

Meeting:	Cabinet
Meeting date:	Thursday 28 June 2018
Title of report:	Future delivery of museum, library and archive services
Report by:	Cabinet member contracts and assets

Classification

Open

Decision type

Key

Wards affected

(All Wards);

Purpose and summary

To agree future delivery options for museum, library and archive services taking into consideration the results of a soft market test for the management of the services, capital works required for Hereford Library, next phase of delivery for the services and the review of the museum services conducted as part of the Resilient funding from Heritage Lottery.

A number of reviews, cabinet and cabinet member decisions over the last five years have set the direction of delivery based on retaining services important to the public, meeting changing customer needs, self-funding where possible and creating efficiencies.

This report therefore, makes recommendations based on sustaining services whilst considering their future operation and longer term delivery.

In summary the recommendations if agreed would:

- Provide further investment in Hereford Library making the most of the site for community benefit;
- Provide commitment to keeping facilities open and services operating;
- Explore the commissioning of services as a way of maintaining current standards and aiming for improvement;
- Support services to be more self-sustaining through income generation.

Recommendation(s)

That:

- (a) Up to £230k is invested in the development of the mezzanine floor at the Hereford Library and Museum creating a flexible community use space and multi-agency office, with external funding sought to highlight the historic features;**
- (b) A marketing plan for the Black and White House museum is instigated to increase visitor numbers at a cost of £20k and complete a review of opening hours of the Black and White House by December 2019 with any changes agreed by the cabinet member for contracts and assets;**
- (c) A policy is instigated that archives held at HARC be open to the public or alternative arrangements in place e.g. return, charging, lower cost storage, with delegated authority to the assistant director communities to implement;**
- (d) A procurement process is commenced for the future commissioning of museums, libraries and archives based on current standard of services with a further decision to be made by the cabinet member for contracts and assets on options for implementation;**
- (e) A car parking charging scheme is instigated at HARC in consultation with users;**
- (f) The principle of increased charging for digital archives is approved with delegated authority to the assistant director communities to agree fees;**
- (g) A review is conducted as to the delivery of the school library service including consultation with schools; and**
- (h) The response at paragraph 60 to the recommendations of general scrutiny committee is agreed.**

Alternative options

1. Hereford Library – different options for investment in Hereford Library are outlined in appendix 3. These options range in level of investment needed – the preferred proposal uses available funds to create additional community facilities and multi-agency office.
2. Delivery of the Museum Resilient Report - this would specifically relate to delivery of the Museum Resilient Report which presents a model of an outsourced museum service (see later). This can form part of the procurement process as an option for potential partners.
3. Retain services within the council – this would involve the council continuing with the direct management of services rather than externally commissioned very much based on the current arrangements. However, this would mean the services would be required to find the remaining Medium Term Financial Strategy (MTFS) saving of £336k without exploring commercial opportunities, back office savings or rate relief that a commissioned arrangement could bring. All of the short term savings would need to be implemented and consider additional changes to meet savings requirements.
4. No further savings – the services have been involved in a planned change programme for a number of years implementing a range of improvements, income generation schemes,

sharing of sites, efficiencies and savings. An alternative option is to withdraw the further saving requirement needed to meet the MTFS savings which amounts to £336k. However, the council is required to create a balanced budget and savings would need to be identified from another service area. To date it is not apparent where this would be from considering services have their own targets and pressures.

5. Pursue further savings – that all the short term savings options are pursued. This is not recommended as these would have an impact on service standards and quality.
6. Archives – that status quo is retained with some archives hosted by the council (but not owned) not open to the public. This is not recommended as does not fit with the ethos of the publicly funded archive service and results in an expensive storage facility. However, records owned by families form an important element of the county's history and handing them back could mean they are left to deteriorate.
7. Non review of schools library service – that the council does not pursue a review of the schools' library service. This is not recommended as likely to see decreasing numbers if there is no intervention.

Key considerations

8. Museums, libraries and archives (MLA) services operated by the council have been proactive in meeting the changing nature of the services, customer expectations and facing the challenges of creating a balanced budget in an environment of reducing funding for councils. Appendix 1 gives an overview of the decisions made with relevant links whilst Appendix 2 gives a profile of the services. Key activity is summarised below.
9. **Libraries and Museums** - Weobley, Peterchurch, Leintwardine, Colwall and Belmont libraries now operate as community libraries supported by volunteers, development groups and parish councils. Bromyard Library is operated under a commission to Halo as part of a dual use site. Ross-on-Wye Library has received investment to improve its layout and to accommodate children centre services as outlined in cabinet report of 14 September 2017. Hereford Library has been refurbished and Leominster Library is also due for refurbishment. The public access PC's have been upgraded and Wi-Fi is available in libraries. Self-service machines have also been installed so people do not have to wait to be seen by a customer service officer or library assistant to issue or return a borrowed item. The Black and White House was re-opened as a chargeable facility in February 2017 after investment in new displays and refurbishment (recently winning a Trip Advisor excellent award). Hereford Museum and Art Gallery has remained open through development of a volunteer stewarding programme.
10. **Herefordshire Archive and Records Centre (HARC)** - the archive service is the principal service at HARC and the building was constructed to comply with National Archives requirements for safeguarding archive collections. The centre also includes other related services (Biological Records, Historic Environment Record Archaeology) and has also become the planning search centre, the council's data centre, and recently available office space has been adapted to accommodate a multi-agency-office (MAO) to make the most of the building. Some modern records from the council were put in archive storage expansion space, to make the most of available space (many records have now been scanned to be electronically held with future scanning programme to follow). There is continuous availability of a year to 18 months storage as a way of ensuring provision for future archives balanced with efficient use of space.

