

<b>Project Name</b>	<b>Smart Libraries</b>
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**1. Management Summary**

<b>Introduction</b>	<p><b>Introduction and purpose of the Smart Libraries</b>                  Smart Libraries are one element of the implementation of the Communities &amp; Wellbeing Strategy (“Providing Less: Supporting More – Our Vision and Strategy for Communities &amp; Wellbeing 2016-20”). This Full Business Case details the overall approach, high level plan and options for implementation which deliver savings and other benefits as part of the wider implementation of the C&amp;W Strategy.</p> <p><b>Background to C&amp;W Strategy</b>                  On 17<sup>th</sup> February 2016 the Council agreed the Medium Term Financial Strategy (MTFS) for 2016/17 – 2019/20 which included £1.9million savings for the C&amp;W service to be delivered by 2018/19.</p> <p>It was recognised that to deliver these savings a revised service strategy was needed: one that moved away from the direct provision of services and instead supported communities and individuals to manage their own delivery and access. Therefore the C&amp;W Strategy (“Providing Less: Supporting More – Our Vision and Strategy for Communities &amp; Wellbeing 2016-20”) was developed, consulted on and subsequently agreed by Cabinet on 18<sup>th</sup> July 2016.</p> <p>The strategy explains how the service will enable access to its services in the future and contribute to the Council’s key strategies relating to children and families, adult social care, health, the economy, digital access, tourism and skills by working in partnership with other organisations and local communities.</p> <p>The approach detailed in the strategy focuses on three strategic areas, one of which is “Access to Services”. Public consultation regarding the strategy identified that exploring “the use of technology to increase self-service at some venues” was a preferred way in which people could be supported to access services.</p> <p><b>Background to Smart Libraries</b>                  The installation of smart library technology allows a library to operate in self-service mode by:</p> <ol style="list-style-type: none"> <li>a. Enabling customers to “swipe” their library card to obtain entry to and exit from the library.</li> <li>b. Providing self-service loan and return kiosks which enable customers to borrow, return and renew items (including the payment of charges).</li> </ol> <p>Therefore, the technology has the potential to reduce traditional staffing requirements and increase opening hours.</p> <p>Self-service loan and return kiosks have been in the council’s 16 market town and shopping centre libraries since 2009-10. Monitoring undertaken since their installation indicates that 80-90% of all transactions (loans, returns and renewals) are completed using the kiosks.</p> <p>The contract for kiosk provision was due to expire on 28<sup>th</sup> February 2017 but was recently extended to the end of February 2018. The contract may be further extended to February 2019, however, the kiosks now require replacement due to “wear and tear” and future support and maintenance costs.</p> <p>There is a current ESPO Framework (no 350) which covers RIFD (Radio Frequency Identification)</p>
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products which include smart library technology (self-service access) and self-service kiosks. Market testing based on this contract was undertaken in March 2016. This market testing identified that:

- a. Prices in the sector have reduced and that a re-procurement of the contract could deliver savings of between £12k and £153K over a 10 year period based on the current contract prices.
- b. Should smart library technology be installed, a single supplier should ideally be selected for both this and kiosk replacement. This would:
  - i. Ensure compatibility between the two systems;
  - ii. Enable efficient use of resources by the council and its preferred supplier;
  - iii. Offer potential to secure the most advantageous price.

In addition, a group of officers and members visited Peterborough City Council where smart library technology has been installed in all of the city's 10 libraries. As a result Peterborough have reported savings of over £300K per annum whilst increasing opening by 125 hours per week.

An Outline Business Case was considered by the Transformation Design Authority on 13<sup>th</sup> September 2016. It was agreed that the project be approved as an emerging project, pending further consideration of whether the project is transformational or "business as usual" at Full Business Case stage.

On 23<sup>rd</sup> November 2016 Cabinet approved the early implementation of smart library technology (i.e. kiosk replacement and self-service access) at Syston library. The 'lessons learned' and feedback from the early implementation has informed this Full Business Case.

#### **Early Implementation at Syston Library**

The early implementation of smart library technology at Syston library started on 14<sup>th</sup> March 2017.

From this date, the library's staffed opening hours were unchanged but an additional 24 unstaffed opening hours have been provided. This subsequently increased to 30 hours on 26<sup>th</sup> April. The revised pattern of opening hours mean that the library is now open 6 days per week from 8.00am until 7.00pm, excluding Saturday when the library closes at 3.00pm.

In order to access the library during these additional times library users are required to attend an induction event and sign a user agreement which set out the terms and conditions of use.

