

Cabinet

8 January 2013

Report of the Cabinet Member for Leisure, Culture and Tourism

The Co-operative Council: A Community Benefit Society for Libraries and Archives

Summary

1. This paper responds to the Council Plan and the priority of '*exploring innovative models of service delivery and increase our skills to deliver shared service opportunities and management buyouts or social enterprise models.*' It sets out:
 - The results of an options appraisal carried out by officers into future options for running the Council's Libraries and Archive Service
 - The outcome of public and staff consultation
 - Details of a successful application for assistance from the Cabinet Mutual Support programme

2. The report concludes that the Council's library and archive services could benefit from becoming a social enterprise in the form of a community benefit society. It recommends a further period of development during which officers will:
 - Develop a business plan for a community benefit society
 - Establish a shadow community benefit society governance structure for the purpose of negotiating with the Council the terms of a potential transfer
 - Engage further with the public and with staff on the proposal
 - Bring back a further report to the Cabinet identifying whether it would be in the overall interests of the Council to transfer the Libraries and Archive service to a community benefits society

3. A final decision on whether to transfer the libraries and archives service to the community benefits society would be taken by the Cabinet at the end of this period; this is likely to be in June 2013.

Background

4. The Council Plan sets out an ambition to engage the voluntary sector in the provision of Council services and specifically to pursue alternative delivery models for cultural services.
5. York has signed up to the Co-operative Council movement in order to empower employees who wish to take a greater stake in their work. At the same time, the Open Public Services white paper encourages the public sector to explore the opportunities for establishing social enterprises and working with the voluntary sector.
6. Co-production is a new vision for public services based on recognising the resources that citizens already have and delivering alongside their users, their families and their neighbours in partnership with the public. This would involve the community more deeply in service form and delivery.
7. This social enterprise proposal arises from staff in what is a highly successful service with a strong track record of delivering service improvement:
 - Promoting the highly successful Explore library learning model across the community library network
 - Developing new high quality learning spaces – both inside and outdoors
 - Delivering the Phase 2 development of York Explore
 - Facilitating self-directed learning by joining learners together and providing spaces
 - Opening the country's first reading café
 - Installing self issue machines in all libraries
 - Increasing digital inclusion through developing skills, encouraging volunteer support and providing wi-fi access
8. The Cipfa VFM toolkit 2010 put us in the cheapest 10% of library authorities and the highest performing 10%. Furthermore:
 - We are in the national top quartile for the number of active borrowers
 - Cipfa identify us as a low cost service
 - Over half the population in York uses libraries – the highest rate in the region
 - We deliver about 4,000 volunteer hours a year – which puts us in the top 7 performing authorities

- We have fewer books than some other authorities, but they are borrowed more

Consultation

9. There was a public consultation exercise that ran for six weeks in October and November. The consultation asked:
 - Which current services are most important to you?
 - Which other services would you like to see delivered?
 - How would you like to access these services?
 - How do you think we could use our library buildings better?
 - How do you want to be involved in the delivery and development of the service?
10. The questionnaire was available in all libraries as well as online. There were versions for adults and for children and young people. A range of organisations were approached as well as all Parish Councils, all Councillors, equalities groups, early years settings, community groups, etc. Around 2,000 people completed a questionnaire. The majority of respondents were library users and so there is more work to be done to engage with non- users. Only 177 respondents were children so we plan more work to be undertaken with both children and young people.

Results:

11. 72% of respondents had used the library within the last week. Explore York was the most used library, with our online library coming in second. This reflects the move in society to using online services and helps us to identify resources to develop our 'e-offer'. Over 90% of respondents cited borrowing as the main service they used, which is a typical response to library questionnaires. Books are still our main product.
12. 81% of respondents wanted to see libraries stay in their current buildings. 72% wanted to keep the opening hours at the current level and 55% wanted more books to be bought.
13. 35% only want to be a user and 24% would be willing to attend a meeting to help make decisions on their local library. 23% would consider volunteering for specific tasks e.g. delivering books to housebound readers. On the basis of those responding to this questionnaire alone this suggests that there is a pool of around 500 people willing to get involved at a practical level in the running of the service.