11. **Volunteering** – the services have a strong track record in being supported by volunteers. This has continued in the last few years where people give their time to locally run community libraries; support collections care, documentation and archives records; conduct stewarding and assisting front of house at the museums; members of independent development and user groups. Some groups also provide financial contributions and provide opportunity to generate an income. In Colwall the parish council pays for staff via the library service to ensure opening hours which is also supported by volunteers.
12. **Local Government Association (LGA) Peer Challenge** – the LGA was invited to conduct a peer challenge of MLA services. The peer challenge took place in May 2017 and involved interviews with external groups / organisations, councillors and staff. The report and executive response was published on 26 October 2017 as part of a cabinet member report.
13. **Plans** - the peer challenge recommended that the council should communicate its plans for the MLA services. Recognising the detail of future direction is outlined in cabinet reports the plans for the individual services were published in October 2017.
14. **Redesign of services** – library and customer services, as a then combined service, were subject to a service redesign in 2017. This was primarily relating to the recommendation in the cabinet report of 13 October 2016. The museum service was also restructured to direct efforts on the Black and White House as a local attraction generating an income. The wider community services division also conducted a redesign of its management structure which supported the savings plans for the services.
15. **Savings plans** - the October 2016 cabinet decision approved a series of actions that delivered a saving for the library service of £510k to contribute to the target of £760k in the MTFS. During the course of the last two years additional activity has contributed to reducing the residual to £65k. For museums and archives the target savings of £500k was set in the MTFS to be achieved by 2019/20 financial year. A £222k savings plan was agreed by cabinet in the report of 10 March 2016. This included a mix of income generation and savings mainly from the museum service. Whilst management and operation changes have contributed in the last 2 years there is a remaining saving requirement of £250k.
16. The services are now looking at the next stage in creating a sustainable future to ensure all facilities remain open to the public. Cabinet reports and cabinet member reports in 2016 and 2017 addressed the issue of commissioning services as well as being part of a recommendation in the LGA peer challenge report for MLA services (sometimes referred to as contracted, outsourced or “spin-out” services).

Museum Resilient Project

17. Herefordshire Council in partnership with Herefordshire Museum Service Support Group (HMSSG) was awarded funding from Heritage Lottery in 2017 to review opportunities for the museum service with an aim of meeting the challenges of changing audiences and funding to create a sustainable service. The grant was used for staff training, production of a funding strategy, fundraising activity and feasibility work. The latter was commissioned to a company called Prince and Pearce, with the final Museum Resilient Report (full title: The Future Resilience of Herefordshire Council Museum Service) published on the council website in January 2018 (see appendix 1 for link). As funded by Heritage Lottery at a cost of £20k the report could only cover museum services, though

reference was made to library and archives services along with wider initiatives in the county.

18. In summary its findings recommend that:

- The museum service is outsourced to a host organisation, with the collections and buildings retained by the council;
- After a period of time a separate trust is potentially established for the museum service;
- Five years of planned council funding is invested over three years giving early investment to an outsourced service with other sources of funding;
- Staff are transferred to the host organisation under current terms to concentrate on their skills set of managing collections and hosting exhibitions, whilst the expertise of the host organisation is maximised to create a more commercial footing for the service and use of back office services.

19. There is the opportunity to apply for further funding from Heritage Lottery to pursue the recommendations of the Museum Resilient Report. This will be to invest in audience development, marketing, pop-up exhibitions and transition arrangements to an external organisation.

Commissioned services

20. Soft market testing is a commonly used tool to gauge the market interest in operating services helping to inform decision making and options for procurement process. This is not a procurement in itself, with the suppliers providing feedback voluntarily in commercial confidence.

21. The soft market test took place towards the end of 2017 and the feedback results are published on the council website (see appendix one for link). There were 14 expressions of interest with five actual submissions received - one of these submissions was a statement rather than a completed form. The remaining four submissions were from two locally based organisations and two from outside the county – all having charitable status. Three of the organisations have a track record in running a range of culture and leisure services including library services. One submission outlined setting up a new “sister” trust, the others looked at services being part of their own operation as the lead provider but with potential partners. All expressed an interest in running all sets of services depending on terms.

22. The council has a statutory duty to provide a library service (see legal section) though no minimum provision is specified. There is also a range of statutory requirements linked to the archive service. These requirements would be included in any specification / commission along with any other important element related to service level. The historic artefacts and archives retained in the ownership of Herefordshire Council (with some items held by the council but not owned by the council) along with the premises.