As the early implementation phase is ongoing, it has not been possible to include a full evaluation of the pilot as part of this Business Case. However, after being "live" for 4 weeks:

- 125 "smart library" users were registered;
- 48% of "smart library" visits were by people aged 60+;
- A enquiry had been made from a member of the community about running a digital photography course at the library during unstaffed opening hours;
- The use of smart library technology has been identified as a potential solution to issues relating to the "locking up" of libraries following LALS courses taking place when the library is unstaffed.

A detailed analysis of the early implementation will be undertaken in June 2017 and will be included in the report that will go to Cabinet in September 2017.



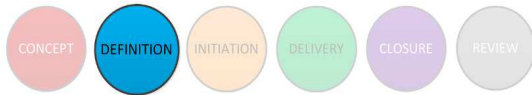
	<p><b>Potential Contingency Plans</b></p> <p>It is acknowledged that if the Smart Libraries project (or any other projects/BAU activity to implement the C&amp;W Strategy) fails to deliver the anticipated financial savings and other associated benefits it will be necessary implement contingency actions to deliver the full savings requirement. Potential contingency actions could include:</p> <ol style="list-style-type: none"> <li>a. Replacement of existing library service assistants with volunteers at some of the council’s 16 market town and shopping centre libraries.</li> <li>b. Transferring management of some of the council’s 16 market town and shopping centre libraries to community organisations.</li> <li>c. Library closure(s).</li> <li>d. End of non-statutory service provision (e.g. museums, heritage, care-on-line).</li> <li>e. Further reduction of opening hours and/or staffed hours.</li> </ol> <p>All of these potential actions would deliver savings in relation to staffing costs. However, where buildings (i.e. libraries, museums or heritage sites) are held freehold the council (C&amp;W service and Property services) would continue to incur premises related expenditure (i.e. rates, insurance, utility costs and essential repairs) until buildings can be “mothballed”.</p> <p>It should also be noted that:</p> <ul style="list-style-type: none"> <li>• “Mothballing” a building reduces utility costs only;</li> <li>• For leasehold buildings the council would be required to continue to make rental payments;</li> <li>• Any capital receipts resulting from the disposal of a building(s) may be allocated to Property Services rather than the C&amp;W service.</li> <li>• Some properties are subject to contingent liabilities thereby increasing costs.</li> </ul> <p>Lessons learned from previous projects indicate that the key risk of these contingency actions would be potential for legal challenge on the grounds that the council would be failing to meet its statutory duty to deliver a “comprehensive and efficient” library service. The consequences of this would be:</p> <ul style="list-style-type: none"> <li>• Additional legal costs;</li> <li>• Delays in implementation timescales and the subsequent delivery of savings/benefits;</li> <li>• Negative publicity and reputational damage to the council.</li> </ul>
<p><b>Scope</b></p>	<p>This business case focuses on:</p> <ul style="list-style-type: none"> <li>• Replacement of self service kiosks at the council’s 16 market town and shopping centre libraries on a “like for like” basis. These libraries are located in Ashby de la Zouch, Birstall, Blaby, Broughton Astley, Coalville, Earl Shilton, Glenfield, Hinckley, Loughborough, Lutterworth, Market Harborough, Melton Mowbray, Oadby, Shepshed, Syston and Wigston.</li> <li>• Potential for installation and implementation of smart library technology at these libraries with the exception of Market Harborough.</li> </ul> <p>Although, it is recognised that achieving the full scope will be constrained by:</p> <ul style="list-style-type: none"> <li>• The suitability of each site for smart library technology as identified by a specialist survey completed before installation. For example, it has already been identified that the library located in the Symington Building, Market Harborough, is not suitable for smart library technology as this is a multi-function building which provides museum and other council services.</li> <li>• The outcome of requests for permission to install and implement smart library technology at libraries located in leasehold properties (i.e. Glenfield, Lutterworth, Melton Mowbray and Oadby).</li> </ul>



