

OPEN

**Environment and Communities
Committee**

18 July 2024

**MTFS EC24-28/73 Libraries Strategy –
Initial Proposals**

**Report of: Tom Shuttleworth, Interim Director Environment and
Neighbourhoods**

Report Reference No: EC/06/24-25

Ward(s) Affected: All

Purpose of Report

1. This report details the progress in bringing forward a Libraries Strategy (the “Strategy”) the need for which was established following the public consultation undertaken in support of the Libraries Service Review undertaken in 2023 and now as part of the Councils Medium Term Financial Strategy (MTFS 2024-28)
2. The development of the Strategy supports the Corporate Plan priorities of enabling “a sustainable financial future for the council, through service development, improvement and transformation” whilst also considering the medium to long term future of the library service, in the context of different delivery approaches.
3. The report then provides a roadmap for the next steps in developing the Strategy, including seeking permissions to move forward with a public consultation on the current draft proposals.

Executive Summary

4. The report sets out the core content of the four year Strategy (see Appendix A) including its objectives, alignment to other council priorities and the introduction of a tiering system in respect to how library services will be promoted and invested into moving forward (Appendix B). It makes clear how a wide range of services from across the Council

have been involved in its development and the specific opportunities which exist such as joining up the library offer with Family Hubs.

5. The report sets out the options upon which views are being sought from the public in relation to potential alternative service delivery models, including benchmarking, demonstrating how other library authorities chose to deliver their service.
6. Details of the proposed approach to consultation are included in support of the approvals requested, including a supporting equality impact assessment (see Appendix C)
7. Finally, the report sets out the current legal and financial implications of the proposals contained within the Strategy and how these will need to be modified in order that the final proposal presented is compliant with the budgetary framework set out within the Councils MTFs 2024-28.

RECOMMENDATIONS

The Environment and Communities Committee is recommended to:

1. Approve the draft objectives of the Libraries Strategy (2024 – 2028);
2. Delegate authority to the Interim Director of Environment and Neighbourhood Services to take all necessary steps to undertake a public consultation and associated engagement to establish;
 - a. Resident's views on the Libraries Strategy contained within Appendix A of this report and;
 - b. Expressions of interest from all relevant stakeholders relating to the future operation of the proposed tier 3 community managed library sites.
3. Note that a clear recommendation on implementation of the Strategy, informed by the outcome of the public consultation and engagement with communities, will be brought back to Committee at a future date.

Background

8. The report to this Committee in July 2023 set out the final proposals for the Libraries Service Review and at the same time also established the need for the Council to develop a strategy for the medium to long term

of this service area, see paragraph 29. This was in direct response to feedback received during the related public consultation.

9. More recently the Strategy was included as a specific initiative within the Council's approved MTFS 2024-28. The inclusion of this initiative was discussed at the consultative meeting of the Committee on 30th January 2024.
10. It is intended that the Strategy will span the four years from 2024 to 2028 to align it to the period of the current MTFS and a draft for consultation is included at Appendix A.

Draft Objectives

11. As an initial task a draft set of objectives of the Libraries Strategy were developed. The development of these objectives have been shared with a wide variety of internal teams and are as follows;
 - To offer a library service delivered in partnership with local councils, communities and organisations with similar aims;
 - To maintain the service offer for all and enhance it through the introduction of other complimentary Council services focussed on enabling customers and public health and wellbeing - in locations where it is needed the most;
 - To actively promote the service, increasing visitors and becoming more accessible to residents through the use of new technologies and;
 - To ensure that the service continues to be affordable for the residents of Cheshire East
12. It is considered that these objectives will be relevant in terms of how they would dovetail into any new and emerging Cheshire East (Corporate) Plan.
13. The finalisation of these objectives is now subject to public consultation.

