



ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
7 SEPTEMBER 2020

STATUS ON SUPPORT FOR COMMUNITY MANAGED LIBRARIES

REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES

Purpose of the Report

- 1 The purpose of this report is to advise the Committee about the impact of the Coronavirus (Covid-19) pandemic on Community Managed Libraries (CMLs) and their medium-term sustainability, proposing amendments to the current support package on offer to help them at this difficult time.

Policy Framework and Previous Decisions

- 2 In September 2014, the Cabinet approved a remodelling of the library service based on the following elements as being compliant with the Council's statutory obligation under the Public Libraries and Museums Act 1964 to provide a comprehensive and efficient library service:
 - 16 major market town and shopping centre libraries funded by the Council;
 - A support service enabling local communities to run their local library;
 - An online library service available 24 hours a day, 365 days a year to those with access to the internet;
 - A mobile library service providing a regular library service to most villages without a static library service.
- 3 In November 2014, the Cabinet agreed the infrastructure support package to be offered to local communities wishing to operate CMLs and in March 2015 authorised the Director of Adults and Communities to assess the outline business plans put forward by community groups, and the County Solicitor to prepare the necessary legal agreements where those outline business plans were satisfactory.
- 4 In July 2018, the Cabinet agreed a process to follow should a CML decide that it is no longer able to continue. This included:
 - Arrangements for interim library service provision to be put in place until a permanent solution has been agreed.
 - Advising the public and any groups willing to take over the library of the opportunity to make submissions to the Council. Where appropriate the Council would assist the formation of a new group or, support the transfer of responsibility from the existing charity/group to a new group.
 - Delegation to the Director of Adults and Communities, following consultation with Local Member(s) and Cabinet Lead Member, to agree alternative

arrangements if this would result in no significant effect on the level of library provision.

- A report to the Cabinet in the event that significant changes to library provision might result.

Background

- 5 The original funding support package for CMLs was set up in 2014. This tapered funded support reduced by 20% each year from 100% running costs and will reach nil by 2021 for those CMLs that transferred early in the process.
- 6 The pandemic has resulted in all libraries being closed and consequently their ability to generate income has halted.
- 7 Lessons learned from the CML project have indicated that in order to indicate viability for external funds, a 10-year lease is preferable to the current arrangement which requires library groups to request a rollover five-year extension. Ten-year leases would also reduce CMLs trustees' legal costs and would be more efficient from the Council's perspective.
- 8 CMLs have identified the importance of regular visits from Council support officers, especially in supporting volunteers and trustees at points of crisis, and this is imperative following Covid-19. It is therefore important that the frequency of these visits be increased during this period of known vulnerability.
- 9 CMLs have become an established and successful part of the Leicestershire Library Service. The individual CML groups are responsible for ensuring they are sustainable and well managed, and the Council continues to provide support where required.
- 10 Thirty-five community libraries have successfully transferred to become CMLs which aim to provide a community hub that meets the needs of their local communities. Changes made by CMLs have included choosing to increase opening hours, serving coffee and cake, and establishing a solid programme of activities and events.
- 11 Before the pandemic, each CML had a different offer depending upon local needs and opportunities. For example, Measham library, by working in close partnership with Measham Health Centre has arranged for the Stroke and Disability Group to meet regularly and also hosts a walking group that meets weekly, starting at the library and returning for refreshments. A weekly Knit and Natter group and a weekly pre-school story time are amongst the other activities provided at the library. Activities such as these have been replicated in many of the CMLs, reflecting local circumstances within communities and drawing upon the strengths of the volunteers.
- 12 In situations where a CML ceases operation, the Council will act swiftly to consider alternative provision under the process outlined in paragraph 4 above. Barwell library closed during the original process because a community group could not make the library a viable proposition. Following a short period of consultation, a mobile library service was provided in the area.

Baseline Support

- 13 The County Council continues to offer a baseline level of support to CMLs. This consists of:
- Peppercorn leases and support for running costs through a grant which is based upon their original running costs at the point of consultation;
 - Provision of book stock which remains the property of the County library service;
 - Access to and maintenance of the Library Management System to enable the loaning and return of books;
 - Council ICT equipment and infrastructure (unless a CML has requested to use its own ICT);
 - Continued support, training and assistance by the Council's Community Support Officers, and a call hub to assist with operational enquiries;
 - Support from VAL (Voluntary Action LeicesterShire) including access to specialist advice and support on role descriptions, volunteer management, governance issues, business planning and volunteer recruitment and training, including through use of the VAL volunteering website.

