

<b>MEETING:</b>	<b>CABINET</b>
<b>MEETING DATE:</b>	<b>23 JANUARY 2014</b>
<b>TITLE OF REPORT:</b>	<b>CUSTOMER SERVICES AND LIBRARIES</b>
<b>REPORT BY:</b>	<b>HEAD OF COMMUNITY AND CUSTOMER SERVICES</b>

## **Classification**

Open

## **Key Decision**

This is a Key Decision because it is likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates.

and

This is a Key Decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the County.

NOTICE has been served in accordance with Part 3, Section 9 (Publicity in connection with key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

## **Wards Affected**

County-wide.

## **Purpose**

The purpose of this report is to outline options for Customer Services and Libraries in the light of continued budget pressures and for Cabinet to consider future delivery of centres and services for implementation in 2015/16.

## **Recommendations**

**THAT:**

- (a) authority be delegated to the Director for Economy, Communities and Corporate, in consultation with the Cabinet Members for Corporate Services and Contracts and Assets, to implement changes to service delivery (points 23 to 32) in order to release savings for April 2015;**
- (b) consideration be given to closing the customer services centre at Franklin House and offering a combined customer and library service at the Broad Street site; and**
- (c) should the decision taken in respect of recommendation (b) above be to progress a combined customer and library service at the Broad Street site, the cost of modernising the premises be financed through capital receipts from the disposal of selected operational properties to avoid extending the council's borrowing requirements.**

## Alternative Options

- 1 Earlier release of budget savings – recommendation (a) is founded on realising the savings from April 2015 based on the findings of the Impact and Needs Assessment (Appendix 1) to allow for service transformation, establishment of community partnerships and wider cultural change in how services are accessed. The alternative is to achieve the savings earlier through the immediate withdrawal services, with the consequent community impacts.
- 2 Retain current operation – this option would retain the overall current model of service based on the revised opening hours (as of 3<sup>rd</sup> February 2013). However, a reduced level of savings would be achieved (approx. £100,000) based on the bringing together of operations in Ledbury, reconfiguration of the Bromyard Centre, and efficiencies regarding redesign of face to face and phone contact, requiring commensurate savings to be made in other service budgets.

## Reasons for Recommendations

- 3 The report and corresponding recommendations aim to balance the requirement for savings, with delivery of a countywide library and customer services presence based on contemporary way of accessing services. The proposals also reflect the drive towards greater community involvement and management of services.
- 4 The outline budget saving for customer services and libraries within the budget consultation was £700,000. A proportion of these savings have already been met through the redesign of service implemented as a result of the Cabinet decision on the 19<sup>th</sup> September 2013. Therefore the recommendation is based on achieving an additional £423,978 (rounded up to £424,000) from customer services (which includes the running front facing library service and contact by phone).

## Key Considerations

### Background

- 5 This report is concerned with customer services as one form of interaction with residents and businesses of the county. Citizens have a range of opportunities to interact with the local authority depending on the nature and range of service required.
- 6 The 19<sup>th</sup> September 2013 Cabinet decided on a programme of retaining customer services and libraries facilities in the county through reduced hours and establishment of community libraries. These were preliminary recommendations with a requirement to return to Cabinet with additional savings to meet the on-going financial pressure of the local authority and redirect resources to areas of greatest need.
- 7 Since the September 2013 Cabinet budget reductions have been implemented via the following:
- 8 **Redesign of services** – formal staff consultation on service redesign started on 2<sup>nd</sup> October 2013. This has resulted in a reduction of 25% of the Customer Services workforce (using April 2013 as the baseline) with a refocus of services to meet priorities. The new opening times will be implemented from 3<sup>rd</sup> February 2014 (published on the council's weekly update on 18<sup>th</sup> December and available on the council website).