Cross Organisational Working

14. In developing the Strategy cross organisational working has been undertaken to ensure that the proposals reflect that libraries offer a significant range of services for local communities.
15. This cross organisational working continued throughout the work which has been undertaken to date and was underpinned by a workshop held on 8 April with attendance and contributions from the following service areas within the Council and it's partners;
 - Adults
 - Childrens
 - Communities
 - Customer
 - Public Health
 - Local leisure offer (Everybody Health and Leisure)
16. Further to the collaborative workshops, individual discussions have been held with services to talk in more detail around opportunities for joint working. This is expanded upon in this report and also reflected in the site assessment process undertaken in support of the site tiering system.

Tier System

17. The Strategy proposes the introduction of a tier system to the operation of the library service. This mirrors how a number of local authorities already operate their own library estate.
18. Assignment of sites to the first 3 tiers which cover the fixed location library sites have been defined by way of a site assessment process, contained at Appendix B. This matrix has considered a wide range of different factors from a variety of service areas, weighted appropriately. It demonstrates the opportunities to utilise the libraries estate in areas of high demand and need to better deliver council services in a more joined up way.
19. Tier 4 covers the mobile library and volunteer delivered home library service.

20. It should be specifically noted that sites assigned into tier 3 will be considered principally on a community managed basis with a maximum of 1.5 weekdays of direct staff time and available. The staffed time that the Council proposes to continue to fund will be invested into the days where greatest use is observed, together with accommodating where practicable the current activities delivered. A summary of the proposed opening times is contained at Appendix D. It is therefore these sites on which the Council will be inviting expressions of interest from communities to operate independently outside those hours which will continue to be funded by the Council. Please see paragraphs 36 to 40 of this report as to how this process is intended to work, however Town and Parish Councils who wish to provide funding to “top up” opening hours can still actively be considered.
21. Officers have considered how the approach to tier 3 sites relates to that nationally. Based on the latest data available, (a survey response of 146 of 151 library authorities as at December 2022) it can be seen that 35.6% of authorities have a least one library operated by a community or voluntary group with some support from the local authority. For the majority this was 1 or 2 libraries but for some the likes of Dorset and Staffordshire where 50% of their service was at that point delivered via community managed libraries. It is expected that in the intervening period, and with cognisance of the challenging financial position of many local authorities, that these percentages have increased further.
22. Cheshire East Council currently does not have any community managed libraries within the estate recognised as providing the statutory service, as such it could be considered that the current mode of operation is outside the norm.
23. On the basis that any site in tier 3 is not the subject of a valid business case from the community to operate during hours outside those to be funded by the Council, or a confirmed decision to provide top up funding to safeguard opening hours, then the new reduced opening hours will commence from 1st January 2025.

Alternative Service Delivery Models

24. As was set out in the MTFs there is an opportunity as part of this same process to consider whether an alternative delivery model exists for tiers 1 and 2 sites. This would be in the form of private sector operation, as observed elsewhere in the form of a charitable trust or similar.
25. This approach could have cost benefits to the Council outside the need to reduce levels of service.

26. Benchmarking has been undertaken to understand how other library authorities deliver their services, with some statistics highlighted below (data correct as at December 2022);
- 11% of library authorities in England commission a trust or other organisation to run their public library service;
 - 2.7% of library authorities have a trust or other organisation run some of their libraries but retain control of the remainder and;
 - 89% library authorities run the majority of their libraries however only 38% of authorities run their entire service
27. It is proposed therefore to seek public opinion via the planned consultation on a proposal that tier 1 and 2 sites are operated by an alternative service provider. Following this feedback and consideration in greater detail of the different models available recommendations will be brought back to Committee.
28. It is anticipated that any alternative service delivery model which may be pursued will need to be procured competitively and hence could take 12-18 months to establish.

