Modern Libraries Programme

Options for Bath

Business Case – July 2017

One Stop Shop

Library

Community

Mobile

Bath & North East Somerset Council

Contents

The Programme in Context

1. Bath and North East Somerset (BANES) Council's Corporate Vision and Objectives form the bedrock for the Council's Modern Libraries Programme. The Programme aligns corporate priorities, its directorate plan priorities and the key outcomes set out in the Libraries Deliver: Ambition for Public Libraries in England 2016 – 2021, as well as taking account of local needs.

2. The aims of the Programme are to ensure the delivery of the Council's strategic objectives and outcomes as well as securing a sustainable future for both Libraries and One Stop Shop services, including those provided by the Council's partners and the voluntary sector. By integrating these services in the Council's three main population centres, it will provide a primary multi-agency destination for learning, encouraging literacy, access to advice, information and IT - supporting more people in the community to fulfil their potential in an inclusive and accessible environment.

3. The Council recognises that one size will not fit all needs and it will have to work with communities to tailor solutions to meet local needs, as well as helping communities to deliver more for themselves.

4. The Council has been careful to discharge its statutory duty under section 7 of the Public Libraries and Museums Act 1964 ("the Act") 'to provide a comprehensive and efficient library service for all persons' in the area that want to make use of it. In providing a library service, local authorities must, among other things: have regard to encouraging both adults and children to make full use of the library service, and lend books and other printed material free of charge for those who live, work or study in the area. The Council is also mindful that local authorities have the power to offer wider library services beyond the statutory service to other user groups, and that the Act allows for joint working between library authorities.

5. An interpretation of what is meant by a 'comprehensive service' was provided by Lord Justice Ousely in J Bailey v London Borough of Brent in 2011 where it was held that "a comprehensive service cannot mean that every resident lives close to a library. This has never been the case. Comprehensive has therefore been taken to mean delivering a service that is accessible to all residents 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. Decisions about the Service must be embedded within a clear strategic framework which draws upon evidence about needs and aspirations across the diverse communities of the borough." With regard to what constitutes a 'comprehensive and efficient library service' the High Court in R (Green) v Gloucestershire City Council 2011 held "the availability of resources is highly material to the question of what constitutes a comprehensive and efficient library service. The section 7 duty cannot be exempt or divorced from resource issues and cannot in law escape the reductions which have been rendered inevitable in the light of the financial crisis engulfing the country."

6. The Council aims to develop an efficient service that makes the best use of the assets available in order to meet its core objectives and visions whilst recognising the constraints on its resources.

7. The Programme as outlined in the Council's Strategic Framework is the blueprint for delivering our priority outcomes for both Libraries and Council One Stop Shop Services, in summary;

- Create stronger, more resilient communities
- Increase reading and literacy
- Improve digital access and digital literacy
- Improve health and wellbeing
- Provide information, support and signposting for our most vulnerable residents
- Support economic growth by encouraging people back to work and encouraging greater prosperity
- Help everyone achieve their full potential through learning and access to information
- Provide cultural and creative enrichment
- Provide safe spaces and community cohesion

Drivers for Change

8. The Council is committed to protecting frontline services, particularly for the most vulnerable, but needs to find ways of making savings while continuing to meet the needs of the customers. By reviewing the way we deliver library and customer services, there's an opportunity to both invigorate the services to meet modern-day customer lifestyle/preferences and to save money. This will ensure good value for money whilst maintaining a quality service which is responsive to resident's needs.

9. Like all local authorities, the Council is working in an extremely challenging financial climate. It needs to cut £37 million from its budget over the next three years, which means there are tough choices to make about the way services are provided. Customer Services Directorate's contribution to the savings target is £800k a year after 2020 and its aim as an authority is to find innovative ways to deliver this.

10. Prior to this programme, both Customer Services and the Library Service have sought to make continuous improvements to operations and to make efficiency savings. Operational policies and practices have been reviewed and new ways of working have been introduced as a result. New technology has been introduced where appropriate to support more efficient working – for example, self-service kiosks. In addition, the Council was one of the four founder members of the LibrariesWest Consortium which is now a partnership of seven public library services in the south west of England. The partnership enables these public library services work together to share costs and offer enhanced services to customers who can

- use their membership card in any one of the 145 public libraries across the consortium
- use the computers to access the internet/office programmes in any of the libraries
- access a joint catalogue of around 2.5 million items

11. The demand on the Council's front-line services is changing. As we move into a new digital age, the number of book issues in libraries is declining on a national scale and it is no different in Bath and North East Somerset. Similarly in Customer Services, the move to more digital services, including the switch of working age housing benefit customers to Universal Credits, is changing the nature of our customer interactions and now is the time to address these changes and plan for future delivery.