- 9 **Community and partnership libraries** – Good progress has been made in the establishment of community libraries in Weobley, Colwall and Leintwardine with strong and encouraging local interest – these centres will follow the model of the existing Peterchurch library and support the network of small independent libraries across the county. These are likely to be operational from April 2014. Belmont will become a partnership library with the parish council in which it resides contributing to the rent and the community association (which owns the building) reducing the rent requirement.
- 10 **Top-up services** – the September Cabinet report included an outline of a “top-up” approach for other organisations/groups to use the sites for additional service delivery. This has taken off significantly in Ross where an external partner plans to deliver their service at the venue from May 2014 with a contribution to premise costs, and the Ross Library Development Group running activities in the Denis Potter Room both outside and during the opening hours. Bromyard library has operated a co-location of services for a number of years sharing facilities and costs.
- 11 **Self-service** – with the reduction in hours it is expected that there will be the same people using the service in a more concentrated period. Therefore, to support capacity, self-service for issuing and returning library stock will be introduced from April 2014. There will also be an increase in the number of public access PCs at relevant locations to enable greater use of the internet to access services.
- 12 **Different approach to customer service** – this includes transfer of one member of staff to Environmental Health and Trading Standards to take their own calls (therefore, not necessary to route calls through customer services); benefit calls routed back to Hoople to the relevant team; increased opportunities to access services via the web including payments, fault reporting on-line, and e-form to replace emails in order to better guide electronic queries.
- Future Policy for Customer Services**
- 13 Customer Services is one route in which citizens of the county interact with the local authority. The historic model has been to filter queries through one customer service that interfaces with the public. In some areas this has worked well (e.g. waste and housing benefits), in other areas it has only worked superficially, and sometimes the structure means customers are “bounced” between departments. Consequently the new approach is based on:

- **Digital Choices:** that more services are provided on-line to enable 24 hour access to information and services. This means additional improvements to the website, web access and behaviour change for customers.
- **First time, one time:** services and contractors taking direct responsibility for their interaction with customers where possible and relevant. This means dealing with public enquiries in a timely and effective way that will significantly improve customer experience and the reputation of the local authority, as well as save resources.
- **Case-base approach:** That current service continues to be delivered for people who have no option but to contact the council (by phone or face to face) because of the nature of the service or their personal circumstances. The service will focus on the individual and the potential to solve a number of requirements at one time by providing a joined up service. For example an older person could at one time query their council tax requirement, be supported to access a benefit entitlement, report a faulty path, access a bus pass and apply for a blue badge. It may be relevant to refer that person to other forms of support provided by internal services or external agencies.

- **Prevent and self-serve:** the case-based approach is also designed to catch people before their issue becomes a crisis and pulls on the resources of other services. Also, to stop reporting escalating to a complaint or ombudsman investigation. The services will also raise the awareness of digital access and look to provide access to the internet and some training on site.
- **Traded Services:** greater opportunity for trading in terms of income generation; or trading partnership with external provider to run services.
- **Partnerships:** that services and sites are delivered through partnerships. This is either through a “traded” partnership where there is a financial transaction to enable services to be delivered, or through a “mutual” partnership where there is joint benefit without a financial exchange.

14 An example of a mutual partnership is back office library support to enable community libraries through the management of the book stock; a financial partnership is the contribution from Homepoint to enable dedicated support at Franklin House for housing benefit.

### Delivery Options

15 The current usage is reflected below and will need to be considered when making future decisions to balance finance with demand. This data represents the total use of the county’s funded customer services and library sites according to the collated data set.

Site	Annual Library Face-to-Face Transactions	Annual Customer Services Face-to-Face Contact	Annual Customer Services Payments
Hereford Library	90,659	-	-
Belmont Library	10,440		
Franklin House Customer Services	-	32,290	41,809
Bromyard Library and Customer Services	19,123	3,193	3,774
Kington Library and Customer Services	15,368	4,111	4,217
Ledbury Customer Service Centre		5,335	6,073
Ledbury Library	33,887	-	-
Leominster Library and Customer Service Centre	56,909	16,611	14,584
Ross-on-Wye Library and Customer Services	56,466	12,595	6,810

*Calculated via visitors who have borrowed one or more library item in an hour and face to face contact for customer services. These figures cover 1.7.2012 to 30.6.2013.*

16 The following delivery options consider the current use and future operation of customer services, with the requirement for budget savings.

### Hereford Library Services

17 Hereford is the highest use library by far (227,240 visitors for 2012/13). For decades the site has needed improvement as a central county library.

- Aim to achieve: co-locate the library and customer services centre potentially at the Broad Street site to maximise the use of the venue and staffing complement.

- Belmont Library Services**
- 18 This is the remaining library run by Herefordshire Council that is not based in a market town, though the position is in an urban area and on one of the main routes in/ out of Hereford city means that use is relatively high - 25,020 visits for 2012. However, this does make it the lowest use of all the libraries under consideration. The library space is leased from South Wye Community Association with a reduced rent from April 2014 combined with a grant from Belmont Rural Parish Council for a year in recognition of the financial pressures on the authority and the local desire to retain the facility (including supporting the wider operation of the community centre).
- Aim to achieve by April 2015: become a community library with continued local partnership and in-put.
- Leominster Contact Centre and Library Services**
- 19 Customer and Library Services joined on one site in July 2013. The user numbers for the library element are high, with 105,283 visits for 2012/13 making it the third most used facility. The site is leased so has a rent liability.
- Aim to achieve by April 2015: seek additional use, income and co-tenants at the current site.
- Ross Contact Centre and Library Services**
- 20 Customer and Library Services are joined on one site in a local authority owned property. The user numbers are high, with 115,219 library visits for 2012/13 making it the second highest used centre. An external partner plans to relocate to the site in May 2014 which will provide an income and the Ross Library Development Group are maximising the site in and out of current opening times.
- Aim to achieve by April 2015: continue with co-occupancy plans.
- Ledbury Contact Centre and Library Services**
- 21 Currently the services are at two different sites but are due to amalgamate on the completion of the Masters House redevelopment. The library use is 72,583 for 2012/13 and the level of customer service access makes both sites fourth in level of use.
- Aim to achieve by April 2015: co-location of the customer service centre and library; retain the library access through self-service and community involvement coupled with retaining staffing levels for libraries and customer services to allow for some professional presence on-site. To potentially extend the opening hours through community partnerships and design of the building.
- Bromyard Contact Centre and Library Services**
- 22 The site is owned by the local authority, but occupied by Halo with services paying for utilities based on footprint use. There has been a decreased use of the site (outlined in the equalities impact and needs assessment) though is still fifth in the level of use of customer services and libraries.
- Aim to achieve by April 2015: to reconfigure the use of spaces to create a reduced library footprint with Halo occupying a larger proportion of the site. Retain the library access through self-service and community involvement coupled with revised staffing levels for libraries and customer services.
- Kington Contact Centre and Library Services**
- 23 Customer and Library Services are a combined function on a single site, with 36,227 library visits in 2012/13 which makes it sixth in usage. The building is owned by the local authority and is in a prime position and in good condition.
- Aim to achieve by April 2015: to seek a co-tenant that would cover the costs of staffing or become a community operated library working in tandem with the town council on any future plans.

## Customer Services

24 The customer service centre (at Franklin House) houses the face to face service and the telephone service. The phone and face to face functions have already been brought closer together to create flexibility in meeting the demands of both elements. The building is not ideal for the functions it provides especially as the service moves to a more case based approach.

25 The table below is a summary of the volume of calls in a sample period 1/1/2013 – 30/11/2013.

Service	Revised Percentage
Highways	11.2%
Council Tax	35.7%
ECA*	1.0%
EHTS**	7.5%
INFO	24.1%
Planning	9.3%
Licensing	1.4%
Waste	9.8%

\*Exceptional Circumstances Award - and is the local welfare provision calls that we take for the Welfare Rights.

\*\*As part of the redesign of service the EHTS calls have been transferred to the service (with budget for one FTE).

26 Customer services also provide the opportunity to make cash payments. This can range from paying for green sacks, penalty charges, credit union, rail cards, spot fines, benefit overpayments, business rates, blue badges, range of photocopying, taxi licensing, commission charging, planning fees, parking fines, school transport, etc. This is costly to implement as needs secure collection and staff involved in the payment process. The intention is to move all payments to PayPoint (i.e. post office or shops displaying PayPoint sign) or via the web.

- Aim to achieve by April 2015: Instigate case-based approach; migrate customer interaction to services where relevant and cost effective; withdrawal of cash payments option; further introduce self-service option, sign-post customers to alternative providers.

## Links to Corporate Plan

27 The proposed options are reflective of the policy framework in which Herefordshire Council is operating:

### Corporate Plan 2013/14 - specific areas of relevance:

- Public services are prioritised to support those in need of services to maintain their independence or stay safe.
- Ensuring that all council and partner delivery services are responsive to customer needs, engage customers effectively, and enable access to services at as local a level as possible and information through the most appropriate channel.
- Maximising self-help where possible, focussing on prevention and demand management, and diverting unnecessary demand on services.

28 **Herefordshire Digital Strategy (Cabinet, April 2013)** – outlines the intention of providing excellent online transactions to aid access to a range of services through

digital channels.

- 29 **Digital County (Cabinet, September 2012)** – ambition for the county in being at the forefront of digital opportunity supported through faster broadband across the county, improved services through the use of technologies, and mobile coverage in “not-spot” areas.

## Community Impact

- 30 There were 652,530 visits to libraries in 2012/13, with 31.36% of the Herefordshire population classed as active borrowers (who have borrowed an item in the last 2 years). This is inline with national use, though slightly higher. Additionally there were 120,300 queries to customer services between January 2012 and May 2013.
- 31 Community impact is also considered in Appendix 1 of the Equalities Impact and Needs Assessment for Customer Services and Libraries – Phase 2.

## Equality and Human Rights

- 32 The equalities impact and needs assessment presented for the 19<sup>th</sup> September Cabinet contains the relevant information and recommendation regarding further changes to Customer Services and Libraries. In addition Appendix 1 contains more detailed work on specific impacts where the phase two changes will affect people who use the service. This is based on the impact of:
- Potential reduction or withdrawal of services from Belmont, Bromyard, Kington and Ledbury if community, partnership and traded solutions are not found.
  - Changing the model of customer services along with reducing the opportunity to access services by phone, face to face services and moving to cashless based provision, relying on people to migrate to digital interaction.
- 33 Geography in terms of access to services is not a protective characteristic, but is considered in this report due to the rural nature of the county and the sparseness of the population. Poverty is also not listed as a protective characteristic but consideration given due to Herefordshire’s low wage economy and the multiplier effect poverty has on disadvantage.
- 34 The findings from the initial equalities impact and needs assessment shows that four key factors affect people’s ability to access services under the service proposals presented in this report which can often be combined to have a substantial impact:
- No or limited access to transport if living in a rural area
  - Mobility challenges for older people and people with disabilities
  - Poverty and low disposable income
  - No or limited access to the internet
- 35 Initial recommendations from the equalities impact and needs assessment are:
- Conduct further impact assessment between April and September 2014 to understand alternative methods of accessing services for people most affected.
  - Delay budget savings until April 2015 to develop opportunities to work with local communities and to support change in use of accessing services.
  - Instigate change in advance of April 2015 when there is limited impact on the protected characteristics.

- Develop programmes that encourage greater awareness and training for people to use the internet.
- Work across department to ensure mechanisms are in place for people to pay through cashless systems.
- Conduct relevant training for volunteers operating the library service, including equality training.
- The case based approach is considered a positive way forward in addressing needs of people who have a combination of issues and can be a way of preventing people reaching crisis point.

## Financial Implications

36 The financial constraints on the council are well known and very real as the authority faces continuing reductions in central government funding and needs to resign resources to services that cater for the most vulnerable in the community, via Adult Wellbeing and children's safeguarding.

37 The table below outlines the cost of delivery of customer services and operation of libraries:

Site / function	Staff Costs	Premise & Revenue Costs	Library Income	Customer Service Income	Net cost (less income)
Hereford Library	148,017	94,483	-38,854	0	203,646
Belmont Library	20,000	9,960	-2,366	0	27,594
Ross Centre	126,928	54,809	-20,420	-3,009	158,308
Ledbury Library	50,698	27,519	-9,427	-3,009	65,781
Ledbury Contact Centre	56,440	6,527		-3,009	59,958
Leominster Centre	191,056	60,824	-25,286	-186	226,408
Bromyard Centre	74,106	15,734	-3,000	-186	86,654
Kington Centre	33,496	27,643	-5,304	-186	55,649
Franklin House Face to face and contact centre	679,471	32,175		-214,886*	496,760
<b>Total</b>	<b>1,380,212</b>	<b>329,674</b>	<b>-104,657</b>	<b>-224,471</b>	<b>1,380,758</b>

Note: \*income includes specific service level agreement charges for operating services, general income through fees and charges and £125,000 for internal recharges.