14. Overall, the responses show continued support for library services with some interest in getting more involved in local decisions. It is clear, however, that more engagement work will now be needed, on a face-to-face basis to increase residents' understanding of the potential of a social enterprise and to get people involved.
15. We have been talking to staff about the idea of a social enterprise for over a year now. There is a small group of staff working with the Head of Service to ensure that staff thoughts and queries are reflected back and that they can influence the work. A representative of this group also sits on the Project Board. Key issues for staff at this stage are job security and having the resources to enable them to do their jobs. They demonstrate a high commitment to delivering our services and worry that they cannot do it as well as they would wish. There is anxiety over future funding and the sustainability of the service.
16. As you would expect at this stage staff do not yet have a fully developed understanding of the implications of a social enterprise and are keen for ongoing engagement and involvement. Key to the success of a social enterprise is the staff involvement and the business plan will include a clear demonstration of how staff can influence the development and delivery of the service.
17. Unison has indicated its in-principle opposition to the establishment of social enterprises for the delivery of Council services. It nonetheless continues to be represented on the officer project board.
18. We now want to develop the consultation into engagement which is ongoing and becomes more linked into the way the service operates. The most useful discussions during the consultation were face to face dialogues. We are now planning an engagement plan to focus on people who did not take part in the consultation, as well as furthering discussions with those who did.

Feasibility Study

19. In order to determine what would be the most effective model of service delivery the following questions have been addressed in accordance with the Council's agreed approach to considering alternative delivery models:
 - a) *Does the service need to be provided?*

Yes. The local authority is required to provide "a comprehensive and efficient" service under the 1964 Libraries and Museums Act.

- b) *Could other organisations currently provide the same or better quality of service at a lower cost?*

There is little evidence of a developed commercial market for the provision of library services. Over the last year there has been a move away from any privatisation of library services. Several authorities have looked at the possibility, but only one has progressed it further. There are only two commercial organisations currently offering library services. There are few existing social enterprises trading in this area and whilst discussions with two leisure trusts have indicated an interest in our library service neither demonstrates any competitive edge in the area of libraries nor has any experience of providing learning. Our own service is already top quartile in terms of cost-efficiency so there is no evidence of any other organisation being better able to provide the service.

- c) *Do other similar organisations have the same requirement?*

Clearly neighbouring authorities are library authorities; however, despite a great deal of discussion within the Regional Cultural Network and a RIEP project there appears to be no appetite for cross border working. Furthermore, no other services in the region have our distinctive focus on learning.

In other parts of the country authorities are sharing back room services; however, in York we have gone down the route of eliminating all non customer facing services as part of our efficiency drive so this is not relevant. We are already part of a consortium for book purchasing and buy into other services for specialist services such as business information.

- d) *Does the nature of the service lend itself to being provided in or by the community?*

Yes: The service is highly valued by the community and there is good evidence across the country of communities wanting to involve themselves pro-actively in their service as volunteers in support of paid staff. There is good reason to believe that the community of York would be able to provide individuals capable of adding value to the governance of a social enterprise.

We would not, however, just hand over libraries to local communities as other authorities are attempting: this might work if libraries were just rooms full of books but Explore Centres are much more than that, delivering literacy, digital inclusion and free access to information. We do not believe that the community has the capacity, expertise or will, on its

own, to deliver the learning vision we have set out for our libraries.

- e) *Is there potential to build staff interest and competency to operate the service independently?*

The necessary interest and leadership is present; however, it is clear that there is a skills gap that would need to be addressed in terms of business skills; we would need a culture change management programme to embed a new way of thinking. There is, however, evident enthusiasm from staff.

- f) *Does the service have a unique selling point and the potential to be a viable commercial operation?*

Yes: Our Explore offer is unique in the city and beyond. Our early work shows significant potential for exploiting our learning and heritage offer to generate increased income.

Under current government policy, however, libraries and archives will always continue to require significant public subsidy; a social enterprise could reduce this over time but could never eliminate it.