12. The Council has undertaken a [Needs Assessment](#) of its Library Service and summary is available online. To summarise, the footfall is strong in our libraries, particularly in Bath and Keynsham and the current users are active and passionate about the service. However, there is a low take up of library services particularly in our more deprived communities, those

with higher literacy/skills development needs, and those whose lives are impacted by isolation, language and culture. Public libraries sit within communities, and as key information hubs it's vital that they meet community needs. The Council will work with local people to define, develop, plan and deliver the right mix of services to meet local needs and priorities; no two places will have the same mix. For example, rural and urban areas will need different ways of delivering services. Doing this will reinforce the library's role, develop and integrate existing services and provide a credible focal point for local community activity.

13. These are challenging times for councils and the library services they run. The way people use libraries and their expectations of public services are changing. Financial and demographic challenges are increasing. Standing still is not an option. We want libraries and our council services to be more resilient and better equipped to weather future challenges - to thrive, not just survive.

Options considered

14. Nationally, local authorities are considering a wide range of options for delivering library services, these include:

- Remaining in-house but by re-engineering and co-locating with other services and third party partners to create a 'blended' model.
- Work with a delivery partner such as a Local Authority Trading Company, a Public Service Mutual or other Joint Venture operating under SLA/contract to the Council.
- Outsource to existing social enterprise, third sector or private provider.

15. The Council considered all of the models as part of a desktop review, to assess both their suitability and potential to deliver the service in line with available resources.

- A Mutual or Joint Venture would be counter intuitive to strategic decisions to maintain Council-run, face-to-face services. As we are considering both Library and Council's One Stop Shop Services, this option would limit the opportunity for savings. If these obstacles could be overcome, this may be an option to consider in the future.

- To outsource may deliver some efficiency savings but practice has shown this to be somewhat limited. The option would not give the level of transformational change we need as an organisation to ensure future sustainability. Once this has been achieved this may again be an option to re-consider in the future.

- A 'blended', in-house service model which integrates customer services and library functions in key locations together with community-run local services has been identified as the best way to deliver the vision, priorities, service outcomes and strategic objectives of the programme in Bath and North East Somerset.

16. The 'blended', in-house service model option addresses all of the key Corporate Strategy Priorities:

- A new relationship with customers and communities
- A focus on prevention
- A strong economy and growth
- An efficient business

Developing the new model

17. Customer Services has been developing the Council's One Stop Shops and other face to face sites as focal points for council services and for those of partner organisations since 2005 as part of its Customer Access and Customer First Programmes. This has enabled the best use of property assets, reduced carbon footprint and provided the most efficient use of resources to protect the 'Public Purse'. As well as improving customer experience, it offers more value by providing comprehensive access not only to Council services, information and relevant experts but also the services of local partner agencies in single locations.

    This ensures services delivered are:
    •   accessible, convenient, responsive and cost effective
    •   targeted to meet the needs of customers and our communities

18. These single points of contact or front offices are staffed by people with the right skills, expertise and attitude, and who have been trained in customer advice i.e. their purpose is to take ownership of the customer issue and ensure resolution. They operate to common quality standards and will have appropriate systems for access to information for requesting services, for chasing progress and for dealing with complaints. The aim will be to resolve the majority of requests at first point of contact, whilst advising of and signposting the customer to any other appropriate services that they may be eligible for, or that are suitable for their circumstances. This reduces the number of contacts customers have to make in order to obtain the services they require and reduces failure demand.

19. Utilising the learning from our Customer Programmes and embedding corporate design principles, the plan is to change and transform how we work. Customer and Library Services will operate together, integrate procedures and processes and deliver services to our customers, in order to meet the Council and the Service's priority outcomes.