	<ul style="list-style-type: none"> <li>The conditions of any planning consents which may limit opening hours and the outcome of any subsequent required re-application of consents.</li> </ul>
<b>Aims and Objectives</b>	<p>The aims and objectives of the project are:</p> <ul style="list-style-type: none"> <li>The replacement of the current 30 kiosks (and associated equipment)</li> <li>To complete the replacement by 28<sup>th</sup> February 2019, the final date to which the current contract can be extended (subject to appropriate permissions).</li> </ul> <p>And following the implementation of smart library technology:</p> <ul style="list-style-type: none"> <li>To reduce the number of staffed hours at each library to deliver savings.</li> <li>To increase library opening hours.</li> </ul> <p>The benefits this will deliver are:</p> <ul style="list-style-type: none"> <li>Improved performance, reliability and user friendliness of self service kiosks.</li> <li>Increased accessibility due to increased opening hours.</li> <li>Increased opportunities for libraries to be used by community groups due to increased opening hours, potentially increasing income to the service.</li> <li>Increased opportunities for library to be used by LCC and partner organisations as a service venue/work space due to increased opening hours. Again, potentially increasing income to the service.</li> <li>Compliance with the forthcoming requirement for all payment points to offer contactless card payment facilities by 1<sup>st</sup> January 2020.</li> </ul>
<b>Preferred Option</b>	<b>Option 2 - Full Smart Library Implementation</b>
<b>Rationale</b>	<ul style="list-style-type: none"> <li><b>Savings</b> – achieves total savings of £850K over a five year period for the C&amp;W Service (£200k per annum approximately during years 2-5).</li> <li><b>Customers</b> – increases customer access and provides improved facilities (i.e. replacement kiosks).</li> <li><b>Communities</b> – enables the further development of libraries as community spaces.</li> <li><b>Political</b> – enables the delivery of savings without having to reduce service delivery and/or venues.</li> <li><b>Strategic</b> – is aligned with the C&amp;W strategic aim of “Enabling Access” and wider corporate strategic aims (e.g. Digital Leicestershire).</li> <li><b>Compliance</b> – compliance with forthcoming requirements regarding contactless payment.</li> </ul>
<b>Recommendations</b>	<b>It is recommended that, subject to Cabinet approval, Option 2 is agreed.</b>

2. Options Appraisal

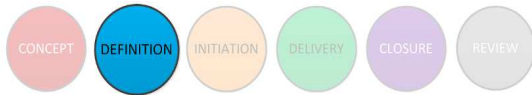
<b>Baseline Position (Do Nothing)</b>	<p>The current baseline involves maintaining the existing kiosks until the current contract expires. This contract has a current end date of 28<sup>th</sup> February 2018 and could, subject to the necessary permissions, be further extended to 28<sup>th</sup> February 2019.</p> <p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>No capital funding is required.</li> <li>No additional revenue costs are incurred.</li> <li>No service disruption due to library closure during replacement or installation of technology.</li> </ul>
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<p><b>Baseline Assumptions (Do Nothing)</b></p>	<p><b>General</b></p> <ul style="list-style-type: none"> <li>The current supplier does not seek to terminate the contract before its planned end date.</li> <li>The current supplier does not seek to renegotiate the current contract costs.</li> <li>Requests to further extend the current contract will be agreed.</li> <li>Does not include costs of actions that would be required following end of current contracts (e.g. increase staffing, replace kiosks).</li> </ul>																																																																																								
<p><b>Baseline Dependencies and Interfaces (Do Nothing)</b></p>	<p><b>Dependencies</b></p> <ul style="list-style-type: none"> <li>The wider implementation of the C&amp;W Strategy and the delivery of the required savings.</li> </ul>																																																																																								
<p><b>Baseline Financial Summary (Do Nothing)</b></p>	<table border="1"> <thead> <tr> <th rowspan="2">Category</th> <th colspan="3">Project Cost</th> <th colspan="5">Savings Estimates (Operations)</th> </tr> <tr> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> <th>2021/22</th> </tr> </thead> <tbody> <tr> <td>Capitalised resource costs</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> </tr> <tr> <td>Capital Expenditure</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> </tr> <tr> <td>Resource costs</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£1,418.6</td> <td>£1,418.6</td> <td>£1,418.6</td> <td>£1,418.6</td> <td>£1,418.6</td> </tr> <tr> <td>Other Revenue Expenditure</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£244.3</td> <td>£244.3</td> <td>£244.3</td> <td>£244.3</td> <td>£244.3</td> </tr> <tr> <td>Income</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> </tr> <tr> <td>Contingency</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> <td>£0.0</td> </tr> <tr> <td><b>Cash Flow - Baseline</b></td> <td><b>£0.0</b></td> <td><b>£0.0</b></td> <td><b>£0.0</b></td> <td><b>£1,662.9</b></td> <td><b>£1,662.9</b></td> <td><b>£1,662.9</b></td> <td><b>£1,662.9</b></td> <td><b>£1,662.9</b></td> </tr> </tbody> </table>									Category	Project Cost			Savings Estimates (Operations)					2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	2020/21	2021/22	Capitalised resource costs	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	Capital Expenditure	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	Resource costs	£0.0	£0.0	£0.0	£1,418.6	£1,418.6	£1,418.6	£1,418.6	£1,418.6	Other Revenue Expenditure	£0.0	£0.0	£0.0	£244.3	£244.3	£244.3	£244.3	£244.3	Income	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	Contingency	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	<b>Cash Flow - Baseline</b>	<b>£0.0</b>	<b>£0.0</b>	<b>£0.0</b>	<b>£1,662.9</b>	<b>£1,662.9</b>	<b>£1,662.9</b>	<b>£1,662.9</b>	<b>£1,662.9</b>
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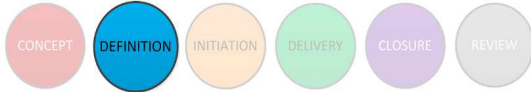


<p><b>Option 1 Kiosk Replacement Only</b></p>	<p>This option would result in the necessary replacement of the 30 kiosks (and associated equipment) currently installed across the 16 market town and shopping centre libraries.</p> <p><b>Financial Benefits</b></p> <ul style="list-style-type: none"> <li>• Savings in revenue costs arising from new contract prices (see Option 1 -Financial Summary).</li> </ul> <p><b>Non Financial Benefits</b></p> <ul style="list-style-type: none"> <li>• Minimal service change for library users as use of kiosks is established.</li> <li>• Improved, performance, reliability and user friendliness of self service kiosks.</li> <li>• Reduced incidence of kiosk failure/breakdown requiring action by operational staff.</li> <li>• Compliance with forthcoming requirement for all payment points to offer contactless card payment facilities by 1<sup>st</sup> January 2020.</li> </ul>
<p><b>Option 1 Assumptions</b></p>	<p><b>General</b></p> <ul style="list-style-type: none"> <li>• Procurement of replacement kiosks will be undertaken using ESPO Framework Contract (no 350).</li> <li>• The current supplier does not seek to terminate the contract before its planned end date or seek to renegotiate costs.</li> <li>• Requests to further extend the current supplier’s contract pending the completion of the kiosk replacement will be agreed.</li> <li>• Kiosk replacement will not require any building works to be undertaken.</li> <li>• Staff resource requirement to come from BAU (e.g. C&amp;W, Property Services, ICT).</li> <li>• Kiosks and associated equipment will be replaced on a “like for like” basis.</li> </ul> <p><b>Financial (Capital Costs)</b></p> <ul style="list-style-type: none"> <li>• Costs are based on those submitted by the current contracted supplier as part of the market testing exercise undertaken in March 2016.</li> <li>• Cost of equipment will be incurred in full when order is placed following completion of procurement exercise.</li> </ul> <p><b>Financial (Revenue Costs)</b></p> <ul style="list-style-type: none"> <li>• Assumption 65K new items of book stock are added each year.</li> </ul> <p><b>Financial (Savings Estimate)</b></p> <ul style="list-style-type: none"> <li>• Existing patterns of staffed hours will be maintained following the replacement of kiosks.</li> </ul>
<p><b>Option 1 Dependencies and Interfaces</b></p>	<p><b>Dependencies</b></p> <ul style="list-style-type: none"> <li>• The wider implementation of the C&amp;W Strategy.</li> </ul> <p><b>Interfaces</b></p> <ul style="list-style-type: none"> <li>• The Using Buildings Better Programme (UBB)</li> </ul>