Financial Support

- 14 A tapered financial support package was set up to support CMLs in their initial years. The financial support for running costs for most community managed libraries will come to an end in 2021/22. This was based on their original expenditure at the point of consultation, tapering down over a five-year period to a minimum of 20%.
- 15 As part of the support package for CMLs, a Contingency Fund was established to assist any community group in the event of an emergency such as roof or boiler failure or where a decision made by the Council had an adverse effect on a CML's income stream, such as closure of a Children's Centre operating within a library. The Fund has been supplemented as resources have become available (for example, the sale of Castle Donington library) and currently stands at £280,000.

Impact of Coronavirus (Covid-19) Pandemic

- 16 CMLs have worked hard to raise additional income and reduce costs. Income is generally generated through the operation of the library, including coffee shops, room hire and for activities and this contributes to the maintenance of each library. However, during the Covid-19 pandemic this income has obviously not been generated. It is estimated from an analysis of submitted accounts from libraries (2018/19) that for CMLs as a whole, around £3,000 per week of income is being lost, whilst significant ongoing running costs remain, adding increased financial pressure and thereby increasing the risk to future sustainability.
- 17 Additionally, whilst it is unknown how the recruitment and retention of volunteers and trustees will be affected by Covid-19, it is anticipated that this may be more difficult for CMLs following resumption of the service. Many of the volunteers for example will be older and may not wish to continue to volunteer in a public environment whilst there is a continuing risk of exposure to Covid-19.

18 In order to address the above issues, the Council's Corporate Property Steering Group agreed that:

- The Contingency Fund be used to offer an additional one-off grant payment to CMLs equivalent to a 20% contribution to running costs, £58,000 in total for 2020-21;
- Support staff should continue to monitor the impact on recruitment and retention of volunteers during the recovery process and, where necessary, work alongside VAL to support groups with possible volunteer recruitment campaigns.

Longer Term View

19 Feedback on potential risks and issues has been obtained from annual review and financial planning meetings which are carried out with all CMLs, as well as networking meetings, financial forecast survey returns, a CMLs focus group and informal feedback to the Support Officers. This feedback has highlighted risks and issues associated with:

- The medium-term sustainability of CMLs in terms of the capacity of groups to raise the income required to run their library beyond 2022;
- The ongoing maintenance and repair of the property assets;
- Challenges with recruitment and retention of new trustees and volunteers.

20 CMLs are asked to produce financial records and five-year projections at their annual reviews. These show that the tapered reduction in funding and proposed removal of County Council revenue support has been accompanied by a reduction in income for CMLs that is forecast to continue along with reduced annual surpluses/increasing annual deficits. Reserves have been accumulated because of initially higher County Council revenue payments but as these payments have decreased, reserves have reduced, and are forecast to be increasingly required to meet annual operating costs.

21 A high-level review of the financial status of CMLs indicates that all have sufficient reserves to sustain services throughout 2021-22, but some may face financial challenges from 2022 onwards, and clearly Covid-19 has affected their ability to continue income streams since March of this year.

22 All CMLs are continuing to work hard to raise additional income and reduce costs as well as to provide a range of community hub services that complement and support the core library offer, for example community events, hosting local groups, encouraging social interaction and providing volunteering opportunities.

23 Feedback from the Focus Group suggests, however, that the more time volunteers are required to spend on income generation the less time they are able to devote to providing a library service to their community.

24 The Council has supported groups to apply for the available Tourism, Leisure and Hospitality government grants, with 19 libraries being successful. The value of grants received has ranged from £10,000 to £25,000.

- 25 As part of a recent restructuring of the Communities and Wellbeing Service, a new Audience Participation Team has been created. The aim of this Team is to co-produce community activity that contributes to addressing a range of preventative measures for vulnerable people such as social isolation, and mental health and wellbeing using the service's wider cultural resources.
- 26 Part-funded through the Improved Better Care Fund until 2021, it was originally anticipated that the Team's commissioning funds would be used partly to commission CMLs to deliver this activity, thus aiding their sustainability. This work in a physical environment is now challenged due to the pandemic and is unlikely to produce sustained benefits until well into 2021. As services enter recovery from Covid-19, it is anticipated that people initially may be reluctant to return to the library because of the fear of catching the virus and this situation will extend beyond 2021.
- 27 Volunteer recruitment and succession planning remains an ongoing challenge for CMLs as it is for the voluntary sector as a whole and may, in the longer term, lead to CMLs having reduced capacity to operate effectively.

Leases

- 28 CMLs were originally given a 10-year lease. However, it became apparent that to access any external funding CMLs needed the guarantee of a continued seven to 10-years and so to support them better it was agreed that when their leases reached seven years or less, they would be able to apply for an extension for another five years. However, doing this does incur legal/surveyors fees so it is considered that the offer of an additional 10-year lease in addition to the unexpired term of a CML's existing lease should be made.