- 38 The savings proposals are based on the following. This includes additional income that will reduce the budget liability:

<b>Site / function</b>	<b>Optimal Saving £</b>
Belmont Library	20,000
Bromyard Centre	59,000
Kington Centre	30,000
Ledbury combined centres	75,000
Franklin (incorporates site merge with Hereford Library services)	200,000
Ross Centre	20,000
Leominster	20,000
Totals	424,000

## **Legal Implications**

- 39 The Libraries and Museums Act 1964 requires the council to provide a 'comprehensive and efficient' library service. If the Secretary of State is concerned that a library authority is in breach of this duty s/he may order a Public Inquiry. The remodelling of library services across the country has generated several legal challenges in recent years.
- 40 These legal challenges have tended to focus on whether the authority has complied with its obligations under the Equalities Act 2010 - the public sector equality duty (PSED). This duty imposes a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the PSED when taking any decisions on service changes. However, the courts also recognise that local authorities have a legal duty to set a balanced budget and that council resources are being reduced by central government.
- 41 Where a decision is likely to result in detrimental impact on any group with a protected characteristic it must be justified objectively. This means that attempts to mitigate the harm need to be explored. If the harm cannot be avoided, the decision maker must balance this detrimental impact against the strength of legitimate public need to pursue the service remodelling to deliver savings. The more serious the residual detrimental impact, the greater the financial savings must be to justify the decision. The harm can only be justified if it is proportionate to the financial benefit and if there have been reasonable efforts to mitigate the harm.
- 42 The library at Broad Street is subject to restrictive covenants on the title restricting its use which would adversely impact on any sale of the site unless consent could be obtained to a change of use which the Church who have the benefit of it are in no way obliged to give and would be likely to charge a considerable sum for its discharge if they agree at all.
- 43 Legal need to undertake a title review for all affected sites and identify whether the Council's interest is freehold/leasehold and the terms of the same as to options for

transfer to groups for community libraries. The legal identity of such groups also to be established and verified and risk assessment carried out by Finance. Consideration will then need to be given as to the type of disposition to be effected to the group(s) i.e. long lease or freehold.

## Risk Management

44 The risks below are general considerations in the delivery of change and rated after mitigation.

Risk No.	Risk	Mitigation	Likely rating	Impact rating
1	Judicial review as a result of reduced library service within the small centres.	Retain function through community or partnership arrangement.	3	4
2	Unable to secure agreement to operate community libraries or unable to secure/retain a partner.	Allow time and capacity to secure partners and community arrangement.	3	4
3	Negative media coverage affecting reputation.	Explain rationale of decisions and work with local user groups and council to explain reasons for the changes.	4	3
4	Lower than anticipated take up of digital access to services.	Raise awareness and allow time and capacity for take-up.	3	4
5	Service capacity to take on greater customer contact.	Raise awareness and increase use of digital to enable access to services.	3	4
6	Budget consultation and further impact work show that savings and service change unworkable.	Consider alternative options for savings within the Directorate.	3	4

### Key

LIKELIHOOD	IMPACT
5 Certain	5 Catastrophic
4 Likely	4 Major
3 Possible	3 Moderate
2 Unlikely	2 Minor
1 Rare	1 Insignificant

## Consultees

45 Impact Survey for Customer Services and Libraries. Future consideration of impact to take place between April and September 2014.

46 "Save Herefordshire Libraries" 38 Degrees Petition currently 9,431 signatures (as of 12.1.14).

## **Appendices**

Appendix one: Equalities Impact and Needs Assessment for Customer Services and Libraries – Phase 2.

## **Background Papers**

- None identified.