Consultation and Engagement

MTFS 2024-28 consultation feedback

29. Through the consultation process undertaken in establishing the now approved MTFS 2024-28 the Council received a large amount of feedback, with 331 responses received in total specific to the Libraries Strategy. 54% of respondents supported the need for a Strategy, with 30% opposed.
30. Under the suggestions made around service transformation the draft Strategy considers the following themes;
- Maximise revenue opportunities
 - Make libraries more of a community hub
 - Combine other services into libraries
 - Investment into sites where demand and need is greatest

Pre Consultation Engagement with Department for Media, Culture and Sport

31. The Council has statutory duty under the 'Public Libraries and Museums Act 1964' to deliver library services. The act outlines that "It shall be the

duty of every library authority to provide a comprehensive and efficient library service for all persons desiring to make use thereof”.

32. The Act states that it is up to each local area to determine how much they spend on libraries and how they manage and deliver their service.

This must however be done:

- in consultation with their communities;
- through analysis of evidence around local needs; and,
- in accordance with their statutory duties.

33. The Department for Culture Media and Sport (DCMS) have also stated that Councils can take their available resources into account when deciding how to deliver their public library service. There are no longer prescribed national standards.

34. It should be noted that prior to the implementation of any recommendations that the council is required to notify DCMS of the proposal with ‘such information as the Secretary of State may require for carrying out their duties’.

35. They also strongly advise that councils considering changing their library service inform the DCMS Libraries team about their proposals before public engagement or consultation begins. On this basis a meeting was held with the relevant DCMS colleagues on Tuesday 7th May at which the draft Strategy was presented. The feedback from this meeting has been used to shape the proposal and the approach. A further briefing session with DCMS will be arranged in advance of presenting any final Strategy back to Committee later in 2024.

Pre Consultation Engagement with Town and Parish Councils

36. During the week of 17 June officers undertook pre consultation engagement meetings with eleven Town and Parish Councils who have a library site within their area. The purpose of this engagement was to capture stakeholder feedback on the draft Strategy objectives whilst also offering the opportunity to feed into the development and promotion of the planned formal consultation process.
37. The detailed feedback from these sessions will be included in the final consultation report.
38. Subsequently and based on asks from a number of these organisations officers have provided further information in order that

Proposal for Consultation

39. This paper seeks permission to consult publicly on the proposed Strategy contained at Appendix A of this report, together with the supporting site assessment process at Appendix B which is the tool used to divide the sites into the respective tiers.
40. The consultation will seek views from residents on the objectives and overall content of the draft Strategy. It will also seek views on the option of considering alternative service delivery for all sites via the private sector.
41. In relation to the Tier 3 sites the proposed opening hours to be funded by Cheshire East Council are shown at Appendix D, alongside the rationale for selecting these opening times. Comments on these opening hour proposals will be sought through the consultation.
42. It should however be noted that as the proposal does not meet the budgetary framework as established in the MTFS a series of other options will need to be considered in order to bridge the savings gap. These could be one of or a combination of the following (not an exhaustive list);
 - A review of opening hours at the Tier 2 sites, based on up to date usage data;
 - Withdrawal of customer service access points from Tier 2 sites;
 - A further reduction to the budgets which support service delivery such as the book fund and;
 - Partial or complete withdrawal of the mobile library service
43. It is envisaged that the consultation will run from early August 2024 over a period 6 weeks with final dates to be publicised in due course. The consultation will have its own communications plan attached to ensure residents are actively engaged. Part of the engagement specific to the consultation will be;
 - All Member briefings
 - Engagement with all Town and Parish Councils via Cheshire Association of Local Councils.
44. Following consultation final proposals will be developed and brought back to committee for a decision to implement, which is targeted at November 2024 to allow the Strategy to be implemented from 1st January 2025 at the latest.

