



# Leicestershire UKIP Group



## The Future of Leicestershire Library Service



## The Option for an Industrial and Provident Society Model



Leicestershire County Council UKIP Group County Hall Glenfield Leicester LE3 8RA



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## Current proposals for changes in the delivery of the community library service

We wish to raise some concerns regarding the cabinet report being consulted on regarding the future of our community libraries. In 2012 the informal engagement exercise was carried out which the cabinet report summarises on. It highlights support for the concept of using volunteers to help run small rural libraries, but not without the support of professionally qualified staff. This message was clearly overlooked by the cabinet as it highlights that volunteers will find it morally wrong to replace the qualified paid library staff.

The community partnership model as proposed in the 5<sup>th</sup> March 2014 cabinet report outlines a one size fits all model that shifts the risk to deliver and pay for the service on to community volunteers. This is already raising concerns with Parish Councils who are legally excluded from running a library service and believe the model offered is unfair, unaffordable and an attack on rural areas. It has also been raised that the model proposed discriminates against rural areas in favour of town and shopping centre libraries and is clearly an unfair use of council tax income. The report does however touch on devolved delivery being delivered in different ways this is misleading as only one option is offered and consulted on. So we would have like to have seen a more open consultation process that accepts different models of service delivery proposed and negotiated with Parish Councils and or other stakeholders.

We therefore would propose that Leicestershire County Council adopts the Suffolk County Council model of an Industrial and Provident Society. This model has enabled SCC to deliver its statutory obligation fairly while making savings of 30% and has encouraged local community groups to innovate, fund-raise and expand the service as a local hub for information, learning, literacy and inclusion.

This model has also encourage the activities on offer; information and advice, a reading group, employment advice, health and wellbeing activities and a place to meet and interact with others. Volunteers are central to community outreach services, as drivers, be-frienders or hosts in community spaces. The Suffolk County Council model adopted by them in 2012 would be a model Leicestershire County Council could replicate that would deliver savings while securing the valuable community library service.



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## **Affordability case made by Suffolk County Council**

1. The SCC Industrial Provident Society model was costed and forecast to deliver a 27.6% reduction in savings once implemented.
2. Overall, the IPS model cost less than the current service. This was primarily due to a reduction in the number (and hence cost) of staff working in the service, at the centre or in tiers of management.
3. The SCC financial modelling indicates that the IPS has the lowest ongoing costs. This is due to two factors:
  - The property costs are reduced due to the anticipated 80% NNDR (National Non Domestic Rates (Business Rate)) exemption.
  - As the organisation is independent of SCC, there is a much lower level of Suffolk County Council corporate overhead costs which are attributable to the service.
4. The model with the highest level of set up costs is the IPS. The financial modelling indicates that the IPS would cost approximately £300k more to set up than the in house model. However once established the IPS saves at least £500k per annum more than the in house model.
5. Sensitivity analysis applied to the modelling indicates that in the best case scenario the IPS could achieve the 30% savings target.

## **Membership of Suffolk's Libraries IPS Ltd**

Suffolk's Libraries IPS Ltd (Suffolk Libraries) is the community-led independent charitable organisation with responsibility for delivering library services in Suffolk. The Board of Suffolk Libraries will be elected from members of the community groups which are being formed to support each of Suffolk's libraries.

The Board members will be elected at our Annual General Meeting (the first is being held in September 2013 and we currently have an interim board). The board has the strategic oversight for delivery of library services by Suffolk Libraries under a contract with Suffolk County Council, but the county council retain the statutory responsibility for the provision of library services and monitors the performance of the service. A membership fee is charged set annually by the board that reflects the size of the library.

They are committed to supporting the development of a membership that is representative of the whole county and is energetic, engaged and championing libraries. This is fundamental to the success of Suffolk Libraries.



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## Community Contribution

The Community Contribution was a concept adopted by Suffolk County Council as an integral part of the funding of the contract with Suffolk Libraries. The board considered how best to address this issue as it presented Suffolk Libraries with difficult choices. The broad issues the board have considered are as follows:

1. Suffolk Libraries have to find this money from somewhere in order to provide the service
2. Suffolk Libraries started its existence with no previously built up reserves and therefore needs to be very prudent in the first 20 months to ensure its financial stability going forward
3. Fairness between communities of differing sizes and strengths
4. The ability to make cost savings centrally to reduce the contribution necessary from member groups
5. The fact that it will easier to raise Community Contribution for enhancing the service than maintaining the current service.

Having considered these factors the present board have made the following decisions:

1. To seek the community Contribution of £130,000 by 31 March 2014; this being made up of a reduced amount of £30,000 for the eight months of financial year 2012/13 and £100,000 for 2013/2014
2. Use of a banding system, which, whilst imprecise, puts libraries of similar size together
3. Work on a Community Contribution where the multiple between the largest and the smallest is 10 which give Contributions ranging from £975 to £9750.
4. Review the overall financial position of Suffolk Libraries after the 31 March 2013 with the benefit of the first eight months of operation.



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## **The Leicestershire County Council Industrial and Provident Society Model**

1. The option evaluated is an Industrial and Provident Society (IPS) for the benefit of its members. An IPS is registered with and regulated by the Services Authority (FSA). It can also register with Her Majesty's Revenue and Customs (HMRC) as a charitable organisation.
2. The IPS would be governed, within 18 months, by a board elected by its members. Only organisations running local libraries or using the enabling services of the Society would be able to become members.
3. The Council would invite interest in, and appoint an interim board while the IPS is forming and establishing itself. The IPS would have to have an AGM and elect a new board from its members within 18 months of set-up. The IPS Board would then be independent from LCC, which would however retain its statutory accountabilities.
4. The Council would set the strategic direction, and outline this with a commissioning strategy, and a grant agreement with the IPS. The IPS would then be responsible for the budget and for the delivery of library enabling services, its central functions and the development of community governance, through its members. If the IPS failed or defaulted on the grant agreement the Council would step in, and in extreme circumstances take the service back in house.
5. Local libraries would be members of the IPS, the enabling organisation. If a local group wishes to take on the running of a library, they would have to become a member, and be constituted in some form. Model constitutions and support on developing local governance would be available from the centre to help boost the number of members.
6. There would be conditions around membership, including a range of requirements, codes of conduct and policies. This would also fit with the number of delegated responsibilities stating what is local, central and optional with differing levels of responsibility.
7. While members develop, the IPS staff would oversee and run local libraries, work with pilot projects and help local community groups to develop the model of membership that is the best fit for them.
8. Any transfer of staff from the Council to the IPS would be TUPE compliant, including admission to the LGPS. The IPS would be able to choose its suppliers of support services. It would be subject to public contracts regulations.
9. The IPS would need to comply with and support LCC legal duties including health and safety, the promotion of equalities and data protection. It would need to develop policies to support these. Members would also be expected to develop their policies around these. The IPS would identify the best source of support for these.

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Libraries are vital community hubs!

Libraries are not just about housing books!

*community cohesion*

*social inclusion*

*community engagement*

*equality and diversity*

*access the internet*

*homework clubs*

*mother and toddler groups*

*councillors'*

*surgeries*

*benefit advice sessions*

*promote reading*

*promote life skills*

*promote numeracy and literacy*

*promote safeguarding children*

*and adults*