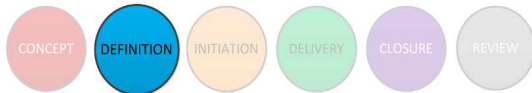
Option 1 Financial Summary	Category	Project Cost			Savings Estimate (Operation)				
		2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	2020/21	2021/22
	Capitalised resource costs	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0
	Capital Expenditure	£229.6	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0
	Resource costs	£0.0	£0.0	£0.0	£1,418.6	£1,418.6	£1,418.6	£1,418.6	£1,418.6
	Other Revenue Expenditure	£0.0	£23.4	£0.0	£244.3	£232.6	£239.3	£239.3	£239.3
	Income	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0
	Contingency	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0
	<b>Cash Flow - Option 1</b>	<b>£229.6</b>	<b>£23.4</b>	<b>£0.0</b>	<b>£1,662.9</b>	<b>£1,651.2</b>	<b>£1,657.9</b>	<b>£1,657.9</b>	<b>£1,657.9</b>
	<b>Cash Flow - Baseline</b>	<b>£0.0</b>	<b>£0.0</b>	<b>£0.0</b>	<b>£1,662.9</b>	<b>£1,662.9</b>	<b>£1,662.9</b>	<b>£1,662.9</b>	<b>£1,662.9</b>
	<b>Cash Flow - Change</b>	<b>£229.6</b>	<b>£23.4</b>	<b>£0.0</b>	<b>£0.0</b>	<b>-£11.7</b>	<b>-£5.0</b>	<b>-£5.0</b>	<b>-£5.0</b>
Option 1 Top 5 Risks	Risk	Mitigation			Current Risk Score	Financial Impact			
	Savings are not delivered	Additional savings to be identified from libraries and other service areas in C&W			25	MTFS savings targets are not met.			
	Insufficient BAU resources to undertake implementation	Ensure robust resource plan is completed. If appropriate, ensure additional resources are secured.			12	Implementation costs increase.			
	Supplier delays	Establish regular meetings with supplier during implementation. Ensure supplier contract includes robust SLA which includes penalties re late delivery.			12	Potential delay in delivery of savings			
	Technology failure	Ensure supplier contract includes robust SLA which includes penalties re technology failure. Operational contingency plans to be in place should technology failure occur.			12	Potential impact if financial penalties are introduced and enforced as part of the SLA			
	Additional costs identified during implementation	Ensure implementation budget includes adequate contingency. Ensure appropriate escalation should contingency/cost tolerance be exceeded.			9	Implementation costs increase/savings reduce.			



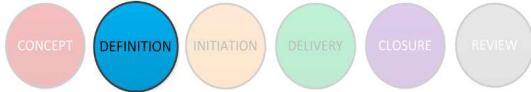


<p><b>Option 2 Full Smart Library Implementation –</b></p>	<p>This option would result in:</p> <ul style="list-style-type: none"> <li>• Replacement of the 30 kiosks (and associated equipment) currently installed across the 16 market town and shopping centre libraries;</li> <li>• Installation of smart library technology to enable self-service access.</li> </ul> <p><b>Financial Benefits –</b> (see Option 2 – Financial Summary)</p> <ul style="list-style-type: none"> <li>• Savings in revenue costs in relation to the purchase, operation and maintenance of kiosks under the current ESPO framework contract.</li> <li>• Savings in revenue costs arising from reductions in staffed hours in libraries.</li> </ul> <p><b>Non Financial Benefits</b></p> <ul style="list-style-type: none"> <li>• Reduced incidence of kiosk failure/breakdown requiring action by operational staff.</li> <li>• Compliance with forthcoming requirement for all payment points to offer contactless card payment facilities by 1<sup>st</sup> January 2020.</li> <li>• Improved, performance, reliability and user friendliness of self service kiosks.</li> <li>• Increased accessibility to due to increased opening hours (potentially 25-30 additional hours per week).</li> <li>• Increased opportunities for libraries to be used by community groups due to increased opening hours.</li> <li>• Increased opportunities for library to be used by LCC and partner organisations as a service venue/work space due to increased opening hours.</li> <li>• Offers potential solution to operational issues (e.g. insufficient staffing due to unplanned absence).</li> </ul>
<p><b>Option 2 Assumptions</b></p>	<p><b>General</b></p> <ul style="list-style-type: none"> <li>• Procurement of replacement kiosks will be undertaken using ESPO Framework Contract (no 350).</li> <li>• The current supplier does not seek to terminate the contract before its planned end date or seek to renegotiate costs.</li> <li>• Requests to further extend the current supplier’s contract pending the completion of the project will be agreed.</li> <li>• Additional building works will be required to enable the installation/implementation of smart library technology</li> <li>• Staff resource requirement to come from a mix of BAU (e.g. C&amp;W, Property Services, ICT), Transformation Unit and project specific resources.</li> <li>• Transformation Unit resources (PM and/or PSO) will be available to oversee implementation and delivery of the project.</li> <li>• Kiosks and associated equipment will be replaced on a “like for like” basis.</li> <li>• Smart Library technology will be installed in 15 libraries (i.e. excluding Market Harborough).</li> <li>• Implementation would be undertaken using a “library cluster” approach.</li> <li>• HR Action Plans would be implemented on a rolling basis in line with the above “library cluster” approach.</li> <li>• Implementation of smart library technology does not require full public consultation to be undertaken.</li> </ul>