20. The study considered three potential scenarios:

- a) Remaining as now within the Council
- b) Establishing an arm's length unit within the Council
- c) Establishing an external entity such as a social enterprise

Options and Analysis

21. These scenarios were assessed against a number of weighted criteria – see Annex 1. The criteria in the grid were chosen to assess the key issues from the point of view of potential benefit to libraries and archive services:

- Focus on business objectives
- Being more entrepreneurial
- Potential to access new funding streams and grants
- Trading in order to generate income
- Involving the community in developing and delivering the service
- Giving employees a strong stake in developing and directing the organisation
- Provide robust and transparent governance arrangements
- Draw in talent and expertise

22. The judgements against the criteria were made by the project team reflecting the views of staff involved in the services. Their analysis is that a social enterprise is likely to be the most advantageous delivery model for libraries and archive services. (It should be noted that this is not a conclusion at this stage that this arrangement will be in the best overall interests of the Council; this judgement can only be made after the business planning phase).
23. From further work, drawing on advice from the Head of Legal Services, guidance from CIPFA and exploration of relevant examples from other local authorities and relevant organisations, the project team has concluded that if the Council ultimately decides to establish a social enterprise the most appropriate vehicle will be a mutual.
24. Mutuals can either be run for the benefit of staff (co-operatives) or the community (community benefit society). The latter is more appropriate to a libraries and archive service. This is a type of industrial and provident society which is regulated by the Financial Services Authority and whose governance is based on the Rules of the society. A key advantage is the ability to give a wide membership, including the community and employees, a stake in the organisation and a say in management and other affairs.
25. Officers have also concluded that obtaining charitable status is essential as it brings a variety of tax relief and other benefits.
26. Options rejected include a Community Interest Company as these are not eligible for charitable status.

Assumptions

27. Key assumptions concerning the Council's relationship with the community benefits society are as follows:
 - **Statutory Duty:** Responsibility for carrying out the statutory duty to provide a comprehensive and efficient library service would remain with the Council.
 - **Funding relationship:** The Council will carry out this duty by either grant funding or contracting with the community benefit society. Careful consideration will be given at the next stage to which option is best in terms of its implications for:
 - The community benefit society's tax and VAT position
 - Procurement (see below)
 - Charitable status of the community benefit society
 - State aid

- **Procurement:** The analysis in paragraph [1948](#) above indicates that undertaking a competitive procurement would not be best value. The giving of a grant supported by a non contractual service level agreement would not be caught by procurement requirements. Care, however, would need to be taken to ensure that state aid was not unwittingly given.

A number of trusts operate on a grant basis including York Museums Trust. This has provided an effective relationship leading to strong partnership working based around clear shared objectives. A drawback of grants, on the other hand, is that the Council would not be able to take legal action to enforce service standards. To do that a contract would be required. In this case it is likely that the services would be treated as Part B services for the purposes of the Regulations which are not covered by the full procurement regime; however, recent case law has established that the principles of the Treaty of Rome still apply to Part B procurements which would be of interest to suppliers in other Member states.

It may be possible to award an uncontested contract. These issues will be further examined in the next development phase.

- **Reporting:** Whilst a community benefit society would operate at arm's length from the Council, it is recognised that a strong partnership would be essential, particularly with regard to carrying out the Council's statutory responsibility to deliver the library service. The Council would maintain a proactive commissioning role based around a shared vision. A partnership delivery plan would be negotiated in the next phase of development which would underpin the agreed objectives and performance monitoring. This plan would be agreed by the Cabinet Member for Leisure, Culture and Tourism.

It is not recommended that there is a councillor on the board of the community benefit society as this would simply result in a conflict of interest for that councillor and would not provide an effective mechanism to protect the Council's interests.

- **TUPE:** It is assumed that all staff in the current services will transfer on their existing terms and conditions under TUPE.
- **Assets:** The key assets including the civic archives, donated private archives, and the local history library collections will remain the property of the Council. The Council would also remain the legal custodian for Deposited Public Records, Manorial Records, and deposited non-civic archives.

Consumables, such as the library books, are likely to become the property of the community benefit society.”

