



REPORT OF THE SERVICE DIRECTOR, YOUTH, FAMILIES AND CULTURAL SERVICES

LIBRARIES, ARTS, ARCHIVES, INFORMATION AND COMMUNITY LEARNING SERVICES: NEW OPERATING MODEL – PROGRESS REPORT

Purpose of the Report

1. To note progress on the development of the new arm's length operating model for Libraries, Arts, Archives, Information and Community Learning Services.

Information and Advice

2. The Libraries and Archives business case, approved by Full Council at its meeting in February 2014, aims to retain a sustainable network of libraries and enable the County Council to fulfil its statutory and legal duties in relation to public libraries and archives.
3. In year 3 (2016/17) of the business case it is proposed to move the Service to an arm's length operating model to generate immediate savings (£400,000 per annum) from a reduction in business rates.
4. In addition, there are a number of advantages to establishing trust/social enterprise status, which can be achieved whilst enabling the Council to retain control and accountability for its public libraries and associated services, through a detailed service specification and contract. The County Council will retain its statutory or legal duties to provide a public library service and make proper arrangements for its archives. The Council will also remain the body to which Ofsted will report on in relation to its skills and community learning provision. Similarly, Community Partnership Libraries established that require ongoing support will be included within the contract between the Council and the new body.
5. A report outlining the full business case for the development of an arm's length operating model was presented to Culture Committee at its meeting on 3 June 2014. This update report aims to highlight progress since that report.
6. Since June a business and enterprise plan for the new organisation has been developed alongside an application to the Mutualisation Support Programme (MSP). The MSP is a Cabinet Office support programme, funding external legal, HR, governance, financial and set up support for the new organisation.
7. Following attendance at a 4 day MSP programme, submission of a business plan and an application for support was made. Following an initial assessment of the business case a recommendation for support was passed to the Cabinet Office at the end of August 2014.

8. Consideration was made for a first phase of MSP support by the Cabinet Office on 11 September 2014 and confirmation has subsequently been received that an award of support amounting to a value of £50,000 has been made. A further phase of support may be required and available during financial year 2015/16.
9. In addition to information and consultation events open to all staff in May/June 2014, a detailed staff online survey was undertaken and a frequently asked questions log with answers was made available to all staff. More than 250 staff responded to the questionnaire and responses to all questions were made available by the end of July.
10. Presentations were also made to key stakeholders, including the CFCS Departmental trades union panel, the Friends of Nottinghamshire Archives (FONA), Library Volunteers, At Home Library RVS volunteers, Nottinghamshire Archives User Group (NAUG) and the Society of Chief Librarians (SCL) annual seminar. A regular programme of information and consultation meetings has been agreed with Unison.
11. Initial meetings with the Education Funding Agency (EFA) and the Skills Funding Agency (SFA) were undertaken in July and August respectively and have been positive. These government agencies fund Skills for Employment and Adult Community Learning services.
12. The staff forum has met twice since June, firstly meeting with colleagues from York Explore – the recently established community benefit society to deliver libraries and archives for the City of York Council.
13. In September the forum fed back on the answers provided in response to the questions raised during the initial staff workshop and undertook initial work around values for the new organisation.
14. Members of staff have attended two workshops provided by The National Archives (TNA) to support a number of councils establishing arm's length bodies to deliver local authority archive services.
15. A number of work streams have been established to ensure the new body is established in a sustainable way and can access central services to either buy back or procure from outside of the Council. The work streams deal with HR, Finance, Property, Communications, Legal etc. and report to the Cultural Services Transformation Board.
16. Establishing the right legal form for the new body and the governance framework under which it will operate as a charity at arm's length from the Council is a key area of work identified to the MSP for support. Members' involvement in selecting the most appropriate legal form will be sought through a workshop at the rising of Culture Committee on 2 December and a subsequent decision report to Culture Committee in January 2015. A further Members' workshop will also be held in the New Year in respect of the development of the service specification and contract that will be required for the new body.
17. Briefings to all political groups have been provided to ensure Members are updated on progress since June.

18. A report seeking approval to award the contract for delivery of Library, Archives, Arts, Adult Learning and Skills for Employment Services will be presented to Culture Committee in March 2015.
19. A shadow body will be established by July 2015 to enable the new organisation to deliver services on behalf of the Council in April 2016.
20. The Council's improvement programme through the Cultural Service Transformation Board is supporting the move to an alternative operating model.

Other Options Considered

21. A range of options were detailed in the original business case presented to Culture Committee in June 2014.

Reason/s for Recommendation/s

22. Nottinghamshire County Council faces unprecedented financial challenges and thus further savings will be required. The business case identifies that an arm's length operating model provides an opportunity to sustain the benefits and opportunities Libraries, Arts, Archives, Information and Community Learning Services provide for people and communities in Nottinghamshire.

Statutory and Policy Implications

23. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Implications for Service Users

24. The development of an alternative operating model will increase customer engagement. The Council will continue to decide the delivery model, standards and overall priorities of the services through its contract with the new body. A detailed process of stakeholder, customer and community consultation will be required in the formation of the alternative operating arrangements.

Financial Implications

25. The move to an alternative form of governance through the formation of an arm's length body will enable the service to make the proposed level of savings in 2016/2017.
26. Work is underway to establish and quantify the relevant set up costs, but they are not known at this time. It is anticipated that some of the requirements are likely to be met from the Mutualisation Support Programme of the Cabinet Office, with the balance being met from existing resources within the departmental budget. If, once quantified, any

residual costs after use of the mutualisation fund cannot be met from the departmental budget, approval will be sought to access corporate contingencies.

27. Increased access to grant funding will be facilitated once the service is not directly delivered by the County Council.

RECOMMENDATION/S

- 1) That progress on the development of the new arm's length operating model for Libraries, Arts, Archives, Information and Community Learning services be noted.

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Constitutional Comments

28. As this report is for noting only, no Constitutional Comments are required.

Financial Comments (KLA 29/09/14)

29. The financial implications of the developments, where known, are set out in paragraphs 25 to 27 along with the limitations of current knowledge.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Libraries and Archives Business Case B13 – report to Full Council on 27 February 2014

Libraries, Arts, archives, information and Community learning services: Future operating model - report to Culture Committee on 3 June 2014

Electoral Division(s) and Member(s) Affected

All.

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