

REVIEW OF LIBRARY SERVICES

Committee Community and Culture

Presenter Cr Wilson

Purpose

1. For Council to note that a report on the review of library services will be considered in the closed session.

Recommendation

2. That Council note:
 - 2.1. this information report; and
 - 2.2. that this matter will be considered in the confidential session.

Council Report Attachment:

1. Community and Culture Committee, Agenda Item 5.2, 14 February 2006

**COMMUNITY AND CULTURE COMMITTEE
REPORT**

Agenda Item 5.2

14 February 2006

REVIEW OF LIBRARY SERVICES

Division Assets & Services

Presenter Sue Morrell, Group Manager Community Services

Purpose

1. To note that the Committee will consider a report on the review of library services in the closed session.

Confidentiality

2. This item is confidential under section 89(2)(h) of the *Local Government Act 1989* because the meeting will be discussing matters which the Council considers would prejudice the Council or another party.

Recommendation

3. That the Community and Culture Committee recommend Council note:
 - 3.1. this information report; and
 - 3.2. that this matter will be considered in the confidential session.

Key Issues

4. The Best Value Review of the City of Melbourne Library Services commenced in April 2004.
5. The *Local Government Act 1989* (Act) was amended in 1999 to replace compulsory competitive tendering for local government with the Best Value Program.
6. The six key principles enshrined in the legislation include responsiveness to community needs, quality and cost standards, accessibility, continuous improvement, regular consultation and reporting on its achievements.
7. Library services in the City of Melbourne and the City of Yarra are currently provided by the Yarra-Melbourne Regional Library Corporation (YMRLC). The Corporation is primarily funded by the City of Melbourne (46.9%) and the City of Yarra (53.1%) and the functions and responsibilities of the Regional Library Board are set out in the Regional Library Agreement (RLA) 2003-2006. The budget for this financial year 2005/06 is: City of Melbourne - \$2,482,137 and City of Yarra - \$2,924,479.

8. The State Government contribution for financial year 2005/2006 is \$632,000 based on the June 2004 Estimated Resident Population (Melbourne 61,670 (46.9%) \$296,408 Yarra 69,749 (53.1%) \$335,592).
9. The Regional Library Service is currently provided through seven branch libraries. The City of Yarra has five (regional) libraries at: Rathdowne Street North Carlton, Stanton Street Collingwood, Moor Street Fitzroy, St. Georges Road North Fitzroy, and Church Street Richmond. The City of Melbourne has two (regional) libraries at: North Melbourne Town Hall and George Street East Melbourne. The City of Melbourne also has a neighbourhood access point, known as LibraryLink, located at Café Domain in South Yarra.
10. City Library, located in Flinders Lane, is not part of the Regional Library Service and is a Joint Venture (JV) between the City of Melbourne and CAE. City Library officially opened to the public in May 2004 and operates under an approval from the Minister under the Local Government Act 1989. Yarra-Melbourne Regional Library Corporation manages City Library under the City Library Service Agreement.
11. Melbourne City Council (MCC) and CAE (the Partners) contribute to the City Library operating and capital costs on a 60/40 basis (MCC 60% and CAE 40%). The budget for this financial year 2005/06 is: MCC \$1,694,000 and CAE \$1,129,000.
12. Melbourne City Council also separately funds Yarra-Melbourne Regional Library Corporation to operate the Corporate Library, located on the fourth floor Council House. The budget for this financial year 2005/06 is \$191,708.

Scope of the Best Value Review

13. The original Best Value Review focused on the Regional Library Service provision to North Melbourne, East Melbourne and the Corporate Libraries, as the City Library was not fully operational when the Best Value Review commenced. City Library has since been included in the assessment of the overall provision of library services to the City of Melbourne and is integral to the Best Value Review outcomes.
14. LibraryLink, the neighbourhood electronic access point located in Café Domain in South Yarra, was not subjected to a detailed evaluation as part of the Best Value Review. Redevelopment of the East Melbourne Library and associated Community Centre may impact on LibraryLink. A review of LibraryLink will be initiated twelve months after the opening of the new East Melbourne Library and Community Centre. It is anticipated that the East Melbourne Library and Community Centre will open in late April 2006.

Objectives of the Review

15. The objectives of the Best Value Review were largely to:
 - 15.1. ensure that the best possible library service is offered to City of Melbourne residents, workers, students, traders and visitors;
 - 15.2. review the services against the best on offer in both public and private sectors;
 - 15.3. assess value for money in service delivery;

- 15.4. assess the current model against other model options; and
- 15.5. ensure that the requirements of the Act are being met.
16. A Steering Committee was established to oversee the review and included City of Melbourne senior officers and staff, Yarra-Melbourne Regional Library Corporation Chief Executive Officer (to December 2004) and an external independent member (to December 2004). A Continuous Improvement Branch advisor facilitated the Best Value Review.

