

Croydon Libraries Commission: Upper Norwood Joint Library

Introduction

I have been commissioned by the Upper Norwood Library Campaign to produce an independent, comparative assessment and analysis of the pro-rata costs and value for money of:

- The separate and independent Upper Norwood Joint Library Authority and
- Those of the conventional library authorities of Lambeth and Croydon Councils

The analysis is on the basis of examining the costs, performance and value for money of two whole library authorities (Lambeth and Croydon) in proportionate comparison with a whole smaller library authority (the Upper Norwood Joint Library Authority).

The analysis uses 'neutral' and standard measures of value for money, such as inclusive, average cost per library site, inclusive cost per 1,000 residents served, inclusive cost per library visit and inclusive cost per library issue.

The inclusive aspect of the study necessitates that all inputs (including overheads, service level agreements, recharges and support service expenditure) needs to be factored into the comparison so that the full costs of providing the (larger) borough library authority services can be compared proportionately to those of providing the separate (smaller) and 'stand alone' Upper Norwood Joint Library. This is also the case with any proportionate evaluation of outputs, performance and value for money.

The Upper Norwood Joint Library does not form part of any other library service. Although jointly funded by Croydon and Lambeth Borough Councils it is governed as a separate entity with its own management committee.

The Upper Norwood Joint Library pays for every aspect of the provision, operation, support, development and management of its services on a self-contained 'stand alone' and self-supporting basis. The only exceptions are the provision of secretarial services and financial support and advice, together with payroll and payments reconciliation service that are provided on a non-paid for / gratis basis by Croydon Council. These services are valued at just over £20,000 a year.

The catchment area for the Joint Library includes 31,444 Lambeth and Croydon residents (about 19,000 are in Croydon and 12,000 in Lambeth).

I have had to complete this analysis within a tight timescale and have been dependent on information that has been provided to me by the Upper Norwood Library Campaign. This documentation is listed in Appendix A. My biography is in Appendix B.

Financial Analysis

Because the Upper Norwood Joint Library operates as a small scale library authority (as opposed to a component site of a larger conventional library authority) it is, in practice, a library system in microcosm carrying out many functions that would not be dealt with by an individual library anywhere else. This means that it is impossible to compare the costs and performance of the Upper Norwood Joint Library with any other individual library because no other library 'stands alone'. Every other individual library is centrally supported (in terms of people, services and costs) with assistance from the wider libraries department, the culture directorate and the corporate council as a whole. These support costs can be as much as 46% of the total library service budget (as in the case of Croydon) and a detailed breakdown of what they comprise is rarely, if ever, provided. In contrast, all of the Joint Library's spending is fully exposed and open to scrutiny with detailed accounts published each year.

Croydon Borough Council

The CIPFA statistics for 2009/10 for Croydon Borough Council shows that revenue expenditure per 1,000 population is £25,317 and that the population is 342,500. Total expenditure is therefore £8,671,072. However, this data includes the Council's expenditure in support of the Upper Norwood Joint Library and the population that is served by it. Croydon Borough Council's contribution to the Joint Library in that year was £186,297 plus £20,000 for support services that are not recharged. Total expenditure net of these costs is £8,464,775. As 19,000 Croydon residents are served by the Upper Norwood library this expenditure relates to a population of 323,500. Using these costs produces expenditure per 1,000 population of £26,166. During the year the service made 1,375,115 issues meaning that revenue expenditure per issue was £6.16. During the year there were 2,039,027 library visits meaning that revenue expenditure per visit was £4.15.

Lambeth Borough Council

The CIPFA statistics for 2009/10 for Lambeth Borough Council shows that revenue expenditure per 1,000 population is £27,886 and that the population is 283,300. Total expenditure is therefore £7,900,104. However, this data includes the Council's expenditure in support of the Upper Norwood Joint Library and the population that is served by it. Lambeth Borough Council's contribution to the Joint Library in that year was £211,186. Total expenditure net of these costs is £7,688,918. As 11,000 Lambeth residents are served by the Upper Norwood library this expenditure relates to a population of 272,300. Using these costs produces expenditure per 1,000 population of £28,237. During the year the service made 806,795 issues meaning that revenue expenditure per issue was £9.53. During the year there were 1,280,952 library visits meaning that revenue expenditure per visit was £6.00.