	<p><b>Financial (Capital Costs)</b></p> <ul style="list-style-type: none"> <li>• Capital costs to be met from Capital Grant allocations in 2017/18 and 2018/19.</li> <li>• Costs are based on those submitted by the current contracted supplier as part of the market testing exercise undertaken in March 2016.</li> <li>• Cost of equipment will be incurred in full when order is placed following completion of procurement exercise.</li> <li>• A cost of £30k per library for smart library installation has been assumed which includes smart library technology, associated building works, traded services fees (10% of costs) and contingency (20%). The actual cost will be determined following the completion of a site survey at each library.</li> <li>• A cost of £5k per leasehold library has been included for reimbursement of landlords' of legal costs.</li> </ul> <hr/> <p><b>Financial (Revenue Costs)</b></p> <ul style="list-style-type: none"> <li>• Costs assume 65K new items of book stock are added each year.</li> <li>• Utility costs increase by 30% following implementation as a result of increased opening hours.</li> <li>• FM costs (i.e. cleaning) increase by 20% following implementation as a result of increased use of the library.</li> <li>• Costs for CCTV monitoring are based on those supplied by Regent (LCC contractor) for CCTV monitoring 10 hours per day, 6 days per week.</li> <li>• Revenue costs do not include HR Action Plan implementation costs (i.e. redundancy, compensation, pension release, etc.)</li> </ul> <hr/> <p><b>Financial (Savings Estimate)</b></p> <ul style="list-style-type: none"> <li>• Staffed hours would be reduced in libraries as smart library technology is installed.</li> <li>• Opening hours will increase at all libraries where smart library technology has been installed.</li> </ul>
<p><b>Option 2 Dependencies and Interfaces</b></p>	<p><b>Dependencies</b></p> <ul style="list-style-type: none"> <li>• The wider implementation of the C&amp;W Strategy.</li> <li>• Continued availability of Capital Grant funding.</li> <li>• Cabinet approval to implement the 'roll-out' of smart library technology (scheduled for September 2017).</li> </ul> <p><b>Interfaces</b></p> <ul style="list-style-type: none"> <li>• The Using Buildings Better Programme (UBB).</li> <li>• Rollout of Superfast Broadband.</li> <li>• Digital Leicestershire initiative</li> <li>• Community Managed Libraries project</li> <li>• Leicestershire's Community Strategy (in development)</li> </ul>



Option 2 Financial Summary		Project Costs			Savings Estimate (Operation)				
	Category	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	2020/21	2021/22
	Capitalised resource costs	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0
	Capital Expenditure	£229.6	£634.9	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0
	Resource costs	£51.3	£34.5	£8.6	£1,418.6	£1,184.1	£1,073.0	£1,073.0	£1,073.0
	Other Revenue Expenditure	£0.0	£24.8	£0.0	£245.6	£320.4	£359.0	£359.0	£359.0
	Income	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0
	Contingency	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0	£0.0
	<b>Cash Flow - Option 2</b>	<b>£280.9</b>	<b>£694.1</b>	<b>£8.6</b>	<b>£1,664.2</b>	<b>£1,504.5</b>	<b>£1,432.0</b>	<b>£1,432.0</b>	<b>£1,432.0</b>
	<b>Cash Flow - Baseline</b>	<b>£0.0</b>	<b>£0.0</b>	<b>£0.0</b>	<b>£1,662.9</b>	<b>£1,662.9</b>	<b>£1,662.9</b>	<b>£1,662.9</b>	<b>£1,662.9</b>
<b>Cash Flow - Change</b>	<b>£280.9</b>	<b>£694.1</b>	<b>£8.6</b>	<b>£1.3</b>	<b>-£158.4</b>	<b>-£230.9</b>	<b>-£230.9</b>	<b>-£230.9</b>	

Option 2 Top 5 Risks	Risk	Mitigation	Current Risk Score	Financial Impact
	Savings are not delivered	Further savings to be identified from libraries and other service areas in C&W	12	MTFS savings targets are not met.
	Building related issues impact on project timescales and costs	Undertake library surveys to identify any issues prior to commencing implementation. Include contingency in project costs.	12	Increased project costs. Anticipated savings not delivered.
	Failure to obtain necessary permissions and/or conditions of planning consents prevent installation	Make early contact with landlords of leaseholds sites. Confirm conditions of planning consents prior to commencing implementation	12	Additional legal costs. Anticipated savings not delivered.
	Negative public reaction	Develop and implement comprehensive public communication plan. Proactive media reporting of "good" new stories associated with smart libraries	12	Potential impact if legal challenge made.
	Lack of capacity/resources in BAU	Introduce backfill arrangements where appropriate OR recruitment of an "Implementation Officer" to support BAU to deliver the project. Secure additional Transformation resources	9	Cost of additional staffing requirement from Transformation fund



