



**Open Report on behalf of Andy Gutherson, Executive Director – Place**

Report to:	<b>Executive</b>
Date:	<b>03 April 2024</b>
Subject:	<b>The re-commissioning of the Libraries Service</b>
Decision Reference:	<b>I032246</b>
Key decision?	<b>Yes</b>

**Summary:**

The contract with Greenwich Leisure Ltd (GLL) for the Libraries Service expires on 31<sup>st</sup> March 2026 with no further options for extension. This report sets out a proposed course of action in respect of the re-procurement of the Council’s Library Service and seeks the necessary approvals to progress the re-procurement.

**Recommendation(s):**

That the Executive:

1. Approves the re-procurement of the Council’s Library Service contract, via the Competitive Procedure with Negotiation (CPN) for commencement on 01 April 2026
2. Approves the retention of the current delivery model
3. Delegates to the Executive Director – Place in consultation with the Executive Councillor for Fire and Rescue and Cultural Services and the Leader of the Council authority to award and determine the final form of contract and approve entering into the same.

**Alternatives Considered:**

1. To insource the Library Service provision within Lincolnshire County Council. Whilst this route would ensure that the Council is able to fulfil its statutory obligations, outsourcing allows for the Council to take advantage of specialist skills, efficiencies, and economies of scale that the Council alone would miss out on. For example, providers with charity status receive a reduction in Business Rates as a result. They have economies of scale that they benefit from, due to delivering multiple library services across the country, benefitting from corporate marketing, communication, IT teams and resources. They have a wealth of additional, service specific knowledge that supports the service; we would not be

	<p>able to replicate this if we brought the service back in house.</p> <p>It is considered that this would be an inappropriate route to market due to the expectation that insourcing would be at a higher cost to the council and efficiencies unlikely to be achieved.</p>
2.	<p>A Shared Service Model was considered whereby Lincolnshire County Council joins another public sector body(bodies) to develop and deliver the Library Service. The benefit of a shared service is the possibility to improve efficiency and save costs via the pooling of resources and aggregating demand.</p> <p>However, it is considered that this would be an inappropriate route to market due to the requirement for a prolonged timeline to implement and the risk that this would present a substantial change to the current model resulting in challenge from the Department for Culture, Media and Sport (DCMS).</p>

**Reasons for Recommendation:**

The Council has a statutory obligation to provide a comprehensive and efficient library service for all persons who live, work or study in the county. The Council’s current contract with Greenwich Leisure Ltd (GLL) expires on 31 March 2026 with no further options to extend available. It commenced in 2016 via a Competitive Procedure with Negotiation (CPN) following two judicial reviews over the proposed service model and its delivery.

It is the Council’s intention to recommission the Service, on a like for like basis, using the CPN route. We have a successful model in Lincolnshire, with many other authorities contacting for advice, we have had good performance with no major issues and the model provides a comprehensive and efficient service. The course of action proposed is compliant with the Public Contract Regulations 2015.

## 1. Background

The Council has a statutory obligation to provide a comprehensive and efficient library service for all persons who live, work or study in the county. The Council’s current contract with Greenwich Leisure Ltd (GLL) expires on 31 March 2026 with no further options to extend available. It commenced in 2016 via a Competitive Procedure with Negotiation (CPN) following two judicial reviews over the proposed service model and its delivery.

The current service model (as described below) saved £1.8 million at the point of outsourcing, compared to the previous model of direct delivery by the Council and has been seen as a great success by customers, the DCMS and within the Council. The GLL 2022/23 annual user survey recorded the highest user rating of all GLL Partnerships. The survey included elements such as stock conditions, staff helpfulness, range of activities and customer experience; with scores ranging from 93% to 98% satisfaction. DCMS have signposted other authorities to Lincolnshire, to mirror our model in their future

commissioning. Baroness Sanderson, has included reference to our model in her recent review of libraries (on behalf of DCMS), to demonstrate a strong and successful model, referencing one of our locations as her favourite library.

The Council's Public Protection and Communities Scrutiny Committee review the library performance on an annual basis where the performance is positively received, as are the planned developments for the upcoming year. Visits continue to increase, reporting a year-on-year increase; quarter 3 of 2023/24 reported an overall 12.3% increase in visits when compared to the previous year's figures; with October in particular reaching over 90,000 visits across libraries. Stock issues have recovered from covid, with quarter 3 reporting a 19% increase when compared to the previous year. Digital stock issues represent approximately 25% of all issues and grow month on month. Fundamentally visitors are continuing to make the most of their local library and we are now focusing on supporting businesses and have an ever-changing community activity program based on demand.

Libraries are fundamentally a welcoming, safe space at the heart of our communities, free at the point of access and open to all. They provide a network of services that provide physical space, knowledgeable staff and are a trusted source of information. They provide access points to a plethora of information and connection not only to material but to people and communities. Whilst this is the fundamental ethos of the service, we also want to empower communities to achieve positive change for themselves, to participate fully and to help each other. It is believed maintaining the current model will achieve this.

Through collaboration with partners and local communities we have developed a network, sharing best practice, supporting increased participation in local politics and decision making, improving value for money (by supporting others to work together better) and improving integration, thereby increasing community wellbeing and enabling communities to 'do it for themselves'. Over the past two years libraries have become a space where local businesses can meet with their customers, they are single points of access for other services, and they are the focal point for many members of the public.

We want to build upon this further, enhancing the achievements of the current contract, whilst building upon the synergies with other services, to make the libraries within our region, the best they can be, reacting to the challenges the pandemic brought, securing it for future generations. Libraries provide significant reach into local communities and are a cost-effective way of ensuring that people are connected to services they need when they need them. We wish to strengthen the opportunities between directorates and the network of libraries to support the Councils' overarching ambitions, with a focus on bringing together all the knowledge and benefits of libraries together for small business; to support protect and grow them. We aspire to use knowledge from staff and resources to transform and enhance the service available to them.

It is the objective of this new contract to align to the Councils four ambitions whilst keeping abreast of new trends, connect libraries to their communities, and increasing library use by ensuring flexible use of the space to ensure they are responsive to the different needs and requirements and maximising a greater commercial potential.

Moreover, this recommissioned service, will meet the four universal offers, as described

by Libraries Connected (the sector's guidance organisation). The aim of which is to connect communities, improve wellbeing and promote equality through learning, literacy and cultural activity.

The 2023/24 library budget stands at £5,428,843.11. It is recommended that a like for like service is procured. Whilst it is envisaged minor changes will be made these are likely to produce minimal savings.

Due to the increasing rates of inflation, there are likely to be cost implications however there is sufficient time between now and the commencement of the new contract to understand the impact of this. The current contract has annual indexation included as standard; we will review whether this is the correct approach for any new contract in order to protect the council from potentially significant contract price increases. Competitive tendering of the new contract should provide the Council with best value and a competitive offer for its requirements, and we will explore opportunities for financial savings through market engagement.

The current provider delivers and manages the IT for the service on behalf of LCC, given the age of the equipment, it is reasonable to assume that additional funding would be required to ensure the equipment is refreshed and fit for purpose. We could explore with bidders whether new advances could create efficiencies and savings within the model and service in regard to the IT. We envisage to procure the IT on a like for like basis to protect affordability, and as a result of the success of the current outsourcing. There is the option to ask the bidders provide a method statement on how they would improve the service through technology and what the cost of this would be which the Council would be free to accept or not.

It is therefore proposed the fundamental elements of the current service delivery model and specification are retained and that the service including the supporting IT continues to be contracted out. The intention is to use the CPN procedure for the procurement again to provide an opportunity for dialogue with potential providers, to ensure the Council achieves the best possible commercial arrangements. Whilst a dialogue with the DCMS will be required, there should be no requirement for public consultation unless there is substantial change to the service offered to our communities.

### **Statutory provision**

The elements classified as statutory, and which will need to remain include:

**1. Universal Services:** including (without limitation):

- (a) a website providing as a minimum an online public access catalogue, e-books, e-audio, e-magazines and a variety of other online resources, and
- (b) liaison and co-operation with the Council or its external provider of the Customer Service Centre to ensure telephone access to a range of library services.

**2. Core Libraries:**

There are currently 15 Core Libraries in the following locations: Boston, Bourne, Gainsborough, Grantham, Horncastle, Lincoln, Long Sutton, Louth, Mablethorpe, Market Rasen, Skegness, Sleaford, Spalding, Stamford and Woodhall Spa.

These locations were selected based on members of the public being able to access a core site within 30 minutes using public transport based on the Department of Transport journey time statistics. Initial analysis suggests the public can still access a site but within 40 minutes via car, public transport or the demand responsive transport Call Connect.

Further analysis and an impact analysis could be undertaken during this recommissioning. There have been no complaints to date over accessing the service, indicating that the locations and access to them remain appropriate.

**3. Targeted provision:** to include (without limitation):

- (a) the provision of Home Library Services to Eligible Users
- (b) services to people who are blind or partially sighted through Listening Lincs, ensuring equal access to services for all.
- (c) reading development activities in partnership with different organisations in the private and public sector with the aim of promoting an increase in the love of books and reading (including the Bookstart Services).

**4. Subscriptions:**

The delivery of other paid for services, e.g., such as those to reading, music and drama groups, and schools will also likely need to remain.

Any alterations to the service, including re-commissioning, need to be discussed with DCMS before they are implemented. DCMS require any changes to be based on evidence to show there would not be any detrimental impact on customers. Analysis of performance to date and behavioural changes following the covid pandemic are underway but it is not envisaged that these fundamental elements of the service will alter. The specification will be appraised in detail, during the re-commissioning process, identifying potential areas for review, such as book stock and potentially opening hours. It is noted that any changes in service delivery that could be deemed a reduction in service by the DCMS, if challenged by the public, could result in a further Judicial Review.

**Non statutory provision:**

The current contract and specification also includes non-statutory elements which will be appraised during the re-commissioning process. We acknowledge whilst these were not classified as statutory at the start of the GLL contract, the fact they will have been delivered for 10 years, could potentially set a precedence and obligation for their continuation. Legal advice will be sought and expectations from customers will be managed over any changes to these areas; this could include consultation depending upon the significance of the change.

**1. Rural Service:**

The rural service provides stock to those unable to attend a physical site. This is currently delivered by a substantially reduced mobile service, as defined within the current contract. The delivery mechanism will be discussed with providers in advance of and during the procurement process, and no assumption is made that this will be the same mechanism by which interested organisations propose to reach rural communities.

## **2. Community Hubs:**

The current specification details that the library provider is to support up to 40 Community Hubs, via 4 Library Development Officers, provision of stock and IT and general operational advice. 34 hubs were established at the start of the current contract and all remain in operation. They are accepted within the sector and many authorities have adopted a community managed library element to their service. It has been a successful approach within the current contract, as it enables those further away from core sites to still benefit from a local library whilst further benefiting from their other activities and community cohesion. We will explore whether there is any benefit to making amendments to the Community Hub structure.

The benefits of the CPN are that it allows for dialogue with bidders within a competitive environment which allows for bids to be improved and greater value achieved. Such procurement procedures are time and resource-intensive however, for a contract of this value and importance a CPN is the most appropriate procurement route and there is sufficient time to conduct a CPN before commencement of the new contract is required.

## **2. Legal Issues:**

### Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision-making process.

A separate Equality Impact Assessment has not been undertaken. However, the procurement supports the Council to enable front line services to be more responsive including services that support individuals who may have a protected characteristic such as people with a disability and younger and older people.

#### Joint Strategic Needs Assessment (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health and Wellbeing Strategy (JHWS) in coming to a decision.

The procurement supports the Council to ensure front line services are able to maintain contact and provide support, therefore maximising independence and wellbeing which is consistent with the principles underpinning the JSNA and the JHWS.

#### Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

The decision is not considered to have any implications for the section 17 matters.

### 3. Conclusion

The Council has a statutory obligation to provide a library service to the residence of Lincolnshire. The current service model works well and is seen as a strong and successful model by the DCMS and therefore the intention for the new contract is to retain the fundamental elements of the current service delivery model and build upon this by enhancing the achievements of the current contract. The CPN will allow for dialogue with bidders to ensure bids achieve greater value whilst being compliant with the Public Contract Regulations 2015.

#### 4. Legal Comments:

The proposed re-procurement is within the Council's powers and in accordance with the Council's policy framework within the remit of the Executive to determine.

#### 5. Resource Comments:

The paper highlights potential financial pressures effective from 2026-27 driven by inflationary increases and the condition of the IT infrastructure. The likelihood and scale of any costs will be monitored through the procurement process and managed through the Council's established budget setting process.

### 6. Consultation

#### a) Has Local Member Been Consulted?

n/a

#### b) Has Executive Councillor Been Consulted?

Yes

#### c) Scrutiny Comments

At its meeting on 19 March 2024, the Public Protection and Communities Scrutiny Committee considered an exempt report on the re-commissioning of the Libraries Service and unanimously agreed to support the recommendations to the Executive.

During its discussion, the Committee explored the following topics:

#### Procurement

- Support was given to the existing libraries model which had worked well since its introduction in 2016. The Committee emphasised that the relationship with the existing provider was an important factor to consider alongside the costs for the new contract. It was confirmed that as part of the tendering process, the cost and the quality of the submission would both be factors taken into consideration, but there



was a need to be mindful that it was public money being spent. As a result, synergies across the Council were being explored with other departmental areas for building into the contract.

- If the costs of the bids came in much higher than the current contract price, it was confirmed that through discussions with each of the potential suppliers, the Council would be able to identify the reasons for any significantly higher bids and tailor any elements where it was beyond what the Council could do, and also look at the potential to jointly work with another service to bring down some of those costs. It was confirmed that there were elements and clauses within the contract that could be explored to ensure that the Council was not significantly over budget.
- Feedback on joint supplier relationships would be captured during discussions with providers and an analysis of the data has already been undertaken to enable the strategic examination of the model and approach prior to recommissioning.
- Confirmation was provided that the intention was to continue to give the £5167 revenue grant each year to community hubs to support them with the delivery of the library service and the additional community elements that they delivered to residents.

### **Library Buildings**

- With regards to the maintenance of library buildings, it was confirmed that 13 of the 15 core libraries were assets of Lincolnshire County Council. It was very clear within the leases around what would become a tenant responsibility. The long timeframe had been built in to allow for new leases to be drawn up with the provider and ensure all these details were covered.

### **Book Donations**

- In relation to book donations, it was confirmed that currently the core libraries ran by GLL allowed book donations and would hold book sales and the small income raised would go directly back into the library service. Some of the community hubs chose not to receive book donations as either there was not the physical space, or it was too resource intensive. The library development officers could explore alternative options with these hubs, such as book swaps which would be less resource intensive.

### **d) Risks and Impact Analysis**

N/A

## **7. Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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