20. Since the opening of the new Keynsham Library and OSS in October 2014, both library and Customer Service staff have been working alongside one another sharing skills and knowledge that support both teams and enables the identification of duplication and benefits in working practices. It's essential that the Council continually reviews how its services are delivered to meet the changing needs of its customers and the wider environment.

21. Libraries have a history of utilising volunteer support and in BANES there are approximately 70 volunteers on a regular basis providing a home-delivery service to the housebound. They support community library delivery, deliver parent and baby story and music sessions, run craft activities, lead book clubs for some of our marginalised groups and help the uninitiated to become digitally literate. The Council recruits a whole cohort of volunteers to support the Summer Reading Challenge which runs over the summer holidays for children and young people.

22. The volunteering experience means different things to different people; for some it helps fill a void, for others it keeps them fit and alert, for others it adds valuable transferable skills to their employment profile. Likewise the benefits to the receiver can be many; a visit to look forward to in a world of isolation; early parenting support in conjunction with other new parents.

23. A key priority in the Service Delivery Plan is to increase the volunteer resource so that we can take the service to the community. In addition to the operational delivery of the Library Service we organise outreach and added value services targeted to reach the residents who

might not be able to get to the library buildings, may not be aware of the library service or may choose not to engage with traditional services.

24. The Council has a nationally accredited reader development programme, Book Start, working with families, early years childcare providers, health and children's centres to instil the love of reading at an early age. A programme of engaging schools, targeted children services (e.g. looked after children, children in care, children with special needs) is ongoing and a variety of initiatives arranged with Youth Services to involve young people in libraries.

25. The home library service, books on prescription and work in care homes and sheltered housing around dementia support and memory all provides support for the isolated and less robust in the community. The Council works with a local college to facilitate digital introduction to anyone lacking confidence operating a tablet or PC.

26. Some of these activities provide early parenting advice for young families, supporting marginalised groups, targeting inclusion for others, providing support to the isolated, and offering other services than just books, such as help with finding training for work or empowering people to manage life events.

27. The Council has already started transforming the way it works by reviewing and changing current processes, using staff strengths and skills more effectively, bringing in new technology where appropriate to support digital by choice, and building a strong performance management culture with supportive staff development to deliver services to customers in a different ways. This supports our strategic aims for the services – in terms of finance and delivering priority outcomes.

Achieving Financial Benefits

28. In order to achieve the savings target for the whole programme outlined in the Drivers for Change - within 3 years, staffing reductions will have to be made. This is because fixed costs are difficult to remove and other variable costs are relatively low in comparison. By integrating the services with a new service-wide operating model it will enable staff from Libraries and the One Stop Shop to be cross trained to offer multiple services from the one location. The Council will retain staff with professional specialities or expertise in order to meet specific needs, but with the combined resources we will be able to offer a more resilient service and reduce costs over time.

29. This will mean a further reduction of just below 20% of the whole Customer Service workforce (after the first year's saving target is achieved) in order to meet both the savings target and associated service supported borrowing to fund the capital investment. The aim is to manage resources effectively so that when natural annual turnover of staff occurs i.e. staff leave on their own accord, they will not be replaced. As the Council's highest customer demand and activity for both the Library and Council One Stop Shop is in Bath – and this is where the greatest resources are employed - it is where the majority of the savings will have to be made.

Community Run Libraries – with Local Authority support

30. The Council is at the very early stages of engaging with local communities to look at alternative models of service provision to a mobile or branch library in order to meet their own community needs. This is essential to ensure a sustainable future for branch and community libraries across the area with reduced council financial resources. It will require separate conversations with each community as one size does not fit all and the Council's priority is to ensure the best outcome for each community. Financial considerations for both investment and savings have been included in the business case model to support this ongoing work.

31. A report on Community Run Libraries will be will be presented to Cabinet later this year.

Local Authority Run Libraries – with community support

32. In **Keynsham** this model has been in operation since the new building opened in October 2014. This new facility has revitalised library use in the community bucking the national downward trend. Indeed, over the last 10 years increased footfall and activity in most libraries has occurred after some redesign and investment in the buildings.

33. In **Midsomer Norton** the Council is considering relocating the Library into a remodelled space to integrate with the current Council's One Stop face-to-face provision on the ground floor of the Council's office (the Hollies) which is just across the street. This will create a more modern joint service which will support any plans for regeneration of the town by releasing the current library asset. A separate report has been drafted which is awaiting a Single Member Decision.

