

Report of the Assistant Director, Governance and ICT

**Called-in Item: The Co-operative Council: A Community Benefit Society for Libraries and Archives**

**Summary**

1. This report sets out the reasons for the call-in of the decisions made by the Cabinet on 16 July 2013 in relation to the establishment of an Explore Libraries and Archives Mutual as a Community Benefit Society. The report to the meeting summarised work undertaken by a project board whose key conclusion had been that the best possible legal model to transfer the service to a social enterprise had been via a Community Benefit Society (CBS), with exempt charitable status. Further information on the consultations undertaken, the aims and objectives of the CBS together with detailed proposals in relation to the contract, staff, assets, property and governance had also been reported.

This cover report sets out the powers and role of the Corporate and Scrutiny Management Committee in relation to dealing with the call-in.

**Background**

2. The Decision Sheet issued after the Cabinet meeting is attached as Annex A to this report. This sets out the decisions taken by the Cabinet on the called-in item. The original report to Cabinet on the called-in item is attached as Annex B to this report.
3. The Cabinet's decision has been called in by Cllrs Ayre, Jeffries and Reid for review by the Corporate and Scrutiny Management Committee (CSMC) (Calling-In), in accordance with the constitutional requirements for call-in. The following are the reasons given for the call-in:

- The report claims the aim has been to determine “whether it would be in the overall interests of the Council to transfer its Libraries and Archive service to a social enterprise”. This is not what has happened. All the approved report does is provide shaky evidence that a social enterprise might work, it does not explore other options to determine whether a social enterprise is the best option for the Council or for residents. There is no evidence presented that the Council has looked at any other options not even ‘co-location’, which is national Labour Party policy and has been successfully implemented in Northamptonshire. Despite repeated requests we have not seen a copy of the social enterprise business case.
- No proper public consultation has taken place – the consultation which took place in October 2012 only asked residents questions such as where libraries should be based, what they should provide and whether people can volunteer to help operate them. It did not ask people for their views on the potential move to a social enterprise. The ‘Focus Group’ only provides very limited evidence. For this proposal to work it has to have the full support of the public and there is no evidence that this is the case.
- Staff have raised considerable concerns over the move to a social enterprise and the consultation process. A sample of these included in the report are:
  - “It has always felt like the decision to go to a Social Enterprise has been made without consulting staff. It feels like we are being asked for the sake of asking, not because what we think will be taken into account or thought about seriously”
  - “In many ways it feels like it's a done deal, and anything we or the public say will not have any effect on whether it happens or not”
  - “This is tokenism. We are asked for our opinions, but in the final analysis, if our opinions differ from those in the top seat they will not be counted”
  - “I think is a forgone conclusion and this has come across when workshop etc are done”
  - “Good thing who knows? Again all progress as if it will happen nothing about alternative etc”
- UNISON also consistently raise concerns on behalf of staff and we have no confidence that this move enjoys the support of

library or archive staff. For this proposal to work it has to have the full support of staff and there is no evidence that this is the case.

- Throughout this report there is lack of proper evidence on why the projected 'benefits' (revenue increases etc) can not be achieved with the service remaining part of the Council. The £450,000 savings, needed after Labour's budget cuts, could as the report shows largely be achieved with or without the move to a social enterprise. The plans to increase revenue are simply not dependent on a move to a social enterprise.
- We are concerned that the new model will be less accountable to residents as the familiar structure of local council control is removed while at the same time there are considerable changes in the service. The service has already seen job cuts and changes in library opening hours and the original report, which went to Cabinet last year, spoke openly about a 're-location programme'.

## **Consultation**

4. In accordance with the requirements of the Constitution, the calling-in Members have been invited to attend and/or speak at the Call-In meeting, as appropriate.

## **Options**

5. The following options are available to CSMC (Calling-In) Members in relation to dealing with this call-in, in accordance with the constitutional and legal requirements under the Local Government Act 2000:
  - a. To decide that there are no grounds to make specific recommendations to the Cabinet in respect of the report. If this option is chosen, the original decisions taken on the item by the Cabinet on 16 July 2013 will be confirmed and will take effect from the date of the CSMC (Calling-In) meeting; or
  - b. To make specific recommendations to the Cabinet on the report, in light of the reasons given for the call-in. If this option is chosen, the matter will be reconsidered by Cabinet at a meeting of Cabinet (Calling-In) to be held on 20 August 2013.

## Analysis

6. Members need to consider the reasons for call-in and the report to Cabinet and form a view on whether there is a basis to make specific recommendations to Cabinet in respect of the report.

## Council Plan

7. There are no direct implications for this call-in in relation to the delivery of the Council Plan and its priorities for 2011-15.

## Implications

8. There are no known Financial, HR, Legal, Property, Equalities, or Crime and Disorder implications in relation to the following in terms of dealing with the specific matter before Members; namely, to determine and handle the call-in.

## Risk Management

9. There are no risk management implications associated with the call in of this matter.

## Recommendations:

10. Members are asked to consider the call-in and reasons for it and decide whether they wish to confirm the decisions made by the Cabinet or refer the matter back for reconsideration and make specific recommendations on the report to Cabinet.

**Reason:** To enable the called-in matter to be dealt with efficiently and in accordance with the requirements of the Council's Constitution.

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**Report  
Approved**



**Date** 31 July 2013

**Specialist Implications Officer(s)** None

**Wards Affected:**

**All**



**For further information please contact the author of the report**

**Annexes**

Annex A – Copy of the Decision Sheet produced following the Cabinet meeting on the called-in item.

Annex B – Report of the Cabinet Member for Leisure, Culture and Tourism to the Cabinet on 16 July 2013.

**Background Papers**

None