

**Cabinet Meeting
2 August 2023**



Report sponsor: Councillor Baggy Shanker -
Leader of the Council and Cabinet Member for
Strategy, Governance and Finance
Rachel North - Strategic Director Place
Report author: Charles Edwards - Head of
Community Safety and Locality Working

ITEM 09

Derby Libraries – Delivering a sustainable model for libraries

Purpose

- 1.1 This report provides Cabinet with an update on Derby's Community Libraries project and outlines several options and recommendations available to the Council on future Community Library models and seeks the necessary approvals to progress with next steps.

Recommendations

- 2.1 To agree to the development of detailed business cases for the two preferred options as outlined in the report.
- 2.2 Subject to approval of 2.1, to note that the Expression of Interest (EOI) process previously being explored will be superseded by the development of business cases and the EOI process will therefore cease.
- 2.3 Subject to approval of 2.1, to note that fully developed business cases will consider all library provision in Derby, including five statutory libraries and ten community libraries.
- 2.4 Subject to approval of 2.1, approval to the Strategic Director of Communities and Place, in consultation with the Cabinet Member for Strategy, Governance and Finance, to incur, as necessary, the costs for additional specialist support.
- 2.5 Subject to approval of 2.1, to note that prior to any decision by Cabinet on the final options, a detailed Equality Impact Assessment will be completed and made available for Cabinet to consider as part of any such decision.

Reasons

- 3.1 Local elections in May 2023 led to a change in political leadership at Derby City Council, bringing with it a renewed ambition for libraries in Derby. Libraries are an important resource, offering many valuable services, especially for the most vulnerable residents, but they need to be appropriately funded and managed to remain sustainable. The Council needs to be creative in ensuring the service continues.

- 3.2 Approval of recommendations will provide a degree of certainty, allowing officers to move forward in developing plans for sustainable, long-term library provision for the city.

Supporting Information

- 4.1 The review of Community Managed Libraries (CMLs) was one of the proposals in the Council's Medium Term Financial Plan (MTFP) to enable it to deliver a balanced budget for 2023/24.
- 4.2 In February 2023, the Council Cabinet authorised officers to conduct a formal expression of interest process, inviting not-for-profit organisations to formally register their interest in running a variety of services from the ten council library buildings that had previously operated as CMLs. Prior to this decision, an initial market testing exercise was carried out, gathering ideas from existing charities, organisations, and constituted community groups who expressed their interest in providing services within the community library buildings.

The EOI process opened in March 2023, and the city's community libraries were ceded back to the Council in November 2022 and DCC began operating them from 1 April 2023 while the Expression of Interest process took place.

- 4.3 During the EOI process, local elections in May 2023 led to a change in political leadership, bringing with it a renewed ambition to ensure sustainable and long-term options for library services. The intention now is to create a new model for Derby, learning from the proven success of other models delivered in the UK. As a result, the formal EOI process was paused while options – outlined in Appendix 1 and Appendix 2 were explored by officers.
- 4.4 It is important to acknowledge and emphasise the significant level of interest generated through the EOI process. This robust response serves as a testament to the immense value and significance attached to the evolving role of "community spaces," which form an integral part of the fabric and vitality of local areas. The overwhelming interest received from various stakeholders highlights the widespread recognition of the invaluable contributions and impact that community spaces have on enhancing the quality of life within our communities.
- 4.5 Subject to approval of the recommendations contained within this report, as an interim measure the Council will continue to deliver community library service from their existing locations alongside the statutory provision. The previously agreed budget envelope was £415,000 during 2023/24, and £395,000 during 2024/25.
- 4.6 The Council is statutorily obliged to provide a comprehensive and efficient public library service under the Public Libraries & Museums Act 1964. The statutory service in Derby is made up of five library sites and a store at Blagreaves. The five library sites are Alvaston, Mickleover, Normanton, Riverside Library in the Council House, and Derby Local Studies & Family History Library in Riverside Chambers.

- 4.7 There are ten other library sites that are not part of the statutory service, and the Council is not legally obliged to maintain them. As part of a strategic library review, these sites became Community Managed Libraries (CMLs) in 2017/18. The libraries are Allenton, Allestree, Blagreaves, Chaddesden, Chellaston, Derwent, Mackworth, Sinfin, Spondon, and Springwood.
- 4.8 The five statutory libraries, being strategically located and offering a wider range of resources and services, play a vital role in providing essential library services to the city. They serve as anchor points within their respective areas, catering to a broader audience and acting as focal points for education, research, and community engagement.
- 4.9 The ten community libraries serve as additional and important local hubs within specific neighbourhoods. These libraries cater to the unique needs and preferences of their immediate communities, fostering a sense of belonging and providing convenient access to library services. Having been ceded back to the Council, it presents the Council with the opportunity to reassess city-wide library provision, as part of the current proposal.
- 4.10 By considering the statutory and community libraries as a complete package, the aim is to ensure a comprehensive and well-rounded library service provision across Derby. This approach acknowledges the distinct roles and strengths of each type of library and seeks to optimise their collective impact on the community's educational, cultural, and social well-being.
- 4.11 To ensure the long-term viability and sustainability of library services in Derby, several delivery models have been outlined and considered (appendix 1 and appendix 2), and two preferred alternative delivery models identified due to their potential benefits, each encompassing distinct considerations (appendix 1).