Options for Bath

34. Demographics and footfall data confirms that Bath Central Library is different to all other libraries in the district and accounts for significantly greater activity than other libraries. Whilst footfall in Bath Central Library remains high, the number of items borrowed from the library is declining. Usually there is a correlation between visitors and library issues but not in Bath – indicating that people are using the space for other activities.

35. Key findings of the needs assessment showed that the Library had 495k visitors who borrowed 256k items and booked 667k sessions on a computer. Almost 300 events were organised, the majority held within the Library and the majority targeted at younger people.

36. Unlike in our other urban areas, the library in Bath is mainly used by the least deprived users, with usage highest by children and families and by the older generation. Across BANES as a whole, U18s from the least deprived areas are twice as likely to be using the service as those from the most deprived. The most deprived users use the computers more.

37. Using only one data set of users (Housing Benefit claimants) as indicative of One Stop Shop users, the socio-economic profile of these users is markedly different to that of library users with significant representation amongst our most deprived communities. However, not all

OSS users are claimants – other services on offer are Housing Advice, Highways and Traffic, Building Control, Environmental Protection, Social Services and Shopmobility. A range of partner organisations also offer services from the OSS including Bath Mind, Bristol Credit Union, Citizens Advice, Curo, Reach and Jobcentre Plus.

38. The underutilisation of Bath Library by our most deprived communities has highlighted that there is a greater need to provide a convenient base for people from a wider range of backgrounds, to encourage usage for those who it may have a beneficial support, such as those who don't have access to books and computers at home.

39. Early work on the proposed location of a combined facility in the City drew on several national best practice case studies, site visits to other authorities, reports sponsored by the Government's Libraries Taskforce on the principles shaping contemporary libraries including Designing libraries in the 21st century: Lessons for the UK, Gemma John 2016, and previous feedback from staff and customer consultations.

40. Amongst other criteria, any location selected for a library should offer:

- accessibility and inclusion
  - o located near a transport hub for easy access to and from the city
  - o located on a main city or town square or shopping mall for convenience
  - o co-located with other services – such as health facility and citizens advice bureau
- visibility and connectivity
  - o an atrium providing customers with a good view of all floors
  - o a generous reception area with clear circulation routes
- flexibility and adaptability
  - o a structure that can be adaptable over decades

41. An early view was that Lewis House should be considered as our preferred option as it met many of the above criteria by having;

- A good location close to transport, shops, parking and amenities
- A visible high street presence with a large walk in/ground floor space
- An operational area designed with partners working co-located with the Council
- A generous reception area with clear circulation route with the potential to create an atrium feature with a new glass staircase to all public floors
- The opportunity to create a new flexible space across three open plan floors in a building owned by the Council

42. The subsequent consultation tested the views of the public on what services they might like from a combined Library and OSS. The feedback has informed this business case where further potential location options are fully explored.

43. The range of location options to deliver an integrated service in Bath are set out below with a commentary on customer and business benefits/disadvantages and on the suitability of the space:

Option 1 – Do nothing

The OSS remains at Lewis House in Manvers Street and the Library remains in The Podium. A refresh of the Library space in the Podium could be undertaken to make good to the areas where Local Studies have recently vacated and to bring some areas up to a higher standard of maintenance. However, any investment for modernisation would be difficult to fund without clear financial return on investment.

	Suitability of space	**Customer Benefits / Disadvantages**	**Business Benefits / Disadvantages**
Pros	Existing spaces have been designed for their purpose and in operation for some years.	User profile/demographics may stay static at both locations which is a preferred state outlined by the previous consultation If limited capital works customers would not experience any service disruption	
Cons	The library requires some investment in finishes, mechanical plant and IT infrastructure as well as ensuring the space is flexible and adaptable to meet future changes in pattern of use or interests	Capital investment in buildings /modernisation could be limited Any capital works that do take place may be disruptive Opening hours may be reduced or Libraries closed as staffing resources/capacity become untenable with recruitment freezes The ability to maintain both the One Stop Shop and Central Library will be questionable if footfall & usage continues to decline over time	Restricts the ability to deliver the corporate vision, service outcomes and our statutory responsibilities Service integration will be restricted potentially resulting in job losses to achieve the level of savings required Increased reliance on volunteers (in the order or 150-250 to maintain a 7 day service) as resources/capacity become untenable which also demands increased support for training, co-ordination & management No additional income generation opportunities to contribute to cost of any investment

Option 2 – Build or acquire a new joint facility

The Library and OSS services are integrated within a new build or remodelled new asset. Considerable capital investment would be required to both acquire a site/building (if one was available) and then to adapt it to make it fit for purpose.

