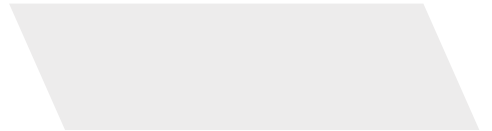


## Advanced Material

This Advanced Material contains a pre-seen case study provided to students prior to the exam date. Students should familiarise themselves with the Advanced Material before they sit the exam. The Advanced Material provides key information and forms the basis of the requirements set out in the exam day materials. Students should carry out research into the sector and apply learning from the workbooks.

**Exam: Strategic Case Study**

**Exam Sitting: December 2024**



## Introduction – Speareland

Speareland is a constitutional monarchy and has enjoyed a stable democracy for over 200 years. The capital city Cannonby, where the national government is based, is in the south of the country in a generally affluent and prosperous area. The currency of Speareland is the Speareland pound (£).

Local government bodies in Speareland are responsible for numerous functions such as schools, social care, planning, waste collection and the implementation of regeneration policies. The local government bodies have some degree of self-determination within the overall legal framework established by central government, which sets out funding parameters and statutory duties. This means that local government bodies such as Winterby City Council can make decisions on how statutory services are delivered, and what discretionary services are to be provided. Members of the local councils are politicians, elected by those living in the area which the council serves.

## Winterby

Winterby is the main city in the most northern region of Speareland with a population of 475,020. It was once a very large and prosperous commercial port, but when manufacturing declined in Speareland during the last century the economy around the docks also declined. The city of Winterby borders Speareland's national park, Sicilia, a mountainous and wooded area of outstanding natural beauty covering over one hundred square miles, which is home to several rare species of animals and birds. A significant element of the Winterby economy relies on tourism connected to its vicinity with this park, with hotels, restaurants, tour guide services and a cruise liner terminal all catering to tourists.

Winterby is a city of ten boroughs divided by the River Dorcas. The cruise liner terminal and the majority of the city's hotels, bars and restaurants are located in the southern area of the city,

which is on the whole more prosperous than the north of the city, with better standards of housing and a good standard of local amenities such as nursery school places, parks, and high performing schools. As well as the City Centre, there are four other boroughs to the south of the river: Archidam, Perditon, Polixan and Floriton.

The north of the city was once the location of the commercial docks, many of which are still there but are now defunct. The housing stock in this area is poor quality: a mix of badly constructed terraced houses, once the home of dock workers, and local authority apartments built in the 1970s. There are few amenities in the area. Overall, schools perform worse than in the south of the city. The north of the city also suffers from higher levels of crime and obesity. There are five boroughs in the north of the city: Wharf, Gonusham, Leonton, Mopsa and Autolye.

The city is connected across the river by several bridges and an underground metro link which runs under the river from Wharf, the dockland district on the north shore, to the city centre in the south. There is a cheap and regular bus service from all boroughs to and from the city centre. The connections between boroughs are not as good, with limited routes and infrequent buses.

The council is facing the need for cutbacks. As part of the national government's fiscal policies, which include reducing taxes and borrowing, local authorities have been tasked with setting budgets within strict parameters. Moreover, following recent elections, the new majority party at the Council is the Moderate Party. The Moderate Party's campaign slogan was 'Where did value for money go?', and it has an agenda of reducing borrowing by providing cheaper services and focusing on the priority needs of all boroughs of the city. At the local elections it received great support from the northern boroughs of the city and has stated that its number one priority is achieving equilibrium: balancing the needs of all citizens and levelling standards across the city. In order to achieve this the council has prioritised spending on education, including pre-school places. To fund this increased spending, the local authority must make substantial cuts to other services.

Over several years of making cutbacks, the council has eliminated many discretionary services, and if savings have to be found they will be from a reduction and/or improved efficiency of statutory services such as libraries, road maintenance and social care. Reductions in these areas will inevitably meet with opposition from powerful stakeholder groups.