The Vision

28. The vision for the community benefit society would build upon the success of the Explore concept. It has created centres that have become true community hubs with an enormous range of events and activities happening. We have been able to promote the joy of reading and learning to many more people.
29. For the first time in many years, the City Archive has a positive future. Once completed, this will be a key element of the whole service. Based in the centre, but delivered across the city, it will enable individuals and communities to access their past.
30. Our vision for the future is to build on this solid foundation by developing a range of “explore community hubs”. These will be different for each community depending on the needs of local people. They will be safe, welcoming, impartial spaces for everyone, incorporating all the aspects of libraries that create unique community spaces. The Reading Café at Rowntree Park shows how the model can be adapted to different communities whilst securing new income streams.
31. Community hubs will be different from libraries just as explore centres are different. The core of the hub will be a 21st century libraries and archives service that delivers the promotion of reading, a high quality reference and information service, support for lifelong learning and help with digital inclusion as well as access to the history of York and its people. Wrapped around that will be space for partners whose activities are complementary to a library service e.g. other information providers, community groups, health centres, CAB and voluntary organisations. A range of activities will take place for all ages and there will be a programme of adult learning.
32. We want communities to make use of the spaces and are working with local history groups, parish councils and community groups to trial ideas.
33. The hubs may also be able to provide access to other council services in partnership with the Council. This is something that we are currently investigating to understand the possibilities e.g. we are working with Communities and Equalities to develop designated spaces in all libraries for residents to go to find out about what’s happening in their ward, ways they can get involved and as and

when take part in community consultation. Using the buildings to their full capacity, local residents will be able to access a range of services close to home.

34. The business values of the community benefit society would be:
- a) Sustainable business that can grow through reinvestment of surpluses to meet charitable objectives
 - b) Innovative culture that strives for excellent service delivery
 - c) Impartiality
 - d) Co-production with the community and partners to improve outcomes
 - e) Strong dynamic passionate team

Governance

35. A community benefit society (Industrial and Provident Society for the benefit of the community in full) is governed by a legal document called the Rules. The rules describe how the society is run. A set of model rules, already agreed by the Financial Services Authority (FSA), can be used as a starting point. These are adapted to reflect local need. The key elements of the rules are the objects of the society and the make up of the board of directors. Once we have an agreed set of rules they are registered with the FSA as part of the set up of the society.
36. Suggested objects would be drawn from the following proposed strategic objectives for the society:
- Promote and enable reading, learning and the sharing of knowledge through free access to book borrowing, electronic and other information services
 - Support and promote people's engagement with digital information and resources
 - Provide safe, welcoming community spaces to promote social inclusion and community cohesion
 - To deliver and support lifelong learning and community based learning
 - Develop and deliver activities to improve well-being that allows people to fulfil their potential
 - Support skills development and employability and development of the workforce
 - To build partnerships with communities

- To preserve, maintain and give public access to archives and local history resources relating to the heritage and culture of the City of York and its people as an historical and educational resource for public benefit
37. It is proposed that membership with voting rights would be open to everyone aged over 16 who supports the objects of the society. Each Member would have a single vote based on the issue of a single share valued at £1. There could be a category of Associate Member for children and young people under 16. They would not have voting rights. Advisory Boards could be established as well. These could function like friends groups and could advise on issues related to local service delivery.
38. Membership of the society would be separate to membership of the Library, which would remain free of charge. People would have the choice of belonging to just the library or to the society as well.
39. The society would have a Board of Directors. The composition of the Board could be:
- The Chief Executive Officer
 - A staff representative
 - Three directors elected by the Members
 - The chair of the Community Learning Trust ex officio
 - A representative nominated by the York Economic Development Partnership
 - A representative nominated by the Youth Council
 - Three other directors co-opted by the board
40. Directors would also be selected in accordance with the requirement to cover the specific skills sets required on the board such as finance, legal, business, marketing, archives, digital inclusion, etc.
41. It should be noted that staff representation on the board, which will be important to the ethos of the organisation, is not always acceptable to the Charity Commission; a case would need to be made.