Options Summary		Project Investment (£)	Capital Costs (£)	Operation Costs (ongoing pa)	Contingency*	Financial Benefits **	NPV	Overall Risk Rating
	Baseline			£1662.9	n/a		£6997.9	
	Option 1	£253.0	£229.6	£1657.9	0%	-£26.6	£7731.8	RED
	Option 2	£983.5	£844.4	£1432.0	20%	-£849.8	£7698.8	AMBER

\* Contingency applied to smart library equipment and building costs only.

\*\* Financial benefits are over 5 year period

### 3. Implementation Strategy for the Preferred Option

Key Stakeholders	Who are they?	Why do they have an interest in the project?	What level of influence will they have on the success of the project? (H,M,L)
	Library staff	<ul style="list-style-type: none"> <li>Affected by outcomes of the HR Action Plan</li> <li>Changes to working practices and processes.</li> </ul>	High
	Trade Unions	<ul style="list-style-type: none"> <li>Impact of the project on their members (i.e. library staff).</li> </ul>	Medium
	Library Users	<ul style="list-style-type: none"> <li>Changes accessibility to the library (when and how)</li> <li>Availability of library staff</li> </ul>	High
	Members	<ul style="list-style-type: none"> <li>Changes to services delivered within their division/portfolio.</li> <li>Dependencies with wider council priorities/objectives.</li> <li>Potential impact on voting behaviours</li> </ul>	High
	Community Groups Using the Library	<ul style="list-style-type: none"> <li>Changes accessibility to the library (when and how)</li> <li>Availability of library staff</li> </ul>	Medium
	Borough/District Councils & Town/Parish Councils	<ul style="list-style-type: none"> <li>Changes to services delivered within the local area.</li> <li>Interface with local priorities/objectives.</li> </ul>	Medium
	LCC Support Services (e.g. Property Services, ICT)	<ul style="list-style-type: none"> <li>Resources required to deliver the project.</li> <li>Potential requirement to change working practices/processes</li> </ul>	Medium
	Local Residents	<ul style="list-style-type: none"> <li>Impact on local services.</li> </ul>	Medium
	C&W Strategy Steering Group	<ul style="list-style-type: none"> <li>Dependencies with wider C&amp;W Strategy implementation</li> </ul>	High
	Departmental Transformation Delivery Board (DTDB)	<ul style="list-style-type: none"> <li>Dependencies with wider AC&amp;C transformation activity</li> </ul>	High
	Corporate Transformation Delivery Board (TDB)	<ul style="list-style-type: none"> <li>Dependencies with wider corporate Transformation programme</li> </ul>	High
	Service Suppliers	<ul style="list-style-type: none"> <li>Continuation of existing business with the Council.</li> <li>Opportunity to secure new business with the Council.</li> </ul>	High
Community Managed Libraries (CMLs)	<ul style="list-style-type: none"> <li>Potential for use in CMLs</li> <li>Potential impact on usage of CMLs (e.g. users may choose to use a CML during times library is unstaffed).</li> </ul>	Low	