	Suitability of space	Customer Benefits / Disadvantages	Business Benefits / Disadvantages
Pros	A bespoke design would address all the needs of an integrated service and accessibility requirements	A bespoke build & design would be future proofed to ensure meets future customer needs & usage	Ensures delivery of the vision and sustainability of both valued services Offers the opportunity for Customer Service staff & Library Staff to work more flexibly in a shared location and any resulting service redesign of operating models Staff savings will be able to be achieved through natural wastage & any resulting service redesign of operating models due to integration May be able to design space for additional income opportunities
Cons	The remodelling of an existing asset may present limitations in design and accessibility	Sites may be available out of town but this would not meet the needs of a centrally accessible public service location for Bath. The needs assessment shows that Bath Central Library primarily serves the Bath city wards due to its proximity to those wards.	No suitable site available The number of staff reductions would need to be significantly increased to meet the capital costs and associated borrowing

Option 3 – Integration within Lewis House

Comprises the temporary reduction of the current podium library space and the formation of an interim office in the vacated space to allow staff to relocate from floors 1 & 2 of Lewis House. A new library would then be formed in Lewis House G, 1st and 2nd floors – the new connecting staircase would be **external** to the front of the building, maximising visibility and the internal floor area available. On relocation of the library, the vacated temporary area in the Podium would be refurbished to a commercial standard and marketed for external rent or for commercial rent to the Council's partners. The 3rd and 4th floors of Lewis House would have minor refurbishment and be retained for Council staff use – some as duty support for the Library/OSS service.

	Suitability of space	Customer Benefits / Disadvantages	Business Benefits / Disadvantages
Pros	Adequate floor area to deliver the integrated service (total public floor area is 1437m₂ (ground/1/2)) Lewis House offers a better degree of separation for clear zoning but some users have expressed concern over children's safety with this option. Can be adapted to meet our design principles Benefits from a 'shop front' and visible from the street	Investment in the Library service that offers the opportunity for re-designing library zones across multiple floors to suit future customer usage, demand & consultation feedback Close to main transport links e.g. bus and railway stations Close to Southgate shopping centre & its parking facilities Manvers Street parking is opposite Opposite the new Study & Innovation centre opened by Bath University for students Bike parking is available	Ensures delivery of the vision and sustainability of both valued services Offers the opportunity for Customer Service staff & Library staff to work more flexibly in a shared location and implementation of new service delivery operating models Staff savings can be achieved through natural wastage through service redesign of operating models due to integration Offers opportunities for potential secondary retail in the combined space and rental income generation opportunities in the Podium to contribute to cost of investment
Cons	Accessibility Audit findings (Report at **Appendix A**): Horizontal circulation in Lewis House is cluttered with internal columns The arrangement over 3 floors at Lewis House will present a confusing environment for many user groups exacerbated by the low ceilings and strong back lighting caused by glazing to the dominant elevations on both sides of the space Vertical circulation at Lewis House could prove difficult to resolve & any solution will be a compromise that users may find unacceptable.	Significant refurbishment and re-modification will be required with considerable disruption to staff and customers. Event space may be more spread out in smaller zones rather than a single large space which was an important factor raised in the first consultation Sympathetic design required to meet the space/usage/comfort needs of the varying target cohorts of users, and to mitigate any potential security risks as highlighted in the first consultation	Investment in the continued use of the Podium as an office has some risk due to the fact that the building is leased The Library/OSS being across 3 floors in Lewis House may be an added complication in terms of managing & resourcing the space

Option 4 – Integration within The Podium

The main Library floor, including the area recently vacated by Local Studies, would be reconfigured and refurbished to accommodate the OSS from Lewis House. Redecoration, new carpeting, improvements to heating/cooling/lighting plus new library fixtures and fittings would be included. A duty office area would be created for partner / customer services staff that would move from Lewis House to support the new integrated service. On completion of the these moves, the GF of Lewis house would be refurbished for various council/partner functions aligned with a continued police presence. Some minor improvements to the upper floors of Lewis House would be carried out to improve welfare facilities.

	Suitability of space	Customer Benefits / Disadvantages	Business Benefits / Disadvantages
Pros	Adequate floor area to deliver the integrated service (total public floor area is 1688m$_2$) Podium has high ceilings and more conducive to continued use as a public space Can be adapted to meet our design principles Accessibility Audit findings (Report at **Appendix A**): Vertical circulation at The Podium is significantly more acceptable The proximity to covered parking is better at The Podium and Bike parking is available opposite the entrance The sense of space and openness is better at The Podium Since The Podium space is provided on one floor, horizontal circulation is easier	Library originally designed as a public space Centrally located within the city and close to bus stops serving routes to and from the east of Bath Benefits from a convenient location next to Waitrose and Waitrose Coffee Shop Investment in the Library service that offers the opportunity for re-designing library zones to suit future customer usage, demand & consultation feedback Refurbishment works required will involve less disruption to staff and customers. A large Event space may be retained which was an important factor raised in the earlier consultation	Ensures delivery of the vision and sustainability of both valued services Offers the opportunity for Customer Service staff & Library Staff to work more flexibly in a shared location and the implementation of new service delivery operating models Staff savings can be achieved through natural wastage through service redesign of operating models due to integration Space vacated in Lewis House by the One Stop Shop or duty staff could be used for other Council staff releasing other buildings for disposal
Cons	The ability to create a degree of separation and clear zoning of different spaces is more difficult in a large open place space	Sympathetic design is required to meet the space/usage/comfort needs of the varying target cohorts of users and to mitigate any potential security risks as highlighted in the first consultation Visibility of the location in the Podium an issue to attract new users – difficult to find if you have no knowledge of the location – 'no shop window'	Investment in the continued use of the Podium as an library/OSS has some risk due to the fact that the building is leased No additional income generation opportunities as lease restrictions limitations inhibit any retail use in the library so a greater reliance on staff savings

Option 5 – Integration within The Guildhall

This option was put forward by the Save Bath Library group as an option that the Council should consider. It suggests using the existing Banqueting Hall space as the new integrated Library and One Stop Shop. The Podium would still be required to accommodate the staff that may be displaced from the Guildhall and, potentially, as a source of income (lettable space) to cover the costs.

	Suitability of space	Customer Benefits / Disadvantages	Business Benefits / Disadvantages
Pros		Central location & known building	There will be some opportunity for Customer Service staff & Library Staff to work more flexibly in a shared location by redesigning service operating models Some staff savings will be able to be achieved through natural wastage through service redesign of operating models due to integration although this will be restricted by the configuration of the space
Cons	The complex nature of the layout of the building, with little or no adjacency of rooms would present an extremely confusing environment for many user groups and likely to exacerbate safety concerns The limitations that would be presented by a Grade 1 listed building to any form of remodelling to support accessibility are highly likely to be unacceptable No obvious space for back office staff and storage; all other rooms are used for bookable events and/or existing office functions. The largest single space in the building is the Banqueting Hall which is smaller than the Podium.	Accessibility to and within the building is limited for both users and for moving book stocks No dedicated or close parking only drop off The public would lose a major wedding & events venue Event space and ancillary meeting rooms for customer & partner use would be non-existent or difficult to accommodate in a usable/adjacent space	The nature of the space limits the delivery of the vision and sustainability of both services Being a Grade 1 listed building adds significant time and complexity to carry out structural or cosmetic changes to improve access which will prohibit savings to be made in required timescale The Banqueting Hall currently produces a significant income that would be lost Staff compulsory redundancies may have to be made to achieve the level of savings required to fund capital spend and perhaps by larger numbers to cover the additional costs of redundancy No additional income generation opportunities to contribute to cost of investment or financial savings so a reliance on staff savings

44. In addition to the high level assessments of the benefits and disadvantages of each option set out in the tables above, the options have been assessed in terms of

- Financial viability – the potential to deliver the identified savings and the potential costs of delivery and,
- Service outcomes viability – how likely is each option to enable the delivery of our priority outcomes.
- Delivery within timescales – must enable the delivery of agreed financial savings within the three year corporate deadline
- Delivery within Capital Provision – must not exceed the sum allowed for in Authority's provisional capital budget