## Library service

The provision of a library service is a statutory function of local government in Speareland. There is an expectation that councils will provide an efficient and comprehensive library service, but there is significant discretion given to councils as to how they do this to meet local circumstances. Some councils have outsourced the library service or formed separate trading companies or mutuals which provide greater freedom in respect of trading and revenue generation.

The 2024/25 budget for the libraries service in Winterby has been increased by 2% on the 23/24 budget, from £5,776,000 to £5,891,520. This includes revenue contributions from services provided. The inflation rate in Speareland has been 2% for some time and this is expected to be stable for several years.

Nationally, spending on libraries has reduced by 50% since 2014, and an annual government survey is produced every year to identify trends in library usage and expenditure. The details of this are provided in Appendix 1.

This survey outcomes have been criticised by several charitable organisations which campaign for increased library access. The largest and most widely recognised of these groups is Reading for All, which regularly lobbies parliament for additional funding for library services, especially in the most deprived areas where educational attainment and levels of literacy are lower than average. They believe providing all young children with access to free books boosts their ability to learn and thrive in the school environment.

Reading for All is a powerful advocate which regularly runs high-profile campaigns and argues that the government statistics do not tell the full story, since libraries offer much more than just book loans. Libraries may host special events, such as story sessions in the school holidays, adult literacy classes and cultural events such as poetry workshops. In addition, library services offer e-lending and archive access points for those researching local or family histories.

At Winterby, the library service has been considered as an area in which the council can find savings, as usage is below the national average. To borrow books in person or online, and to access the computers and Wi-Fi facilities in the library buildings, individuals must become a member; that is, they must sign up for a library account and be given a library card and account number. Forty percent of the population of Winterby are library members, compared to 43% nationally. However, both nationally and locally, library usage has been rising for the previous three years; in Winterby there was an increase in membership of four percent between 2023 and 2024. In part this can be attributed to the popularity of free Wi-Fi access at library buildings, plus free use of computer terminals at the central library. The libraries are open from Monday to Saturday; the central library from 8am to 10pm and the branch libraries from 10am to 6pm.

Winterby Council has published local data to compliment the national survey based on additional information gathered from in-house systems and surveys conducted in library buildings throughout the year. The results are also included at Appendix 1, and indicate that the most popular reason for visiting the library is to borrow a book.

A basic online service was set up several years ago whereby users could download books for reading on their computer, phone or dedicated reading device. Take up of this service has been very low with less than 50% of the library's members using the service, possibly because the service is difficult to use with a complicated procedure for logging on to the application. Moreover, it is unreliable, because the application itself and the cloud service are both subject to errors and glitches meaning that the service is not always available.

In addition, the on-line service offers a very limited and basic choice of books. The council has to buy a licence which gives permission for the books to be shared via the e-lending service,

and several users can read that title concurrently, but only up to a set number as per the licence. A user may borrow a book for a fortnight; at the end of that time, if the loan is not renewed, it is automatically terminated and the user no longer has access to that title. The book can then be borrowed by the next user. The 24/25 budget for this service is £63,000, mainly to pay for licences and maintenance of the system. With a larger budget the library service could stock the e-library with a wider choice of titles and allow more users to access a particular e-book at the same time. The Winterby Association of Head Teachers has complained that the council have mismanaged this opportunity and that academic titles should be included in the e-lending service and be more easily accessed.

Winterby is comprised of a central area and nine boroughs. The central library is very large and provides numerous services including archives. Eight local branches are located in eight of the nine boroughs of the city. Reasons for the comparatively high cost of the service include the lengthy opening hours and the provision of free Wi-Fi, but the main factor is the poor state of several branch library buildings which require significant ongoing expenditure on maintenance in order to meet minimum standards. The libraries generate limited revenue from fees for the reservation and ordering of books and the payment of fines, plus charges to community groups and adult education providers for use of rooms in the libraries. The archives service is part of the library service and is included within the same budget. An archives team is located at the central library and charges a small fee for access to records.

The table below provides a list of all the boroughs of Winterby and their libraries with a brief indication of the main issues with each one. Library service administration costs of £423,000, which includes expenditure items such as overheads, website maintenance and the salary of the Head of Libraries, are not included below, nor are the costs of the e-lending service. The costs for each branch include staff costs, book acquisition, repairs and maintenance, cost of maintaining green spaces such as grass borders around libraries, cleaning, and energy costs.

Usage figures have been estimated by library staff who have been asked to maintain a record of every person who comes into the library for any reason, as many users may not be members of the library.

**Table 1 Summary of key issues at each library**

<b>South</b>		Budget for 24/25 £000	Recorded visits in 23/24
Central (City Centre)	<p>The building is 20 years old, very large and located in the centre of the city near to the railway and bus station. Thirty-eight staff are permanently based in the central library. Facilities/costs include:</p> <ul style="list-style-type: none"> <li>• permanent display of rare and valuable books</li> <li>• Winterby archive services</li> <li>• large spaces for research and study, numerous computer terminals</li> <li>• separate rooms for educational, cultural and research purposes</li> <li>• large, children's area, ideal for reading and other children's literacy events.</li> </ul>	£1,512	440,450 visits
Polixen	1920s art deco building, and the smallest of all the library buildings. Provides no services other than book loans.	£296	47,510 visits
Archidam	A 1970s building, generally considered to be an eyesore. Poor construction has resulted in high maintenance costs and energy bills. The use of cheap concrete with a limited life span means that the building should be demolished and replaced in the next 5 to 10 years. Archidam	£664	75,575 visits

	Library is well-used, especially by students who take advantage of the many study spaces in alcoves off the main room. Archidam is the location of Winterby University.		
Perditon	The newest branch library, built in 2010. The modern design includes good but limited spaces for groups and classes to meet, as well as a brightly coloured and attractive children's area.	£338	92,426 visits
Floriton*	Listed building designed by the world-renowned architect Serge Mariner as a 'reading palace'. It is located in a small park, also designed by Mariner, and regularly features in lists of the most attractive library designs in the world. Expensive to maintain and now in some disrepair (e.g. many of the gold mosaic tiles in the reading room have fallen off and been stolen or lost). Specialist renovation work would be expensive.	£898	56,110 visits



<b>North</b>			
Wharf	This branch library burnt down in 1998 and was not replaced. The site has since been sold.	£0	0 visits
Gonusham	A 1970s building in need of extensive renovation, including electrical systems. A flood in 2017 which badly damaged the children's area has left a large section of the library closed to the public. The children's area was re-established in what was the archive room.	£482	30,890 visits
Leonton	Built in the 1950s in what was a large housing estate of generally poor stock, i.e. the houses were poorly-constructed, small, prone to damp and many had no indoor bathroom facilities. In the 1970s, hundreds of houses were compulsorily purchased by the local authority and demolished; residents were rehoused in high-rise developments in neighbouring Mopsa. Recent development in the area, including distribution warehouses and a motorway slip road, have left the library separated from the community it serves. Despite these issues, the library has become a hub for community activity especially the Leonton Community Group. It is regularly used for social, reading, and cultural events. The building is of good construction and only basic repairs are required each year. Leonton is the only library in Winterby where volunteers help on a regular basis.	£348	48,700 visits
Mopsa	Mopsa is the most densely populated borough in the city, with three large senior schools; however, Mopsa Library is the least-used of all the libraries. It is a 1960s construction which utilised a great deal of glass and is locally referred to as The Greenhouse. It is draughty and cold in winter (the heating bill is very large), and often unbearably hot in summer. Windows are smashed on a regular basis.	£513	29,315 visits

Autolye	Once the industrial hub of Winterby, the area has many disused factories, warehouses and docks. However, Autolye Library's location, overlooking the river towards the city centre, with ample free parking and nearby gyms, shops and cafes have made it popular with library users from the north and south of the city. It is difficult to access without private transport, though there are extensive bike routes in the area.	£354	72,062 visits
	<b>Total costs</b>	<b>£5,405</b>	

\*The library in the borough of Floriton is a listed building of cultural significance, therefore protected from redevelopment or alteration under the law. It was built in the nineteenth century by the internationally renowned architect and artist Serge Mariner, who lived in Winterby for most of his life. Heritage groups have already been in contact with the council concerned that the heritage value and public access should be respected, but also welcoming the potential for the building to be renovated since it is falling into disrepair.

## Council objectives

The newly appointed leader of the Council (Frank Shepherd) has stated that the council is committed to providing an effective and comprehensive library service, while at the same time realising significant savings. It is clear that the poor state of many of the libraries has left Winterby with a significant problem: maintenance, repair and running costs for the libraries represent a drain on finances. A review of the market has indicated that it is highly unlikely that any third party would agree to run these buildings without a significant up-front payment which would allow them to improve standards. These circumstances, plus the fact that the council is keen to realise efficiency savings quickly, mean that two options are now being considered for the future of the libraries, both retaining the service in-house but offering major re-engineering.

Frank Shepherd, the new leader of the city council, has instructed that the review of the options should consider which would provide the greatest savings, but also how the needs of stakeholders could be met. In a press statement, he said: 'We do not undervalue the contribution that the library service makes to the good of this city, but we cannot continue to waste resources on maintaining sites which are expensive to maintain, especially those which are not well-used. We are committed to value for money but also providing an inclusive service, meeting the needs of key stakeholders. That is why in future we will work to ensure that all resources are used in pursuit of clear and measurable objectives.'

The two options are described below. In both cases the admin and senior management budget would be maintained at the same level as currently.

## Option A

Close all the libraries and invest in an improved and extended e-lending service, with an improved range of titles and access to audio books. This would be free, but a premium (discretionary) service would be offered for a fee of £36 per year or £3 per month, which would provide access to more recent titles, have longer borrowing times and additional copies available.

In addition, the online services would include access to digitised archives and local interest documents and would provide more information on wellbeing and groups and classes, such as jobseeker sessions at community centres. Some courses, such as basic English or mathematics skills, could even be accessed via the online system. Books in a greater range of languages would also be provided. This improved e-lending and on-line access system would be branded as Libraries on Line (LOL).

To provide the new service, the council would have to identify a better online application, with increased functionality, plus improve the provision of cloud services on which to run and provide access to this application.

Online services would be complemented by a public computer space where computers could be accessed for free (though in the future it may be necessary to make a small charge for access). A computer hub would be established on the ground floor of the council offices in the city centre. This area would become a public library space with a bank of computer terminals. A limited display area would be set up, of approximately 5,000 book titles, mainly bestselling fiction, local history and children's books. A larger bank of books, plus archive material, would be kept in a library store to be established in the basement of the municipal buildings. The public could request access to archive documents for viewing in the library space or reserve books from the catalogue if not on display. The remodelling of the ground floor of the municipal buildings and the relocation of all staff involved would potentially take a year to complete.

A reconfigurable set of rooms would be set up within this area, which could be used as one or two rooms, for community groups and classes. This would be free to Winterby community groups and charities but charged at a fee for other groups.

The collection of rare books would be transferred to the city museum.

The listed building and park at Floriton would be given to a national heritage group who have expressed an interest in taking on the building and park. They could carry out specialist refurbishment work and charge a fee for entrance, with discounted rates for Winterby residents.

The other library buildings and associated land could be sold, though the valuation of the buildings has suggested that the sale may realise £2.1m since most of the buildings are in a bad state of repair or would not be suitable for other uses, and potential buyers may be mainly interested in the land for redevelopment. The central library is in a prime location and would generate the greatest return.

The staff structure would be reduced from 92 staff to 21, composed of two multi-disciplinary teams of 10 people plus the Head of Libraries and Archives. The first team will maintain the archives, operate the small library space in the municipal buildings, provide a contact point for the public helping with access issues, selecting books to be added to the online library and monitoring its use.

The second team will run a mobile library service visiting community centres and care homes throughout the city, focusing on access to large print and brail books, and children's books.

The second team will also be responsible for providing literacy services, including outreach through book days to nurseries, pre-schools, schools and community groups, and providing adult literacy services. This team will also work with community services to identify venues for literary and cultural events locally, such as community halls.

It is expected that there will be a need to make compulsory redundancies, especially since new skills, such as working with IT and operating a mobile library will be required.

## Option B

Close five out of eight branch libraries, retaining Central, Perditon, Leonton and Autolye, and at each retained location complete extensive repairs and modernisation. This includes the extension/remodelling of existing buildings and, at the remaining three branch libraries, the installation of computer facilities. Opening hours at all libraries would be reduced to 11am to 5pm, with an evening opening on Thursdays until 8 pm. The central library would be remodelled with additional spaces for meeting rooms and study spaces.

There would be a reduction in staff numbers, from 92 to 34. It may be possible to make this change via voluntary redundancies and redeployment, with remaining staff forming into new teams at each of the libraries. Staffing at each of the remaining libraries would continue at current levels.

Additional funds would be generated from the establishment of library cafés. The council intends to charge £25,000 per year for a café concession at Autolye, and £35,000 per year at the central library. Work to fit out the central library café space may not be possible until year 2 of the project when other building work is complete, so that the best location for the café can be determined when the refurbishment work is finalised.

Funding for this option could be found in part from outside the current budget, from the sale of:

- the city's rare book collection;
- the Reading Palace at Floriton to a private library chain that only offers services to subscribers. This chain has already expressed an interest in the purchase; the work required on the building means that a value of £1.1m may be realistic; and
- the other redundant libraries – given the poor state of these buildings, their locations and the difficulties of repurposing them, the estimated sale value is £410,000 for all.

## The Libraries Working Group

The options were presented at the Regeneration and Culture Committee meeting in late November. The committee agreed that these two options should be considered further and requested that the Libraries Working Group undertake a full appraisal and report back to the committee in January. The Libraries Working Group was established to consider the options for the future of library service and is led by the Head of Libraries Sue Perdi, who joined the council four months ago from another local authority. Also on the group are staff from Finance, IT, Planning, Education and Community Services.

There has already been some adverse reaction from the General Public Sector Union representing public sector employees in Winterby, since loss of jobs would be inevitable under either proposal.

## Candidate's Role

The candidate's role is Sam Knightly, Accountant in the Finance Department at Winterby Council. Sam has been assigned to work with the Libraries Working Group and provide information and assistance as required.

## Appendix 1 – Library expenditure and usage

Results of national survey compared to Winterby’s return.

National survey results for 2023-24	National Average	Winterby
Total expenditure per 1,000 people	£11,251	£12,159
Total revenue income per 1,000 people	£978	£543
Total web visits per 1,000 people	1,617	1,200
Total book issued per 1,000 people	2,257	1,950
Total physical visit per 1,000 people	2053	1880
Total volunteers per 1,000 people	0.86	0.22
Employees (FTEs) per 1,000 people	0.25	0.2

### Survey conducted by Winterby library staff in 23/24

In surveys carried out by library staff, users were asked to identify up to two reasons for their visit to the library that day. 1245 survey responses were recorded.

To borrow a book	45%
To use the computers	17%
To use the WiFi	28%
To access the archives	8%
To read newspapers/books in the library	17%
To study	35%
To attend children’s event	19%
To attend adult literacy, wellbeing or jobseeker class/group	14%
To attend a cultural event	12%



CEO Chief Executive Officer

LOL Libraries on Line