The primary objective of both options is to streamline the provision of services while preserving the presence and significance of the five statutory libraries. Both are outlined in appendix 1.

4.12 **Set up a trust – Derby Libraries Trust (Public Service Mutual)**

The Department for Culture Media and Sport (DCMS) defines a PSM (Public Service Mutual) as an organisation:

- that has left the public sector (also known as ‘spinning out’)
- which continues to deliver public services
- which has a significant degree of employee control, influence or ownership

Detailed in Appendix 1

4.13 **Incorporate within an existing Trust (Public Service Mutual)**

As per summary contained in paragraph 4.12.

Detailed in Appendix 1

Public/stakeholder engagement

- 5.1 Proposals to review CMLs were part of the budget consultation which closed on 26 January 2023.
- 5.2 The initial market testing exercise and the formal expression of interest process produced some important and valuable insight from not-for-profit organisations, existing charities, constituted community groups and organisations that will be used to shape future decision making.

Other options

6.1 Remaining in House

The library service remains as a council operated service. Service re-design would be undertaken to improve systems, realise efficiencies, transform existing services, or develop new services to meet the evolving needs of local communities.

Detailed in Appendix 2

6.2 Remaining in House - Partnership across 2 or more Council

Two or more councils may be able to work together to deliver public library services. This would involve partnership working between the councils, including the sharing of staff and other resources. It could also potentially involve the joint procurement of back-office services and support systems, in addition to the sharing of best practice.

Detailed in Appendix 2

6.3 Local Authority Trading Company (LATC)

LATCs (Local Authority Trading Company) are bodies that are free to operate as commercial companies but remain wholly owned and controlled by the parent council(s). As trading bodies, LATCs can provide their services to a wider market than a council department.

Detailed in Appendix 2

6.4 Outsource to existing social enterprise, third sector or private provider

The process of outsourcing a council's library service involves the procurement of a third party to deliver the library service on behalf of the council via a contract.

Detailed in Appendix 2

6.5 **Joint venture**

The term joint venture can describe a range of different commercial arrangements between two or more separate entities. Each party contributes resources to the venture and a new business is created in which the parties collaborate and share the risks and benefits associated with the venture.

Detailed in Appendix 2

6.6 **Close Community Libraries**

The Council is obliged to provide a comprehensive and efficient public library service under the Public Libraries & Museums Act 1964. The community library provision is in addition to the statutory requirement. The statutory service in Derby is made up of five libraries and a store at Blagreaves. There are 10 other library sites that are not part of the statutory service, and the Council is not legally obliged to provide them.

Financial and value-for-money issues

- 7.1 Taking note of the narrative set out in paragraph 8.1, there will be a need to identify an additional budget to cover the cost of external specialist legal support. The budget pressure will be managed using non-essential spend budgets across the wider service area.
- 7.2 To assist in future decision-making, we will include a comprehensive financial appraisal of the preferred options in the business plans. Additionally, we will document the mitigation and management strategies for any potential pressures.

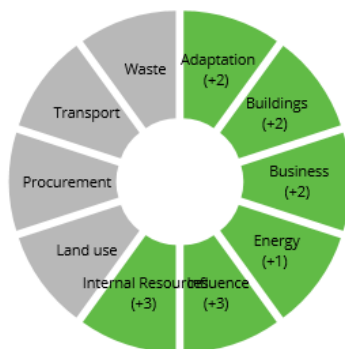
Legal implications

- 8.1 Both proposals revolve around the concept of setting up or integrating within an existing Trust. There are distinct nuances involved in the law of Trusts which, as a specialist subject area, is not a skill set catered for by the in-house legal service. Provision of funding for specialist external legal support to help shape the proposals to ensure that they are lawful is therefore necessary.
- 8.2 Beyond any subsequent decisions should the primary resolution to this report be approved and one or other of the two options prove to be feasible, Cabinet would need to satisfy itself about the materiality of the final proposal. As a potential change from the existing statutory provision, in accordance with the Public Libraries & Museums Act 1964, a statutory needs assessment will need to be undertaken to support any change proposal. Compliance with such requirement will need to be factored into the timescales for reaching a final decision on the proposals.
- 8.3 Depending on the nature of the final proposal, regard to the need for an equality impact assessment may be necessary.

Climate implications

9.1 Libraries and community spaces have a substantial role in providing essential information and support across various subjects, including climate change. Their influential contribution lies in fostering awareness, promoting education, and engaging the community to address the challenges associated with climate change.

9.2



Socio-Economic implications

10.1 The community library provision is in addition to the statutory requirement which ensures a comprehensive and efficient library service for all. Residents are encouraged to make full use of the library service where residents can access additional resources for education, skills and knowledge.

10.2 Ensuring that the additional community library provisions remain accessible, sustainable and long term will significantly increase the City's opportunity to respond to the cost-of-living issues affecting communities.

Other significant implications

11.1 None

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu	24/07/2023
Finance	Janice Hadfield	24/07/2023
Service Director(s)	Claire Davenport	24/07/2023
Report sponsor	Rachel North	24/07/2023
Other(s)	Sam Dennis	24/07/2023

Background papers:	Council Cabinet Report 15 February 2023 Item 13 Council Cabinet Report 15 February 2023 Addendum Item 13
List of appendices:	Appendix 1 - Delivery Models – Preferred Options Appendix 2 - Delivery Models – Other Options