



FUTURE COUNCIL BUDGET OPTIONS SCRUTINY REVIEW

**REPORT OF THE TRANSFORMATION & RESOURCES POLICY &
PERFORMANCE COMMITTEE**

NOVEMBER 2014

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1. INTRODUCTION BY THE CHAIR OF THE REVIEW PANELS

After facing cuts to funding of £100 million over the last few years, Wirral Council is required to make a further £45 million worth of efficiency savings over the next two years. Whilst the scale of these savings is unprecedented, the Council is striving to deliver them in an equitable way, with a focus on maintaining frontline services, and lessening the impact on our most vulnerable residents, in line with our corporate priorities.

With this in mind the Transformation and Resources Department Directorate has put forward two budget option proposals which have been reviewed by elected members on a Task & Finish Panel.

1. Community Libraries
2. Council Tax Over 70s Discount

The Chair would like to thank all of the officers, Members and expert witnesses who attended and contributed to this review. Whilst Members did not always agree on the issues in hand, we worked in a consensual and productive way. No decisions have been taken by the Task and Finish Panel as this was not our remit, but the potential impact of the budget proposals was analysed and discussed by the Panel.

Councillor Janette Williamson (Chair)

Other Panel Members:

Community Libraries: Councillors Adam Sykes, Phil Gilchrist, Christina Muspratt, Paul Doughty, Rob Gregson.

Council Tax Over Seventies Discount: Councillors Christina Muspratt, Adam Sykes, Matthew Patrick, Louise Reecejones, Phil Gilchrist.

2. BACKGROUND AND CONTEXT

At the meeting of the Transformation and Resources Policy & Performance Committee held on 16 September, it was agreed that a Task & Finish Panel would be established to scrutinise the two budget options that fall under the remit of the Committee.

A scoping meeting was held with the Chair, Vice Chair and Spokespersons to consider the objectives and approach to the review. Agreement was reached that separate sessions would be held to review each of the proposals and that Members of the wider committee be invited to attend these sessions.

Lead officers for the relevant service areas were invited to each of the sessions to allow Members to question each of the proposals, including the impacts and mitigation. In relation to the Community Libraries budget option, Professor Robert Lee, Chair of Wirral Libraries Forum, was invited to the session to comment on the proposals.

The contents of this report are to be presented to the Transformation & Resources Policy and Performance Committee on 5th November before being referred to Cabinet for consideration.

3. COMMUNITY LIBRARIES

3.1 Context

Wirral Council maintains twenty four libraries in the borough. The service is organised around a core offer of four large sites and four merged sites, plus a supplementary offer of a further 16 sites. One of these is located in a school and the remaining 15 are referred to as community libraries.

In terms of the core offer, the four large central sites are Birkenhead Central, Wallasey Central, Bebington Central and West Kirby Central. The four merged library / One Stop Shop sites are at Eastham, Heswall, Moreton and Rock Ferry. The merging of these sites over the last couple of years has led to the creation of more generic frontline staff and the streamlining of management with some capital investment being made. Further re-structuring is being undertaken through the Future Council programme to further reduce management tiers and develop an appointments based service at most one stop shops.

In terms of the supplementary offer, fifteen libraries are classed as community libraries. These are located at Beechwood, Bromborough, Greasby, Higher Bebington, Hoylake, Irby, Leasowe, Pensby, Prenton, Ridgeway, Seacombe, St James, Upton, Wallasey Village and Woodchurch.

A further site is located within the grounds of Grove Street School in New Ferry, where the books are provided by the Council but the building itself is owned and maintained by the school.

3.2 Proposal

This budget option proposal is to reduce the opening hours of the community libraries to 2/3 days per week, 10am – 2pm on an alternating basis. The central libraries and merged sites (those with a One Stop Shop) are excluded from the proposal.

The budget saving would reduce costs by £411,000 and provides the benefit of being able to maintain all 24 libraries without any subject to being closed. The proposal considers actively seeking community involvement moving forward in the future with the potential to increase the libraries opening times.

This budget option builds on a pre-existing budget decision for implementation this financial year, which introduces a 30 hour opening week in Community Libraries. The proposed £411,000 saving set out in this option, will be on top of the in-year saving.

3.3 Impact

This proposal presents a number of options that have varying levels of impact in reducing the level of provision across the fifteen Community Libraries. If the budget proposal is implemented, the cost savings will be made from staffing costs derived from fewer working hours being required. However, there will also be small, non-staffing costs saved around buildings.

For the implementation of the proposed budget option, the operational days of the community libraries would have to be rotated across all sites to ensure there is appropriate cover to accommodate reduced staff resource being available.

3.4 Officer Analysis

Officers provided a detailed analysis of Wirral's library service against other local authorities and national averages using data provided by CIPFA from their most recently publicised statistics. Compared with neighbouring authorities and the CIPFA average national:

Service Comprehensiveness

- Wirral has more libraries than the national comparator and all but one of our regional neighbouring authorities.
- Wirral has more libraries per head of population than the national comparator and all but one of our regional neighbouring authorities.
- Wirral has the second highest population density compared to regional and national comparators, meaning it has more libraries across a densely populated, relatively small geographic area.
- Wirral libraries are open for longer than all regional neighbouring authorities.
- Wirral has more individual sites open for longer hours per week compared to national and regional comparators.
- All regional neighbouring authorities have already reduced local library service provision by closing sites; focusing opening hours or increasing community volunteers.

Service Efficiency

- Wirral spends more on the library service per head of population than the national comparator and most regional neighbouring authorities.
- Wirral has the highest service costs per library employee than the national comparator all but one of our neighbouring regional authorities.
- Wirral has the highest staffing costs per head of population than all regional and national comparators.

Service Usage

- Wirral has an average number of active borrowers per head of population.
- Wirral issues a slightly above average number of books per head of population with a proportionally higher number issued at its busiest sites.
- Wirral has an above average number of visitors to library sites.
- Wirral has an above average number of sessions logged at public access computers.
- Wirral has a below average number of visits to the library website but issues more e-books than the national comparator and any other neighbouring regional authority who offers this service.

In addition, further analysis was undertaken in relation to year on year comparison of Wirral's Library Service and hourly usage data.

Year on year comparison

- Wirral has recorded year on year reductions in library site book issues since 2008/09.
- Where available, self-service RFID usage has increased year on year since 2012/13.
- There is a decreasing demand for public access computers at library sites.
- Demand for e-books is increasing year on year since their introduction in 2011/12.

Hourly usage

- All sites follow a broadly similar pattern of usage with morning and afternoon peaks and pronounced drops in demand during midday and evening periods.
- Demand is focused across central/merged library sites with 82% of average unique borrowers using these sites.
- Central and merged libraries still record a drop in usage during midday periods even though they remain open during the week.
- Central library usage drops off significantly after 7pm (on available late opening days).
- Merged sites record more uniform usage across the day with no evening opening.
- Community libraries record morning and afternoon peaks in usage with reduced demand either side of lunchtime closure 1-2pm.
- Community libraries record a significant drop in demand after 5 pm (available late opening days).

Finally, analysis was undertaken in relation to the overall usage at each site. The following summaries were provided for each library site:

Bebington Central Library

A well-used central library with an average number of visitors and borrower interactions but slightly below average ICT usage. Hourly usage closely follows the prevailing trend with slightly higher demand peaks in the morning and afternoon. A high premises cost leads to a slightly above average cost per borrower across all demand periods.

Birkenhead Central Library

An under-used central library with a below average number of visitors and borrower interactions but slightly above average ICT users and usage. Hourly usage closely follows the prevailing trend with a below average usage across available opening hours. A high non-staffing cost combined with below average usage leads to a significantly above average cost per borrower across all demand periods.

Wallasey Central Library

The most popular central library with a significantly above average number of visitors and borrower interactions and average ICT usage. Hourly usage closely follows the prevailing trend with an above average usage across available opening hours. A below average non-staffing cost combined with above average usage leads to the lowest cost per borrower for any central library.

West Kirby Central Library

A popular central library with a significantly above average number of visitors but below average number of borrowers and ICT usage and average number of borrower interactions. Hourly usage closely follows the prevailing trend with a below average usage across available opening hours. A significantly below average non-staffing cost leads to below average costs per borrower.

Eastham (Merged Library)

An under-used merged library with a below average number of visitors; borrowers and ICT users. Hourly usage closely follows the prevailing trend with a slightly below average usage across available opening hours. Below average non-staffing costs lead to below average costs per borrower.

Heswall (Merged Library)

A well-used merged library with an above average number of visitors; borrowers and borrower interactions but below average ICT usage. Hourly usage closely follows the prevailing trend with an above average usage across available opening hours. Non-staffing costs are significantly above average but due to levels of demand, average costs per borrower are below average.

Moreton (Merged Library)

A well-used merged library with an above average number of visitors; borrower interactions and ICT usage. Hourly usage closely follows the prevailing trend with an above average usage across available opening hours. Non-staffing costs are significantly below average and combined with levels of demand lead to the lowest average costs per borrower across merged libraries.

Rock Ferry (Merged Library)

An under-used merged library with a below average number of visitors and borrowers but above average ICT usage. Hourly usage follows the prevailing trend with a significantly below average usage across available opening hours. Non-staffing costs are below average but combined with lower levels of demand lead to significantly above average costs per borrower.

Beechwood Community Library

An under-used community library with a significantly below average number of visitors; borrowers and ICT users. Hourly usage remains static across available opening hours. Despite having below average non-staffing costs the level of demand at this library leads to significantly above average costs per borrower at any time of the day.

Bromborough Community Library

A well-used community library with a significantly above average number of visitors; borrowers and above average ICT usage. Hourly usage follows the prevailing trend of marked peaks in demand morning and afternoons with falling demand thereafter. Despite having the highest premises cost of any community library the above average level of demand at this library leads to below average costs per borrower at any time of the day.

Greasby Community Library

A well-used community library with a significantly above average number of visitors; borrowers and above average ICT usage. Hourly usage follows the prevailing trend of marked peaks in demand morning and afternoons with falling demand thereafter. Relatively high non-staffing costs but due to the above average level of demand at this library the costs per borrower are significantly below average at any time of the day.

Higher Bebington Community Library

An under-used community library with a significantly below average number of visitors; borrowers interactions and ICT usage. Hourly usage follows the prevailing trend of marked peaks in demand morning and afternoons with falling demand thereafter. Relatively low non-staffing costs but due to the below average level of demand at this library the costs per borrower are significantly above average at periods of lowest demand.

Hoylake Community Library

A relatively well-used community library with an above average number of visitors; borrower interactions and ICT usage. Hourly usage follows the prevailing trend of marked peaks in demand morning and afternoons with falling demand thereafter apart from a minor evening increase. Relatively low non-staffing costs, combined with high usage mean the costs per borrower are significantly below average across all demand periods.

Irby Community Library

An under-used community library with a significantly below average number of visitors; borrower interactions and ICT usage. Hourly usage follows the prevailing trend of marked peaks in demand morning and afternoons with falling demand thereafter. Despite the low demand at this site, significantly below average non-staffing costs mean the costs per borrower are below average across all demand periods.

Leasowe Community Library

A frequently visited community library with a significantly above average 'people count' but below average borrowers and ICT users. Hourly usage follows the prevailing trend but will less pronounced peaks in demand morning and afternoons with no available late opening. Despite having negligible non-staffing costs, the level of demand at this library means costs per borrower are significantly above average across all demand periods.

Pensby Community Library

A well-used community library with above average visitors and borrowers but below average ICT usage. Hourly usage follows the prevailing trend with pronounced peaks in demand morning and afternoons and reducing demand thereafter. Relatively low non-staffing costs, combined with an above average number of borrowers lead to low costs per borrower across all demand periods.

Prenton Community Library

A well-visited community library with above average 'people count' but below average borrowers and average ICT usage. Hourly usage follows the prevailing trend with peaks in demand morning and afternoons and reducing demand thereafter. Relatively low non-staffing costs but combined with level of demand there is an a significantly high cost per borrower at periods of low demand.

Ridgeway Community Library

An under-used community library with below average visitors; borrowers and ICT usage. Hourly usage follows the prevailing trend with less pronounced peaks in demand morning and afternoons and reducing demand thereafter. Relatively low non-staffing costs but combined with level of demand there is an above average cost per borrower across most periods.

Seacombe Community Library

A well-used community library with significantly above average visitors; borrowers and ICT usage. Hourly usage does not follow the prevailing trend with a steadily increasing level of demand until late afternoon. Despite the relatively high non-staffing costs, the high level of demand means there is a below average cost per borrower across all periods.

St James Community Library

An under-used community library with significantly below average visitors and borrowers but above average ICT usage. Hourly usage follows the prevailing trend with less pronounced peaks across mornings and afternoons. Relatively high non-staffing costs, combined with the low level of borrower demand means there is an above average cost per borrower across all periods.

Upton Community Library

A well-used community library with above average visitors; borrowers and ICT usage. Hourly usage follows the prevailing trend with pronounced peaks across mornings and afternoons and reducing demand thereafter. Despite relatively high non-staffing costs, the high level of borrower demand means there is a significantly below average cost per borrower across all periods.

Wallasey village Community Library

A relatively under-used community library with below average visitors; borrowers and ICT usage. Hourly usage mainly follows the prevailing trend with a more pronounced afternoon peak and reducing demand thereafter. Despite the relatively high non-staffing costs, the cost per borrower is below average across all periods.

Woodchurch Community Library

An under-used community library with significantly below average visitors; borrowers and ICT usage. Hourly usage mainly follows the prevailing trend with less pronounced morning and afternoon peaks and no evening opening. Relatively high non-staffing costs, combined with the level of demand lead to a significantly high cost per borrower across all periods.

3.5 CHAIR OF WIRRAL LIBRARIES FORUM

As part of the Panel's review, Professor Robert Lee, the Chair of Wirral Libraries Forum was invited to discuss the proposal with Members. Professor Lee put forward the view that 'the proposals relating Wirral's 15 community libraries are unacceptable and, if implemented, would represent a clear breach of the Council's statutory duties under the terms of the Public Libraries and Museums Act 1964'. In making this point, he highlighted the following:

- The continued importance of the 15 community libraries as an integral part of a comprehensive and efficiency library service.
- The lack of consultation in advance of these proposals being put forward in line with what was proposed at the first Wirral Libraries Festival held in July 2014.
- The failure to comply with the statutory requirement to deliver a comprehensive and efficient service. Specifically in terms of not being based upon a strategic or development plan for the Library Service as a whole or in terms of meeting the general (and any special requirements) of adults and children, living, working or studying in the local area.
- Operational and systemic weaknesses in the current proposals, with specific reference to the reduction in opening hours and therefore the provision for school children and the impact of alternate opening arrangements on users and the role of libraries as key local centres.
- The failure to understand the significant contribution of the community libraries to the delivery of an efficient and comprehensive service.

- The failure to recognise the needs of children and young people and the role of community libraries in providing safe spaces after school for young people to do homework.
- The need for a more effective forward-looking strategy with specific reference to the implementation of a plan that meets the needs of both children and adults; the installation of one-click digital book issuing technology and the adoption of a proper volunteer policy and strategy to maintain levels of service.

Professor Lee summed up by concluding that the Council should work with Friends Group, community groups, and other stakeholders to put in place a new development strategy for the Library Service which will recognise in full its clear statutory responsibilities under the terms of the Act, but allow all libraries to continue to meet the wider needs of their local communities within an operational framework that takes into account the financial problems faced by Wirral Council. A proper development strategy can only be developed with the active involvement of all library staff, as well as external agencies, such as The Reader Organisation, which may be well placed to contribute to the continued provision of an efficient and comprehensive library service in the future.

3.6 OBSERVATIONS OF THE PANEL MEMBERS

- Members agreed closing any of the community libraries would not be an option but the majority of the Panel agreed hours would need to be reduced if these savings are to be met.
- Members commented that the officer analysis in terms of usage figures was limited in that it is based on existing hours of operation rather than wider potential demand i.e. demand for book lending falls during lunch time hours because libraries are closed during those times.
- Members noted demand from local groups was often outside core hours and to cope with this some groups are provided with key access to the buildings. Flexible approaches such as this would need to be adopted more widely to mitigate the impact on local reading and other groups meeting in library buildings.
- Members were concerned that whilst the proposal would seek to rotate opening days in order to maintain a broad levels of provision, those seeking to access alternative sites might have to travel further than a two mile radius from their local library site.
- Members felt the new proposals in terms of operating times specifically the 4:00 pm closure time did not adequately provide for children and young people specifically after school provision for young people wishing to do homework.
- Members also raised concerns proposals did not cater sufficiently for working adults as there would be no evening provision.
- Members acknowledged the issues raised by Professor Lee of the Friends of Wirral Libraries Forum, specifically the need for an up-to-date library strategy and children not being restricted in being able to access a comprehensive library service.

- Members considered the potential for the public to change its usage habits to accommodate the proposed changes to opening hours of community libraries. However, this was felt to be prioritising the organisational need rather than the needs of users.
- Members of the Panel broadly agreed that a better approach would be for communities to identify their own needs to determine their preferred opening arrangements against a proposed allocation of hours. This would ensure a comprehensive, needs-based community library service is provided.
- The majority of the Panel agreed that in accepting a need for reduced levels of provision, there should be more localised consultation for communities to determine themselves their preferred opening times to meet local demand.
- It was noted the Libraries Act does not specify what operational hours have to be in place and it is up to the Council to determine the approach that best meets the needs of the community.
- Members acknowledged the roll out of RFID digital book issuing system and the increase use of this by library users. This will have a role to play in reducing cost whilst still maintaining levels of provision.
- Members acknowledged the value Friends Groups add to the library service and the increasing role volunteers will have to sustaining an effective and comprehensive service.

3.7 CONCLUSION OF THE PANEL

Whilst the majority of members accepted a need for reduced levels of provision to meet the need for savings, the whole Panel felt the current proposals in respect of opening hours were not ideal. Specifically, a one size fits all approach in allocating the number of hours should not apply across all community libraries as operational needs may differ. The majority of the Panel recommended local consultation is carried out on Community Libraries to determine preferred opening arrangements on the basis of an allocation of 24 hours of operation per week. The Panel also agreed the constituency committees should play a role in deciding on the future of libraries in their area

4. COUNCIL TAX OVER SEVENTIES DISCOUNT

4.1 Context

The Council Tax Discount Scheme for over 70s households was originally introduced in 2007 as a 1% discount for over 75s. In 2009 this was increased to 6.2% and in 2012 this was further increased to 7.8% and widened to include over 70s. In 2013 the discount was reduced to 5% and withdrawn for property bands E-H. The impact of this was that it reduced the number of recipients by 18% and reduced the budget by 45%.

Wirral Council is one of only two authorities which offers a discount on Council Tax for people of pensionable age. The only other is Barnsley and that authority has recently agreed to remove its discount, by phasing it out over a number of years.

The discount is not means-tested and people receive it regardless of their personal financial circumstances. Residents with the lowest incomes already receive Council Tax Support and therefore pay no or only a proportion of Council Tax.

4.2 Proposal

The proposal is this discount would cease altogether. This would be effective from 1st April 2015. This proposal would deliver a saving to the Council of £600,000 in 2015/16. The discount is a local discretionary scheme and would only require 28 days public notice to those affected.

4.3 Impact

The value of the discount for property bands A-D is set out below.

	Full Charge	5% discount	Charge after single person discount	5% discount
BAND A	£1,003.30	£50.17	£752.25	£37.63
BAND B	£1,170.52	£58.53	£877.89	£43.90
BAND C	£1,337.74	£66.89	£1,003.31	£50.33
BAND D	£1,504.96	£75.25	£1,128.73	£56.44

The removal of this discount would have an impact on approximately 11,700 over 70s households. As the Council Tax for 2015/16 has yet to be determined, it is not clear what the level of increased Council Tax liability would be for these households. However, assuming no Council tax rise, the increase would be equivalent to the 5% discount.

Of the 11,700 households, there are approximately 1,500 that receive some level of additional Council Tax Support which is less than full 100% award. Council Tax Support is a means-tested Council Tax benefit for low income households also administered by the Council. The removal of the over 70s discount would be largely offset by increased Council Tax Support for these households. However, it is acknowledged some older households eligible for Council Tax Support probably do not currently claim this benefit.

There are 15,500 over 70's, low income households that receive 100% Council Tax Support. These households would be unaffected by these proposals.

The biggest financial impact is expected to be felt by people on their own, particularly women whose former partners had been the main earner. The discount for a single person in a band A property is worth £37.63 per year. This equates to approximately £3.13 per month and £0.80 pence per week.

The requirement to contribute towards Council Tax for a single person in a band A property currently commences at a weekly income of £237.45. Therefore, removal of the discount would result in a person's weekly income going from £237.45 to £236.65. The same impact for the other bands is set out below:

	Annual 5% discount	Monthly amount	Weekly amount	CTS weekly income eligibility	Impact on lowest weekly income	Increased CT liability as % of weekly income
BAND A	£37.63	£3.14	£0.72	£237.45	£236.73	0.30%
BAND B	£43.90	£3.66	£0.84	£249.30	£248.46	0.34%
BAND C	£50.33	£4.19	£0.96	£261.34	£260.38	0.37%
BAND D	£56.44	£4.70	£1.09	£273.38	£272.29	0.40%

4.4 OBSERVATIONS FROM INDIVIDUAL PANEL MEMBERS

- The proposal brings Wirral in line with other authorities which do not provide a pensioner discount.
- Council Tax Support was reduced for working age residents with the introduction of 22% contributions immediately when it was introduced in April 2013. In this context, the removal of the 5% discount in terms of impact is more marginal and is considered less likely to put people into real hardship.
- Pensioners are seen as being on a fixed income. The government's threshold for a referendum on increased Council Tax is 2%, therefore a 5% increase albeit for a proportion of the population could be considered significant.
- A key opportunity for mitigating the impact would be to phase out the discount gradually in a similar way to Barnsley Council. However, it was acknowledged that this becomes a more complex change to communicate.
- Another way to mitigate this proposed budget option would be to communicate the change clearly in order that households can undertake mitigating activity themselves. This could be through communication via the annual Council Tax statement, through a dedicated communication to all those affected and/or via communications through all other communication channels.
- There is an opportunity to use this change as a mechanism to promote and widen the take up of other benefits for eligible pensioners.

Appendix 1

Review Title: Future Council Budget Options Scrutiny Review

Scrutiny Panel Chair: Councillor Janette Williamson – janettewilliamson@wirral.gov.uk

Panel members:

Councillors Adam Sykes, Phil Gilchrist, Christina Muspratt, Paul Doughty (Community Libraries only), Rob Gregson (Community Libraries only), Louise Reecejones (Council Tax over 70s Discount only).

Scrutiny Officer(s): Mike Lester / Mike Callon

Dept Link Officer: Malcolm Flanagan

Other Key Officer contacts:

Community Libraries – Julie Barkway, Julie Williams, Phil Russell.

1. What are the review objectives?

- To gain a better understanding of proposed budget options that fall within the remit of the Transformation & Resources Committee
- To examine the budget options in terms of their context, rationale, deliverability, impact and potential mitigation.

2. What specific value can scrutiny add to this topic?

- Scrutiny can add value by highlighting potential positive and negative impacts of the proposed options to the Executive to inform their decision-making.
- The scrutiny can highlight potential issues and risks and steps that can be taken to mitigate these.

3. Who will the Committee be trying to influence as part of its work?

- Cabinet Members
- Members of Full Council

4. Duration of enquiry?

This is a time limited piece of work due to the lead in times for reporting the outcome of the public consultation in advance of decision-making by Council.

5. What category does the review fall into?

This review falls into the category of pre-decision scrutiny.

6. What information is required?

Primary research: Discussions with relevant Council officers about the detail of proposals.

Secondary research: Previous committee reports, comparator information from other authorities and any supporting data behind the proposals.

7. Who can provide evidence and what areas do we want them to cover?

Relevant Council Officers will be required to provide the details behind the proposed budget option including the service context, the rationale for the proposal, the deliverability of the proposal and the impact and any potential mitigation.

Professor Robert Lee, Chair of Wirral's Libraries Forum will be requested to provide evidence as a representative of the Libraries' friends groups.

8. What processes can we use to feed into the review? (site visit/survey etc.)

A full public consultation is being undertaken. The outcome of this will be available to the committee at the same time as the findings of this scrutiny review are reported.