Community Engagement

45. During the first two weeks of the formal consultation proactive engagement will be undertaken with key community groups, local councils and other interested parties. This initial process will be to establish any expressions of interest in developing a business case for the onward provision of library services outside those hours to be funded by Cheshire East Council and under a community managed and/or top up funding model.
46. This will be supported as necessary by face-to-face meetings with council officers to discuss specific aspects of site operations and those services which the council will be able to continue to provide in support of any community managed, volunteer led or top up funding arrangements.
47. The next stage of the process will be to invite formal business cases from those parties who have expressed an interest. It is expected that the development of business cases could be an iterative process which will take longer than the six weeks set aside for consultation.
48. Where it is considered a valid business case has been submitted this will be reflected in any recommendations put back to committee within the report which seeks implementation of the finalised strategy. Irrelevant, all engagement will be captured and reported to ensure that the process undertaken is transparent.
49. For those sites which are owned by the Council community asset transfer could also be considered as part of any business case proposals.

Staff Engagement

50. Due to the scale of the changes proposed specifically relating to the tier 3 sites, formal consultation will need to be entered into with both staff and the Trade Unions.
51. As part of the staff engagement already undertaken in developing the proposals all staff briefings were held on the 9th July.
52. These briefings were used to update staff on the current position with the Strategy development and to give advance notice of planned next steps. Informal briefings have also been held with the Trade Unions in advance of the formal engagement processes.
53. Further staff engagement sessions will be delivered in advance of any final recommendations on Strategy implementation being presented to

Committee, which will also consider any implications of any proposals around alternative service delivery models.

Reasons for Recommendations

54. The proposal supports Open and enabling objective of the Corporate Plan, delivering the priority set out to:
 - a. Support a sustainable financial future for the council, through service development, improvement and transformation.

Other Options Considered

55. **Do Nothing** - As always there is an option for Members to decide to make no changes to the service however this would be outside both the budgetary and policy frameworks established through the MTFS. As such the associated budget saving would need to be found from another similar but currently unplanned service review initiative within the remit of Environment and Communities. This would need to achieve the same value of savings for the relevant years of the current MTFS.
56. **Do Something 1** – Members could resolve to consider the Tier 3 sites on a wholly community managed basis withdrawing all Council funding from their direct operation. This option would meet the budgetary framework established within the MTFS and would still offer an opportunity for local communities to take ownership and control of their library as a community asset.
57. **Do Something 2** – is the option currently under consideration within the Strategy and as set out earlier in this report, noting the specific financial implications of this approach.

Implications and Comments

Monitoring Officer/Legal

Employment law implications

58. If a decision is made to outsource the operation of library services to the private sector, TUPE may apply to transfer the employment of staff assigned to the library to the new provider. Whether or not TUPE applies will depend on several factors, including if the service will remain the same before and after the change in service provider.

59. TUPE imposes strict obligations to inform and consult with affected staff in good time before a proposed transfer. The more significant any proposed changes are, the longer the timeframe will be to consult. Failure to inform and consult properly can result in claims with a 90-day uncapped compensation award for each employee. There may also be increased pension costs to consider if the Council decides to absorb pension bonds associated with a private sector organisation seeking admitted body status to the LGPS.
60. If the Tier 1 and 2 sites remain within the Council but there are reduced operating hours/days, this will have staffing implications and a full consultation process will need to be followed with trade unions and staff on any proposed changes to terms and conditions of employment.
61. Regarding the Tier 3 sites:
- If a final decision is subsequently made to substantially reduce the opening hours of the Tier 3 sites, library staff may be at risk of redundancy or be entitled to a buy-out of hours dependent on individual circumstances. A full and genuine consultation process will need to be carried out with trade unions and staff to reduce the risk of legal claims such as unfair dismissal or breach of contract. If no suitable alternative roles are available in a redundancy situation, staff will be entitled to redundancy payments upon termination of their employment.
 - If the Tier 3 sites are to be operated by a community group, TUPE may or may not apply depending on the type of organisation that takes over the service (TUPE is unlikely to apply to a group of volunteers but is more likely to apply to if the libraries are taken over by a charitable organisation).
62. Detailed equality impact assessments will be fundamental to assessing potential risks and challenges under the Equality Act and public sector equality duty. Careful consideration will need to be given to the impact of any closures or transfers on vulnerable members of the public who may be disadvantaged by the proposals.
63. If a public consultation exercise is to be commenced, the Council should ensure that it follows the Gunning Principles and to ensure that the following are met;
- The proposals are still at a formative stage and no formal decision has been made or predetermined by the decision makers;

- That sufficient information is provided to the consultees this needs to be available accessible and easily interpretable by the consultees to provide an informed response;
 - Sufficient opportunity should be given to consultees to participate in the consultation, the length of time given for the consultee to respond should depend upon the subject and the extent of the impact on the consultation and;
 - Conscientious consideration must be given to the consultation responses before a decision is made.
64. If the Council fails to comply with the above, the consultation exercise may be deemed to be illegitimate and any subsequent decision ultra vires.
65. Ongoing regard must be had to the public sector equality duty and any mitigations around perceived breaches. Evidence will be required to substantiate changes and the process in reaching any final decisions should be accurately recorded so the Council can defend its position in the event of a legal challenge.

Section 151 Officer/Finance

Financial Implications

66. Within the MTFS the Libraries Strategy has a revenue savings target of £365k to be delivered in 2024/25 and a further £250k in 2025/26.
67. Initial financial modelling of the proposals as presented in the draft Strategy confirm that they could generate a saving in the order of £200-300k but will **not** achieve the budgeted savings target for 2024/25 as a minimum.
68. As set out at paragraph 42 of this report further proposals will need to be considered as part of any final proposal presented to committee in order to achieve the savings target as set out within the MTFS, which could include a move to an alternative service delivery model.
69. The budget savings are split between savings taken from the service staffing structure and a reduction in facilities management costs payable for the Tier 3 sites. It will be necessary in order to achieve these savings that the current lease arrangements at several of the tier 3 sites are re-negotiated.
70. Due to the current level of vacancies within the service and the use of temporary staffing contracts at this stage it is not anticipated that there will be any significant costs relating to staffing changes, however this

will be reviewed in greater detail at the point that a final proposal has been developed.

- 71. The costs of any site specific investments which enable the joining up of service delivery, will be considered on a standalone business case perspective.
- 72. The planned public consultation will be delivered by internal resources with any materials costs funded from within existing service budgets, including the Strategy document itself.

Policy

- 73. The proposal primarily supports the following priorities from the Corporate Plan 2021-25 as show in the table overleaf.

An open and enabling organisation	A council which empowers and cares about people	A thriving and sustainable place
<p><i>Priority: Promote and develop the services of the council through regular communication and engagement with all residents</i></p>	<p><i>Priority: Work together with our residents and our partners to support people and communities to be strong and resilient.</i></p>	<p><i>Priority: A great place for people to live, work and visit</i></p>
<p>Residents and staff to be aware of the council and the services we provide</p>	<p>All services to be developed together with our residents and communities, so they are based on what works for people in Cheshire East.</p>	<p>A high-quality accessible library service, that remains relevant to the changing needs of Cheshire East residents and delivers value for money</p>

Equality, Diversity and Inclusion

- 74. A full Equality Impact Assessment has been undertaken as at Appendix C and will be updated with the feedback from the public consultation to inform and in support of any final recommendations.

Human Resources

- 75. The option proposed will require a permanent reduction in staffing levels across the service. This has already been mitigated by the use of temporary contracts and is further so by the fact that a level of vacancies exist across the libraries service allowing any staff affected

by eth proposed changes to consider redeployment opportunities. These changes will be subject to the usual staff consultation processes.

76. During the period of change and subsequent adjustment to the new ways of working, as this is viewed by many staff that the change is detrimental to the service and our residents, there is a risk the Service could suffer from the loss of morale, goodwill, and elevated levels of sickness absence.

Risk Management

77. Table 1 sets out the key risks to the implementation of the Strategy and ongoing mitigating actions taken;

Risk	Mitigating Actions
Budget savings attached to proposal do not include costs of change	Recruitment undertaken on temporary basis only and vacancy management within service to minimise potential for redundancies. Staff redeployment opportunities identified.
Impact on staff, increased sickness levels, objections from Trade Unions to proposals	Commenced service re-design work and seeking of approvals at earliest opportunity, developed and now delivering a clear communications and engagement strategy with staff and Trade Unions
Proposals are not considered appropriate by DCMS [statutory consultee] leading to delay for all stakeholders and impact on Council finances.	Early engagement undertaken with DCMS on proposals. Input to be offered into public consultation materials with further briefing held post consultation close, in advance seeking decision on final Strategy adoption.
External challenge to decision to implement Strategy	Ensure processes followed in developing and implementing Strategy are robust. Ensure adequate oversight by Committee on proposals and how public consultation and other engagement activities have helped to shape.
Requirement to re-profile MTFS budget savings across subsequent years of MTFS due to implementation programme constraints	Identify risks to service budget early, highlighting probability through the appropriate governance and oversight channels.
Ability to retain current staff, particularly those on permanent contracts	Detailed plans developed in relation to redeployment opportunities for staff based at sites where opening hours proposed to be reduced.

Table 1: summary of key service review risks and proposed mitigations

Rural Communities

78. The councils' rural committees are served to a greater extent by the Mobile Library service which has a total of 93 stopping points across a 3 week period, servicing some of the most remote communities in the borough. Should as part of developing the final proposal it be considered that the partial or complete removal of the mobile library service then the impacts of such a decision on rural communities will need to be carefully considered at that stage.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

79. In developing the Strategy there has been significant coproduction with colleagues in Childrens Services relating to library sites being co-joined with Family Hubs in areas where a need has been identified. Identified need to join libraries and family hubs services has been based upon targeting resources to the 0-30% most deprived Local Super Output Areas (LSOAS) across the Borough. This has led to the proposal that the majority of tier 1 & 2 site's will be connected with family hub services under the Family Hub Connect model. This new approach will offer a significant benefit to our children and families broadening access to multiple services by connecting them together in one community location.
80. In the context of the tier 3 sites and their future as libraries the proposal may mean reduced access at these sites for activities which support for instance early learning, therefore having a negative impact, however the revised opening hours have been designed to mitigate these impacts as far as reasonably practicable.

Public Health

81. An analysis of the Tartan Rug has informed the criteria for the tiering of the libraries and emphasised the importance of maintaining (and where possible enhancing) service provision in areas with the highest levels of health inequality.
82. The introduction of a tiering system but specifically related to sites in tier 3 is likely to have a negative impact on the wellbeing of residents where access to services is reduced. A reduction in opening hours would reduce access to a wide range of services and activities dependent on the day.
83. In particular, the Library Service, as part of its role providing Customer Contact Centres, supports vulnerable residents who are digitally

excluded to access online services, information and advice, both Council but also national government departments (for example driving licence renewal applications, NHS Patient Choice, benefit claims etc). A reduced library estate and/or opening hours will impact upon these people's ability to access the support they need when they need it.

Climate Change

84. This proposal will not have a material impact on the council's carbon agenda, although the buildings will open less, advice received states that the impact will be a marginal reduction in utility costs.

Access to Information	
Contact Officer:	Joanne Shannon, Library Manager joanne.shannon@cheshireeast.gov.uk
Appendices:	Appendix A – Libraries Strategy (draft for consultation) Appendix B – Site Assessment Matrix Appendix C – Equality Impact Assessment (pre consultation) Appendix D – Tier 3 proposed reduced opening hours (draft for consultation)
Background Papers:	Committee Report - Libraries Service Review – Implementation, July 2023 CEC Report Template (cheshireeast.gov.uk) MTFS 2024-28 – appendix-c-mtfs-2024-2028.pdf (cheshireeast.gov.uk) MTFS (Budget) 2024-25 consultation report (pg 56) – CE Budget Consultation for 2024 to 2025 - Full report (cheshireeast.gov.uk)