

CABINET MEMBER DECISION

6 MARCH 2023

CONTINUATION OF FUNDING FOR WORCESTER CITY LIBRARIES

Relevant Cabinet Member

Marcus Hart, Cabinet Member with Responsibility for Communities

Relevant Chief Officer

Hannah Perrott, Assistant Director Communities

Local Member(s)

Councillors James Stanley and Richard Udall

Recommendation

- 1. That the Cabinet Member approves the allocation of £157,000 from the Business Rates Reserve for 2023/24 to offset the decision made by Worcester City Council to discontinue funding for Warndon and St John's Libraries, and**
- 2. Recommends that permanent recurrent funding is allocated from the County Council's budget for 2024/25 onwards to ensure both Libraries remain open**

Background

3. It was agreed, in 2019, that Worcester City Council would contribute £157k per annum to the costs of delivering library services across two sites in the city (Warndon and St Johns libraries) to support their community benefit.
4. Contributions were made by the City Council in 2019/20 and 2022/23 with the years 2020/21 and 2021/22 being funded from County Council COVID grants due to the reduction in opening hours during the pandemic.
5. At its meeting on 21 February 2023, the City Council approved a change in their Medium-Term Financial Plan to discontinue funding for 2023/24 as the delivery of library services is a County Council function.
6. The 2023/24 Budget for the County Council was approved at Full Council on 16 February 2023. As part of the approval, the Cabinet Member for Communities stated that, should Worcester City approve the withdrawal of funding for Warndon and St John's Libraries, then the County Council would look to use reserves to offset any shortfall from this decision for 2023/24 and seek permanent solutions to funding this from the County Council's budget for 2024/25 onwards to ensure both Libraries remained open.

7. Planning for the provision of services at Warndon and St John’s Libraries would then fall in line with the implementation of Worcestershire’s Library Strategy as agreed by Cabinet in December 2019.

Legal, Financial and Human Resources Implications

8. There are no human resources or legal implications

Financial Impact

9. The 2022/23 gross budget for libraries is c£11.4 million, with income budgets totalling £7.4 million giving a net budget of £4 million. Income includes the PFI grant relevant to The Hive, as well as income realisable from rent payments from partners, income from fees and charges as well as the £157,000 from Worcester City.

10. There is sufficient funding within the Business Rates Reserve to fund the commitment of £157,000 contribution to ensure that funding remains for the libraries in Warndon and St John’s. Identification of permanent funding will form part of the ongoing review of the Medium-Term Financial Plan to ensure that both libraries remain open.

11. The revised forecast use of reserves following this decision is shown in **Table 1** below with the reduction in forecast reserve balance being seen against the “Risk” line. A full updated breakdown of reserves is shown in **Appendix 1**.

Table 1 – Updated Forecast Reserve Balance

	Opening Balance	Forecast Reserve Balance	Forecast Reserve Balance	Forecast Reserve Balance
	31/03/2022	At 31/03/2023	At 31/03/2024	At 31/03/2025
Open for Business	18.245	16.742	5.194	1.128
Children & Families	13.194	8.849	4.449	2.449
The Environment	5.371	6.754	2.916	0.297
Health & Wellbeing	35.561	9.546	3.089	0.283
Efficient Council	13.028	10.994	5.250	3.288
Risk	51.087	31.582	26.959	20.711
Capital	8.026	11.529	2.541	0
Unusable	13.168	6.910	3.410	2.410
	157.680	102.906	53.808	30.566

12. In the Council’s Financial Regulations, the decision to vire the budget can be made by the Strategic Director for People. The Strategic Director has decided not to exercise the delegation and referred it to the Cabinet Member for Communities. This is because:

- The Council decision on the budget was very recent and was made before the Worcester City Council decision to withdraw the payments, and
- There was no formal decision by the County Council to make this allocation. The Cabinet Member did however give an undertaking at the Council meeting that it would fund the shortfall if Worcester City Council ceased payment.

Joint Equality, Public Health, Data Protection and Sustainability Impact Assessments

The JIA screening did not identify any potential considerations requiring further assessment.

Supporting Information

Appendix 1 – Updated Forecast Use of Reserves

Contact Points

Specific Contact Points for this report

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Assistant Director – Communities

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Background Papers

In the opinion of the proper officer (in this case the Assistant Director – Communities) the following are the background papers relating to the subject matter of this report:

Council Meeting on 16 February 2023 – Budget Report 2023/24:

[Agenda for Council on Thursday, 16th February, 2023, 10.00 am - Worcestershire County Council \(moderngov.co.uk\)](#)