45. Where an option is considered to meet or exceed the thresholds described it will score a 'yes', where it fails to meet the threshold it scores a 'no'. The table below sets out the scores for all 5 options:

Test	1 – Do Nothing	2 - New	3 – Lewis House	4 – Podium	5 - Guildhall
Delivery of Financial benefits	No	No	Yes	Yes	No
Delivery of Service Outcomes	No	Yes	Yes	Yes	No
Delivery within Timescales	Yes	No	Yes	Yes	No
Delivery within Capital Provision	Yes	No	No	Yes	N/A

46. The do nothing option (option 1) is poor in terms of both financial and service delivery outcomes as it does not enable the Council to make the necessary savings or enable the longer term sustainability of the service. This will inevitably lead to further cuts to essential services.

47. Option 2, whilst highly desirable in terms of the ability to deliver the service outcomes it is considered unviable due to the lack of availability and high cost of sites/buildings. There are no existing buildings currently part of the corporate estate that are suitable or available in the timeframes. New build would therefore be the only option but again no sites are available to suit the locality required for a public access building.

48. Option 5 is not viable in financial terms and whilst it would deliver some of the Council's service outcomes, it is a Grade 1 listed building with very complicated access issues for significant visitor numbers and stock movement which would restrict our ability to make it fit for purpose. Similarly, the degree to which the services could integrate would be severely limited by the configuration of the building which will affect the sustainability of the service. This option would also reduce revenue for other parts of the council further negating any financial benefits

49. **As options 1, 2 and 5 each fail to meet the threshold in two or more of the tests outlined above, we have excluded them from further assessment. Therefore, for the purposes of further analysis and consultation we are taking forward options 3 and 4.**

50. The Council granted a provisional approval for a capital budget of £5.953m in order to deliver the modern libraries programme in February 2017. In addition to this identified balances of £0.773m can be utilised – a total of £6.726m. The **WHOLE** programme costs associated with the two options being considered can be summarised as follows:

- Option 3 (Lewis House model) has an estimated capital cost of £7.138m leaving a shortfall of £412k after identified balances and provisionally approved capital budgets. This gap could be potentially bridged at design. The capital costs used in the analysis are derived using standard rates. The net savings are estimated to be £732k per annum for the whole Modern Libraries programme.

- The borrowing costs of £364k per annum for Lewis House would be partly mitigated by additional income received from commercial letting of office space to be created within the Podium of around £161k p.a.

- Option 4 (the Podium) has been estimated at a capital cost of £3.580m. The net savings are estimated to be £798k per annum for the whole Modern Libraries Programme.

- The borrowing costs for the Podium are estimated to be £137k per annum.

- The implications for both Library and One Stop Shop staff are that the services will operate together with integrated procedures and processes, professional skills and subject specialisms will be maintained. There are no plans to make any redundancies and this transformation of the service will contribute to the overall savings target of £800k associated with this programme. Across the whole programme, both options generate gross savings before borrowing costs of £935k per annum.

51. A financial summary which contains more details of the financial case supporting this business case has been prepared by our business partners, Ernst & Young, and is included at **Appendix B**.

52. In order to appraise the two options in more detail, significant work has been carried out to understand:

- The needs of the customer
- The requirements of the new service operating model
- The potential costs of both options based on a schedule of indicative works
- The potential timescales associated with each option

53. The needs of the customer were captured as part of the first round of design consultation carried out in January and February this year, the results of the consultation can be found online. These findings have been combined with the required facilities that have been identified through the design of the new integrated service into a set of design requirements. **Appendix C** sets out those design requirements. It is important to note that neither option has been designed beyond a 'concept' at this stage in order to assess and confirm assumptions on indicative costs and timescale. The design work will commence on the chosen option once the budget is approved later this year.