Upper Norwood Joint Library Authority

Expenditure and budgetary figures are derived from annual accounts that are prepared on behalf of the Joint Library Committee by Croydon Borough Council. These show that the revenue expenditure of the service in 2009/10 was £440,254 including the cost of the support services provided free of charge by Croydon Borough Council. There are 31,444 residents in the catchment area meaning that the revenue cost per 1,000 population is £14,001. During the year the service made 134,266 issues meaning that revenue expenditure per issue was £3.28. During the year there were 174,112 visits meaning that revenue expenditure per visit was £2.53.

Conclusions

Based on the information provided to me, the costs and value for money offered by the Upper Norwood Joint Library and the library services of Croydon Borough Council and Lambeth Borough Council are as follows:

	Upper Norwood	Croydon	Lambeth
Expenditure per 1,000 population	£14,001	£26,166	£28,237
Expenditure per issue	£3.28	£6.16	£9.53
Expenditure per visit	£2.53	£4.15	£6.00

This analysis suggests that the Upper Norwood Joint Library Authority operates at lower costs and offers better value for money than either Croydon Borough Council or Lambeth Borough Council.

Adrian Waite
June 2011

Appendix A – Sources

Background Notes

CIPFA actuals and Upper Norwood Joint Library Authority annual accounts 2009/10

Lambeth Council library authority expenditure 2010/11

Upper Norwood Joint Library Authority expenditure 2010/11

Proposal for a Charter for the Upper Norwood Joint Library

Upper Norwood Joint Library Charter

South London Press article (no date)

Lambeth 2011 costs (Lambeth Libraries Commission papers extract)

Lambeth 2010 statistics

CIPFA actuals 2010

Upper Norwood Joint Library accounts 2010

Pickles (Evening Standard 26th October 2010)

Bookseller (2nd July 2010)

Appendix B – Adrian Waite – Biography

Adrian Waite is Managing Director of 'Adrian Waite (Independent Consultancy Services) Limited'. He is a qualified member of the Chartered Institute of Public Finance and Accountancy (CIPFA), an Associate member of the Chartered Institute of Housing and an Honorary Fellow of the Institute of Public Services Management and Institute of Leadership & Management.

Adrian is a member of the National Council of the CIPFA and also sits on their Public Finance & Management Board, Board of the Regions and Housing Panel. He was a member of the working party on funding mechanisms that was part of the Communities & Local Government (CLG) and Treasury review of the financing of the Housing Revenue Account and of the CIPFA / CLG Sub-Group that has examined the detailed implications of implementing self-financing. He is also a member of the Board of Impact Housing Association and will become Chair in June 2011.

Adrian's recent work has included preparing expert witness reports for judicial reviews of the financing of adult social care; evaluating the impact of self financing of council housing; carrying out and evaluating housing stock options appraisals; preparing housing revenue account business plans and financial 'health checks' of housing revenue accounts; developing procurement and value for money strategies; evaluating efficiency gains; developing financial modelling for 'new build'; reviewing leaseholder and tenant service charges; preparing materials for postgraduate university courses; and acting as an Associate Housing Inspector and Independent Tenants' and Residents' Advisor. He is therefore well placed to explain developments in local government finance.

After graduating from Oxford University with a First Class Honours degree, Adrian joined West Yorkshire Metropolitan County Council as a Trainee Accountant. Appointments at Leeds City Council and Newcastle on Tyne City Council gave Adrian experience of the finance of every local government service including libraries. In 1990, he was appointed Assistant County Treasurer at Staffordshire County Council. As Finance Director, and then Strategic Director, at Copeland Borough Council between 1993 and 1998, Adrian became conversant with every aspect of the finance and strategic management of local government. He left Copeland Council in 1998 to work as an Independent Consultant. Since then he has worked with central government, local authorities and housing associations on a variety of financial and strategic issues.



Adrian Waite