Hereford Library and Museum

23. In January 2017 Hereford Library and Museum reopened after refurbishment in the library and atrium. Further works have been authorised to repair the roof and required redecoration. After these works there will remain in the region of £230k from the original allocation of £1m (current works on the roof and decoration will finalise the available sum).

24. Hereford Library Users’ Group (HLUG) presented proposals for the redevelopment of the site, with cabinet response on 9 May 2016 for HLUG to progress their plans to return to

the council with worked up proposals within a two year timescale, with the council holding funds to match any capital raised for development of the building. Under "31 Broad Street Project" HLUg developed feasibility with the financial support of a council grant. In September 2017 HLUg advised it had decided not to continue with the project at the current time as other work was taking place.

25. Appendix 3 reviews several different investment options of the library. The preferred option is based on creating flexible space in an under-utilised area to create:
 - Study / work area – to expand the reference library area, with flexible shelving and desk space for study, to include wifi;
 - Consultation – at certain times the space can be used / hired for consultation;
 - Training – as a hireable space for training, seminars, events and conferences;
 - Displays – to include heritage image and displays;
 - Multi-agency office – create in the region of six desks as a multi-agency office.

26. **Archives held at HARC** – there are approximately 1 year to 18 months of available space for archive records. However, some archives are stored at HARC on behalf of estates and families but permission has not been given to make available to the public. In some circumstances authorisation will be given to named researchers. Therefore the alternative options are:
 - To negotiate with the families / estates to be made available for public use;
 - To charge for their storage if not available to the public;
 - Make alternative arrangements for storage (e.g. closed storage);
 - Return to the family.

27. **Schools library service** - The school's library service has been operated by the council for many years. However, there has been a decline in the schools purchasing the service having an effect on the income target of £66k. The decline is likely due to schools having to make choices regarding their expenditure and the nature of how children access books. It is proposed a review of service takes place to consider any future option in consultation with the schools.

28. There are a number of short-term measures that could create a saving as outlined below:

29. **Libraries:**
 - Renegotiation of stock management system – the IT system is up for renewal and there is potential to renegotiate the cost of the system.
 - Estimated savings: £20k (variable depending on procurement).
 - This to proceed through procurement.
 - Rental space at Hereford Library – office space available for lease at the entrance of the library to a third party to create an income.
 - Estimated income: £1.5k.
 - Considering the low level of income to lease the space this is not progressed. Instead the room is hired on an adhoc basic to generate an income and used for consultation and promotional activity on a bookable basis.
 - Explore other options for earned income across sites depending on suitability.
 - Estimated income: (needs to be tested in the market).
 - Not to proceed at this time to spend time promoting existing income streams, but linked to any future commissioned operation.
 - Further reduce opening hours across sites – reduced hours were implemented in 2014 and have not changed since.
 - Estimated savings: £31k (based on closing one additional day in each of Ross, Leominster, Hereford and Ledbury).

- Not to proceed at this time as impact on service standards.
- Reduce the book fund – the book fund enables the purchase of new stock and electronic resources and has been previously reduced by £30K in 2017 supported by effective negotiations on purchase cost.
 - Estimated savings: £20k (based on 10% of the book fund).
 - Not to proceed at this time as impact on service standards.

30. **Museums and Archives:**

- Black and White House – drive increasing footfall to the museum to generate an income to support other parts of the service. This would need investment in some additional marketing and activity.
 - Estimated income: £20k (£40k income offset with £20k investment).
 - To proceed giving time to promote the Black and White House as a key attraction of the city and having a positive effect on tourism for the area.
- Car parking at HARC – to be cost effective this needs to have low management requirement and not affect parking impacts in the local area with consideration given to regular local users and volunteers.
 - Estimated income: £5k (based per search room visit / events).
 - To proceed in consultation with users.
- Reduce opening hours of the HARC search room by one day a week to the public. Mondays are already closed to the public and a review can take place to understand the quietest day whilst also catering for people who need to access the service out of working hours.
 - Estimated saving: £8k based on one staff day cover.
 - Not to proceed at this time but look to effective management of the front counter that could reduce costs.
- Additional charging linked to access to the archives and digital records, and room hire.
 - Estimated income: £10k.
 - To proceed with charging for a decision once proposals are established.

Community impact

31. The profile of services in appendix 2 outlines the community participation in the different services. These are universal services open for anyone to use – often free of charge. The library service has the highest use in the region of 500,000 users, though the interactions with the services will be different in nature. The recommendations should not have impact on this level of use if current standards are retained.
32. The library service has specific provision for looked after children and foster carers. Looked after children and teenagers can have an “access” library card which entitles them to borrow books, talking books and DVDs free. Foster Carers can borrow 20 books (instead of the usual 12) and free talking books to help them support the children in their care. The library service also does outreach work with looked after children, youth groups, home educators and key organisations. Library fines (late return of items) has been withdrawn for children’s loans.
33. Published plans for each of the services outlined the role in delivery of the corporate plan linked to priorities, including:

Enable residents to live safe, healthy and independent lives

- Provide volunteering opportunities specifically in museums and archives
- Run the delivered services reaching housebound residents, residential homes and sheltered housing with reading choices

- Provide information on wellbeing and operate books on prescription scheme
- Collaboration with health groups on specific projects and schemes
- Specific “access” membership for older people, vulnerable adults, residents with physical and mental disabilities, and carers
- National Reading Well offers for people with dementia, adult mental health, long-term conditions
- Books in alternative formats for visually impaired residents

Keep children and young people safe and give them a great start in life

- Family friendly sites providing a safe, welcoming environment
- Specific activities for children and families across the services
- Ceasing fines for children’s books
- Schools visits
- Booktrust’s bookstart programme for children to have their own reading resources
- Resources and events to support literacy and learning
- Schools Library service to primary school and library service to high schools
- Links with children centre services, including planned co-location at Ross
- Summer reading challenge and bounce and rhyme
- National Reading Well offer supporting young people’s mental and physical health
- Targeted school events for improving and reluctant readers
- Special reading collections for foster families

Support the growth of our economy

- Museum, archives and exhibitions part of the tourism offer, specifically the Black and White House
- Free wifi and public use PCs for job searches, plus IT courses
- Shared facilities at Ross Library for Job Centre+
- Apprenticeships and volunteer work placements to improve skills
- Resources and classes improving language and functional skills
- Promote local authors and artists through sales and exhibitions
- Support and promote local festivals and cultural events

Secure better services, quality of life and value for money

- Increased charging for services to offset expenditure
- Introduction of self-service points to reduce the need to queue
- Provide a courier scheme linked to the delivery of book stock
- Shared sites with external organisations, departments and hire of venues
- Part of regional consortium to reduce costs of stock purchases
- Fundraising partnerships and projects to support the objectives of the services
- Working with parish councils and library friends / user groups to operate community libraries

34. The operation of sites has a number of health and safety requirements. This should be considered as part of any commissioned service and physical changes to buildings.

Equality duty

35. Under section 149 of the Equality Act 2010, the ‘general duty’ on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
36. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes.
37. The most affected characteristic is age based on high use of the library service by young children and older adults. The profile of services (appendix 2) gives an age breakdown of the different services where the data is available.
38. The services also impact on the characteristic of disability in the range of people who use the service, including for mental well-being.
39. The recommendations take into consideration minimising the negative impacts on the protected characteristics. This includes:
- Retaining standards of the service through any commissioning arrangements;
 - Maximise space at Hereford Library for the benefit of users, including improved facilities for young people's learning;
 - Retain current opening hours arrangements;
 - Continue to offer opportunity for volunteering.

Resource implications

40. The resource implications relate to the recommendations within this report.
41. The resourcing of capital works on the mezzanine floor at the Broad Street site is part of an existing decision to allocate capital spend to the Hereford Library and Museum of £1m. To date this has been used to meet different requirements including current spend on the roof and redecoration leaving a residual in the region of £230k to be available for the mezzanine floor. The recommendation also seeks permission to apply for external funding to contribute on the historic features.
42. It is proposed that £20k is invested in a marketing plan for the Black and White House as a one off cost allocated from reserves.
43. The council will also look to continue its relationship with Heritage Lottery to further advance the recommendations of the Museum Resilient Report for investment in the services to support any potential transition of services to a partner organisation.
44. The recommendations based on short term income and efficiency activities could create in the region of £55k of revenue savings – though this depends on the outcome of procurement of the library book system and other estimated costs.

45. In relation to rate relief and based on the figures provided above the council pays rates of £292k for MLA services. In turn the council receives a proportion of the rates at 49% of the current billed amount. Therefore if the buildings were successfully transferred to an organisation eligible for rate relief a net cost saving of £149k would be achieved. However, from 2020/21 the arrangement is set to change with Herefordshire Council retaining 75% of rates, which means the savings will fall to £73k
46. All of the organisations that made submissions as part of the soft market test would be able to apply for charity rate relief in the operation of buildings. Registered charities can receive an 80% mandatory relief on business rates if the property is used for charitable purposes. Registered community amateur sports clubs (CASCs) are also entitled to 80% relief on any non-domestic property that is mainly used for the purposes of that club. Groups / charitable organisations may also be entitled to up to 20% discretionary rate relief top up.

Legal implications

47. Section 7 of the Public Libraries and Museums Act 1964 (PLMA 1964) states that 'it shall be the duty of every library authority to provide a comprehensive and efficient library service for all persons desiring to make use thereof.' When fulfilling its duty under section 7, a local authority must have regard to the desirability:
 - Of securing that facilities are available for the borrowing of or reference to books and other printed matter, pictures, gramophone records, films and other materials
 - That these facilities are sufficient in number, range and quality to meet the general and special requirements of adults and children
 - Of encouraging children and adults to make full use of the library service.
48. If the secretary of state is concerned that a library authority is in breach of this duty s/he may order a public inquiry. The remodelling of library services across the country has generated several legal challenges in recent years. These legal challenges have tended to focus on whether the authority has complied with its obligations under the Equality Act 2010 - the public sector equality duty (PSED). This duty imposes a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, and sexual orientation). In particular, the council must have due regard to the PSED when taking any decisions on service changes. However, it is also recognised that local authorities have a legal duty to set a balanced budget.
49. The Council has a statutory duty to make proper arrangements for all archives in its custody by ensuring their preservation and availability for access by the public (Local Government Act 1972 S.224-229). These include the archives of the council and its predecessors; public records (for example records of courts, coroners, hospitals and prisons held on behalf of central government); archives given to or purchased by the council, or deposited with the council on long term loan. The Herefordshire Archive and Records Centre is appointed by the Lord Chancellor as a place of deposit for the custody of public records (Public Records Act 1958 S4(1)). The Council must satisfy the National Archives that certain conditions are being met in order to keep the licence as a place of deposit valid. The Act requires that reasonable provision be made for the inspection of public records by the public.
50. HARC is designated a Diocesan Record Office by the Bishop of Hereford (Parochial Registers and Records Measures 1978 S.7(3) & (4)). This instrument ensures that

archives such as parish registers, bishop's court books and probate records shall be deposited at HARC and made available for the public to inspect. The Council is empowered to collect, preserve and make available for public inspection local archives of historical interest and to promote their use (Local Government (Records) Act 1962 S.1(1&2). Further specific statutory duties are imposed for public access to manorial court records (Law of Property Act 1922 Part V1 s.144) and Tithe records Tithe Act 1936 S.36(2). Lastly, the Freedom of Information Act 2000 also requires records in the Council's care to be made available to the public for inspection including provision of copies.

51. The library and museum site at Broad Street is in the ownership of the council but is subject to covenants on the title, restricting its use in some areas, such as a section that cannot be used 'for any purpose whatsoever other than for the purpose of a free library'.
52. In the event that the library, museums and archive services are commissioned, there may be a transfer of employment of a number of affected staff as a result of the TUPE Regulations and a new provider would be required to maintain the terms and conditions of the employment of the transferring staff as well as providing access to the Local Government Pension Scheme.
53. The commissioning of services will be via an open process with potential partners needing to meet particular criteria of experience and capability. This could include a staff proposition through the process.

Risk management

54. The table below outlines some of the potential risks based on the recommendations:

Risk / opportunity	Mitigation
Lack of interest from partners with experience to operate services.	Test through the procurement process against current provision.
Reduction in standards affecting quality of service to users.	To include current standards in any specification / commission.
Capital spend on Hereford Library and Museum agreed allocation.	Project manage cost and report any unforeseen expenditure.
Short term savings and income not achieving goals.	To recognise this risk and test through implementation.

Consultees

55. Consultation has taken place with key user and interest groups through (please see appendix one for links to relevant consultations):
56. **Review of Museums and Archives Service** (February 2016). Independent study into the future operation and savings plans for museums and archives, including public meeting attended by 150 interested parties.
57. **LGA Peer Challenge** for Museums, Libraries and Archives (May 2017). During the course of the peer challenge the team spoke to more than 45 people including a range of council staff, councillors, external partners and stakeholders including the HLUG

(Hereford Library Users' Group), JAHL (Joint Action for Herefordshire Libraries), HMSSG and Friends of Herefordshire Archive. The results are included in the peer challenge report.

58. **Museum Resilient Report** run in partnership with the HMSSG (January 2018). During the course of the study 38 people were consulted including museum staff and relevant council officers, along with 18 representatives of external groups including HLUG, Friends of Herefordshire Archive, and JAHL.
59. **Feedback for the Museum Resilient Report and Soft Market Test** (March 2018). Responses received from Unison, Ross Library Development Group, HMSSG, JAHL, Friends of Herefordshire Archive, HLUG, Woolhope Naturalists' Field Club, there were also staff comments.
60. Three key questions were asked (see below for responses) and the respondees were able to add any additional comments with 41 pages of responses:

Stakeholder responses	yes	no	Not stated, don't know or other
Do you agree with the principles for the way forward outlined in the Resilient Heritage Report?	1	2	4
Do you agree with the preferred operating model in the Resilient Heritage Report?	1	2	4
Do you agree with the conclusions of the soft market test?	1	6	-

61. Common concerns raised with commissioning the services to a partner organisation are as below.

Issue raised	Response
The assets and objects should not be managed by an external company.	Assets and objects remain in the ownership of Herefordshire Council.
Any change should bring the museum, library and archive services together.	The services current operate within one management structure.
The services should be recognised for their difference and distinctness and treated separately.	There are outline future plans for each of the services recognising their differences and contributions to economic and social life.
Level of funding of concern and should not be an expectation of zero funding.	The aim is to explore the service being self-sustaining as much as possible to secure their long term future.
Accountability of an external organisation.	This would be through a commissioning agreement.
Not experience in museums or archives.	To be tested through the procurement process.
Lack of financial justification.	The procurement process will test the financial justification.
Need stability in the services.	The council is aiming to explore the different options to ensure long term sustainability and stability. Local government is working in a changing environment to meet pressures on services and changing nature of service delivery.
Concerns over future staffing.	Staff will be treated through proper process,

	with fairness and dignity.
Not enough detail to make comment.	Feedback document on the council website (link) pulling together each answer for each submission.
Specification requirement included to protect services.	To be part of the service standards partners would expect to meet.

