, and some from children and young people, the evidence from job seekers directly, was weaker. Staff particularly expressed concerns about job seekers.

Universal Services

- 5.11 There were few comments on the Universal Services element of the original proposal. However, children and young people suggested developing greater online resources through technological advances and making e-books available through a web server or App.

Tier 1 and 2 Criteria

- 5.12 The July 2013 proposals were seen to have a greater impact on those who accessed the proposed Tier 2, 3 or 4 facilities, or the existing mobile library network, rather than Tier 1 libraries.

- 5.13 Whilst the 30 minute catchments by car were hardly questioned by anyone in the 2013 consultation, many respondents and staff highlighted the issues associated with longer journey times and parking costs in urban centres. In contrast, the 30 minute travel time by public transport came in for much more criticism from the public and members of staff alike. The catchment areas for this journey time were questioned by people who felt that they were not realistic. This was of particular importance to respondents from more rural areas, and especially Tier 3 and 4 library users.
- 5.14 Children and Young people questioned whether other criteria should influence any final decision such as footfall eg average weekly usage, the number of schools in the vicinity or socio-economic factors e.g. communities with higher levels of deprivation and the likely educational impact for those communities.
- 5.15 At the consultation events in July 2013, consultees felt that keeping libraries in disadvantaged areas was the most popular criterion followed by keeping libraries which were used the most and in the most populated areas (SHU, section 2.4.1.). This contrasted with the results of the public survey where opening hours were felt to be of most importance (overall score being 4.3 out of a possible 5), followed by usage and access in terms of 30 minutes access by public transport (both scoring 4.0), with location in highly populated areas or areas or communities that are disadvantaged being less important (both scoring 3.2 (SHU October 2013, Figure 6, P30). This was also reflected in the analysis of the survey comments.
- 5.16 No alternative criteria were suggested in the October 2014 consultation, although alternative means of making the financial savings or generating income to sustaining Tier 3 staffed libraries were suggested. These are discussed in section 6 below

Tier 1

- 5.17 Tier 1 libraries were felt to be less affected than other parts of the service, although concerns were raised about insufficient evening opening hours at Tier 1 Libraries and staffing levels.

Tier 2

- 5.18 The feedback on Tier 2 libraries was similar to that for Tier 1 libraries in relation to opening hours and staffing levels. Within the public survey, opening hours were again felt to be of most importance (overall score being 4.3 out of a possible 5), access in terms of 30 minutes access by public transport (both scoring 4.0) followed by usage (3.8) and then location in highly populated areas or areas or communities that are disadvantaged being less important (both scoring 3.2, SHU October 2013, Figure 7, P33). Again survey comments reinforced this with access attracting 134 comments, Opening hours 97 and travel issues 84 comments (SHU October 2013, Table 12, P67)

Tier 3 Community Libraries and Community Hubs

- 5.19 This topic generated the highest level of debate and discussion in the 2013 and 2014 public consultations. In the 2013 consultation survey 43.6% of respondents were users of a proposed Tier 3 library. In 2013 there was significant frustration from survey participants that they had to choose between a community run or a mobile library when they really wanted to retain the Tier 3 library as it was. The value placed on Tier 3 libraries by their users was also highlighted in the October 2014 consultation.
- 5.20 There were many comments about the value customers placed on the knowledge and helpfulness of “their” library staff. However, of the 78% of adult survey respondents those who did make this choice preferred the option of a community run facility (51%) to a mobile vehicle (25%) (SHU October 2013, Figure 8, P55). The preference for community run libraries was more prominent amongst Tier 3 survey participants (63%) and of users of existing prominent community run libraries (85%) (SHU October 2013, Section 7.3, P145).
- 5.21 As a result of the 2013 consultation, 56 people requested further information about the process of establishing a community run library (SHU October 2013, section 4.5, P106).
- 5.22 Children and young people suggested that schools (some are in immediate proximity to static libraries proposed as Tier 3) should take on the responsibility for certain libraries and that this could also include volunteer help. They also suggested looking at the feasibility of incorporating libraries within children’s centres or other local authority buildings to provide a complete package and information point under one roof. This suggestion was also made in the 2014 consultation.
- 5.23 In both the 2013 and 2014 consultations, there was significant concern regarding the feasibility and sustainability of community run libraries. Members of the public questioned both the efficacy and reliability of volunteers and the need for them to receive higher levels of support from the County Council, especially in terms of financial support, specialist advice and budgeting (SHU October 2013, Appendix 6, P176).
- 5.24 The cuts to the library service were viewed as a highly unfair and short sighted approach that would result in permanent damage to the county, because if a community failed to establish or maintain a community run library they would never get it back.
- 5.25 In the 2013 consultation, non-internet users were more likely to prefer a mobile library than broadband users (39% v 24%) (SHU October 2013, P69).

Tier 4

- 5.26 In the 2013 Consultation, respondents felt that mobile libraries were viewed as inadequate and insufficient to meet community needs by respondents in

all Tiers due to limitations on space and facilities, access, timings, community and social opportunities. An attempt to demonstrate this was made at the "mob the mobile" event in Sutton-on-Sea in September.

- 5.27 However, existing Tier 4 mobile library users valued them highly, especially those living in isolated rural communities. "A more pronounced personal impact was noted for Tier 4 users ...with many people describing their mobile service as vital and a lifeline to them" (SHU October 2013, P80)

Older People

- 5.28 The majority of respondents to both the 2013 and 2014 consultations who specified their age were over 50 years of age. Within the consultation many respondents to the consultation "highlighted the detrimental effect upon elderly people for a number of reasons, including social aspects, increased isolation and negative impacts on wellbeing. The feeling is that for health related reasons the suggested options would not work for many older people." (SHU October 2013, 4.5, P107).
- 5.29 The most frequent uses of the library were for books and reading, but the importance of the library as a community hub was stressed along with computer provision and the importance of staff (SHU October 2013, P63).
- 5.30 The most frequent concern expressed was the right to have access to a library and comments relating to the elderly were often linked to comments about travel - "with older people being potentially less likely to be able to travel to another library, and also linked to comments about rural locations - suggesting older people are likely to become isolated in such locations." (SHU October 2013, P100).
- 5.31 Less than 12% of respondents aged 20-24 preferred mobiles, but this increased to 32% for 70-74 year olds and 42% for those aged 90 or over (SHU October 2013, P69).

Children aged under 16

- 5.32 Of those who wrote into the 2013 consultation "the highest number of comments (208) were in relation to the potential for any changes in library services to have a detrimental effect upon young people's reading and educational development" (SHU October 2013, section 4.5, P107).
- 5.33 This was also a frequently mentioned comment from the Save Lincolnshire Libraries 900 comments document (SHU October 2013, section 6.2, P140), and Deepings Library comments document (SHU October 2013, Table 30, P142).
- 5.34 There were many comments in 2013 which described how much children and young people enjoyed visiting their library, the value of the library to them, and important features of their library (such as staff and facilities) and as a safe social space before or after school (SHU October 2013, P100).

- 5.35 There were concerns that the time allowed for schools to use libraries may be reduced (SHU October 2013, P100). It was suggested that secondary schools tend to have libraries, but some primary schools do not, and use the local library service to support their children's education (SHU October 2013, P120).
- 5.36 "Any proposal that would mean travelling to use library services is particularly difficult for children and young people in terms of cost but moreover in terms of safety and parental permission. For many attending a Tier 1 or Tier 2 facility would require parents taking them and many felt this would not be a realistic option for them. For parents, the idea of going into a main centre to use a Tier 1 library had issues over increased cost (fuel and parking) and increased anxiety over how busy it can be both with increased pedestrians and traffic especially if taking a number of small children." (SHU October 2013, P112).

Young People aged 16-24

- 5.37 In 2013, 182 survey participants indicated that they were aged between 16 and 24 years (SHU November 2013, P1). In 2014 there were very few responses from those aged below 25, the conclusion being "that the majority of younger people contributed during the first stage, the first stage also included a much higher percentage of missing data in relation to age" (LCC November 2014, P7).
- 5.38 A greater proportion of participants aged 16-19 highlighted that the proposals would not have any personal impact on them in 2013, compared to 61% of 19-24 year olds who reported that the proposal would have a significant personal impact on them. Responses from 20-24s were broadly comparable with the overall sample with 73% highlighting 'significant' community impacts.
- 5.39 'Access' to libraries was clearly the most important factor, particularly in relation to opening hours and travel times (SHU November 2013, P4). Books and reading were the most important aspects for this age group (SHU November 2013, P8).
- 5.40 A higher than average number of people from this age group indicated a willingness to volunteer, (21% amongst 16-19 year olds, and 20% amongst 20-24 year olds compared to a survey average of 14%), and get involved in a steering group (12% amongst 16-19 year olds, and 9% amongst 20-24 year olds compared to a survey average of 8%, SHU November 2013, Table 3, P6)

Gender – women with small children

- 5.41 In November 2013 Sheffield Hallam University analysed and summarised data from 543 female respondents aged 16-44 to identify comments specifically from 'mothers' to provide indicative data to illustrate the type of comments that may be specific to this group (SHU November 2013, P1).

- 5.42 The comments are centred on three themes - the importance of the library for their children, issues around accessing the library with children, and comments about mobile libraries being unsuitable for children. (SHU November 2013, P27).
- 5.43 Mothers described their children's (and their own) enjoyment of the library and their engagement with library services and saw visits to the library as part of family life and routine and as a way for children to learn about and become part of the community (SHU November 2013, P27).
- 5.44 The library was used by children for a range of services, including borrowing books and DVDs, use of the internet, and participating in group activities including story time sessions, homework groups and school holiday clubs. These were especially important for those on low incomes (SHU November 2013, P27).

People with Disabilities

- 5.45 In 2013, of the 3,892 survey participants who answered the question, 628 (16%) indicated that they had considered themselves to have a disability. (SHU November 2013, P1). In total 94% of disabled participants described themselves as library users compared to 81% of participants overall (SHU November 2013, P9). In 2014 14% of participants indicated they had a disability (LCC, November 2014, P8)
- 5.46 In 2013 in total, 78% of disabled participants indicated that the library proposals would have a significant effect upon them, compared to non-disabled participants (71%) and the overall sample (63%). (SHU November 2013, P27).
- 5.47 Access to libraries was the most frequently cited issue for people with disabilities, who wanted access to books more than anything else. (SHU November 2013, Table 7, P11).
- 5.48 In 2013 fewer disabled participants indicated that they would be willing to be involved in steering groups and to volunteer. In total, 10% were willing to volunteer in a library compared to 21% of non-disabled participants and 14% of the sample overall, and 6% of disabled participants were willing to be involved in steering group, compared to 12% of non-disabled participants and 8% of the sample overall (SHU November 2013, Table 10, P14).

People from Black, Minority and Ethnic Backgrounds

- 5.49 In 2013 the analysis by 'BME groups' includes all participants who stated their ethnicity / nationality as any other ethnicity than 'White British' on the final page of their completed survey. It should be noted that over 1,400 participants did not specify their ethnicity (SHU November 2013, P1).

- 5.50 The age profile of BME participants was very different to the overall survey sample, with 40% of BME participants under 16 years of age. The proportion of library users was also fewer with 73% declaring themselves as library users, compared to the survey average of 81% (SHU November 2013, P19).
- 5.51 In 2013 51% of BME participants indicated that the library proposals would have a significant effect upon themselves. This is lower than the perceived impact indicated by the overall sample (63%). 18% of BME participants indicated that there would be a small effect upon themselves, which is comparable with the overall sample (SHU November 2013, P23).
- 5.52 Unlike other sub-groups, Books/reading exceeded access as the most frequently cited comments by BME participants (SHU November 2013, P20).

Job Seekers

- 5.53 Within the correspondence received during the public consultation in 2013, there were 39 comments relating to the negative impact of the library proposals on jobseekers, particularly due to restricting computer access. However, these comments were primarily focused on the perceived impacts reported by other people, rather than comments from job seekers themselves. (SHU October 2013, section 4.5, P107).
- 5.54 In October 2014 the number of people claiming jobseekers allowance for over six months in Lincolnshire stood at 3,490. In Lincolnshire, 41 per cent of claimants have been claiming for over 6 months, which is 2% lower than the national average. (Source: LRO).
- 5.55 In December 2014 the number of claimants aged 16 to 24 in Lincolnshire stood at 2,430 people which is the lowest number since June 2008. The 16 to 24 age group currently makes up nearly 28 per cent of all claimants in Lincolnshire compared to 23 per cent nationally (Source: LRO).

Impact Analysis

- 5.56 The picture emerging from the consultation responses in relation to particular groups with a protected characteristic can be supplemented from the feedback received from representative groups at the workshop on 14 November 2013 and a further workshop on 8 January 2015. These are captured in the Impact Analysis at Appendix 8 and addressed in terms of the impact of the final proposals in sections 8 and 9 but can be summarised here as follows:
- The importance of interaction both in social terms (as heavily highlighted in the consultation responses) but also with staff. There was a good deal of concern about any proposal for unstaffed libraries delivered through self-service technology;
 - Migrant communities tended to move around so may not join a library and may be particularly affected by charges for use of facilities to non-

members. The fact that membership is free should be made more widely known and a push towards library membership undertaken

- Such communities also did not have access to internet at home usually and did not have printing facilities. The ability to access the internet and to print was important to such communities particularly for children doing homework
- There was concern that people whose first language was not English would not be able to access reading materials except at one of the core libraries
- Access to buildings if the community library moves to other accommodation may be an issue
- The importance of staff at all libraries being sufficiently trained to deal with people's needs.

Alternative Proposals

- 5.57 There were a number of suggestions from both the 2013 and 2014 public consultations that a wider provision of Council libraries could be achieved by some combination of reducing opening hours and staffing, increasing the use of volunteers and charging.
- 5.58 In 2013 Bibliotheca Ltd, who supply the library service's Radio Frequency Identification (RFID) self-service technology, submitted a series of brief proposals which envisaged retaining all Tier 3 libraries and opening hours using their existing technology, and their SmartBranch technology under which library users would access an unstaffed library using their library card and PIN. Under this proposal the large mobile library vehicles would not be used, and only the 4 small access mobiles would be used to deliver Targeted and Tier 4 provision.
- 5.59 Different degrees of management by the County Council or Bibliotheca were suggested, ranging from all sites being managed by the County Council to all being managed by Bibliotheca. The latter would need to be undertaken following Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), negotiations under which staff would transfer to Bibliotheca and retain their current terms and conditions. Bibliotheca's budget proposal suggested that they would deliver the £1.937m of savings required by the County Council.
- 5.60 In 2013 one member of the public, Mrs Palmer, produced a detailed alternative proposal to save the £1.937m. This retained all Tier 3 libraries on reduced hours, by reducing opening hours and staffing levels, increasing the use of volunteers at Tier 1, 2 and mobile libraries, and introducing a £0.50 per 30 minutes charge for internet use.
- 5.61 This proposal was given serious consideration and can be seen to have influenced some elements of the service proposed in December 2013 and as it currently operates (see Appendices 2 and 3).