	C&W Service	<ul style="list-style-type: none"> <li>Dependencies with wider C&amp;W service objectives.</li> <li>Availability of BAU resources.</li> <li>Sharing of lessons learned applicable to other service areas.</li> </ul>	Medium
	Education Providers	<ul style="list-style-type: none"> <li>Impact of changes to accessibility to the library and staff on pupils/students.</li> </ul>	Low
<b>Implementation Impact Analysis</b>	<p><b>People</b></p> <ul style="list-style-type: none"> <li>Reduction in Library Service Assistants following implementation of a HR Action Plan.</li> <li>Library Service Assistants role will focus on supporting vulnerable adults (i.e. older people, disabled adults), children and young people.</li> <li>There will be a significant change for library users compared with current library provision. Libraries will be open for longer but with less staffed opening hours. Users will be required to “self serve”.</li> </ul> <p><b>Equalities and Human Rights</b></p> <ul style="list-style-type: none"> <li>The Equalities and Human Rights Impact Assessment (EHRIA) completed for the Smart Libraries Project identifies potential impacts for older people, people with disabilities, children and young people. However an EHRIA Action Plan which details appropriate mitigating actions to address these will be completed for each library.</li> </ul> <p><b>Process</b></p> <ul style="list-style-type: none"> <li>Existing operational processes and procedures undertaken by library staff will be reviewed and revised to reflect the impact of smart library technology.</li> <li>These changes will not have an impact on other parts of the service or the organisation.</li> </ul> <p><b>Information and Data</b></p> <ul style="list-style-type: none"> <li>Data currently captured via the Library Management System (LMS) will be unchanged.</li> <li>Additional data regarding smart library usage (i.e. who, where, when) will be made available for further analysis.</li> </ul> <p><b>IT Systems</b></p> <ul style="list-style-type: none"> <li>Existing IT systems will not require replacing or updating. However, it will be necessary to install new and/or replace existing cabling to support the implementation of smart library technology.</li> </ul> <p><b>Policies</b></p> <ul style="list-style-type: none"> <li>It is not anticipated that this project will require the review/amendment of any organisational policies.</li> </ul> <p><b>Organisation</b></p> <ul style="list-style-type: none"> <li>Reduction in Library Service Assistants will impact on the required supervisory/managerial resource (to be addressed via the wider C&amp;W service restructure).</li> </ul> <p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>It is not anticipated that this project will have a material environmental impact.</li> </ul>		



**Implementation Approach**

Following Cabinet approval (currently scheduled for July 2017):

- A procurement exercise to appoint a preferred supplier will be undertaken from July to September 2017.
- Building surveys will be undertaken of the 15 libraries where smart library technology is to be installed
- Discussions with landlords to obtain permission to enable installation of smart library technology at leasehold sites.

Following completion and sign off of the above, implementation would be undertaken on “library cluster” approach. For each library cluster this would involve:

- Building works;
- Installation of technology and replacement of kiosks;
- System testing;
- Registration of users;
- Implementation of communication plan;
- HR Action Plan.

Based on this approach is it anticipated that implementation will be completed by April 2019 (subject to approval of baselined project plan).

Resource Type	Post Title	Resource Requirement (Effort)	Resource Requirement (Duration)			Cost		Comments
			Start	End	Total	Grade	£	
TU	Project Manager	0.6 FTE	Apr 17	Mar 18	12 months	13	34866	To ensure project delivery
TU	Project Manager	0.1 FTE	Apr 18	Jun 19	15 months	13	7384	To provide project delivery oversight and complete project closure
TU	Project Support Officer	0.1 FTE	Jul 17	Mar 18	9 months	10	3015	To provide project support
TU	Project Support Officer	0.3 FTE	Apr 18	Jun 19	15 months	10	15326	As above
Project*	Locality Manager	0.5 FTE	Apr 17	Mar 18	12 months	13	29055	To lead operational workstream(s)
Project*	Locality Manager	0.2 FTE	Apr 18	Jun 19	15 months	13	14767	To oversee project delivery
Project*	Principal Manager(s)	0.5 FTE	Apr 17	Jun 19	27 months	11	50544	To deliver operational workstream(s)
* These resource requirements will have to be met either by “backfilling” existing roles or by the recruitment of a specific “Project Implementation Officer” to work with BAU to deliver the project.								
BAU	Comms Officer	0.2 FTE	Apr 17	Mar 19	24 months	10	16222	To develop and deliver communication plan
BAU	HR Advisor	0.2 FTE	Jul 17	Jun 19	24 months	11	17992	To support development and implementation of HR Action Plans
BAU	Insurance Officer	0.1 FTE	Apr 17	Mar 19	24 months	10	8111	To ensure compliance



	BAU	Property Officer	0.2 FTE	Apr 17	Mar 19	24 months	10	16222	To deliver property workstream
	BAU	ICT Services Technician	0.2 FTE	Jul 17	Mar 19	21 months	10	14212	To deliver ICT workstream
	BAU	LMS Development Manager	0.1 FTE	Jul 17	Mar 19	21 months	11	7689	To deliver LMS related product in operational workstream
	BAU	Head of Service	0.1 FTE	Apr 17	Jun 19	27 months	15	17247	To act as project SRO
	BAU	Solicitor	0.1 FTE	Apr 17	Mar 19	24 months	13	11724	To advise re legal compliance, leasehold and planning consent issues.

Completed by: **Linsey Vincent**

Date:

Reviewed and Approved by SRO: **Nigel Thomas**

Date:

Reviewed and Approved by TU Business Partner: **Jo Wileman**

Date: