Subject:	**Budget Scrutiny Task Group – Libraries, Heritage and Culture Briefing**
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1. Introduction

The Libraries, Heritage and Culture Service comprises Hackney Libraries, Hackney Museum, Hackney Archives and the Cultural Development Service. Throughout this paper Hackney Museum and Hackney Archives are referred to collectively as the heritage service.

1.1. Libraries

There are 8 static libraries throughout the borough. These are distributed so that no Hackney resident lives more than one mile from a Hackney Library. Seven of these libraries are staffed and Woodberry Down Library has been run since its opening in 2007 by a cohort of volunteers supported by library staff. There were over 1.7 million visits to libraries in 2014/15 and 179,000 people have membership of the libraries. A minimum of 55,153 people use the libraries regularly for all purposes[1].

Four libraries – Hackney Central, Dalston CLR James, Shoreditch and Woodberry Down have been new built within the last twenty years and Clapton Library was renovated and extended in 2010. Homerton, Stamford Hill and Stoke Newington Libraries have been partially renovated in the last five years.

The role of libraries has traditionally been to make books and other library stock available for loan and to provide information and impart learning. In 2014/15 there were 779,000 issues of library books, CDs and DVDs across the borough. Over 38,000 people regularly use the libraries for borrowing alone.

Over the last few years, patterns of library usage have changed, particularly in densely populated urban areas. In Hackney there has been a considerable shift to customers using the libraries as a place to study or to access computers and the internet particularly where they are unable to do so at home. Hackney Libraries are by far the largest free providers of internet access in the borough and all libraries offer free Wi-Fi. There are 210 computers available for public use and there are more than 100 additional spaces for private study. The computers were used for over 275,000 hours in 2014/15. Whilst usage of Wi-Fi cannot be measured currently it is likely that this is similar to the use of provided computers.

The current model for the library service is to provide sufficient staff to retain the current opening hours and provide lending facilities, study space and access to

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[1] The number of individual users who have borrowed library stock or used a fixed library PC in the last twelve months. Does not include those who only access the internet via Wi-Fi only or who use libraries for consulting books without borrowing them.

computers and information; and to deliver activities and events to the public. Staff are given the skills to signpost customers to information and organisations which can meet their needs. A major programme of activities for children is provided in the summer; other events provided include school class visits, children's story time, health promotions, reading groups, CV writing, IT skills training and national programmes such as Black History Month.

Capitalising on the well located buildings and high footfall, events and activities are delivered through a combination of staff led programmes and partnerships with external bodies at no cost to the service. Volunteers are increasingly used to provide activities which are beyond the scope of the staff, such as ESOL and CV writing. These additional activities provided through partnership and volunteering fall into four main headings:

- Developing skills and learning
- Employment
- Health
- Specialist advice on law and debt

The Community Library Service delivers library stock to those who are unable to visit in person due to ill health or disability. The Community Library Service has over 700 customers, the highest level in London.

1.2 Heritage

Hackney Heritage Service comprises Hackney Museum and Hackney Archives. Hackney Museum holds over 7,000 artefacts reflecting the history of the borough and hosts a regular programme of exhibitions which are free to the public. Hackney Archives holds the documentary and pictorial history of the borough and is open for consultation by any member of the public. The Heritage Education Team delivers learning activities related to current programmes of events and topical themes across both the archives and the museum, and engages with every non-independent primary school in the borough.

1.3 Culture

The Cultural Development Team supports the cultural and creative industry sector in the borough with business and fundraising advice, and work to ensure that art in the public realm and in regeneration projects is of quality and relevance to local residents. They also commission a number of events and programmes directly, the most important of which is the Hackney One Carnival. The Cultural Development Team is resourced partly from revenue and partly from a corporate reserve.

2. Resources

2.1 Budget spend

The service has a budget of £6.85M for 2015/6 excluding support service provided by other Council departments, or £8.1 million including this elements. In 2014/15, this budget was underspent by £46,000.

A breakdown of expenditure in 2015/6 across the service is shown in the table below, together with the percentage of spend for that column:

Element	Libraries £000s	Heritage £000s	Culture £000s[2]	Total £000s
Employees	3165	269	110	3544
Premises	826	0	0	826
Library stock	490	0	0	490
Supplies, services and security	427	45	135	607
Third party payments	508[3]	247[4]	103	858
Capital charges	935	0	0	935
Income	-185	-21	-201[5]	-407
Net expenditure	6166	550	147	6852

2.2 Staffing

There are 107.5 FTE posts in Libraries, Heritage and Culture. Of these, 97 are in libraries[6], 8 in heritage and 1.5 in cultural development in addition to the head of service. 87 FTE staff work in front facing roles within libraries.

In 2010/11, there were 120.5 FTE staff within the service.

3. Performance

The levels of customer engagement across all elements of Libraries, Heritage and Culture has increased in the last few years, generally running against national

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[2] Budget includes £250,000 drawdown from corporate reserves
[3] Largely PFI costs on Central Library
[4] Largely PFI costs on Hackney Museum
[5] Drawdown on corporate reserve
[6] There are 4.5 FTE within the Community Library Service

trends. The number of visits to Hackney's libraries has doubled in the last fifteen years.

In the Hackney Matters Borough Monitoring Survey of 2014, 68% of Hackney Residents said that they had used libraries in the last year, the second highest usage of any elective council service. In the same survey 81% of respondents said that they were satisfied with libraries, of whom 37% were very satisfied. This figure was exceeded only by two council services.

In 2014/15, there were 1.734M visits to Hackney Libraries. This is 11% more than in 2010/11, and is perhaps not a true reflection of business levels due to the temporary closure of Stoke Newington during the year. There were 884,000 issues of library stock to customers and the service provided 420,000 hours of internet access during the year. 500,000 enquiries of all types were answered within libraries and there were 750,000 hits to the service's webpages.

The heritage service was used by 38,413 people in 2014/5, and in addition to this dealt with 1,551 remote enquiries. There were over 50,000 visits to the service's website.

The work of cultural development is largely in providing an advisory role to the cultural sector – detailed advice on writing bids to external funding organisations such as Arts Could England was given to 41 Hackney based organisations in 2014/15 resulting in grants totalling over £130K, and wider advice and brokerage was given to more than 250 organisations and individuals including other services within the Council. Of the directly delivered activities, an estimated 10,000 people attended Hackney One Carnival, more than 1,500 were involved in the Discover Young Hackney Youth Arts Programme and over 300 older residents joined the Hackney Circle which provides activities and an opportunity to become involved in the community.

The number of visits to individual libraries and members of the public in 2015/6 is shown in the table below:

Library	Clapton	Dalston CLR James	Hackney Central	Homerton	Shoreditch	Stamford Hill	Stoke Newington	Woodberry Down	Community Library Service
Visits	103693	329621	566223	118831	200019	171908	198924	6231	38814
Number of members	10400	20243	59085	17200	25027	19780	25295	1112	1401
Percent of total visits	6.0	19.0	32.6	6.9	11.5	9.9	11.5	0.4	2.2
Percent of members	5.8	11.3	32.9	9.6	13.9	11.0	14.1	0.6	0.8

4. Savings already achieved

Since 2010/11, the service has delivered the savings shown in the table below.

Year	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	Total
Library savings	100	533	500	0	0	0	1133
Heritage savings	0	0	0	0	13	50	63
Cultural development savings	0	0	0	0	0	87	87
Service wide savings (£000s)	100	533	500	0	13	137	1,283

During this period the budget for the service areas now incorporated in Libraries, Heritage and Culture has fallen from £9.492M to £8.358M – a reduction of 11%[7]. This is despite the replacement of the library at Dalston with a new facility three times the size of the original and the extension to Clapton Library, and from 2013 onwards the delivery of the Hackney One Carnival. During the period 2011/12 – 2014/15, the cost of each visit to libraries has fallen by 20%.

There are a number of means through which efficiencies in delivering Libraries, Heritage and Culture services have been achieved. Principal amongst these has been a simplification and reduction in the library staffing structure in 2011. This aligned tasks more closely to posts and took account of the introduction of new self service technology introduced in all libraries and enabling customers to issue and discharge stock without the need for staff intervention. This restructure delivered £590K savings.

The re-location of Hackney Archives to Dalston CLR James Library in 2012 not only ensured a state of the art home for Hackney's historical records but also, in conjunction with the re-location of the stock purchasing team to Homerton Library, enabled the closure of the Rose Lipman Building producing savings of around £70K. Increased commercial rental income amounting to £40K has been achieved through the provision of a café at Dalston CLR James Library and better use of space at Stoke Newington Library.

The merger of Hackney Archives and Hackney Museum resulted in efficiency savings of £70K being made between 2012 and 2014. The heritage service has also been successful in attracting significant external funding during the period to extend its programme. The opening hours at Hackney Archives were reduced by 8.7% in 2015.

The library service has joined with other library authorities within London to obtain significant economies of scale in procurement. The London Libraries Consortium is a

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[7] The difference between this figure and the 13.5% reduction shown in the table of savings is explained by inflationary uplift in salary budgets and other inflationary pressures.

network of 18 authorities which jointly purchase the database which records all library holdings and transactions. When Hackney Libraries entered into this arrangement in 2007, the annual saving on computing software was £200K. This also delivers an additional benefit that Hackney customers are able to use the libraries of all other members of the consortium and to reserve their stock. This in turn greatly reduces the budget required to satisfy library reserves. Hackney Libraries are also members with seven other authorities of the London Stock Consortium which obtains favourable rates of discount on new stock.

The Cultural Development budget has been dependent on annual drawdown from corporate reserves which has accounted for the majority of expenditure. From 2009/10 until 2014/15, the amount of the drawdown was £250K. In 2015/16, the drawdown is £60K and is expected to be zero in 2016/17.

5. The direction of travel within the Libraries, Heritage and Culture sector nationally

Nationally, library, heritage and cultural services have undergone considerable changes as a result of local government funding reductions. These changes have taken a number of forms. These can be summarised into the following categories: changes in governance, outsourcing, amalgamation or co-location with other services and reduction of the offer to the public.

Changes in governance that have taken place elsewhere have included transferral of library services to trusts and staff mutuals or joint delivery of a library service by more than one authority. Within London, Redbridge library service is now delivered by the Vision Library Trust, whilst Westminster, Kensington & Chelsea and Hammersmith & Fulham together form the Tri-borough library service. Bexley and Bromley are similarly run as one unit. The savings that are conferred by transferral to trusts or mutuals are partly associated with a reduction in business rates paid on premises, partly from access to funding not available to local authorities and partly from a greater flexibility in internal administration. Joint delivery of services allows savings on core costs such as senior management.

Outsourcing library services to the private sector or to social enterprises is another means of generating savings. In London, six authorities have already taken this route and others are expected to follow. Savings to be derived through this means are partly associated with a reduction in business rates paid on premises in the case of social enterprises and also from greater efficiency in delivery and support services. Elsewhere, individual libraries have been transferred to the community or locally based organisations to run on behalf of the local authority.

Amalgamation or co-location with other service, council run or otherwise, has meant that savings in both premises and staff costs can be generated. Within local authorities, a typical arrangement is the amalgamation of libraries with customer services so that a library can offer a range of transactional processes including general enquiries and applications for services. A number of London councils have adopted this approach including Newham and Waltham Forest.

The majority of savings that have been achieved in libraries nationally is likely to be through reduction in service to the public, either through outright closure of libraries or through reduction in opening hours or the level of service delivered to the public. Many authorities which have outsourced or otherwise transferred their libraries have also closed library branches or reduced services. Since 2011 in England and Wales, 156 library branches have closed and a further 97 have been transferred to the community. In London, 19 have closed and 9 transferred to the community. Elsewhere, library opening hours and levels of staffing or services offered have been reduced.

A number of library services have developed their volunteer base in order to reduce staff numbers and therefore costs. Nationally this has been implemented most in rural areas where village libraries have been unstaffed and run entirely by volunteers, but in London Merton libraries have 600 volunteers which has permitted seven libraries to be run by 46.5 FTE staff. Adoption of this model does depend on local availability of very large numbers of suitable volunteers.

Whilst many Council run heritage facilities have been included in transferrals to trusts or in other outsourcing, comparatively few have been closed as a result of local authority funding reductions, although many have seen their opening hours reduced. In London, Wandsworth Museum was closed by the authority although it has since reopened as an independent charity. Barnet and Southwark Councils have also closed museums since 2010, although both authorities still operate one museum. [8] No local authority archives have been closed since 2010.

The scope of services offered by cultural development teams[9] across the country vary widely, ranging from the operation of venues and the delivery of major events to the provision of advice or support. Comparative data is difficult to obtain but it is likely that the majority of local authorities have reduced or even ceased their provision in recent years.

6. Potential for savings within Libraries, Heritage and Culture in Hackney from 2016/17 onwards

Over the last five years, £1.2M savings have been delivered from the service whilst largely maintaining the same service offer and standards, and in the context of rising usage. Many of these savings have been delivered due to service efficiency or through cooperation within the service, within London Borough of Hackney or with other authorities.

However, the reduction of the budget through savings of 13.5% is lower than the reduction to the overall Council budget, which is 40% for the same period. This is due to the policy of protecting front line services where possible from the greatest effects of funding reductions.

Notwithstanding the fact that many genuine efficiencies have already been delivered, there is still some scope for further improvements especially when changing patterns

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[8] The Cuming Museum in Southwark is currently closed due to fire damage, but the council has undertaken to reopen

[9] Even the terminology varies, so these may be known as arts, culture, cultural economy or a host of other terms.

of library usage are taken into account. Staffing levels, stock purchasing patterns and income are areas that could be fruitfully reviewed. The best possible use of technology and an improved web based digital presence will decrease customer reliance on staff.

Hackney Libraries already work in partnership with other authorities within London, but there is scope to extend this arrangement across the entire service, both in terms of the number of partners and also in sharing development costs.

Co-location and better use of library buildings is under active consideration at three library sites within Hackney with joint occupation with doctors' surgeries, training providers and local businesses amongst the possible outcomes. A similar solution is possible at Hackney Archives where space earmarked for future expansion of the collections could be used to store the records of another organisation. Where co-location with a suitable partner can be achieved, this may also present an opportunity for sharing staff between the partners.

The service will identify all possible means to adopt an entrepreneurial culture including marketing specialist advisory services and selective charging regimes to achieve budget neutrality for certain elements of the service such as cultural development and heritage education.

However, there is a point beyond which service efficiencies alone cannot generate the savings required and the level of service offered to the public may need to be reduced. This will require a decision from members but it would be essential that those activities which are most vital to residents would be retained. Among the areas that may have to be considered are reducing opening hours, reducing the level of service offered, reviewing in-house provision, ceasing to provide some activities entirely, or reducing the number of buildings in which services are delivered.