Options Appraisal for Further Support

- 29 A number of options that have been considered by the Council to give CMLs some confidence in their medium-term sustainability, in summary:
- Option 1 - Scaling up the current baseline offer to include lease extension to 10-years (from five years), and increase officer visits to increase support and training, VAL support for volunteer recruitment and retention, business planning, income generation etc. Regularly review the contingency fund to reassure and support CMLs regarding any potential costly building repairs.
 - Option 2 - Upscaled baseline plus offer for all libraries with internal repairing-only leases.
 - Option 3 - Upscaled baseline offer relating to County Council and VAL officer support plus the Council takes back control of all running costs of CML building.
- 30 Option 1 would introduce a longer timescale and reduce the financial and administrative burden on both CMLs and the County Council, taking account of legal and surveyor's costs and the need to obtain Charity Commission approval for the surrender of existing leases prior to entering into new leases.

- 31 This will be particularly helpful to many smaller CMLs with a lower turnover for which these costs would be a significant expense. In addition to the above, longer leases would also support medium/long-term forward planning and fundraising by CMLs. Any new lease will be accompanied by a replacement Support Agreement for the lease period which will define the relationship between the CML and the County Council.
- 32 Option 2 would involve transferring all libraries with a full repairing lease to an internal repairing lease. Currently there are 10 CMLs with internal-only leases (for buildings with a potential lifespan of less than 20 years at the time of the commencement of the initial lease) and 17 CMLs with full repairing leases. This is not recommended on the basis that the transferred buildings with a full repairing lease were in good order and the Council does not have the financial or staff resources to take back this responsibility which would involve the legal and estates work generated in varying the 17 plus leases.
- 33 Option 3 would mean that the Council would meet ongoing maintenance and running costs of the CMLs. This option would see the Council incurring additional costs of around £200,000 per annum and is not financially sustainable.
- 34 In addition to the proposed lease extensions, the contingency fund gives some flexibility to support CMLs in times of emergency.

Resource Implications

- 35 The Communities and Wellbeing Service's net budget for 2020/21 is £5,150,746.
- 36 The implications of the amendments to the service can be contained within existing budgets and extra officer support in the Communities and Wellbeing Service has been built into the revised Communities and Wellbeing structure that became operational in July 2020.
- 38 Strategic Property Services have confirmed that the 10-year lease extension is manageable and sufficient resource is in place to manage this process.
- 39 The Director of Corporate Resources and the Director of Law and Governance have been consulted on the contents of this report.

Timetable for Decisions

- 40 The proposed amendments to the current support package on offer to CMLs will be presented to the Cabinet on 18 September 2020. The Cabinet will be recommended to enhance the support offered to Community Managed Libraries by increasing the lease extension period as outlined and offering more support and training to the volunteers.

Conclusion

- 41 The current situation suggests that CMLs will have sufficient funds to sustain them throughout 2021-22.

- 42 The impact of the Covid-19 pandemic remains uncertain and will continue to challenge finances and volunteer capacity. Ongoing officer support is committed to maintain contact and engagement with boards of trustees to offer help if required.
- 43 The impact of the above proposed changes, and of the development of existing support mechanisms (such as an enhanced VAL support offer around income generation, cost minimisation, volunteer recruitment, governance etc), will continue to be monitored to best support the sustainable delivery of CML services.
- 44 The Committee is invited to comment on the proposed amendments to the current support package on offer to Community Managed Libraries outlined in this report which will be presented to the Cabinet, along with any comments from the Committee, on 18 September 2020.

Circulation under the Local Issues Alert Procedure

- 45 None.

Equality and Human Rights Implications

- 46 An Equality and Human Rights Impact Assessment (EHRIA) for each of the community libraries was appended to the Cabinet report dated 19 November 2014 and reviewed April 2020. These will continue to be reviewed on an annual basis alongside the annual review.
- 47 With the exception of Barwell library, all community libraries have continued to function, and so there has been no significant impact on any protected groups. Volunteers have maintained or extended original opening hours, and as outlined in paragraph 11 built up a range of community activity that may have supported some cohorts, such as older people.
- 48 At Barwell, mitigating actions of a mobile library visit for targeted longer periods was implemented following a period of consultation around the times and days.
- 49 The EHRIA process is iterative in nature and Equality and Human Rights Improvement Plans, attached to the EHRIA, outlines mitigating actions to be monitored should there have been a decision to close libraries in these areas.

Partnership Working and Associated Issues

- 50 Continued partnership working with the organisations will remain important in order to provide a supportive environment in which community groups managing their libraries have opportunities to share best practice and develop skills associated with sustaining their library.

Background Papers

Report to the Cabinet: 6 July 2018 – Community Managed Libraries
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5412>

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