- 5.62 Greenwich Leisure Ltd (GLL), a charitable social enterprise which specialises in leisure management submitted an expression of interest in 2013. GLL’s Libraries Division manage library services in the London Boroughs of Greenwich and Wandsworth. In actively seeking to expand this portfolio, GLL expressed an interest in managing Lincolnshire’s Libraries in their entirety, including Tiers 1, 2, 3 and 4, as well as central support functions. The proposal would involve all staff currently working within the Library Service being transferred into GLL’s employment under the TUPE regulations. Library opening hours would be retained and services would be developed.
- 5.63 GLL’s budget proposal envisaged making savings of £1.8m, through a 15% reduction in operating costs, 30% increase in income and a £925,000 reduction in management support costs, the materials budget, mobile library service and transport costs. The balance of savings would be delivered following a full review of the service.
- 5.64 As a result of the Judicial Review a further period of public consultation was undertaken specifically designed to enable people to put forward alternative proposals for how libraries might be delivered within the available budget. The Executive are referred to the main 2014 consultation report at Appendix 4 to this Report, but by way of summary, the main themes of the 2014 consultation are discussed below and then the alternative proposals are identified. In order of frequency of response the main themes were:

Main Theme	Responses	Sub-Theme
Operational	54	<ul style="list-style-type: none"> Mobile libraries Modify/improve the current options Maintain the service (as is now or was) Staffing/volunteers Operating hours Proposal for local library/community hubs/additional uses Share premises (hire out library, or share with other public/private group)
No alternative Proposal	53	

Procurement	28	Outsource libraries service Cut costs/perceived waste
Funding	18	Use LCC reserves Increase revenue (or reduce costs) through business partnerships Increase revenue by charging for books/membership/internet/other services
No Change	14	
Total	167	

Reproduced from figure 12 of the Lincolnshire Libraries Consultation Phase 2 28.11.2014 (Appendix 4, P14).

- 5.65 Within the “operational” theme, the most popular suggestion was the reclassification of Deepings library as a Tier 2 library, followed by suggestions about sharing premises in particular locations or the use of volunteers to “prop up” a reduced paid workforce (Appendix 5, P15), and alternatives to opening hours.
- 5.66 No alternative proposal was offered by 53 respondents.
- 5.67 Procurement and outsourcing was the dominant theme of 28 respondents and it was touched on by a further 10, most notably as a result of the interest in operating the service expressed by Greenwich Leisure Ltd (GLL). “A significant number of participants ...thought that outsourcing was a positive option for Lincolnshire in relation to maintaining the library service.” (Appendix 5, P22)
- 5.68 The 18 responses which had funding as their main theme suggested that the authority should maintain the service by using its reserves, increase revenue by charging for services, including library membership, and cutting perceived waste, or cut funding to all libraries equally.
- 5.69 No change was suggested by 14 respondents, many of whom objected to the principle of saving money from the library service.
- 5.70 Strong representation was received about the classification of the Deepings Library in the 2013 Report. This had already been drawn to officers' attention before the October 2014 consultation began. In response to this, the application of the methodology applied by the LRO in reaching this classification has been reviewed. This review has included meeting with a

group of library users in the Deepings area and receiving detailed submissions from them outside of the consultation process.

- 5.71 The review of this concluded that the original methodology was accurately applied, and the difference in conclusion between the Council and the public was rooted in a misunderstanding of the methodology. The consultees had submitted evidence about the absolute population numbers in the Deepings catchment whilst the Council methodology looked at the catchments in relation to one another.

These differences have been explained to the group of library users and, for example, identify that a large catchment of people who might 'belong' to the Deepings are not present in the Council analysis, as a result of e.g. Bourne Library (which offers additional 30 minute coverage to more people than the Deepings) being selected for tier 2 service.

Service-wide proposals received during 2014

- 5.80 During the second period of public consultation in October 2014, four service-wide proposals were received:
- 5.80.1 Two proposals were received from Mrs Palmer, the first at the beginning of the public consultation via the on line pro-forma. The second proposal from Mrs Palmer spanned an on line pro-forma and provided additional information in other documents that were emailed to Tony McGinty, Public Health Consultant. It was agreed with Mrs Palmer that her second proposal should be considered and a meeting took place on 9 December 2014 at which it was discussed. The proposal and the results of that meeting are set out in Appendix 5.
- 5.80.2 One proposal was received from Northamptonshire County Council in the form of a submission through the on line public consultation pro-forma (see Appendix 6). This sought to deliver “a comprehensive and efficient library service for Lincolnshire, within the stated budget” by running the service model supported by the Executive in December 2013 on behalf of the County Council. Northamptonshire Library and Information Service believed that they would bring “a track record of delivering excellent library services at low cost with high community involvement and quality-assured volunteer management”.
- 5.80.3 One proposal was received from GLL, updating their intentions under the proposal submitted to the 2013 consultation, in the form of a letter. This proposal was based on information provided by the service; a number of visits to libraries across the county including prison libraries and meetings with the service’s Collections Access Team and local groups which had submitted expressions of interest to operate local libraries. Diana Edmonds of GLL concluded that “savings could be made from central and back office costs without impacting on frontline services”. The original proposal and the 2014 letter are attached at Appendix 7 although

commercially sensitive information has not been included at the request of GLL.

6. Consideration of the Service-wide proposals received during consultation

Identification of the proposals

- 6.1 Across the two consultations a number of alternative proposals have been put forward as to how the service can be provided within available budget. Those alternatives can be identified as follows.
- 6.1.1 A proposal from Northamptonshire County Council to deliver the service determined by Executive in December 2013.
- 6.1.2 Return the services to the shape and extent provided prior to the decision in December 2013 (Appendix 1) and add monies into the budget to fund that level of service;
- 6.1.3 A proposal from Bibliotheca Ltd in response to the first phase of the consultation based on providing the same level of service at the same locations as prior to December 2013 based on savings and the introduction of a specific technology solution.
- 6.1.4 A proposal from GLL based on the delivery of service at all current static library locations at the level of service provided prior to December 2013, within the available budget funded by savings derived by more efficient delivery of the services and increased income generation (see Appendix 7). The mobile library routes introduced in May 2014 would be retained.
- 6.1.5 A proposal from Mrs Palmer based on the delivery of all the current static library locations within the available budget at a reduced level of service to that delivered prior to December 2013. Mrs Palmer has submitted a number of versions of her model over the course of the two phases of consultation. The version that officers have used to inform this options analysis is that provided by Mrs Palmer on 30 October 2014. Officers met with Mrs Palmer to discuss that proposal in detail on 9 December 2014. The proposal and the notes of that meeting are attached at Parts 1 and 2 respectively of Appendix 5.
- 6.1.6 Continue to deliver the services as they are currently provided (Appendix 3).

Nature of the analysis

- 6.2 The analysis proceeds by assessing the merits of the various proposals. The proposals at paragraphs 6.1.4 and 6.1.5 are developed using the specific proposals but also the understanding of officers. A comparison is then undertaken between their main features and those of the Council's preferred option.

6.3 The relative merits are then identified and a proposed model recommended.

Alternative models – Northamptonshire County Council

6.4 Although submitted in response to a consultation about alternative proposals, the submission from Northamptonshire County Council is not in reality an alternative to the model adopted by the Executive in December 2013. In essence, the Northamptonshire offer to provide the same service as adopted by the Executive more efficiently. It is not therefore analysed as an alternative option in this section. It may be necessary to scrutinise the suggestion further if the Executive adopts the competitive procurement process recommended in section 12 below and Northamptonshire submitted a tender.

Alternative models – Fund the pre-December 2013 level of service

6.5 This proposal acknowledges the funding difficulties referred to in section 2 and the Council's budget decision of 22 February 2013 and the fact that the pre-December 2013 service cannot be delivered within that envelope. However it invites the Council to find the additional monies, taking that money from other services if necessary in order to provide the budget to deliver the service. This proposal must therefore be considered in the context of the financial pressures identified in paragraphs 2.43 to 2.52 above.

6.6 As set out in those paragraphs the original budget reductions for the library service were made in a context of required savings of some £146m per year up to 2014/15. Since that date a new savings target for the Council has been set for the 4 years from 2015/16 of £90m per year as a result of additional funding cuts. The details of future Council funding beyond 31 March 2016 are unclear although the general trend towards further funding reductions is clear. The Executive's proposed budget for 2015/16 therefore already utilises reserves and proposes an increase in Council tax. Additional monies for the Library service could only be found by

- Finding equivalent savings elsewhere;
- Taking more out of reserves; or
- Increasing Council Tax by a greater percentage.

None of these alternatives is recommended for the reasons given below.

6.7 The current proposed budget has been developed on the basis of a fundamental review of the Council's services reflecting the Council's legal obligations, the pressures facing it and the Executive's priorities of safeguarding children and adults; supporting communities to support themselves; maintaining the road network and securing fire and rescue services.

6.8 The Council has used reserves prudently in its financial planning to manage the impact of funding reductions. The planned level of reserves to be utilised

in 2015/16 is already £33m. This represents the level of reserves that it is considered appropriate to use given uncertainties over the extent of future funding reductions.

- 6.9 The Council has a financial strategy of maintaining council tax levels one of the lowest in the country. The level of council tax increase proposed is already the highest that could be proposed without requiring a referendum.
- 6.10 The Council is able to deliver a compliant statutory service from within the reduced budget set by the Council. On the basis of the model adopted by the Executive in December 2013, it could also from within that budget realise significant benefits in terms of community development and wellbeing. The alternative would be to deliver a greater degree of library service than the law requires at the expense of other services, financial prudence or council tax payers. Further, given the general trend towards greater funding cuts in the future the pre-December 2013 service is simply not considered sustainable. If further money were used now to maintain services at that level the service would have to be reconstituted and additional staff and volunteers taken on and the Executive would very likely have to review its future with a view to similar funding cuts within the short term.
- 6.11 Where uncertainty remains as to the financial impact of any alternative proposal the Executive will need to be wary for two reasons. Firstly, the Executive does not have authority to make decisions which would be contrary to or not wholly in accordance with the budget set by the Council. Secondly as much budgetary certainty as the Council can achieve is critical to its financial strategy and robust financial management in difficult times. To pursue an option now which later turns out to be outside the budget and so require additional monies to deliver would inevitably impact on the Council's ability to maintain its funding of other services or would undermine its flexibility to respond to further funding reductions or unfunded cost pressures particularly at a time when reserves have been depleted in order to balance the budget. These issues will be returned to in considering other alternative proposals.

Alternative proposal – Bibliotheca Limited

- 6.12 This response came into the 2013 consultation and was not renewed or amplified in the 2014 consultation.
- 6.13 Bibliotheca Ltd, who supply the library service's Radio Frequency Identification (RFID) self-service technology, submitted a series of brief proposals which envisaged retaining all Tier 3 libraries and opening hours using their existing technology, and their SmartBranch technology under which library users would access an unstaffed library using their library card and PIN. Although this approach has the potential to enable all libraries to be open 24 hours a day, 7 days a week, the technology has only recently been used in pilot project in the UK. The cost of installing this technology ranged from £450,000 to £875,000, plus support costs ranging from £1,500 per

library to £5,167 per library excluding non-domestic rates. Under this proposal the large mobile library vehicles would not be used, and only the 4 small access mobiles would be used to deliver Targeted and Tier 4 provision.

- 6.14 Different degrees of management by the County Council or Bibliotheca were suggested, ranging from all sites being managed by the county council to all being managed by Bibliotheca. The latter would need to be undertaken following Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), negotiations under staff would transfer to Bibliotheca and retain their current terms and conditions. Bibliotheca's budget proposal suggested that they would deliver the £1.937m of savings required by the county council.
- 6.15 These proposals were given serious consideration. However, whilst the proposals suggested that all the savings could be made, at that time this technology has never been used in UK and would require between £450,000 to £875,000 of capital investment, plus support costs ranging from £1,500 per library to £5,167 per library excluding non-domestic rates. The greater reduction in staffing levels and the lack of large mobile library vehicles were not felt to address concerns raised during the staff and public consultations undertaken in 2013. Concern was expressed at the impact analysis workshop on 14 November 2013 at the impact on elderly and disabled people especially of having unstaffed facilities. Officers have significant concerns as to whether such a proposal could be made consistent with the Council's equality duties.
- 6.16 These were the grounds for rejecting the Bibliotheca alternative in December 2013. The Executive's decision was never challenged on the basis that that rejection was irrational and the judge in his Judicial Review judgment expressed the view that the rejection of the Bibliotheca proposal was that "this technology had never been used in the UK and would have involved substantial installation and support costs. It would also involve a considerable reduction of staff and would have a seriously adverse impact on the disabled. It was rejected, again not surprisingly." (Draper v Lincolnshire County Council, paragraph 31).
- 6.17 This proposal has not therefore been subjected to any further detailed investigation or analysis as an alternative option for the general shape of library services. It may become necessary to consider this in more detail if the Executive approve a competitive procurement exercise as recommended in section 12. Clearly, any submission from Bibliotheca in such a process would be objectively evaluated at that time against the Council's specified requirements and the published evaluation criteria.

Alternative proposal – Greenwich Leisure Limited (GLL)

- 6.18 In 2013 GLL, a charitable social enterprise which specialises in leisure management submitted an expression of interest in delivering all of the Council's existing libraries. GLL's Libraries Division managed library services in the London Boroughs of Greenwich and Wandsworth. In actively seeking

to expand this portfolio GLL expressed an interest in managing Lincolnshire's Libraries in entirety, including Tiers 1, 2, 3 and 4, as well as central support functions. The proposal would involve all staff currently working within the Library Service being transferred into GLL's employment under the TUPE regulations. Library opening hours would be retained and services would be developed.

- 6.19 GLL's budget proposal envisaged making savings of £1.8m, through reduction in operating costs, significant increase in income and a significant reduction in management support costs, the materials budget, mobile library service and transport costs. The balance of savings would be delivered following a full review of the service an interesting point in itself as it suggests that not all of the necessary savings are easily identifiable or immediately realisable.
- 6.20 In the Judicial Review the Council was criticised for not exploring the viability of this option in more detail and as a consequence further discussions were held with GLL during the summer of 2014 and in October they submitted a renewed expression of interest "to see whether it is possible to retain frontline provision without reliance upon community management".
- 6.21 Full details of the original proposal, the additional submission made in October 2014 and the notes of the Council's meeting with GLL in December 2014 are not set out in this Report due to commercial sensitivity. However, the general question raised by the GLL proposal is whether the pre-December 2013 level of front line library provision can be delivered within the available budget of £4,351,772, by finding efficiencies in the running of the service together with greater income generation. Officers have considered the proposal put forward by GLL but as part of a general consideration of whether any such model could be made to work.
- 6.22 The first thing to say is that a social enterprise with charitable purpose is able to reclaim a significant percentage of non-domestic rates payments. The Council's non-domestic rates bill currently amounts to just over £300,000 for all library premises. If a percentage reduction of 80% is used this figure would reduce to approximately £61,000. If the proposed future rate of 50% is used it would reduce to approximately £153,500. These reductions are not capable of being realised by the Council. However, the value of any such reductions would be realised by undertaking a competitive procurement exercise since if such an enterprise were to bid their price would reflect the reductions.
- 6.23 Similarly, there is some potential to reduce some management costs, although the ability to achieve this whilst managing and running a network of nearly 50 sites remains in doubt. Certainly, the Council has already found it cannot operate this number of sites and reduce overheads further and the realistic level of likely savings is considered to be small.
- 6.24 If a model of retaining Tier 3 libraries is adopted there is potential to reduce the size of the Collections Access Team which manages the procurement,

receipt and distribution of books and other library materials. The team was increased in size in May 2014 in anticipation of an increase in the size of the library network (including community hubs) to up to 55. If the pre-December 2013 network was delivered instead this could be reduced, making a small saving.

- 6.25 Another area of potential saving that the Council has considered as part of its own deliberations is the potential to outsource more functions to library suppliers, making use of RFID technology to receipt incoming items. However, Lincolnshire's very high level of user satisfaction can be attributed significantly to a more refined and needs based stock management system than could be secured from suppliers. This is considered to be a feature of the current service that should be retained if possible.
- 6.26 Another area of efficiency already considered is the relocation of the Collections Access Team, and plans are already under way to create a new, more efficient and less expensive central distribution centre, in Sleaford in a multi-use facility, in line with Council's property strategy. The savings from this initiative are already factored into the reduced operational budget. The scope for further efficiencies from this particular element of the services is considered to be small.
- 6.27 If it was intended to support a network of 47 libraries rather than a potential network of 55 sites including Community Hubs it would be possible to make some savings in transport costs. It would also be possible to look at how transport is provided to see if costs could be reduced. These reductions are not however considered to be significant. Transport costs could also be reduced by placing greater reliance on the direct delivery to libraries of new stock by wholesalers but for reasons set out in paragraph 6.25 above that is not favoured.
- 6.28 There is potential to secure increased discounts from library book suppliers, and work to retender the Mid-Anglia Stock Consortium contract is nearing completion. However, due to the reduction in the number of library wholesalers and reduced buying power across the consortium it is anticipated that no more than an additional 1% may be achieved on this occasion. The savings from this initiative are already factored into the reduced operational budget. Although a third party may be in a position to get marginally better discounts the scope again for significant reductions over those already available to the Council is considered to be limited.
- 6.29 The Council has also considered efficiencies that can be obtained from the mobile library budget. However the Council believes it has already reduced its mobile library costs to the extent that can be achieved while still meeting need that was valued in the consultation. Further reductions would impact on the service that could be provided. In their renewed approach in 2014 GLL did not seek to make further changes to the mobile provision implemented by the County Council in May 2014.

- 6.30 GLL and others including the claimant in the Judicial Review have commented on the apparent cost of IT facilities, administrative support, property management, financial services and human resources support to the Library service. This can seem an attractive area from which to make savings. However, it is worth noting that this is often based on data taken from returns to The Chartered Institute of Public Finance and Accountancy (CIPFA). As discussed below these are not actual costs incurred by the service and a number of other issues arise in relation to this general point.
- 6.31 Firstly, as alluded to above, the CIPFA returns identify the amount of the Council's corporate services and overheads that have been allocated as an accounting exercise to the service. They are not actual costs incurred by the service and not therefore available to the service for the making of savings.
- 6.32 Further, considerable work has been done in the run up to a potential competitive procurement to identify the true value of the support services consumed by the Library service and they are calculated at £648,106 for the library service "back of house" (services like the in-house stack management system costs) and £1,578,612 for central establishment costs (things like a share of the costs of general council buildings and human resource services). This gives a total support costs figure of £2,226,718 making a total service cost of £6,497,330 compared with the £11,769,102 CIPFA return figure for 2013/14.
- 6.33 However, these support costs amounts are not available to the Library service to make savings from. For very good organisational reasons to do with corporate consistency and value for money reasons connected with economies of scale the Council either delivers such services itself or contracts for such services corporately not at individual service level. The service is not therefore able to make its own alternative arrangements with a view to reducing these costs.
- 6.34 Even if the service was outsourced to a third party provider the scope for the Council to make savings against its support costs is very limited. If a third party organisation ran the services they would include in their price an element for services such as finance and HR and potentially (if within the scope of the service) such services as property maintenance and IT provision and maintenance. The Council would have to pay that money to the third party through the price. The Council would not, however, necessarily be able to reduce the cost of its own expenditure on those services in the same proportion. The Council must continue to pay for its continued need for finance services and HR regardless. It would continue to contract for property maintenance and IT services. Even though the Council's contracts for these services are to an extent variable with volume their pricing is not so sensitive as to allow like for like reductions in the amounts the Council pays to reflect reductions in the level of individual services. For such reasons the overall cost to the Council of such back office services can increase with an outsourcing.

- 6.35 For the above reasons, these costs are not included in the budgets within which the library service would need to be delivered. Even if savings could be made against these heads it would not therefore demonstrate an ability to deliver the rest of the operational service within the budget of £4,351,772. Insofar as such savings are used demonstrate the ability to preserve pre-December 2013 services within the available operational budget it is an invalid comparison.
- 6.36 It should also be borne in mind relation to cost, that the Council would have to pay a management fee to a third party to provide the services which it does not have to pay at present, and the council would incur costs in managing the contract itself
- 6.37 The potential to increase income generation is recognised, although the step from recognition of potential to actual realisation of income is beset with difficulties.
- 6.38 For reasons expanded on further below, the generation of income from the provision of services themselves such as internet access must be balanced against the barrier to access that it involves and at the financial level the potential for people to simply not use the service.
- 6.39 Another potential source of income that has been considered is the ability to let spaces in some of the new libraries to commercial organisations or businesses. However the potential of such income is in doubt. It is not clear what that effect on the non-domestic rates of these premises would be were this pursued. Co-location with commercial interests has not always proven the best model in Lincolnshire, and one such scheme in the County has seen community use fall, partially due to conflicts between commercial and library requirements. Such income has an irreducible level of uncertainty to it and the tendency to fluctuate.
- 6.40 The final area of income generation that has been considered is printing including potentially wireless printing. However the latter would, in Lincolnshire, depend on a degree of investment to make the necessary wireless networks available. It is not clear to what degree charges could successfully be introduced at a level which would see any or any significant return on that investment. A business case would be needed before it could be relied on in planning a service.

Alternative proposal – Mrs Palmer's model

- 6.41 The proposal put forward by Mrs Palmer in its latest version as discussed in detail with Mrs Palmer is set out in Appendix 5. The proposal is entirely reasonable and officers understand the underpinning information and approach through excellent support from Mrs Palmer. Through the course of engagement with Mrs Palmer on her proposals a number of issues have arisen:

- 6.41.1 The costs incorporated in Mrs Palmer's detailed proposals are not sufficient to run the service as described in a number of key ways. For example the budget proposed for Tier 1 and 2 libraries is an underestimate of actual costs. This underestimate has a value of approximately £330,000 per annum. The model proposed does not take into account the re- growth in management required to directly manage all the sites in the network. The provision of relief staffing, in a thinly stretched service, has not been taken into account – making the proposed model very vulnerable to unplanned closures due to sickness or absences. Additional costs would need to be built into the model to address these issues.
- 6.41.2 The proposal to engage volunteers is key to maintaining sites and opening hours in this proposal. Mrs Palmer differentiates to a degree between the roles of paid and volunteer staff but inevitably much of the role is the same. Utilising volunteers in this way has been explored by the service, but is considered to carry with it unacceptable employment law and employee relations risk. In particular any replacement of staff made redundant with volunteers doing the same or similar activities will expose the Council to risk of employment rights challenges from individuals whilst even the introduction (without redundancy) of volunteers to carry out activities that would otherwise have been carried out by employed staff has regularly been challenged by the unions.
- 6.41.3 Whilst the proposal includes significantly more mobile stops (although many would be shorter) the proposed mobile routes require access to the mobile bases that were decommissioned as part of the May 2014 service changes. This would make Mrs Palmer's meticulously planned routes unfeasible without investment in re-establishing these bases and the increased running costs that would be incurred in so doing
- 6.41.4 The proposal to have the contingency mobile provision rotate around the County was considered carefully. However, a key reason for siting most of the mobiles, and their staff, on one site in May 2014 was to increase the feasibility of the 'spare' to be able to move to any route required. This capacity would be reduced on occasions when the 'spare' was very distant from the uncovered route, leading to more unplanned service failures.
- 6.41.5 The new sources of income generation proposed have been researched, found to have potential, but were found to be overly optimistic. It was anticipated that £181,798.80 would be generated from charging £0.50 per 30 minutes of internet usage, based on 302,998 hours of usage per annum, allowing for VAT and 28% (£70,699.53) for concessions. Admittedly, this did not include income from any possible higher charge for non-library members. However, experience since April 2014 when a guest card charge of £1.25 (£1 net) for non-members for a 2 hour session was introduced shows that only £1,768 net, had been raised by the end of November 2014 (eight months), which suggests that the total amount the service is likely to generate from this source of income is approximately £2,400 per annum, This demonstrates a resistance to charging and people either joining the library, which is free, or

gaining internet access in other places which do not charge, such as Wi-Fi hot spots. Given that the number of new members was down:

April-October 2013 = 17,100

April-October 2014 = 15,594

this suggests that people are going elsewhere rather than joining the library, and that introducing a charge for the internet would not generate anywhere near the amount being suggested.

6.41.6 The proposals to spend £600,000 on the development of new chargeable service were interesting.

Volunteer run toy libraries were to generate £110,150.10 per annum in year 1, rising to 282,441.60 by year 3 from Toy Libraries.

A similar proposal to generate £146,866.80 per annum in year 1, rising to £198,621.60 by year 3 from Musical Instrument loans was contained within these proposals.

Setting aside that the service would be unlikely to raise the required sum to stock these new services, officers researched these ideas (using Mrs Palmer's initial research as a base) and found:

That there are a number of existing charitably run toy libraries across Lincolnshire, e.g. Lincoln, Caistor, Gainsborough, many run out of County Council children's centres, Sleaford Toy Library closed in January 2013 due to a lack of funding.

These existing services currently offer subscription fees significantly below those being suggested by Mrs Palmer (£25) e.g. Caistor is free, the Lincoln annual fee is £7.50 to £13.00.

That the county council's Music Service already operates a musical instrument hire and purchase service. That there are a number of existing commercial organisations (e.g. ABC Music) which offer musical instrument hire, with whom the library service would be competing.

Therefore whilst it is noted that if income from internet access were to be achieved at the projected levels the success of these toy library and instrument hire proposals would not be central to the viability of Mrs Palmer's model, it is not considered that the internet access projections are viable and it is not felt that these alternative avenues would prove to be successful or provide significant additional income to sustain or increase Tier 3 library provision.

Alternative proposal – leave the service as it currently is (Appendix 3)

6.42 Some respondents to the 2014 consultation expressed the view that they had become accustomed to the current level of service and suggested it as a permanent future service model. This has some obvious similarities to the Mrs Palmer model in that it would maintain the same number of libraries while reducing the levels of service in terms of opening hours. The Council has already set its budget for the library service for 2014/15. It is currently consulting on a budget for 2015/16 which would provide for the same amount of money for libraries as in 2014/15. The current model of service in operation costs around £1m per annum more than the budget set and these costs are currently being met by reserves. However, this is not a sustainable way of funding the service and the service must either live within its budget or have more money from Council funds offered to libraries. The Council is currently consulting on budget priorities in the face of a further reduction in its national grant of c£90m over coming years. The arguments about finding more money for the service is dealt with in more detail in paragraphs 6.6 to 6.11 above.

6.43 Having considered the findings of the public consultations in 2013 and 2014, the above represent the comments of officers on the alternative proposals put forward. It is considered by officers that the options fall into two general models as described in paragraph 6.44 below.

6.44 Two two general models are:

Option A: To adopt a future model that seeks to stretch resources; maximise and significantly increase income and minimise costs to maintain the existing number of static and other libraries within the available budget. This type of model is the essence of the proposals from GLL and Mrs Palmer. It is also the essence of any proposal to leave the existing service as it is. It sees all libraries as part of the statutory service and community involvement would take a more traditional shape in the form of volunteers supporting professional staff.

Option B: To reduce the staffed statutory service to a smaller and more sustainable range of static and other libraries, maximising access to the service through utilising proposals from across the consultation feedback to drive efficiencies, and reinvesting these in extending services as far as is sustainable. This type of model is the essence of the proposals from LCC. In this model some of the available funding is then used to support community development in the form of community-run hubs offering library services.

6.45 The potential for a variant of Option A to generate savings or increased income to make it fully viable within the Council's operational budget has been explored in the foregoing discussion prompted by the GLL proposal and Mrs Palmer's proposal. It is not necessary to repeat those points here. It may be worth rehearsing however some of the ways in which such savings might be sought differently from Option B and some ways in which the Options are similar.

- 6.46 Firstly to reduce the size of the library service's materials budget and the Collections Access Team by outsourcing more of the stock purchasing and distribution function to suppliers and possibly relocating them to library premises rather than having a separate distribution centre. Greater discounts could also be sought from stock suppliers. Option B maintains the existing materials budget, and the size of the Collections Access Team with a view to supporting a larger network of libraries including Community Hubs, and a continued ability to respond to local stock requests.
- 6.47 Secondly lower transport costs anticipated due to a smaller library network not including Community Hubs, and greater reliance on the direct supply of stock to libraries by wholesalers. Option B has higher transport costs due to the need to service a larger library network including Community Hubs and in order to maintain a more locally sensitive stock distribution.
- 6.48 Both options seek to reduce management costs, though the savings under option A would be lower due to the number of libraries (47). The reduction under Option B would be larger because only 14 libraries would be run by LCC staff. Bourne is excluded from both scenarios as it is run by South Kesteven District Council.
- 6.49 Both options retain the existing Bookstart service.
- 6.50 Both options retain the access mobiles for targeted provision, notably to people who are unable to access Tier 1 or 2 libraries.
- 6.51 Both options retain the Listening Lincs service to people who are registered blind.
- 6.52 Both options retain 5 large mobile libraries which are double staffed where necessary.
- 6.53 In terms of Tier 3 libraries, or Community Hubs, Option A sees the existing libraries in 30 locations continuing to be operated as Council libraries as part of statutory provision, albeit on reduced staffing levels (33 locations if Belton Lane, Waddington and Saxilby are included). In contrast, Option B offers a package of support for up to 40 Community Hubs developed by third parties, with a package of support from the county council including: £15,000 one of payment for capital works; £5,167 per annum revenue grant for at least 4 years; a 10 year lease on LCC owned premises with a four year period before any rent review; a fully managed ICT service; access to at least 4,000 items of book stock; training advice and support from the Library Development Officer Team and the Community Advisors (temporary until April 2016).
- 6.54 Under both options the Schools Library Service would not be subsidised.
- 6.55 Both Options A and B would continue to offer a charged for service to reading, music and drama groups.

- 6.56 Both Options A and B would continue to offer a charged for service to prisons.
- 6.57 Under Option A, there would be a requirement for increased income. One potential source of income would be to charge for internet access. Under Mrs Palmer's proposal, for instance, internet access would be charged for at a rate of £0.50 per 30 minutes for library members, based on 302,998 hours of usage in 2012-13, the payment of VAT on this income source and an allowance of 28% for concessions. On this basis it would generate a net income of £181,799 per annum, and that is before any higher level of charge is levied on non-library members. Under Option B internet access would be free. Whilst the generation of this amount of income would be most welcome, the suggested figure does not appear to be realistic, based on the service's experience described above.
- 6.58 Additionally, the introduction of a charge for the internet would be a barrier to access and does not comply with previously issued national government Digital by Default and Go On agendas or the Public Libraries Universal Information Offer which is supported by the Society of Chief Librarians and Arts Council England. It is especially important that those on low incomes are able to access the internet in order to apply for benefits such as Universal Credit, undertake job searches or purchase goods and services although it is recognised that Mrs Palmer's proposal would provide for concessions.
- 6.59 The above discussion identified other ways in which income could be attracted to the service centred principally around the co-occupation of Council premises with other commercial entities who would be charged a commercial rent or the offering of printing service to the public.
- 6.60 Other potential sources of income include a toy library and hiring of musical instruments. Option B is not dependent on any additional income being generated from the services
- 6.61 Option A refers to engaging volunteers to support provision of library services, though this would be on a traditional model of engaging people to work under the control of the Council. Option B proposes putting local community groups and volunteers in the driving seat of library and other provision from Community Hubs, as well as engaging volunteers in the more traditional way in Council run libraries.
- 6.62 This engagement is supported through a best practice package of practical back up from the library service; sharing of resources and dedicated financial and development support paid for by the Council.

Conclusion

- 6.63 Following an analysis of the alternative proposals put forward the professional judgment of officers is that they would not deliver the levels of library service that are claimed within the available budget. Whilst there are undoubtedly suggestions put forward which may enable further efficiencies to

be found in the way the service is run and some potential sources of income it is not considered that those savings or that income taken together would be sufficient either to maintain services at the pre-December 2013 levels or to enable the level of service proposed by Mrs Palmer.

- 6.64 A consideration of the degree of savings initiatives already pursued by the Council and the true potential for other ideas for efficiencies to generate significant additional savings does not give officers the confidence that savings can be realised at the levels necessary to underpin the delivery of services at pre-December 2013 levels or the levels of service proposed by Mrs Palmer. In particular reliance on savings in support costs is misplaced for reasons set out at length above.
- 6.65 In terms of additional income generation the proposals put forward are in the view of officers overly optimistic. The ability of the service to generate income at the levels required by either the GLL proposal or Mrs Palmer's proposal are unproven and in the view of officers unlikely. Charging for internet access introduces a barrier to access while at the same time on the evidence available to the Council being counter-productive. Some proposed sources of income such as those from the commercial renting of property are uncertain and fluctuating and could take some time to realise. Others such as toy library and musical instrument hire or wireless printing have some potential but the business case has not been made for any significant level of income generation capacity.
- 6.66 These considerations give rise to legitimate concerns about the stability or sustainability of a model based on them. Bearing in mind that this would on the proposals put forward constitute the Council's statutory service, the prospect of the Council having to revisit the shape of its service again in the short term if the savings or income did not materialise is in the view of officers high. In the meantime the Council would have to find the additional money while savings were found or income generated or else face budgetary uncertainty.
- 6.67 Option B, on the other hand, is known to be deliverable within the Council's budget and is considered to be statutorily compliant with the duty under section 7 PLMA a view supported by the Judicial Review. It offers budgetary certainty and certainty to communities about the shape of their library service for the future. That future shape of service is also known to be sustainable
- 6.68 Two possible objections present themselves. Firstly, that the external market should be given the opportunity to establish whether the services can be provided on an Option A-type basis as part of the competitive process being recommended. Secondly, even if the levels of service initially suggested cannot be delivered, some level of further statutory service on an Option A-type basis could be delivered if the viable savings and income were added into the budget.
- 6.69 Two possibilities would then present themselves – either to expand the number of Tier 3 libraries that would continue to be run as part of the

statutory service under a Mrs Palmer-type model or for an additional number of libraries to be provided as Tier 1 or Tier 2 libraries.

6.70 There are two responses to the first objection as follows:-

- it is for the Executive to determine the shape of library services in Lincolnshire. Indeed, it has a duty to provide a comprehensive and efficient service. It cannot therefore determine that the shape of services should emerge from a competitive process without putting its mind at the end of that process to whether the result is one that meets its duty and that it supports;
- Even at the end of the competitive process, savings and income may well, indeed probably will, remain to a significant extent in the future and uncertain. For reasons given above, budgetary certainty is a priority for the Council in the current financial context and the level of budgetary uncertainty entailed in this option is not recommended.

6.71 Although the statement underlying the second objection is true, for reasons given above the amount of savings or projected income that could safely be built into future budgets while providing the level of budgetary certainty and financial control mentioned before in this Report would be modest. Any significant level of savings or income would, if it was achievable at all, lie in the future and be inherently uncertain giving rise to concerns about budgetary certainty referred to earlier in the Report.

6.72 Although it might be said that some continued funding would be justified as an investment if significant income or savings were to be had in future, it is not considered that the levels of saving or income available or the degree of certainty that they would be realised has the robustness to give the Council the confidence to justify the Council spending beyond its means in the interim period. In short, no business case for future savings and income has been established.

6.73 Given that the alternative options put forward do not in themselves offer significant service advantages within the available budget the main difference between Option A and Option B becomes their approach to community involvement. Option A would use all available resource to maintain a minimum professional presence supplemented by volunteers with opening hours and levels of service set at affordable levels at some of the existing Tier 3 library sites or adding additional Tier 1 or 2 sites. Option B uses that resource to assist communities to provide their own Community Hubs including library services.

6.74 Option B therefore offers the prospect of using library services as a means of developing increased community resilience and self-reliance by providing support to communities for the development of up to 40 Community Hubs across the county, with ongoing support from the library service. On balance Option B is felt to offer greater fairness to communities and to more closely meet the needs and aspirations of local communities to tailor each

Community Hub and library services to their own needs.

- 6.75 It is noted earlier in this Report, as the state retracts to its new resource situation, a general trend towards the state supporting people to support each other is necessary. The Council's December 2013 model, as well as meeting the Council's statutory obligations through the direct delivery of high quality library services in key locations offers very real assets to communities to develop from library provision into much wider community support purposes over time.
- 6.76 Option A on the other hand tends towards a model of volunteers as adjunctive to public services, rather than central to them. Option A is still a model based on the Council "doing for" people rather than "doing with". It is important that the significance of that distinction is recognised in assessing the relative merits of the two options. The community support being proposed by the Council is designed to bring about a radical shift in the way the Council relates to its communities. No version of Option A would bring that about.
- 6.77 To set against this, Option A envisages a wider statutory service but one which in the opinion of the Council would either marginally increase the number of sites receiving a fuller level of service or spread the services excessively thinly over the existing network. In either case the levels of benefit that would be seen by the county as a whole from such a model would not on balance be sufficient to outweigh the community development benefits to be obtained from offering the Option B support package to communities to develop community hubs for themselves.
- 6.78 The Council has undertaken a detailed Library Needs Assessment and identified a model which is both comprehensive and efficient. To adopt a wider scope of service in terms of locations at the expense of community development would be to reintroduce some of the inefficiencies of over-provision back into the system.
- 6.79 In December 2013 officers recommended and Executive adopted a model under which there would be 10 Tier 1 and 5 Tier 2 libraries within the statutory service. That was based upon a clear rationale and a set of criteria that had been extensively consulted on and amended on the basis of that consultation. Outside of these locations all communities in Lincolnshire above a certain size were offered a package of support to deliver community hubs. Once it is accepted that no acceptable version of Option A will deliver services to all of these communities within the available budget for the reasons given the effect of adding additional services for some communities would be to leave others with no service and no support to their own community development. In those circumstances Option B becomes not only the option with the most to offer communities but the fairest option. It also reflects a strategic vision rather than an ad hoc stretching of resource in response to opportunities as they arise.

- 6.80 Option B retains free internet access to library members, which ensures no barrier to access. Nor is this option as reliant upon sources of income. As such it is not felt to be vulnerable to customer resistance to charges and potential national initiatives which could lead to significant service reductions and even library closures if income targets were not achieved.
- 6.81 Further reductions in central government grants to the Council are expected and the clarity of statutory and non-statutory provision, along with a model for non-statutory provision that is less dependent on public funds is desirable. Option B is designed to allow mitigation of these risks.
- 6.82 Further the involvement of volunteers under Option B is less open to challenge under employment law than the use of volunteers under Option A. Under Option B use of volunteers in Tier 1 and 2 libraries will be to offer added value services, rather than being interchangeable with staff at these locations. Use of volunteers interchangeably to replace redundant staff would give rise to a risk of employment claims while it would also create issues with the Council's unions.
- 6.83 It has to be recognised that Option B's statutory service's dependence on community groups and volunteer services for the community hub elements of service has risks, in terms of groups' and individuals' abilities to sustain momentum. However, this option includes both a short, medium and long term support to communities and a fallback position of mobile service provision. Balanced against this also, the proposal carries with it the potential for significant gains in community development, cohesion, resilience and self-reliance. Against this, the alternative options can offer volunteering opportunities for individuals, something that the Council very much supports, but which falls well short of the Council's strategic aspirations for genuine community empowerment.
- 6.84 Careful consideration has been given to the potential for additional efficiencies to be achieved from the current service and it is accepted that more savings could be made in certain circumstances especially if the service was provided by an organisation that qualified for relief from National Non-Domestic Rates (NNDR). It is also accepted that at some level further income could be generated.
- 6.85 Although any such savings or income could be used to increase the number of statutory libraries this is not the recommended option. The addition of further libraries to increase the overall catchment of the statutory library would have a marginal effect overall.
- 6.86 With Option B as the model, if further savings could be made, it is considered more consistent with the strategic priorities referred to in this Report that should such sums should be used to enhance rather than vary the proposed model by the provision of:

- Increased activities within the statutory libraries e.g. wireless printing (as suggested by GLL), longer opening hours in Tier 1 and 2 libraries (as suggested by Mrs Palmer)
- Increased levels of support to communities in the development of community hubs therefore increasing their sustainability
- wider provision of Wi-Fi (as suggested by the Seighart Review)
- More reader development and digital engagement activities in both statutory libraries and Community Hubs in line with national initiatives and funding opportunities.

6.87 As the Council will be required to undertake a procurement exercise the full extent of any savings that can be achieved will be determined largely by the market. The procurement will need to be designed in such a way as to elicit from the bidders what kind of enhanced provision and support they would be able to provide.

6.88 This options appraisal identifies the model adopted as the statutory service by the Executive in December 2013 as still being the preferred model when assessed against the alternatives. In the next section that proposed model is described in detail. Its impacts are then assessed in section 8 as to whether it meets the Council's statutory duty under section 7 PLMA and what issues the Executive needs to take into account under its Equality Act duty.

7. Final Proposals for a model of Library provision in Lincolnshire

7.1 Lincolnshire's Library service is *for learning, for reading, for life*

It aims to provide opportunities that encourage:

Reading
 Creativity
 Innovation
 Fun
 Quality of Life
 Encourage Community Cohesion
 Provide opportunities for learning
 Trustworthy sources of information

7.2 The statutory service has three key components :

Universal Services
 Core Libraries
 Targeted services

7.3 The non-statutory service has three key components:

Mobile libraries
 Community Hubs offering library services
 Paid for services

Universal services

- 7.4 These include a website and “virtual catalogue” which is also available as a smart phone application or App. This is capable of being accessed over the internet 24 hours a day, 7 days a week every day of the year. It offers access to online resources and downloadable e-Audio, e-Books and e-Magazines. It offers library members the ability to update their own account details and receive reminders.
- 7.5 The website is supplemented by access to the County Council’s customer service centre (CSC), from 9am to 5pm seven days a week. This facility will be operated by Serco from April 2015 until at least March 2020. Staff at the CSC have access to the library service’s website and Library Management system such that they can assist customers with loan requests, reservations, etc. This is particularly important for those customers who are unable to access the internet.
- 7.6 Underpinning these public facing, components of the universal service is the professional and technical support required to procure, process, distribute and manage book stock and other items which can be borrowed by the public across the library network in the most efficient way possible. This currently includes participation in stock procurement arrangements with other library authorities through the Mid-Anglia consortium with Cambridgeshire, Leicestershire, Leicester City, Rutland and Peterborough (Vivacity Trust) library authorities in order to secure the best value for Lincolnshire’s library customers.
- 7.7 The Peoples’ Network Computers in the statutory and non-statutory library network provide free access to library card holders with a Personal Identity Number (PIN) to the library service’s own online resources such as the “virtual catalogue”, subscription services such as Ancestry.com, the Microsoft Office suite for library card holders.
- 7.8 Library members are not charged for joining the library, borrowing book stock under the provisions of PLMA 1964, or for accessing People’s Network Computers or placing reservations, although this may be reviewed from time to time.
- 7.9 Library members and non-library members may be charged for other services, but concessions will be given in line with Lincolnshire County Council’s Libraries and Heritage Charging Policy.

Core Libraries

- 7.10 Tier 1 Libraries have been reviewed in the light of the 2013 and 2014 consultation responses and identified using the following criteria:
- Calculate the overall household catchment rank
 - Calculate the overall user rank
 - Calculate the overall household Indices of Multiple Deprivation rank

Calculate overall Built Up Area rank, using 2011 Census data, 2012 household data
Assign top 10 libraries based on these core indicators.

7.11 Using this methodology the ten Tier 1 core libraries are:

Lincoln
Grantham
Boston
Spalding
Gainsborough
Stamford
Skegness
Louth
Sleaford
Mablethorpe

7.12 Tier 1 libraries offer: a choice of at least 18,000 items of book stock covering adult and junior fiction and non-fiction (within this there will be provision for books in popular foreign Languages (Bright Books), and foreign language learning tapes and CDs); Wi-Fi; a minimum of ten People's Network computers; self-service (RFID) technology and printing/scanning facilities; a dedicated study area, local and national newspapers, community information and reference resources including a comprehensive local studies collection; children's library; story times for pre-school children; class visit opportunities for local schools and the annual national Summer Reading Challenge and other events.

7.13 The opening times have been reviewed in the light of consultation feedback and the Executive are being asked to approve a library service at Tier 1 in which the opening hours will be no less than between 45 and 48 hours per week. These hours to be across six days, from Monday to Saturday, with at least one opening until 6pm on one night between Monday and Friday. Having reviewed the times implemented on 6.5.2014 in the light of six month's experience some minor adjustments to the existing pattern of opening are now proposed as follows:

Lincoln Central

	Current Hours
Monday	9-5
Tuesday	9-5
Wednesday	9-5
Thursday	9-6
Friday	9-5
Saturday	9-4
TOTAL	48

Grantham

	Current Hours
Monday	9-5
Tuesday	9-5
Wednesday	9-5
Thursday	9-6
Friday	9-5
Saturday	9-4
TOTAL	48

Stamford

	Current Hours
Monday	9-5
Tuesday	9-5
Wednesday	9-5
Thursday	9-6
Friday	9-5
Saturday	9-4
TOTAL	48

Boston

	Current Hours
Monday	9-5
Tuesday	9-5
Wednesday	9-5
Thursday	9-6
Friday	9-5
Saturday	9-4
TOTAL	48

Sleaford

	Current Hours	Proposed Adjustment
Monday	9-5	9-5
Tuesday	9-5	9-5
Wednesday	9-2	9-5
Thursday	9-6	9-6
Friday	9-5	9-5

Saturday	9-4	9-1
TOTAL	45	45

Louth

	Current Hours	Proposed Adjustment
Monday	9-5	9-5
Tuesday	9-5	9-6
Wednesday	9-2	9-5
Thursday	9-6	9-2
Friday	9-5	9-5
Saturday	9-4	9-4
TOTAL	45	45

This adjustment reflects traditional half day closing in Louth on Thursdays and customer demand on Tuesdays.

Spalding

	Current Hours	Proposed Adjustment
Monday	9-5	9-5
Tuesday	9-5	9-5
Wednesday	9-2	9-5
Thursday	9-6	9-6
Friday	9-5	9-5
Saturday	9-4	9-1
TOTAL	45	45

Gainsborough

	Current Hours	Proposed Adjustment
Monday	9-5	9-5
Tuesday	9-5	9-5
Wednesday	9-2	9-5
Thursday	9-6	9-6
Friday	9-5	9-5
Saturday	9-4	9-1
TOTAL	45	45

Skegness

	Current Hours	Proposed Adjustment
Monday	9-5	9-5
Tuesday	9-1	9-5
Wednesday	9-1	9-5
Thursday	9-6	9-6
Friday	9-5	9-5

Saturday	9-4	9-1
TOTAL	40	45

Mablethorpe

	Current Hours	Proposed Adjustment
Monday	9-5	9-5
Tuesday	9-5	9-5
Wednesday	9-5	9-5
Thursday	9-6	9-6
Friday	9-5	9-5
Saturday	9-4	9-1
TOTAL	48	45

- 7.15 The opening times for each library have been determined in the light of feedback from staff, analysis of user trends since May 2014 and to retain opening hours at times of greatest usage or customer demand.

Tier 2 Libraries

- 7.16 As for Tier 1, the criteria for selecting the libraries within this Tier were revisited in the light of the 2013 consultation. Five Tier 2 core libraries are proposed using the same selection criteria as Tier 1, but with double weighted user ranks and a composite indicator taking into account barriers to services and the rural nature of areas to identify a second top 10, which are then assessed by catchment size in terms of households which are not already covered by the Tier 1. Using this methodology they are (as they were in the original proposal):

Bourne (operated by South Kesteven District Council (SKDC))
 Long Sutton
 Woodhall Spa
 Market Rasen
 Horncastle

- 7.17 Tier 2 libraries facilities will also include; a range a book stock of at least 9,000 items of book stock covering adult and junior fiction and non-fiction, including provision for books in popular foreign Languages (Bright Books), foreign language learning tapes and CDs; a minimum of five People's Network computers; self-service (RFID) technology and printing / scanning facilities; study facilities, local newspapers, community information and reference resources including a small local studies collection covering the immediate area; children's area; story times for pre-school children, class visit opportunities for local schools and the annual national Summer Reading Challenge and other events.

- 7.18 As with Tier 1 libraries, the opening times for Tier 2 have been reviewed in the light of consultation feedback and it is proposed that the Tier 2 libraries will be open between four and six days per week with and all will be open

until 6pm on at least one evening per week, and for at least three hours on Saturdays as follows:

Bourne

	Current Hours
Monday	9-5
Tuesday	9-6
Wednesday	9-5
Thursday	9-6
Friday	9-5
Saturday	10-1
TOTAL	45

Long Sutton

	Current Hours
Monday	2-6
Tuesday	10-5
Wednesday	Closed
Thursday	2-6
Friday	10-5
Saturday	10-1
TOTAL	25

Woodhall Spa

Current Hours	Monday
Closed *	
Tuesday	10-4
Wednesday	Closed
Thursday	1-6
Friday	10-2
Saturday	10-1
TOTAL	18 (21)

* Volunteer opening hours 10-1

Market Rasen

	Current Hours
Monday	Closed
Tuesday	10-5
Wednesday	10-6
Thursday	Closed
Friday	10-6
Saturday	10-1
TOTAL	25

Horncastle

	Current Hours	Proposed Adjustment
Monday	9-4*	9-4
Tuesday	Closed	Closed
Wednesday	9-1	9-1
Thursday	9-4*	9-6
Friday	9-6*	9-5
Saturday	9-1	9-1
TOTAL	31	31

* Current hours reflect a request from Compass Point during the 2013 consultation, but customer demand has proved to be greater on Thursdays.

Targeted provision

7.19 Targeted provision will be aimed at the 83,531 households and 33,123 active borrowers who fall outside the 30 minute travel time by public transport of the 15 proposed core libraries, and especially the 1.2% (508) of such households who do not have access to a car.

7.20 It will also include those people who live within the catchment zone of one of the 15 core libraries who are unable to access the library because they do not have a car, or are unable to access public transport. The LRO have identified that 17.9% (42,330) of households in Lincolnshire do not have access to a car and that if the 30 minute travel time using public transport from the 15 proposed core libraries is adopted 1.2% (approximately 508 households) would fall outside that catchment (LRO May 2013).

7.21 Other target groups to consider are:

a) People who are permanently sick/disabled and non-internet users of whom there are likely to be 5.2% of households in Lincolnshire. All bar 0.5% (approximately 1,616 households) live within the 30 minute travel time using public transport of one of the core libraries (LRO May 2013).

b) People who are unemployed, have no access to a car and are non-internet users of whom there are likely to be 3.1% of households in Lincolnshire. All bar 0.5% (approximately 1,616 households) live within the 30 minute travel time using public transport of one of the core libraries (LRO May 2013).

It must be recognised that at least some of these people will be unable – whether because of sickness or disability, or because of lack of means, to reach libraries by public transport (or even possibly at all).

7.22 The Home Library Service will be the principal means of reaching the audience identified in 7.20 to 7.22 and enrolment will be via either an online form on the new Home Library Service web page or by calling the Customer

Service Centre on 01522 782010 which includes textphone facilities. The service will be highlighted in libraries and online.

- 7.23 The service maintains a centralised database of existing Home Library Service users and enables Lincolnshire residents who are unable to reach one of the 15 Core Libraries to access library services if they do not have access to a car or, who are unable to access one of the core libraries within 30 minutes by public transport or Lincolnshire's CallConnect bus service.
- 7.24 Once registered, users will be contacted by a member of library staff to discuss their reading needs, and a monthly visit will be arranged to deliver books, DVDs, CDs large print or audio books to their home. Delivery might be by library staff member using an Access Mobile vehicle, a Lincolnshire Cooperative Pharmacy vehicle or a Home Library Service Volunteer.
- 7.25 Additionally, users who are unable to access one of the 15 Core Libraries will be signposted to Lincolnshire's on demand CallConnect bus Service which provides public and community transport across the county, especially to those in more isolated rural areas. Membership of the CallConnect service is free and provides access to minibus services, most of which operate on Mondays to Fridays from 7am to 7pm and on Saturdays from 8am to 6pm. Journeys can be booked by telephone or online.
- 7.26 Most CallConnect services are fully flexible and are operated by modern fully accessible minibuses which pick up and set down at designated locations in each village or town. Passengers with a disability or those living in more isolated locations (where there is no natural pick up point) can be picked up and returned to their home address, if it is safe and practical to do so.
- 7.27 As with other bus services CallConnect services charge fares, but concessionary bus passes are available to people aged over 60 and those with disabilities. Children under 5 travel free.
- 7.28 Additionally, the Home Library Service also visits 257 residential and care homes, including 142 of which have contracts with the County Council.
- 7.29 The Listening Lincs Service provides audio books to people who are registered blind or partially sighted, with stock being delivered free of charge by Royal Mail.
- 7.30 The Bookstart Service will continue to be delivered in partnership with the Bookstart Trust and will continue to encourage reading amongst people of all ages and cultures to engage with books, with a particular focus on the under 5s.
- 7.31 Similarly, the Bookstart Bear initiative will continue to encourage families with young children to make the most of their local library.
- 7.32 The Library Service will continue to run a number of reading development activities in partnership with different organisations in the private and public

sector with the aim of promoting an increase in the love of books and reading. These activities will include The Summer Reading Challenge; Reading Well Books on Prescription Scheme: story times and rhyme time sessions, coffee mornings, Information Technology taster sessions and “knit and natter” sessions.

7.33 In conclusion, the universal online services, network of 15 core Tier 1 and Tier 2 libraries, and the targeted provision described above are considered by Officers to meet Lincolnshire’s statutory requirements for the provision of a comprehensive and efficient library service pursuant to S7 of the 1964 Public Libraries and Museums Act.

7.34 As set out at the beginning of this report there is no guidance about what a ‘comprehensive and efficient’ statutory service consists of and it will be a matter of professional judgement. It is the professional judgment of officers within the Library Service that this model meets local need in a way that is both comprehensive and efficient and therefore compliant with statute.

8. IMPACT OF PROPOSED MODEL OF SERVICE

8.1 In terms of the shape of the service the impact of the proposed changes can be summarised as follows

- Universal services would remain unchanged, although they will continue to be developed according to need over time.
- The number of static libraries which are considered to be part of the authority’s statutory service will be 15.

8.2 On the point of accessibility and catchment areas the position under the proposal for 15 core libraries is summarised below.

8.3 In terms of ‘households’ by reducing the static network from 47 to 15 core libraries, the 30 minute drive time catchment overlap in Lincolnshire is reduced from 322,970 (nearly 100%) to 310,485 households (96%) (LRO, May 2013).

8.4 If the 30 minutes by public transport measure is used, overlap of catchments falls from 164,938 households (55%) to 4,689 Households (1.5%).

8.5 In terms of the library service’s ‘active borrowers’, by reducing the static network from 47 to 15 core libraries the 30 minute drive time catchment overlap is reduced from 70,842 (57%) to 1,925 (1.4%) (LRO May 2013).

8.6 If the 30 minutes by public transport measure is used the overlap of catchments for active borrowers falls from 70,842(57%) to 1,925 (1.4%).

8.7 The findings from this detailed analysis can be summarised as follows:

Catchment Area	Library Service	% of Lincolnshire households		% of Active Borrowers	
		Inside	Outside	Inside	Outside
30 min drive time	Current 47 Static libraries	100	0	100	0
	Proposed 15 Core Libraries	100	0	100	0
30 min travel time using public transport	Current 47 Static libraries	93	7	94	6
	Proposed 15 Core Libraries	74	26	76	24

8.8 All households and library service users in Lincolnshire are within a 30 minute drive time to one of the 15 proposed core libraries.

8.9 There is a high incidence of car ownership in the county, and all car owners are within a 30 minute drive time of one of the 15 proposed core libraries.

8.10 However, 17.9% of households do not have access to a car and 9.6% of households use public transport for work (LRO September 2012, P19). For this reason a 30 minute travel time by public transport is considered in the council’s judgement to be the most appropriate measure to use in assessing the maximum impact of the proposal. This takes into the Department for Transport’s Social Exclusion Unit (SEU) report “Making Connections” (February 2003). This report highlighted four key accessibility factors:

- Access to work
- Access to learning
- Access to healthcare
- Access to ‘service centres’ (including supermarkets, post offices, banks, libraries, leisure centres, community centres)

8.11 Referring to the Department for Transport’s own statistics on accessibility and in particular figure 1 below, whilst the lack of reference to a library as a key service is noted, across England and on average no mode of transport from any area type exceeds a **minimum** travel time of 30 minutes. Clearly though there will be instances where the travel time is over 30 minutes particularly in respect of using public transport and walking.

Figure 1: Average minimum travel time in minutes to reach the nearest key services¹ by mode of travel, rural and urban areas, England, 2011

Mode	Urban	Town & Fringe	Village	Hamlet & Isolated Dwellings
Transport / Walking	12	17	26	29
Cycle	7	14	20	20
Car	6	7	8	8

Source: Department for Transport, Accessibility Statistics (<http://www.dft.gov.uk/statistics/series/accessibility/>) Table ACS0103

- 8.12 As such, the evidence points to a target of achieving maximum catchment within a '30 minute travel time using public transport' area as providing appropriate accessibility in line with both local policy and national performance with the knowledge that there will be areas and populace outside of these parameters. The Department for Transport Accessibility Planning Guidance (2005)² was particularly influential in informing the council's thinking on these matters.
- 8.13 If this indicator is applied to the proposed 15 Core Libraries almost all overlap in catchment areas is eliminated, and 239,711 (74%) of households in Lincolnshire are within 30 minutes travel time by public transport. Only 4,689 households (1.5%) would be within 30 minutes travel time by public transport of more than one static library (LRO, May 2013).
- 8.14 Of the Library Service's 130,502 active borrowers in 2011-12, 97,379 (76%) will be within 30 minutes public transport travel time of one of the 15 proposed Core Libraries, and only 70,842 (57%) would be within 30 minutes travel time by public transport of more than one static library (LRO May 2013).
- 8.15 The proposal therefore clearly addresses efficiency by removing all overlap of catchment areas. However, the percentage of households within 30 minutes by public transport falls from 92% to 74% and the percentage of active borrowers within the same catchment falls from 94% to 76%. Officers have considered carefully whether these reductions in numbers within a 30 minute travel time by public transport raise issues of comprehensiveness. In their view, the service continues to be universal and comprehensive once one takes into account other reasonable means of travelling to libraries (outlined above), and the additional on-line and targeted services available to those who have problems accessing Tier 1 and Tier 2 libraries.
- 8.16 Universal services, through the library service's online offer and virtual catalogue are open to all. They will also be supplemented by the authority's customer service centre which is open for library calls from 9am to 5pm daily including most Bank Holidays. The customer service centre operators have access to the computerised library management system, and a variety of online resources, which enable them to answer customer enquiries, take

¹ An average of the minimum travel times to Employment centres, Primary schools, Secondary schools, Further Education, GPs, Hospitals and Food stores.

library membership applications, undertake catalogue searches, make reservations and request items.

- 8.17 The ability to access a wide range of book stock from libraries will be eased with the removal of reservation charges from the implementation date.
- 8.18 Targeted services are aimed at specific audiences with specific needs including an inability to access services through one of the 15 core libraries. E.g. Bookstart for under 5s, Listening Lincs for people who are registered as being blind or partially sighted and the Home Library Service. Although the latter was originally designed to serve Lincolnshire residents with disabilities, temporary illness or caring responsibilities making them housebound, or the future, it will be made available to Lincolnshire residents who do not have access to a car or, who are unable to access one of the core libraries within 30 minutes by public transport or Lincolnshire's Call Connect bus service.²
- 8.19 Additionally, users who wish to access one of the 15 core libraries will be signposted to Lincolnshire's award winning CallConnect, on demand minibuss service.
- 8.20 When the impact of universal and targeted services is taken into account it is clear that all residents of Lincolnshire and active borrowers can access a range of library services. This is considered to be comprehensive.
- 8.21 In terms of access to computers, the service would continue to support government's digital by default and Go-On UK agendas, Universal Job Search and Universal Credit applications through the use of its 15 statutory libraries and the non-statutory services described in section 9 below. It is worth noting that whilst internet access and IT provision has numerous benefits, access to computers has been adjudged by the Secretary of State, on 31 May 2013 in her refusal to direct a local enquiry into library services in the Metropolitan Borough of Bolton, not to be a relevant matter under the 1964 Act.
- 8.22 In terms of buildings, it is proposed that the 30 library buildings no longer required to deliver Tier 1 and Tier 2 core library service would cease to be operated by the county council. Of these, 21 are owned by the County Council and would be made available to support the non-statutory provision set out in section 9 below. The remaining 9 are owned by other parties and leased or occupied on terms set out in Service Level Agreements which will be terminated on terms which would best support non-statutory provision set in section 9 below.

2 Department for Transport Accessibility Planning Guidance: Full Guidance (2005)

P67-68 "Core Accessibility Indicators – notably – 12.b % of a) households; b) households without access to a car within 15 and 30 minutes of a major centre by public transport."

P71 General Access to services and facilities % of population able to reach city centre /market town₂ in 30 minutes
Examples of this in use can be found on P74 – Central Leicestershire target for major employment destination should be reachable in 30 minutes by public transport by 60% of non-car owners₂₂

- 8.23 In terms of staffing implications the delivery of the new model would require the number of FTE staff to be significantly reduced, beyond the current establishment described in Appendix 3. In terms of front line staff the reduction would be 82 posts (26.079 FTE).
- 8.24 The socio-economic impacts have been addressed through working with Experian and the LRO and by working with a number of special interest groups, including those representing the interests of people with potentially relevant protected characteristics under the Equality Act 2010, and the impact analysis can be found in Appendix 8.
- 8.25 In fulfilling its S7 duties under the PLMA 1964 the Council must have regard to the desirability to the matters set out in Section 1.3 (i) – (iii) of this report, and it can be concluded from the analysis in this report that the proposed model of service would continue to provide for such matters, examples of which are the access to lending materials, on-line services, encouragement of adults and children to participate in a range of library services and the co-location (and continued exploration of such opportunities) of library services with other public services where feasible.
- 8.26 Finally, in financial terms the effect of the statutory element of the proposals will save the authority £541,144 per annum (See section 11 below).
- 8.27 The attention of the Executive is again expressly drawn to Appendix 8 of this Report for the full detail of the analysis of the equality and diversity impacts of the proposal and section 1 setting out the obligations of the Executive under the public sector equality duty. The rest of this section summarises the main impacts of the proposal on people with a protected characteristic and shows how the proposals seek to remove or mitigate that impact.

Age

- 8.28 For elderly people the main impacts are the loss of a social space and the threat of isolation and the greater difficulty in accessing the materials that the library offers, particularly books. This affects both their opportunities to access library resources, but also their ability to develop relationships with others.
- 8.29 The proposals take reasonable steps to ensure that, so far as is possible, difficulties encountered in terms of accessing the physical space of a library building are removed or mitigated, so as to avoid or minimise these adverse effects. The Council already provides the CallConnect service to transport people who live outside the 30 minute by public transport zone to their nearest urban centre and thereby their library. This service will continue to be available. Fare concessions are provided for the elderly. In terms of accessing materials, elderly people will be able to register and receive Home Library Service visits as set out in paragraphs 7.22 to 7.24 above, without charge.

- 8.30 For younger people the main impacts are again difficulties in reaching the physical library, and so the loss of a safe social space and access to a facility which encourages a culture of reading and contributes to developing literacy especially in the very young. Again the CallConnect service is available to transport parents with young children to their nearest core library. This service is free for children under 5 and there are reduced fares for 5-16 year olds. This is considered a reasonable means of removing or minimising the disadvantages of fewer statutory libraries. The Council will also as part of the statutory service continue to provide initiatives to support literacy such as story times and the Summer Reading Challenge.

Sex

- 8.31 The main impact in this category is considered to be on women, who were disproportionately represented in respondents objecting to the proposals. They are particularly affected as principal carers of young children or older people. They face similar impacts to the elderly in terms of loss of a social space and potential isolation. Again the CallConnect service will be available to transport people to their nearest core library. This service is free to children under 5, there are reduced fares for 5-16 year olds and service accepts concessionary bus passes which are available to people with disabilities or who are in receipt of the state pension. Again, the proposal to expand the scope of the Home Library Service would mean that women in this position could access the materials a library would offer without having to travel.

Disability

- 8.32 Disabled people, like older or younger people, may face particular problems in obtaining physical access to libraries. Similar considerations again apply in terms of social isolation and are dealt with again through the CallConnect service. CallConnect provides home pickups and drop offs for people who are unable to use conventional bus services due to age, disability or mobility impairment. All buses are wheelchair friendly. Targeted services will again be available. As well as the Home Library Service the Council will continue to provide Listening Lincs for people who are registered blind.
- 8.33 At the workshop on 14 November 2013 particular concerns were expressed about whether the Council was doing sufficient to make disabled people aware of the services offered and how they could access the library. This was particularly a concern for the people who are deaf and hard of hearing or blind and partially sighted. To address this concern the Council will work with groups representing people with disabilities to promote library services. Staff already have disability awareness training and a tailored version of this training will be given to volunteers in community hubs.

Race

- 8.34 The consultation responses did not highlight any particular differences of the impact of the library restructuring proposal on particular racial or ethnic groups. However, there is a potential for the proposals to impact on communities whose first language is not English. In particular there is evidence that certain of these groups such as migrant workers move around and so may be significant but ad hoc users of individual libraries. Therefore the charge for guest access to the internet could impact on them. Also difficulties in accessing libraries could impact on this community as they are dependent on libraries for internet access and for carrying out and printing homework, so greater difficulties in reaching libraries may have a particular impact upon them. Additionally, access to physical library space may be particularly important in enabling such people to integrate socially and to foster good relations between members of these groups and others.
- 8.35 These issues are addressed by retaining larger well-used libraries, with larger 30 minutes public transport time catchments, high levels of usage and continuing to promote free library membership and free internet access to People's Network computers.
- 8.36 Again there is an issue about how the service communicates and engages with BME communities to ensure that they are aware of the services on offer to them. This will be addressed by working with community groups to promote library services, in languages other than English for example.
- 8.37 Finally, only the core libraries would stock books and other materials in languages other than English. This makes the issue of access particularly acute for communities needing to access such materials. There are two ways in which the Council would look to address this. Firstly, the Home Library Service would be available to Lincolnshire residents who do not have access to a car or, who are unable to access one of the core libraries within 30 minutes by public transport or Lincolnshire's Call Connect bus service Secondly, charges for up to 20 reservations will continue to be free, such materials can continue to be reserved and then collected from a Tier 1 or 2 Library or mobile library.

Religion or belief

- 8.38 It is not considered that the Council's proposals will have a differential impact on people with different religions or beliefs. Any particular materials to suit the needs of such people can be reserved and collected from a Tier 1 or Tier 2 Library.

Gender Reassignment

- 8.39 It is not considered that the Council's proposals will have a differential impact on people undergoing gender reassignment. Any particular materials to suit the needs of such people can be reserved and collected from a Tier 1 or Tier 2 Library.

Sexual orientation

- 8.40 It is not considered that the Council's proposals will have a differential impact on people on the basis of their sexual orientation. Any particular materials to suit the needs of such people can be reserved and collected from a Tier 1 or Tier 2 Library.

Pregnancy and maternity.

- 8.41 It is considered that the impacts in respect of pregnancy and maternity are the same as those for sex set out above, and that the same measures which redress or mitigate adverse impacts on women will also mitigate adverse impacts on pregnant women or those with small children.

Socio-economic status

- 8.42 Socio-economic status is not a particular protected characteristic. However, as noted above, members of some protected groups (disabled people, people from ethnic minorities, women, especially pregnant women or mothers, older or younger people) are disproportionately likely to be economically or socially disadvantaged. For such people, access to library resources can be especially important (because their alternative forms of access to library materials and/or the social facilities of libraries are less, but also because longer or more costly journeys to libraries may make it particularly difficult to reach them. Thus, proposals which make reaching libraries more difficult are likely to impose particular disadvantages on members of those groups, which could be indirectly discriminatory if they are not proportionately justified.
- 8.43 However, officers consider that as set out in paragraphs 8.28 to 8.41 above and Appendix 8 that all reasonable and affordable steps have been taken to minimise or remove these disadvantages and to make specific statutory provision to ensure that anyone who wants to reach a library or obtain library resources can do so. They are satisfied that the statutory library service continues to be reasonably available to all, irrespective of resources. They also consider that any adverse effects of the changes to the statutory library service are in practice likely to be removed or at least reduced further by non-statutory provision. However, officers recognise that this cannot be guaranteed, and so they have not relied upon it in taking steps to ensure that specific identified disadvantages for members of particular equality groups have been minimised so far as possible within the statutory proposals.

Non-statutory provision

- 8.44 Officers do not consider sufficient resources are available to continue to provide the existing library service in its current form, which is inefficient. Nonetheless, they consider that many disadvantages of the proposed changes can be removed, and that many positive advantages can be gained, by focusing some resources on assisting communities to provide community hubs which will include non-statutory library services. Officers consider this

is a cost-effective way of continuing to provide the 'Community Hub' function in contexts where a Council-run library is no longer justified or efficient, and also sees this as a valuable way of harnessing community energy and innovation.

- 8.45 As noted above, officers consider that this provision will go a considerable way to further mitigating or removing the disadvantages of (in particular) longer travel times to statutory libraries and the potential for social isolation for members of protected equality groups. It is possible that Community Hubs will be a *better* way of providing opportunities for members of disadvantaged or under-represented groups to participate in community life and for members of different groups to develop good relations than Council-run libraries.
- 8.46 However, since this is an innovation and the success of community hubs is in the future, officers have not relied upon the non-statutory services as definite means of mitigating or removing equality disadvantages of the proposals. As outlined above, they have satisfied themselves that they have done as much as they can within existing resources to mitigate or remove any such disadvantages to members of equality groups

9. FINAL PROPOSALS FOR A NON- STATUTORY SERVICE

- 9.1 In addition to that which is provided in fulfilment of the statutory duty under S7 of the PLMA 1964, officers recommend providing support to communities to provide static library services or provide specified mobile library services. These services go beyond those required to meet the Council's duties under that Act and would be provided using the Council's general power of competence under S1 of the Localism Act 2011. Officers consider that this may enable the Council to facilitate the provision of library services beyond those it is required to provide under section 7 PLMA, and beyond those which it could afford to provide without community co-operation. Over time, this may also lead to new and innovative ways of providing libraries which better respond to the needs of the communities they serve. However, officers recognise (as set out below) that assistance will be required to enable communities to develop new community provision, and to ensure that it remains genuinely accessible to all users, including those with protected equality characteristics.
- 9.2 This section describes this support to communities under three headings – the offer in respect of Tier 3 community libraries, in respect of mobile provision to those Tier 3 communities who cannot or do not wish to develop a community hub offer and mobile provision to Tier 4 communities.

Support to Community Hubs

9.3 The proposal in relation to Community Hubs responds to the large number of expressions of interest from communities in 2013 to the Tier 3 proposals, and the feedback on the importance of libraries as Community Hubs.

9.4 The Library Development Manager and four Library Development Officers along with County Council's Community Engagement Team will support communities in the following locations develop these facilities and their locally determined offer.

Tier 3 Community	Existing Static Library?	LCC Premises?
Alford	Yes	Yes
Barrowby	No	No
Belton Lane	Yes	Yes
Birchwood	Yes	Yes
Boultham	Yes	Yes
Bracebridge	Yes	No
Bracebridge Heath	Yes	Yes
Branston	Yes	No
Burgh le Marsh	Yes	Yes
Chapel St Leonards	No	No
Cherry Willingham	Yes	No
Coninsby/Tattershall	Yes	No
Crowland	Yes	Yes
Deepings	Yes	Yes
Donington	Yes	Yes
Ermine	Yes	Yes
Heckington	No	No
Holbeach	Yes	Yes
Ingoldmells	Community Hub without LCC ICT	No
Keelby	Yes	Yes
Kirton	Yes	No

Metheringham	Yes	Yes
Navenby	No	No
Nettleham	Yes	Yes
North Hykeham	Yes	Yes
Pinchbeck	Yes	Yes
Ruskington	Yes	Yes
Saxilby	Yes	No
Scotter	Yes	No
Skellingthorpe	Yes	Yes
Spilsby	Yes	Yes
Sutton Bridge	Community Hub without LCC ICT	No
Sutton on Sea	Yes	Yes
Swineshead	No	No
Wainfleet	Yes	No
Waddington	Yes	No
Washingbrough	Yes	Yes
Welton	Yes	Yes
Wragby	Yes	Yes

Premises

- 9.5 In the locations where premises are owned by the County Council they will be made available to the organisations who have expressed an interest in becoming a tenant.

Book Stock

- 9.6 Community Hubs will be able to access at least 4,000 books to support these community library facilities. These will be operated through the Library Management System, in the same way as Tier 1 and 2 libraries. Stock will continue to be purchased for, and distributed between Community Libraries and made available through the countywide reservations system. Customers at all Community Hubs offering library facilities will be able to reserve stock held at other libraries and mobile libraries.

Information and Communications Technology (ICT)

- 9.7 A “fully managed” service which essentially matches the IT provision available to Tier 1 and Tier 2 libraries would be offered. LCC’s IT service delivery partner would be able to manage the broadband links, provision and maintenance of the LMS and People’s Network machines, secure and filtered network access and any Wi-Fi capabilities. All IT costs, including software licencing would be covered. There would be minimal capital expenditure required to develop and provide an appropriate LMS computer and for LCC the revenue costs are expected to be similar to today’s ‘as is’ service. These can be estimated at £350 per People’s Network machine, plus broadband costs and other minor support items.
- 9.8 Due to the requirement for LCC to meet Public Service Network Code of Connection (PSN CoCo) compliance, it is mandatory that the network used by the public is kept separate from that which is used by LCC staff. Under recently revised, significantly more stringent PSN compliance requirements, LCC has segregated the public and staff use of library systems. This has provisioned an advantage in that all ICT services provided to libraries could be moved to a third party for delivery in the future with minimal impact to the Council. It has also ensured that non-LCC sites can be provisioned with access to library ICT systems which will allow facilitation of Tier 3 libraries utilising their own equipment and broadband lines.
- 9.9 If Tier 3 libraries/Community Hubs were not to receive any provision of IT from LCC, they could procure their own broadband lines and computer systems and access the Library Management System (LMS) via the internet without any additional costs. The only constraint in this scenario is that the broadband line should have a “fixed IP” address, which is essentially a unique identifier that allows traffic from unauthorised sources to be prevented from accessing to the LMS and therefore safeguarding citizen data. ICT equipment within their community libraries would not be supported by LCC and the community would need to make its own provision for any services offered and any safeguarding (internet filtering etc.) required.
- 9.10 If the provision of ICT services to libraries were to be considered for transfer to an alternative third party supplier, with the exception of the Library Management System, the entirety of the services would need to be provisioned as a hybrid model of support from two suppliers across different connections. This would be likely to cause significant security compliance and management issues and the cost benefits of pursuing this option would be unclear until market testing has been undertaken.

Training, Advice and Support

- 9.11 The Council will deliver a range of free training, advice and support to community organisations developing hubs to deliver library services.
- 9.12 The Library Development Manager and four Library Development Officers will deliver library specific training and ongoing advice and support on library

operations. This will include day to day operations, including use of the computerised Library Management System (LMS).

- 9.13 They will supplement this with training from the Council's own volunteer training bank <http://www.lincolnshire.gov.uk/residents/community-and-living/volunteering/>

This training has been designed so that it can be delivered by any individual and includes PowerPoint Presentations with notes, hand-outs and a Training Plan. Most of this training can be delivered to any size group and each module takes between 1-2 hours depending on the subject matter. Training topics include:

- Information Governance Essentials
 - Freedom of Information
 - Data Protection
 - Records Management
 - Information Security
- Health and Safety Essentials
 - Health and Safety basics
 - Display Screen Equipment (DSE)
- Equality and Diversity
 - Equality Act 2010
- Safeguarding of Children, Young People and Adults

- 9.14 This training will ensure that volunteers are able to offer library services safely and successfully and assist them in meeting the needs of people who may need particular help to access library services including people with a protected characteristic. The attention of the Executive is specifically drawn to the Equality and Diversity training package in this regard.

- 9.15 Additionally, the County Council's Community Engagement Advisors will advise and support communities to set up, run and sustain Community Hubs.

- 9.16 It is important to state that the roles will not undertake direct management, operation or delivery of services. They are advisory roles, providing advice and signposting to other available support, networking and assisting communities to network with a range of public, private and third sector organisations for mutual benefit.

Mobile Library Services

- 9.17 A fleet of five large mobile vehicles, each with double staffing where necessary, satellite connectivity to enable them to access the LMS and internet, and a choice of at least 4,000 books will serve as many Tier 3 and 4 communities as possible. Four vehicles will be timetabled with the fifth providing a business continuity contingency to cover for routine servicing and in case of breakdowns. This vehicle will normally be based in Sleaford.
- 9.18 Larger communities, defined as communities with 550 households using 2011 Census data, without a Tier 1 or 2 library or Community Hub offering library services will generally receive monthly two hour stop from a large mobile library vehicle.
- 9.19 Smaller communities, of below 550 households, who are not served by Tier 1, 2 library or Community Hub will be offered a mobile library stop where there is a proven demand of no less than 6 users per 30 minutes of mobile library stop.

Other Services

- 9.20 A subscription service will be available to schools and early years settings who wish to receive a book drop and activity from mobile library staff will continue to be offered using the Access Mobiles.
- 9.21 The countywide professional consultancy service to schools in need of assistance with their libraries will continue to be offered on request through the Library Development Officer Team.
- 9.21 The Library Service will continue to deliver paid for services to third parties, such as prisons including Lincoln Prison, North Sea Camp, Ranby and the Immigration Removal Centre at Morton Hall as long as it is are commissioned to do so by the National Offender Manager Service and the Prison Service.
- 9.22 In summary, the proposals in paragraphs 9.1 to 9.21 above are for provision beyond that which officers consider is required to meet the Council's duties under S7 of the PLMA 1964. The provision of these services has been subjected to a detailed Equality Impact Assessment at Appendix 8. Officers consider that the mitigation set out in Appendix 8 represent reasonable and affordable steps to remove any adverse impacts there may be and that any remaining impacts are outweighed by the benefits to be gained from the Council engaging in such concerted community development activity. The proposal to support these services is likely in practice go a long way to removing some of the disadvantages of reductions in the statutory service. It is likely to help develop new and innovative ways of working and has the capacity to foster good relations between different parts of the community. It represents a significant investment by the Council of £802,166, over and above its statutory duties in the well-being of its communities.

Transition Arrangements

- 9.23 The transition arrangements introduced on 6 May 2014 in the 30 County Council operated Tier 3 libraries will continue to remain in place until 30 June 2015 at the earliest or to 30 September 2015 at the latest. The intention is to enable communities to finalise their proposals, and to minimise disruption to customers during the transition period. These arrangements involve a reduced pattern of opening hours and the use of temporary and relief staffing contracts.
- 9.24 In moving from County Council operations to the new offer, which may be in a new location, there is likely to be a need for a two to four week closure period in order to make changes to layout, stock, ICT connectivity etc.at the Community Hub locations.
- 9.25 These transition arrangements will reduce the services' ability to deliver its savings target in 2015-16 by approximately £1m. The Executive has proposed that these savings will now become a target for the 2016/17 budget.

10 Conclusion

- 10.1 This Report has set out the results of an extensive two stage consultation process concerning proposals to re-shape the Library service in Lincolnshire. That consultation included opportunities for people to propose alternative means of providing the services within the Budget. Those alternatives have been assessed against the Council's own proposal and the potential for no change has been addressed with the Council addressing its savings targets in other ways.
- 10.2 The Council's proposal has further been assessed for its impacts both on the Council's duty under section 7 of the Public Libraries and Museums Act 1964 to provide a comprehensive and efficient library service and on people with a protected characteristic.
- 10.3 It is considered that the proposal for a statutory service set out in section 7 of this Report is compliant with the Council duty under section 7 PLMA 1964 and can properly be adopted by the Executive having due regard to its obligations under the public sector equality duty under section 149 of the Equality Act 2010.
- 10.4 Furthermore, it is considered for the reasons set out in the Report that the Executive should adopt the said proposal and it is recommended to the Executive.
- 10.5 It is also recommended having regard to the matters set out in the Report and in particular the impacts identified on people with a protected characteristic and the mitigations set out in Appendix 8 and section 9 of the Report that the Executive exercise its power under section 1 of the Localism Act 2011 to offer a non-statutory service in accordance with the said section 9.

- 10.6 The legal basis of the Council's provision of library services and the Council's duties in relation to consultation and the public sector equality duty and their impact on the Council's decision-making process have been addressed in the first section of this Report. However, in reaching its decision the Executive must also have regard to the matters that follow.

Child Poverty Strategy

- 10.7 In reaching a decision, the Council must have regard to the Lincolnshire Child Poverty Strategy. These proposals take this strategy into account because deprivation has been considered in the location of Tier 1 and 2 libraries. For example, Tier 1 libraries are located in areas where there are high concentrations of children living in poverty, mainly in pockets within the major conurbations of Lincoln, Boston, Grantham and Gainsborough.
- 10.8 The development of up to 40 Community Hubs across Lincolnshire delivering a range of services including access to People's Network Computers and book stock would increase access to services for children and young people.
- 10.9 In those communities where community library provision does not develop the retention of an extensive, demand led mobile library service should enable children and young people to access services inside or outside term time.

Joint Strategic Needs Assessment and Joint Health and Well-being Strategy

- 10.10 In reaching a decision, the Council must have regard to the Lincolnshire Joint Strategic Needs Assessment and Joint Health and Wellbeing Strategy. Under these proposals, libraries will continue to have role to play in tackling the factors that affect everyone's health and wellbeing, by promoting healthier lifestyles through the universal offer, Tier 1 and 2 libraries and targeted provision.
- 10.11 The proposal seeks to develop up to 40 Community Hubs which offer a range of services including those of libraries. This approach has the potential to significantly increase the number of volunteers engaged in community activities, fostering good relations, and supporting community cohesion with the benefits for individual and community wellbeing. Experience to date, from community library review meetings has shown that volunteers working in libraries have participated in training opportunities, developed new skills, and are enthusiastic, work within a team which as a camaraderie and work with the public.
- 10.12 Where library hours have been extended by volunteers there have been more opportunities for children and young people to access library services and information sources.

Human Rights

10.13 It is not considered that the proposal gives rise to any human rights issues other than the equality issues identified and addressed above and in Appendix 8. No such issues have been highlighted during the consultation period.

11 Finance

11.1. In Lincolnshire, the Core Offer, based on an initial assessment of the true cost of a revised, but still legally compliant service, envisaged savings, spread across the four year period 2011/12 to 2014/15, from the Library Service's front line operations of £2.159m from a starting budget of £6.279m. The budget agreed by Full Council on 22 February 2013 required the Library Service to save £1.938m in the financial year 2014-15

11.2 During the consultation period, staff working for Lincolnshire County Council were awarded a 1% pay rise, back dated to 1.4.2013. Although this has not changed the savings target of £1.938m, it has changed the service's starting budget, increasing it by £0.047m from £6.039m to 6.086m.

11.3 Whilst every effort has been made to design a service which achieves this savings target, the need to provide additional assistance to ease the transition to Community Hubs and ensure their long term sustainability means that this has not been possible. However, the Library Needs Assessment and the consultation on the proposals have confirmed and further identified the importance of the library service's contribution to a range of strategic objectives and their desired outcomes: Big Society Strategy, Community Engagement Strategy, Health and Wellbeing Strategy and Cultural Strategy. As the Council moves to becoming a Commissioning Council, future budget allocation will take account of these broader objectives and the proposed changes to the Library service can be validly viewed as making the transition to both a lower cost base for the statutory library service, but also facilitating development of community based services through Community Hubs. The budget savings set out below, therefore need to be viewed in that new context that has emerged directly from this review and consultation on it.

Statutory Service Front Line				
Universal	Budget 2013/14	Budget Approved in December 2013	Proposed Budget February 2015	Variance February 2015 compared to December 2013
e-books/e-audio	£30,000	£30,000	£30,000	£0
Online catalogue	£60,000	£60,000	£60,000	£0
Book Fund	£547,687	£557,687	£557,687	£0
DVD/AV income	-£10,486	-£10,486	-£10,486	£0
Total	£627,201	£637,201	£637,201	£0
Enablers				
Transport	£0	£50,000	£50,000	£0
Collections Access Team – Extra posts	£0	£121,176	£121,176	£0
Management Staffing	£657,571	£409,184	£264,826	-£144,358
Total	£657,571	£580,360	£436,002	-£144,358
Core Libraries Tier 1 and 2				
Tier 1 and 2	£2,529,500	£2,045,433	£2,081,278	+£35,845
Total	£2,529,500	£2,045,433	£2,081,278	+£35,845
Targeted				
Bookstart	£50,787	£50,787	£51,086	+£299
Prisons	£0	£0	£0	£0
Schools Library Service	£3,574	£0	£0	£0
Access Mobiles	£222,117	£235,825	£243,538	+£7,713
Total	£276,478	£286,612	£294,624	+£8,012
Statutory Service Total	£4,090,750	£3,549,606	£3,449,105	-£100,501

Non-Statutory Service Front Line				
Community Libraries (Tier 3 and 4)	Budget 2013/14	Budget Approved in December 2013	Proposed Budget February 2015	Variance February 2015 compared to December 2013
Waddington	£20,951	£7,500	£7,500	£0
Saxilby	£24,718	£5,970	£5,970	£0
Tier 3 community hubs	£1,188,648	£206,680	£206,680	£0
Library Development Officers	£35,173	£118,448	£120,205	£1,757
Mobiles (Tier 3 and 4)	£725,715	£463,568	£491,486	£27,918
Total	£1,995,205	£802,166	£831,841	£29,675

Grand Total Front Line	£6,085,955	£4,351,772	£4,280,946	-£70,826
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Statutory Service – Back of House	Budget 2013/14	Budget Approved in December 2013	Proposed Budget February 2015	Variance February 2015 compared to December 2013
Library processing costs	*	*	£176,122	
Computer costs within Library budgets	*	*	£109,298	
Marketing	*	*	£3,332	
Health and Safety	*	*	£6,000	
Young People Development	*	*	£23,076	
Performance Management	*	*	£50,000	
Workforce Development	*	*	£35,500	
Collections Access Team	*	*	£152,037	
Listening Lincs	*	*	£92,741	
Total	*	*	£648,106	

Central Establishment Costs of the library service	Budget 2013/14	Budget Approved in December 2013	Proposed Budget February 2015	Variance February 2015 compared to December 2013
Chief Executives – Communications / Public Relations	*	*	£11,607	
ICT	*	*	562,914	
Property	*	*	409,419	
Customer Service Centre	*	*	104,104	
Human Resources	*	*	201,193	
Finance	*	*	112,653	
Business Support	*	*	157,291	
Health and Safety	*	*	19,431	
Total	*	*	1,578,612	
Grand Total (Front line, Back of House and Central Establishment Costs)	*	*	£6,497,330	

11.4 The original savings target for the service was £1,938m, but this was reduced by £0.203m to £1,734,183 as a result of the Executive decision in December 2013, on the assumption at that time that the model of service delivery described in Appendix 3 would be delivered in house. One of the objectives of any procurement would be securing the best possible value for the

proposed model, or any other model adopted.

- 11.5 By adopting the transition arrangements set out in 9.16 above, which will allow Community Hubs more time to develop, the realisation of these savings will take longer than originally anticipated, up to a year in some cases. This means that the final phase of library savings will not be achieved until 2016-17.
- 11.6 Whilst it is not possible to determine the final redundancy and pension strain cost, it is anticipated that the final "one off" cost would be broadly similar to those in the budget plan for the service.

12. Procurement Process

- 12.1 The GLL Expression of Interest having been accepted by the Council under section 81 of the Localism Act 2011, the Council must now undertake a procurement exercise in accordance with the Act.
- 12.2 The Act does not specify what a procurement exercise is for its purposes, except to state that it must be appropriate having regard to the value and nature of the contract that may be awarded as a result. It also needs to comply with the Council's general procurement obligations. So far as consistent with procurement law, the Council must also, in carrying out the procurement exercise, consider how it might promote or improve the social, economic or environmental well-being of its area by means of that exercise.
- 12.3 In January 2013 the Public Services (Social Value) Act 2012 came into force. Under the Act the Council must, before starting the process of procuring a contract for services, consider two things. Firstly, how what is proposed to be procured might improve the economic, social and environmental wellbeing of its area. Secondly, how in conducting the process of procurement it might act with a view to securing that improvement. The Council must only consider matters that are relevant to the services being procured and must consider the extent to which it is proportionate in all the circumstances to take those matters into account.
- 12.4 It is considered that the subject matter of this contract would contribute to the improvement of the social wellbeing of the area as it would secure the provision of library services that contribute significantly to social wellbeing. It would also include provision of support to Community Hubs which, as referred to earlier in this Report, has the potential to promote community well-being, cohesion, resilience and self-reliance. If, as referred to earlier in the Report, enhanced activities can be provided from libraries additional opportunities for social benefit will be created.
- 12.5 In terms of the way in which the procurement is conducted, the competitive process will be open to voluntary and other third sector organisations and the procurement process will be run in such a way as to minimise barriers to entry of such organisations. Opportunities for apprenticeships and volunteering opportunities will be explored.

- 12.6 Under section 1(7) of the Act the Council must consider whether to undertake any consultation as to the matters referred to above. In this respect it is noted that a lot of the public consultation referred to the social value offered by libraries and much feedback was received concerning people's willingness to volunteer. More specifically, as part of any competitive procurement exercise the Council will undertake market engagement to understand what social value providers consider they can provide.
- 12.7 Library services are at the time of this Report Part B services for the purposes of the Public Contracts Regulations 2006. As a result, the Council is not required to go through the pre-contract advertising requirements of the Regulations. However, the Council is still bound by general EU Treaty obligations of transparency, equal treatment and non-discrimination. The EU Commission has issued a communication that confirms that the EU Treaty principles generally require a degree of advertising sufficient to enable the market to be opened up to competition.
- 12.8 A process of contacting a number of contractors would not be sufficient. In essence, since the principles underpinning the Public Contracts Regulations are the same as the EU Treaty obligations, those Treaty obligations require a process with a similar degree of robustness and objectivity as a full-blown EU procurement process.
- 12.9 Even so, the Treaty obligations will not require a competitive process if the Council considers that the contract would not potentially be of interest to a contractor in another EU member state.
- 12.10 The Commission communication identifies a number of considerations that the Council must take into account in forming its judgment on the point as follows
- The subject matter of the contract
 - Its estimated value
 - The size and structure of the market, commercial practices of the sector
 - Geographic location of the place of performance
- 12.11 Although the necessity for the services to be performed in Lincolnshire may suggest that the contract might not be of interest to a contractor in another member state, other considerations suggest otherwise. In particular, the length of the contract is likely to be quite long to justify the contractors involvement, probably a minimum of 5 years and potentially 9 or 10 years or more and the value over that term could potentially be in the order of £30 to 70m.
- 12.12 It is important to note that the threshold for the application of the advertising requirement is not high. It applies if the Council considers the contract might potentially be of interest to a contractor in another member state. It is very difficult to conclude that it would not be given, the duration and value of the contract. Further, the Council did receive a proposal from a non-UK

company (namely Bibliotheca). Although they are not from another EU member state it is clear that a library provision contract is one that can cross boundaries, as noted in the Judicial Review.

- 12.13 It is noted that from a date in 2015 which has not yet been determined but which could potentially pre-date the point at which the Council formally commenced any procurement process the Public Contract Regulations will come into force.
- 12.14 Those Regulations will abolish the distinction between Part A and Part B services and library services will be covered directly by the Regulations. Although there is a "light touch" process to cover certain former Part B services it is not clear that library services will be covered by that "light touch" regime. In any event the "light touch" regime specifically requires a contract notice or a specific type of Prior Information Notice to be published and for any procurement process to comply with obligations of transparency and equal treatment.
- 12.15 The effect of this change in the law will be that any potential to award a contract directly because it will not be of cross-border interest will disappear and the Council will owe a legal obligation under the Regulations either to follow a full procurement process or to at least advertise the contract and comply with obligations of transparency and equal treatment.
- 12.16 It was alleged in the Judicial Review that the Council could have awarded a contract direct to GLL in accordance with the case of *Chandler v Secretary of State for Education*. That point is considered to have no merit. That case concerned a process for establishing a new Academy. Although the court did suggest that EU procurement law did not apply where a service was being delivered the better view is that this analysis is inconsistent with later decisions of the European Court of Justice (e.g. C-159/11 *Azienda Sanitaria Locale di Lecce*).
- 12.17 In any event, just because an organisation reinvests surplus into services does not mean that they are providing a service at cost. Given that the Council has already received other expressions of interest in the service any direct award would run a serious risk of being challenged.
- 12.18 In the circumstances, anything other than a competitive procurement exercise would be open to successful challenge for breach of EU Treaty obligations and would probably be unlawful on that basis.
- 12.19 In addition to the legal aspects of the procurement position, the Council must also consider its obligation of best value. It is submitted that the best way to demonstrate best value in these circumstances is a competitive procurement process.
- 12.20 In terms of procurement strategy, there is a choice between undertaking an open procurement to see what the market would deliver and undertaking a

more closed procurement to get from the market proposals and prices for delivering the Council's preferred model.

- 12.21 Allowing the market to determine the shape of the library service in terms of the number and location of libraries is not recommended for legal and commercial reasons. In particular, it is for the Council to determine the shape of the library service, not the market. It would not be lawful for the Executive to determine now that it would adopt the proposal from the successful bidder as it has no rationale for such a decision and cannot be sure that it would be a comprehensive and efficient service. Commercially it is unlikely that the market will wish to take a risk of tendering for a service that the Council has not yet resolved to adopt. Further, the Executive knows that its current proposals are based on a rationale that has been the subject of extensive consideration and consultation and has withstood challenge through the courts.
- 12.22 In addition to these considerations such a proposal would create budget uncertainty.
- 12.23 The recommended procurement strategy is therefore to put out to the market the preferred model recommended in this Report if adopted by the Executive. The market would be given the opportunity to establish that it could deliver that service more efficiently than the Council and to suggest ways in which it could enhance the offer in statutory libraries or the support given to the sustainability of Community Hubs.

13. Next Steps

- 13.1 Once the Executive have made a decision, it will be communicated to staff, Unison, those who participated in the consultation process and those who expressed an interest in developing Community Hubs.
- 13.2 The procurement process and timescale will be agreed by the Executive Director of Public Health and Community Wellbeing in consultation with The Executive Councillor for Libraries, Heritage, Culture, Registration and Coroners.

14. Conclusion

- 14.1 After undertaking a Library Needs Assessment of the sort envisaged by the Wirral Enquiry (DCMS, 2009), a two stage public consultation and an equality impact analysis, officers now put forward a proposed model for a new modern library service that they consider remains 'comprehensive', but having now removed the existing over-provision of service, it can also now be considered to be 'efficient'.
- 14.2 These proposals would deliver a Library Service that would comply with the Council's statutory duties under S7 of the Public Libraries and Museums Act 1964, the Equality Act 2010.

- 14.3 They would also enable the authority to fulfil its general powers of competence under S1 of the Localism Act 2011 by supporting the development of up to 40 Community Hubs across Lincolnshire and retaining over 220 mobile library stops across the county.
- 14.4 Whilst this model of delivery could be delivered “in-house” within the available budget for 2015-16, the acceptance of a valid expression of interest under section 81 of the Localism Act 2011 means the Council must conduct a procurement exercise. For the reasons given in section 12 above and the Council's legal obligations, officers recommend that members undertake a competitive procurement exercise to see if costs can be further reduced by engaging an external provider to deliver the service with a view to any additional savings being ploughed into enhancements of the service.

3. Legal Comments:

For the reasons set out in the Report the Council has the power to pursue the recommended proposals.

The legal considerations applicable to the decision are set out in detail in the Report.

The decision is consistent with the Policy Framework and within the remit of the Executive. The Executive has the power to make the proposed delegation.

4. Resource Comments:

The Council budget available for the future delivery of the Library service and the financial context in which that has been agreed has been set out in the body of this report. The model recommended by the report will enable the service to be delivered within this budget available.

There can be no guarantee, given the uncertainty of future funding available to local government, that further reductions to the available budget will not be required in 2016/17 and beyond. It is essential therefore that the service to be delivered is both sufficiently flexible to operate within available resources and has the greatest possible certainty of cost at the outset.

The need to undertake a procurement exercise, as a result of the acceptance of a valid localism challenge, will delay the delivery of the final phase of the library savings (£1m) from 2015/16 as planned into 2016/17. This has been factored into the budget proposals made by the Executive on 6 January 2015 but cannot be provided for in future years without an equal value of impact on other services as the Council will have very limited reserves in future years.

5. Consultation

A detailed programme of consultation and engagement has been undertaken, over a prolonged period, on the future provision of libraries. These activities and their findings are described in detail in the report, background papers and appendices.

a) Has Local Member Been Consulted?

Yes

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The Communities and Public Safety Scrutiny Committee will consider these proposals at its 27 January 2015 meeting. The comments of the Committee will be reported to the Executive.

d) Policy Proofing Actions Required

See Appendix

6. Background Papers

The following background papers were used in the preparation of this report

Document title	Where the document can be viewed
Library Needs Assessment, Executive, I005019 (2 July 2013 item 17)	www.lincolnshire.gov.uk/librariesconsultation
Library Needs Assessment, Executive, I005893 (3 December 2013 item 5)	www.lincolnshire.gov.uk/librariesconsultation
High Court of Justice Queen's Bench Division Administrative Court Judicial Review Judgement Case No: CO/0403/2014 handed down on 17 July 2014	www.lincolnshire.gov.uk/librariesconsultation
To Consider Expressions of Interest received for the Provision of Library Services under Section 81 of the Localism Act 2011 Executive Portfolio Holder Decision Number I008088 (3 December 2014)	www.lincolnshire.gov.uk/librariesconsultation
Experian Lincolnshire County Council Library Needs Assessment (August 2012)	www.lincolnshire.gov.uk/librariesconsultation

Lincolnshire Research Observatory: An Analysis of the Potential Impacts of a Proposed Enhanced Library Hub Model of Service Provision in Lincolnshire (September 2012)	www.lincolnshire.gov.uk/librariesconsultation
CIPFA Lincolnshire County Council CIPFA Stats Comparative Profile Public Libraries 2011-12 Actuals and 2012-13 Estimates (December 2012)	www.lincolnshire.gov.uk/librariesconsultation
Department for Transport Accessibility Planning Guidelines: Full Guidance (2005)	Contact Cheryl Hall, Democratic Services Officer on 01522 552113 or at cherly.hall@lincolnshire.gov.uk
Lincolnshire Research Observatory Addendum (May 2012)	www.lincolnshire.gov.uk/librariesconsultation
Lincolnshire Research Observatory, Modelling of current service (15 November 2013) Also formed Appendix 6 of Library Needs Assessment, Executive (3 December 2013 item 5)	www.lincolnshire.gov.uk/librariesconsultation
Sheffield Hallam University, Overall Report Lincolnshire Libraries Consultation (October 2013)	www.lincolnshire.gov.uk/librariesconsultation
Sheffield Hallam University, Addendum (November 2013)	www.lincolnshire.gov.uk/librariesconsultation
Envisioning the library of the future Phase 1: a review of innovations in library services –and Delphi enquiry Research by Ipsos MORI and Shared Intelligence -	http://www.artscouncil.org.uk/what-we-do/supporting-libraries/library-of-the-future/
Arts Council England Chief Executive Alan Davey The Library of the Future A response to Envisioning the library of the future	http://www.artscouncil.org.uk/what-we-do/supporting-libraries/library-of-the-future/
'Community Libraries, Learning from Experience: guiding principles for Local Authorities, Jan 2013, by Locality and summary briefing for Local Authorities	http://www.artscouncil.org.uk/advice-and-guidance/browse-advice-and-guidance/community-libraries-learning-experience-guiding-principles-local-authorities
William Seighart and Panel Independent Library Report for England, Department for Culture Media and Sport (18 December 2014)	https://www.gov.uk/government/publications

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Library Needs Assessment Appendices

Appendix 1	Description of Service Provision at July 2013
Appendix 2	Recommended Service Provision at December 2013
Appendix 3	Description of Service Provision at January 2015
Appendix 4	Lincolnshire County Council, Consultation Report, November 2014
Appendix 5	Mrs Palmer Proposal 2014
Appendix 6	Northamptonshire Libraries Proposal 2014
Appendix 7	Greenwich Leisure Ltd Proposal 2014
Appendix 8	Equality Impact Analysis

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