The Business Case

42. The financial context for this initiative is that the service is already working to deliver a £250k saving in 2013/14 (£200k saving agreed for libraries plus a £50k contribution to CANs cross-cutting savings).

It is doing this by reimagining service delivery to ensure sustainability and create a fast paced, responsive service. This work is built around the following principles:

- Removal of layers of management to create a flexible structure built around groups where resources can be directed as needed
- Creating a core of professional staff (librarians, archivists, and other professions as required by business needs) to drive strategy and ensure the quality of the service is maintained
- A variety of staffing options – paid staff, volunteers, interns, apprentices etc.
- Improvement in opening hours to better reflect community need

43. Work is underway to deliver a new staffing structure for April 2013. This will not deliver the full £250k, however, and there will be a need to find further reductions for example in supplies and service. To ensure that the service is in a sound financial position going forward it will be essential to complete the process of dealing with the current budget pressures. This will ensure that the base budget for the new organisation is realistic and that any assumptions made about future savings are achievable.
44. We have been successful in obtaining support from the Cabinet Office Mutual Support Programme in order to undertake the next stage of business planning. This will provide:
- Business planning support, to understand all costs and implications of different treatments of assets to produce a robust business plan
 - Legal advice on assets, and support on the legal processes associated with the staff transfer in terms of HR, TUPE and pensions
 - Transition planning support to produce a detailed transition plan and its implementation
45. This work, which will draw upon national best practice, will clarify whether the community benefit society model would be viable and sustainable, whether it would be in the overall financial interests of the Council to establish it, and the extent to which it would be capable of delivering any further savings to the Council.

Financial assumptions:

46. **Support services** –We are working to the assumption that the society would be given an equitable share of business support resources to take with it together with its corporate recharge budget. Therefore, further work will need to be undertaken to determine a reasonable and fair budget value to cover the resources required for the new entity. It is envisaged that the new entity would continue to ‘buy in’ the services currently provided by the council in the short term. In the longer term the new entity may procure support from CYC trading or external sources.
47. **Funding** - We are working to the assumption that the society would be given a five year financial settlement from the council to allow it to plan effectively (in line with the York Museums Trust). This settlement would be reflective of the Council’s budget position and may include a built in savings requirement over the period.
48. **VAT** – An exercise is being undertaken to establish the impact of these service areas being removed from the Council’s financial accounts specifically to determine how it affects the Council partial exemption calculation.
49. **Pensions** – Work is currently being undertaken to establish the costs of pensions for the new provider. On the assumption the new social enterprise will apply and be granted admitted body status to the North Yorkshire the Council will need to agree which of the two contribution rates it wishes to see the body fund. Broadly there are two options:
- A pension contribution rate paid by the new provider that leaves a degree of risk with the Council.
 - A pension contribution rate that fully transfers all pension risk for the staff at the day of transfer to the new provider.
- Under the first option the contribution rate for the provider is significantly lower than that of the second option that can be as high as 30%, which would equate to approximately an additional £120k per annum.
50. All these assumptions will be fully tested in the next development phase.

Development Costs

51. The table below highlights the key budget and sets out the costs that are likely to be incurred in the next development phase:

Description	Cost
IPS registration	£3k
Specialist advice:	
Legal	£15k
Property	£15k
Vat	£5k
Pension	£2k
Additional support services:	
Marketing/branding	£15k
Accountancy/business	£30k
Training & development of new skills required	£10k
Admin. support to head of service	£22k
Total one-off set up costs	£117k

52. Support of up to £100k will be provided by the Cabinet Office. A bid will be also made to the Delivery and Innovation Fund for any elements not covered in the Cabinet Office package and which cannot be contained within existing operational budgets.

Next Steps

53. A transition plan will be developed. This transition plan aims to capture all the actions necessary between approval of the society and going live as an independent organisation.
54. The Cabinet Office Mutuels Support Programme has appointed a Contract Manager who is working with us to draw up a specification for the support needed. Once that is agreed, the MSP will procure the support (about four weeks). It will commence in early February. Mentoring support has already started.
55. A project board has been set up with representatives from HR, finance, legal, trade unions etc to oversee and drive the development of the business plan for the society. The board is chaired by the Assistant Director (Communities Culture and Public Realm) to progress the work and ensure the Council's interests are represented.
56. The next step is to establish a shadow governance structure for the community benefit society. A group will be formed who will develop the business plan, the rules and objects of the society and negotiate

with the Council, through the project board, the potential terms of any transfer.