54. The potential build timetable for the works to complete the integration of the Library and the OSS (not the follow on office works) in each option has been estimated based on typical design and tender periods and on the assumed level of work required in each option (this is set out in the consultation materials at appendix F – see below). It is again important to note that this is not a final programme of works as we do not have a detailed design for either scheme. Once this is developed, we will be able to look at options to adjust the programme such as phasing the works or running some tasks in parallel to save time and reduce the impact on closures, etc.:

Option	Anticipated period for:		Potential impact on:	
	Design/tender	Construction	Business	Customer
3 (in LH)	6 months	6.5 months	Longer time before integration can occur 18/19 savings target may not be achieved Complex redesign process	Longer period of disruption and limited service as interim/reduced library in the Podium operational for whole 6.5 months
	12.5 months			
4 (in Podium)	5 months	4.5 months	Integration can happen 1Q earlier than option 3 improving the likelihood of achieving savings in 18/19 Simpler redesign process	Shorter period of disruption but potential for multiple phases of work in the Podium as library remains operational during refurbishment
	9.5 months			

55. It is important to note that each option carries a number of site issues that are recorded in a risk log associated with this programme. A summary of those site issues is attached at **Appendix D**.

56. As explained above, the needs of the customer were captured during the first round of public consultation carried out earlier this year. The Council has committed to a second round of consultation on the options for the location of the combined Library and OSS. The consultation proposals have been developed with reference to an Equality Impact Assessment (EIA) which identifies areas of potential under-representation of the previous consultation and areas where equality can be better promoted and will ensure that the responses we receive are representative of the community. The EIA is attached as **Appendix E** to this report.

57. The consultation will commence after the Cabinet considers this draft Business Case on 19th July. The proposed Consultation Plan & Materials are attached at **Appendix F**.

58. The consultation findings will be reviewed and the results included in a report to Cabinet in October, together with the final version of this Business Case and an Equalities Impact Assessment (EIA) on the final relocation decision that will seek authority to proceed with the chosen option and then allocate the capital budget to deliver it.

Programme delivery

59. The programme will be established and managed according to MSP (Managing Successful Programmes) principles, incorporating a specific set of projects identified and grouped together to deliver the programme objectives – namely, to achieve benefits and improvements in the business operation.

60. A programme manager has been appointed and will work directly to the established Programme Board that provides guidance to the sponsor of the programme (the client/SD) on overall strategic direction and helps to secure the strategic input and buy-in from the wider organisation.

61. The Build, or Project Delivery, function will follow their standard project management framework procedures to successfully manage and deliver the build projects associated with the programme.

62. Key Gateways to assist the overall decision making process will be used. These are: 01 Viability, 02 Feasibility, 03 Scheme Design, 04 Detail Design, 05 Procurement (Construction), 06 Construction, 07 Operations. We are currently at the viability stage and will be working towards a full feasibility study and scheme design once an option has been determined.

63. The project delivery team ensure that each Gateway will be achieved following consultation with client and, where appropriate, with identified user groups. All views, together with an appraisal of the associated costs will be incorporated in each gateway milestone to inform the decision making process. In this way a scheme will be developed that has the support of users and falls within the available budget.

Key Risks

64. In accordance with the Council's risk management guidance the following table sets out the key risks associated with the delivery of the business case and the actions that will mitigate those risks:

Key Risk	Consequence	Mitigating Action
Legal challenge to the programme	Delay in decision making and implementation of the programme resulting in insufficient time to deliver service savings	▪ Transparent decision making process ▪ Demonstrate clear consideration of the options in the business case ▪ Identify/plan other service reductions to achieve savings targets within the timeframe
Buildings cannot be adapted within agreed budget	Business case no longer delivers anticipated savings/benefits	▪ Validation of cost estimates at an early stage (gateway process) to ensure options for scope reduction can be considered ▪ Ensure adequate programme contingency
Building work takes longer than anticipated	Impact on service delivery including unplanned closures	▪ Detailed project plans linked to communication plans ▪ Dedicated project management to identify issues that could lead to delays
Planning and other permissions not obtained	Permissions refused requiring appeals or resubmission resulting in delays	▪ Develop detailed and realistic project programme ▪ Dedicated project management to engage early in the process and identify issues that could lead to delays
Staff/volunteer retention problems during period of significant change	Reduction in service standards during the programme	▪ Communications and engagement with staff to secure 'buy in' ▪ Identify phases of peak activity (e.g. relocations) and plan resources and support accordingly
Insufficient interest in operating Community Run Libraries	Potential for library closures and will impact savings target across the programme	▪ Demonstrate the quality of the support package and sufficiency of the grant funding ▪ Develop publicity and marketing opportunities through Community Services Team, communications and Local Forums