Time Frame

17. The Yarra-Melbourne Regional Library Agreement 2003-2006 is effective from 22 April 2004 until 21 April 2007 and the Yarra-Melbourne Regional Library Corporation Service and Funding Agreement 2003-2006 covers the 2003-2006 financial years.
18. The City Library Joint Venture Agreement commenced on 24 September 2002 and terminates on the date of withdrawal of one of the Venturers pursuant to clause 16 of the Agreement or the date the City Library Joint Venture is dissolved in accordance with clause 17 of the Agreement.

Relation to Council Policy

19. The *City of Melbourne Council Plan 2004-2008* includes Strategic Objective 3: Inclusive and Engaging City. The aim of this Objective is to ensure the city welcomes and enables all people to participate fully in city life and to provide an attractive and stimulating place in which to live, work, and visit with a high level of cultural vibrancy and creativity.
20. Strategies to achieve this objective which have direct relevance to Library services are:
 - 3.1.02 - *Develop community and cultural development programs to promote cultural diversity and experience in community life.*
 - 3.1.03 - *Facilitate the development of social capital.*
 - 3.2.05 - *Promote increased participation in sporting, leisure and recreation activities.*

Consultation

21. Community consultation was undertaken through the Continuous Improvement Branch as part of the Best Value Review and is a Best Value Principle under section 208B(e) of the Act. The consultation was confined to determining satisfaction of services levels at East Melbourne and North Melbourne Libraries.

Finance

22. Funding has been provided in the 2005/06 City of Melbourne budget for library services.

Legal

23. The report is for noting only and no legal issues arise from the recommendation.

Sustainability

24. The provision of library services contributes to the social capital within the community and therefore social equity by providing a range of tailored services and promoting the specific library needs of disadvantaged or particular target groups. This service makes some contribution to ensuring that the information and communication infrastructure is world standard through the use of technology so that the library service remains relevant, accessible and useful to the whole community. Library services also contribute to Melbourne's reputation as a smart and progressive 'Knowledge City'. Environmental outcomes are pursued through efficiencies in resource use, waste reduction and by managing all relevant assets effectively to maximise long term sustainability and relevance.

Background

25. Yarra-Melbourne Regional Library Corporation was established in 1995 under Section 196 of the *Local Government Act 1989* and is primarily funded by the City of Melbourne and the City of Yarra. The functions and responsibilities of the Regional Library Board are set out in the Regional Library Agreement (RLA) 2003-2006.
 26. City Library, located in Flinders Lane, is not part of the Regional Library Service. City Library is a Joint Venture (JV) between the City of Melbourne and CAE and operates under an approval from the Minister in accordance with the *Local Government Act 1989*. City Library was established in September 2002 under the requirements of section 193 of the *Local Government Act 1989*.
 27. A Joint Venture Agreement between Melbourne City Council and CAE was signed in October 2002 and the partners contribute to operating and capital costs on a 60/40 basis (MCC 60% and CAE 40%).
 28. Yarra-Melbourne Regional Library Corporation is the Service Provider for City Library and operates under the City Library Service Agreement.
 29. The Corporate Library operates under a separate annual Service and Funding Agreement.
 30. The introduction of the Local Government (Best Value Principles) Act in 1999 represented a new approach to service provision for Victorian Local Government following the abolition of Compulsory Competitive Tendering (CCT).
 31. The introduction of Best Value removed the inflexibility and rigidity of CCT while ensuring Councils remain accountable for their expenditure and obtain value for money in the delivery of Council services.
 32. The Best Value approach enables Councils to determine the most effective means of providing a service to the community.
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FINANCE ATTACHMENT

REVIEW OF LIBRARY SERVICES

Funding has been provided in the 2005/06 City of Melbourne budget for library services.

Joe Groher
Manager Financial Services

LEGAL ATTACHMENT

REVIEW OF LIBRARY SERVICES

The report is for noting only and no legal issues arise from the recommendation.

Section 89(2) of the *Local Government Act 1989* states that Council may resolve that a meeting be closed to members of the public if the meeting is to discuss, among other things, contractual matters, legal advice, any other matter the Committee considers would prejudices Council or any person, and proposed developments. If the Committee resolves to close a meeting, it must record its reason for closing the meeting in its minutes.

Alison Lyon
Manager Legal & Governance