57. To form this shadow board 4 individuals would be recruited who would be expected to become founder members of the community benefit society should it proceed. It is recommended that the four include the Head of Libraries, Information and Archives together with three external individuals with appropriate skills.

Implications

Financial:

58. The Library and Archives service has a net budget of £2,463k in 2012/13 (excluding recharges and capital financing charges). The table below summarises the financial position over the last four years:

Year	Net Budget £,000	Outturn £,000	Budget % Increase/ (decrease)	Main impacts
2009/10	2,566	2,477		
2010/11	2,448	2,438	(4.6)	Reduction in staff
2011/12	2,436	2,230	(0.5)	
2012/13	2,463		1.1	

59. The last 4 year savings total £84k. A 2013/14 budget saving of £200k was agreed in February 2012 with a further £50k contribution in 2013/14 towards cross-cutting savings.

Property:

60. The Cabinet approved the Asset Management Strategy in November 2012 setting out 4 key principles for future asset management planning:
- Reduce revenue costs, increase revenue income and generate capital – rationalise, share or reduce assets
 - Support economic development - use our assets to host new jobs in the city and encourage business start ups
 - Create new homes – Get York Building
 - Create community value - asset transfers or capacity building in the community sector

61. These principles, especially the first and last ones, would be used in considering the best structure for the society's occupation of Council assets to deliver the vision. In particular the opportunity will be taken to look at options for the library service to:

- Share with other Council and partner services and/or the community
- Re-locate to new space specifically created to meet the vision

62. In respect of the current portfolio the following would be proposed:

Freehold property:

- Grant short term full repairing leases on current space occupied
- Include the buildings in the asset review programme
- Include the community benefits society and the community in the review of location, accessibility and suitability analysis
- Once any outcomes are implemented then the Council will to grant a full repairing lease of appropriate length at a commercial rent (unless otherwise mutually agreed)

Leasehold property:

- Initially seek to assign the lease or underlet if landlord unwilling to accept covenant
- Include in asset review as above

63. With regard to West Offices the current space planning proposals indicate that the library and archive service require 5 workstations on the 2nd floor. If the community benefits society is established then it would be treated as any other external partner and space would be leased to it on the following basis:

- Exclusive use of space of 40 sq m
- Use of remainder of building with access to all services including printers, common areas, meeting rooms etc.
- Annual Charges would be:
 - Rent £4000 (at £100 per sq m) – fixed for 5 years then reviewed
 - Service charge £6920 (at £173 sq m) – reviewed annually
 - Vat to be paid on these charges at 20%
 - Total initial annual charge = £10,920 + VAT

Legal:

64. Many of the legal implications are set out within the body of the report including issues relating to procurement, staff transfer and asset transfer.
65. The service is subject to statutory regulation. The Council, being a library authority, has a duty, under s7(1) Public Libraries and Museums Act 1964, to provide a comprehensive and efficient library service.
66. The City Archives has been designated by the Lord Chancellor as a place of deposit for local public records under the Public Records Acts of 1958 and 1967. The City Archives also holds manorial documents as designated by the Master of the Rolls and under the supervision of the Secretary of The National Archives: Historical Manuscripts Commission. The City Archives holds on deposit (i.e. loan) various archives from non-civic organisations and individuals under powers granted to the Council by the Local Government (Records) Act 1962. Under s224 of the Local Government Act 1972 the Council is obliged to make suitable arrangements for its own archives and for any archives held on behalf of others. The National Archives and the owners of the deposited archives will need to be consulted further about the implications of any transfer of the service to a community benefit society.
67. The Council would use primarily the general power of competence set out in section 1 of the Localism Act 2011 to establish the community benefit society.