62. The issues affecting the service were considered by General Scrutiny Committee on 9 April 2018. The committee resolved:

- (a) The case for bringing the first floor room in Hereford library into use should be set out in more detail for cabinet to consider, including an assessment of community benefit.
Response: Agreed. Appendix 3 includes business case profile with community benefit and options.
- (b) Cabinet is requested to ensure that whilst recognising the need for services to be sustainable any proposals should aim to preserve and/or enhance quality of services and provide for their development.
Response: Agreed. Included in recommendation to retain service standards for any contracted service and short-term savings have minimum impact on quality of service.
- (c) The resource implications of the report to cabinet should be expanded and clarified in relation to the impact of charitable relief.
Response: Agreed and additional information included in the resources section:
- (d) The option of not outsourcing the services should be fully explored in the cabinet report.
Response: Agreed. The alternative options to recommendations included in the report, also refer to appendix 2 for profile of services.
- (e) The different nature of the three services should be fully recognised and taken into account in considering future options in whatever process is pursued.
Response: Agreed.
- (f) The legal implications section of the report should be reviewed to ensure it fully reflects provisions relating to archives.
Response: Agreed and additional information included in the legal section.
- (g) Income generation opportunities should be explored including charges for those using archive services and the scope for shared use of council buildings with commercial and charitable operations.
Response: Agreed and reflected in the recommendations.
- (h) The opportunity to secure income from those storing records at HARC but not making them available for public use is explored.
Response: Agreed. Reflected in the recommendation in first making records available to the public and charging as an option.
- (i) The breakdown of the various usage figures in the report should be revisited and clarified for cabinet.
Response: Agreed. See appendix 2 for full range of usage figures.

63. Group leader comments and responses as below:

Comment	Response
Consultee: Independent Group	
<p>These services were never set up or designed to be commercially self-sufficient but were public services, set up to benefit the whole community. As a consequence, I do not think that we should expect these services to be profit generators for a private, profit making company. If we do go down the route of outsourcing management of these services, it should go to an experienced and reputable not for profit organisation, which has wide and successful expertise in this field. A not for profit company may make a surplus but any surpluses are ploughed back into the managed entities and not distributed to shareholders.</p>	<p>Local government and libraries particularly, have changed considerably since the services it provides were first established. As central government resources are removed and council's must become increasingly self-sufficient it is imperative alternative delivery models are explored. It is also important to note that there are many examples across the country and county where adopting a more self-sufficient delivery model has resulted in better services that meet community needs more effectively. The commissioning process will ensure that the skills and experience of potential partners is thoroughly tested and the value for money elements of any bid are fully explored.</p>
<p>The Museums, Libraries and the Archives are very different creatures and it is unlikely that exactly the same management system will suffice for them all. It should be noted that each of these services has a lively and enthusiastic user group. We should make sure that these user groups are used to the greatest advantage and always consulted.</p>	<p>The commissioning process will provide options to come forward from potential partners to deliver all or some of the services to maintain maximum flexibility. The value of service users input is important and the views of service user groups have been sought through various consultations (as outlined in the report).</p>
<p>It is vital that the buildings and assets always remain in the ownership of the Council and are not allowed to be sold off by whoever is running them.</p>	<p>There are no proposals to dispose of the freehold of any of the current premises and the ownership of the historic objects will be retained by the council.</p>
<p>Whilst acknowledging that these services were not designed or expected to make a profit; we should encourage as much sensible, reasonable and appropriate commercial activity as possible. I think that there is scope for making some money by selling services, food and drink outlets, and any other appropriate means. For instance, the Archive Service should make a reasonable charge for the storage of private archives if they are not to be made available for public research. Also, they could explore what reasonable charges they can make for the copying and selling of copies of archive material. Should users be charged a nominal fee for the use of the archive facilities? I do not want to deter people from using the outstanding facilities but rather encourage</p>	<p>Charges are already made for some services at HARC such as photocopying and photography in line with council fees and charges (link). Proposals for charging for other services such as storage of archives not open to the public are included in the recommendations and other options will continue to be explored in consultation with users and having regard to benchmarking information from other similar services.</p>

a greater use of them.	
I do not think that reducing the hours that any of these services are open is beneficial. It might be worth looking at the current opening hours and discussing if they are the most appropriate times for the people who might want to use them.	The recommendations do not include reduced opening hours. The council will continue to seek the views of current and potential users to ensure the opening hours meet customer needs.
I think it would be of benefit to the public if more of the Museum's artefacts and treasures could be on wider public display. I have suggested in the past that it was a missed opportunity not to insist that all the new shops in the Old Market scheme should have some secure display areas in each one of them, for instance.	The council will continue to explore options for making artefacts more widely available having regard to the costs of insurance and management of such arrangements and the requirements of museums registration. Recent projects that displayed museum objects off-site included: <ul style="list-style-type: none"> • Ferrous displays in Hereford City shops c.90,000 • Blenheim Palace 70,000 visitors • Forest Charter exhibition at Hereford Cathedral c.15,000 visitors
We should listen carefully to the supporting user groups: they have much expertise and experience and some good ideas. I hope that we will always make use of their expertise and enthusiasm. At the same time, we must remember that they are volunteers and we must not expect or demand that they replace professional staff, who must always remain at the heart of the services. Volunteers can come and go of their own volition and though extremely valuable, should not be taken for granted. Also, volunteers, giving of their own time, do have costs associated with them. However, these costs are almost certainly very good value.	User groups and the many volunteers who give their time and commitment to support the services are indeed highly valued. They do not replace the role of paid employees but certainly volunteers enhance the services that the council can provide and we are very grateful for their input.
There are opportunities for greater commercialisation and a more business oriented approach but not at the cost of destroying the very services we are trying to protect and improve. We must also ensure that they are appropriately publicised and are available at appropriate times for the public to make best use of them.	The recommendations are intended to achieve this result. There is no intention or desire to destroy the services; rather to find a way in which they may not only be sustained but enabled to thrive and grow within Herefordshire. The council has actually invested in the assets to meet changing customer expectations.
It may be that some investment in these services will pay off in increased use of them.	The recommendations include proposals to invest in the Hereford Library and Museum on-top of the investment already made. Investment made in Ledbury Library has seen an increase in user numbers; and the investment in an award winning new archive and record centre.

<p>It should be remembered that the Archive Centre also houses the Diocesan archives. I am cannot remember what are the arrangements for paying for the storing of these archives. This should be investigated.</p>	<p>There is no charge for diocesan archives with HARC a designated Diocesan Record Office under the terms of the Parochial registers and Records Measure 1978. The records are open to the public.</p>
<p>Also, money should be set aside on a regular basis to help pay for the eventual extension of the storage space. The possibility of extending the storage space was allowed for in the original design and will, one day, become necessary.</p>	<p>At the current time there is limited business case for setting aside more money for extending HARC which was completed in 2015. The most is being made of the available storage at the archive and records centre through a managed process rather than having “dead” / used space.</p>
<p>Consultee: Green group</p>	
<p>Ideally the three services should remain joined into one ‘in-house service’ and not be broken up or outsourced. That said we recognise their individuality and that the shortfall savings gaps in the MTFS varies greatly across the three services, with the biggest shortfall being in the Archives service.</p>	<p>The services are currently managed under one structure with the individual components, qualities and character of the services recognised and respected. The recommended procurement process will give the option of keeping services together or being operated separately.</p>
<p>The museum service has produced a compelling business case for its future, but the timing of this puts further pressure on seeking to keep all three services together.</p>	<p>The council working with the HMSSG with funding from Heritage lottery commissioned the report The Future Resilience of Herefordshire Council Museum Service (link). This recommends an outsourced host model and can be incorporated into any procurement process; and therefore tested to see if viable. The three services together have the potential of creating economies of scales, specifically regarding back office services.</p>
<p>Pinning down the level statutory duties is quite hard, but never the less we do have to provide them. The level of investment in HARC, the new Archive Centre and the ongoing investment in libraries underpin these duties. These levels of investment should not be bartered away in any outsourcing exercise.</p>	<p>Please refer to legal section which aims to outline the legal requirements of the services. The recommendation includes additional investment in Hereford Library and there is an existing decision on investment in Ross and Leominster Libraries to update the facilities to meet changing customer needs and create co-located places.</p>
<p>The savings targets seem split between savings through cuts in staff time and hours, and reducing shortfall’s through income generation.</p> <ul style="list-style-type: none"> • We do support the income generation proposals and think more could be done in this realm. There seems to be a good case for charging for the archive services listed in the report. 	<p>The recommendations include additional charging at HARC. The option presented to scrutiny for closing HARC for one day a week is no longer included. Colwall Parish Council pays for library staff supported by volunteers; other parish councils run or contribute to the running of the community libraries. The recommendations do not include reduced</p>

<ul style="list-style-type: none"> We do not support making savings by closing one day a week. It is counterproductive as no income can be generated on that day. Library staff hours are already financially supported by some parishes. We would urge you to have a conversation with the market town parishes to look at buying in staff hours rather than losing a day's opening. The same argument applies to HARC when closed, income can best be generated in an open building. 	<p>opening hours for libraries (the last reduced opening hours was in 2014). Market town councils are open to contribute to the running of libraries though the issue remains that not just residents in those market towns use that particular library, as residents are open to use multiple libraries and reside in rural areas.</p>
<p><u>IT Systems</u> Renegotiating IT systems seems like an obvious opportunity to create better value for money across the service. This spend to save should not be bartered away either in any outsourcing exercise.</p>	<p>The recommendation includes eProcurement of the library IT management system.</p>
<p><u>School Library Services</u> We welcome the proposed consultation with schools before any decision is made. We recognise that this service is under pressure and may have to be fundamentally altered or curtailed.</p>	<p>The schools will be consulted for their views on any changes to the service prior to implementation.</p>
<p><u>Soft market testing / outsourcing</u> We do not support the outsourcing of libraries, especially as no business case has been drawn up for NOT outsourcing the service. We fully support the recommendations made by General Scrutiny and would expect them to be fully incorporated into the final cabinet report.</p>	<p>The alternative options outline the non-commissioning option. No decision will be made until a procurement process has taken place with the current standards of service being retained (e.g. opening hours) or improved. This final decision will be made benchmarked against current operation. The report outlines response to General Scrutiny recommendations.</p>
<p>Consultee: It's OUR County</p>	
<p>It is vital to recognise the key positive contributions of this sector (MLA) to:</p> <ul style="list-style-type: none"> Economic development Tourism and the visitor economy Community health and wellbeing Development of NMiTE's objectives Herefordshire's cultural identity and profile 	<p>Each of the plans for the services outlined their contribution to the corporate plan priorities (plans published on the council website). Investment has been made in centres to support economic, community and cultural appeal including at HARC, the libraries and Black and White House (which as recently won a Trip Advisor award).</p>
<p>In view of these a model, or a proposal, that is focussed purely on cost-saving risks overlooking the benefits – economic, social and cultural – of these services. It would therefore be wrong for the council to prioritise outsourcing MLA without being fully confident of the capacity and capability of the component services to be properly sustainable and resilient in the</p>	<p>(See above on contribution to economic, social and cultural benefits). The services have been involved in a transformation programme for at least five years and though includes savings has also involved investment to create resilient services. The procurement process will give the opportunity to fully explore if commissioning is a realistic option rather</p>

longer term.	than theory, speculation or feasibility.
MTFS savings requirements (£336k remaining from £760k target) should not be the sole lens through which the optimum future of MLA is seen: a transitional spend-to-save approach may be needed – whether via diversion of other expenditure or prudential borrowing – to build resilience and to take account of the council's many strategic objectives to which MLA contributes.	The investment the council has made in museums, libraries and archives sites in the last five years: <ul style="list-style-type: none"> • Hereford Library refurbishment • New build of Archives and Records Centre • Ross Library development • Leominster Library (due 2018) • Kington Library refurbishment • Black and White House exhibition displays and refurbishment • New Ledbury Library at Masters House • Self-service machines in libraries • Wifi in libraries and upgrade of public access PCs
Whilst there has been considerable work on the future model for museums, notably the Prince and Pierce report <i>The Future Resilience of Herefordshire Council Museum Service</i> whose findings we support, it is not yet clear that a comprehensive model for all three services has been achieved.	Please see appendix one of the report for the list of consultants, decision and reports completed for the services. This includes an LGA peer review for all three services. Each of the services has a forward plan for 2017-20 published on the council website. Previous cabinet reports outline direction of travel for services. The Museum Resilient Report was funded by Heritage Lottery at £20k.
Strong synergies exist between the needs of the MLA services, but each also has its own service-specific needs and requirements: in effect a 'Venn diagram' of overlaps and differences. Any future trust model with the aim of an overarching single trust has to be designed to recognise this, and to accommodate a process which enables each service to maximise its own potential, initially if necessary through three separate but linked trusts whose stated objective is eventual merger.	The difference in nature, customer experience, statutory requirement, funding opportunities and income generation is recognised as being different between the services. This is reflected in the plans produced for each service. However, there is also synergy between customer cross-over and back office costs. The procurement process will allow for a single or separate partnerships depending on the best proposals.
Has the option of not outsourcing the services been fully explored and evidenced?	The current services are operated in-house providing a bench-mark of service standards as a minimum and this will be reflected in any final decision to enter a commissioned agreement. The alternative options for this report look at retaining services as is.
Have the findings from soft market testing of MLA been used to inform this decision? And where are these findings on the HC website (a search does not reveal them)?	The soft market test enabled the council to understand if there was a market for the services (not a procurement in itself). This showed that there were legitimate organisations with experience interested in the operation of the services. The

	council decided to publish a feedback document on the website in January 2018, sent to user and friends groups directly, and highlighted on ward member update on 31 January. Document: Link
Have the principles and scope of different trust models been worked on?	Previous cabinet report (15 December 2011) explored different trust models. Report to cabinet on 10 March 2016 on Museum and Archive Services reviewed trust option as part of a wider report. “Spin Out” option was also recommendation (no. 6) from LGA peer challenge for the services - reference executive response 26 th October 2017 (link).
Have the Herefordshire Cultural Partnership’s proposals for a ‘cultural quarter’ in the city been given due consideration?	Herefordshire Council is a member of the Cultural Partnership. Any involvement in promoting museums, libraries and archives through the partners is something the council would want to be involved in.
Are Heads of Terms/Memoranda of Understanding being developed with partner organisations including NMiTE?	Herefordshire Council has a formal partnership with NMiTE through a joint delivery board. See link .

64. Unison and Herefordshire Local have instigated a petition on the 38Degree website based on “Stop the privatisation of Herefordshire’s Libraries, Museums and Archives”. To date (14.6.18) 1,246 signatures have been registered.

Appendices

- Appendix 1- Summary of decisions and documents
- Appendix 2 – Profile of the Services
- Appendix 3 – Business Case Profile

Background papers

None