Equalities:

68. A number of sources of information have been used to identify current users of the service including Experian data (which looks at categories of households) and equalities monitoring information from our ongoing re- registering of users. Encouragingly, all the data shows that our users are already broadly representative of York's communities.
69. As part of the current consultation exercise, some specific user groups were targeted to ensure that our services remain relevant to their needs. Further areas for improvement have been identified. By combining all the information we can draw the following conclusions regarding potential target groups that we must particularly engage with going forward:
 - Those aged 80 plus, about 10,000 people.

- Younger adults 15 – 34, about 63,000 people.
- The BME communities particularly Indian, Pakistani, and Black African
- Disabled people

70. The next step will be the development of a more focussed engagement process with emphasis on the above communities in York. Areas for consultation will be based around the core statutory duty and individual local offers e.g. opening hours, stock, use of buildings. The learning from this will be fed into developing the strategic objectives of the community benefit society.

Human Resources:

71. Informal consultation with staff and unions has been ongoing since November 2010, however the transition plan will detail the TUPE consultation required.
72. Discussions will take place with the North Yorkshire Pension provider regarding the transferring of accrued Pension rights for transferring staff and acquiring Admitted body status which would enable the new entity to offer continued eligibility for the Local Government Pension Scheme.

Risk Analysis

73. The key risks identified at this stage are:
- Long term illness of key staff: The head of service is leading on this project and her absence would significantly impact on the ability to move forward. To mitigate it, she is being supported by the Archives Development Manager and the Library Delivery Manager, who are being kept up to date with work.
 - Resistance to change and fast pace. The success of the project will require different and innovative ways of working and thinking. We will need to challenge “local government” ways of doing things. Having the support of senior officers and councillors will help to mitigate this risk.
 - Public resistance to the idea. Public consultation has been going on since October and will continue through until April, engaging communities and individuals.
 - Business plan not being convincing. We are working on all aspects of the finances and the strategy to ensure this does not happen. The support procured from the Cabinet Office will significantly help towards mitigating this risk

- Not enough time or resources to deliver the plan. The support delivered from the Cabinet Office will significantly help with this risk. We have identified the key areas where help is needed and we are confident that working with suppliers will mitigate the risk.
- Lack of the right skills. We have identified the skills gaps and the support from the Cabinet Office will help us to develop new skills needed both in the short term and over a longer period

Corporate Priorities – Delivering the Council plan

74. The proposals within this paper help to deliver the council plan in two of the main priority areas:

Build Strong Communities – This will be supported in a number of ways:

- Roll out of Explore centres as community hubs for learning
- The primary place of Explore Centres as community information hubs
- Creation of centres of community learning in the larger explore centres located in some of the most deprived communities in the city
- Access to other council services and facilitating community consultation
- Develop volunteering opportunities
- Safe places for communities to meet particularly for children

Create Jobs and grow the Economy - This will be supported in a number of ways:

- Important role in providing first step learning and opportunities for progression into work
- Creation of jobs through the roll out of Explore cafes
- Work placement opportunities for some of the most disadvantaged
- Support for people with mental health problems and learning difficulties to access learning and preparation for work
- Provide opportunities for the development of digital skills

Recommendations

75. Cabinet is asked to approve:

- a) Development of a business plan for a potential community benefit society for the Council's libraries and archive services

- b) The establishment of a shadow board for the purpose of taking forward this work
- c) Further engagement with the public and with staff on the proposal

Following which a further report will be brought to the Cabinet identifying whether it would be in the overall interests of the Council to transfer the Libraries and Archive service to a community benefits society.

Reason: To identify the best delivery model for libraries and archive services in York.

Annexes:

Options Appraisal Grid

Contact Details

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	Report Approved	✓	Date 21 December 2012
Specialist Implications Officer(s) Sarah Kirby – Principal Accountant Andy Docherty - Assistant Director Governance & ICT Sue Foley – HR Business Partner Philip Callow – Head of Asset and Property Management Isabel Jones – Audit Manager			
Wards Affected: List wards or tick box to indicate all		All	✓

For further information please contact the author of the report

Background Papers: