

Executive

21 June, 2018

Report of the Assistant Director (Communities and Equalities)

Portfolio of the Executive Member for Leisure, Culture and Tourism

The Library and Archives Service: Procurement of Operator

Summary

1. This report seeks authority to initiate the procurement process for the operation of the council's library and archives service.

Recommendations

2. The Executive is asked to:
 - Note the outcome of the public consultation conducted between November 2017 and February 2018
 - Agree the key aspects of the service specification for the new contract set out in paragraphs 14 to 20
 - Agree that the term of the contract will be 15 years with an option for a 5 year extension
 - Agree the financial framework for the contract as set out in paragraphs 21 to 30
 - Agree to establish a 'Sinking Fund' of £147,000 per annum, from existing budgets, which will be used to address the council's building maintenance liabilities over the term of the contract
 - Agree the price / quality split to be used in the evaluation as set out in paragraph 35
 - Delegate to the Director of Children, Education and Communities authority to:
 - Develop and implement the procurement framework as set out in this report including establishing the final evaluation criteria and headline weightings to be used in assessing bids

- Award the contract at the end of the process provided that the price is within budget

Reason: To enable the council to meet its statutory duty with regard to the provision of library services.

Background

3. In 2014, *Explore Libraries and Archives Mutual Limited* (“*Explore*”) was awarded a five year contract under a single tender action to operate the council’s library and archives service. That contract contains a provision for potential extension for a further five years if the council served a ‘Renewal Notice’ on Explore between 1 January 2018 and 31 March 2018. As the council has not served such a notice on Explore within that period, this contract will expire on 31 March 2019. Soft market-testing has established that a competitive market exists for library services and it is therefore necessary to initiate a tendering process in order to enter into a new contract.
4. The council has a duty under s7(1) Public Libraries and Museums Act 1964, to provide a comprehensive and efficient library service. Whilst there is no definition of what “comprehensive and efficient” means, DCLG guidance makes clear that:
 - Authorities must think long-term as they plan and change their library service, and
 - Decisions must be made based on a Comprehensive Assessment of Need, and
 - Actively managed in consultation with the community and library professionals.
5. To inform a Comprehensive Assessment of Need for its library service the council undertook a consultation exercise between November 2017 and February 2018. More detail about the consultation methodology is set out in Annex A.

Key Messages from the Consultation

6. **Future priorities for services:** Users’ top priorities for services are the same for all library types: Borrowing books, reading and studying space, local information, events, computers (together with archives and local history in the case of York Explore).
7. Non-users indicated that the top three things that would encourage them to come to a library in the future were: a reading café on site, better information about services, and more events and activities.

8. **Future network of libraries:** The key finding here was that residents see the local library providing an important community hub. There were strong aspirations expressed to enhance this hub role through improvements to library buildings and facilities. The perceived role of the community hub varied depending on local needs, but in general there was strong recognition of the key role that the local library provides in a broader context of social inclusion, providing a neutral place to meet people and to engage in activities including relating to learning and literacy.
9. **Co-location:** There was support for a vision of moving away from stand-alone buildings and recognition of the need for partnerships to create services co-located with other community amenities.
10. With respect to location, over 50% of respondents in the online survey said they would be most likely to combine a visit to the library with a trip to the shops, the post office or the bank suggesting that prominent high street locations remain the most suitable for libraries.

The Comprehensive Assessment of Need

11. This is set out in Annex A. It is informed by residents' needs, as expressed through the public consultation, as well as by:
 - York's demographics – the make-up of the city's population
 - The Council's objectives - the key policies relevant to the library service and how libraries can help to deliver on them
 - The current service – how York's service is performing currently and to what extent it is meeting residents' needs

The Vision

12. The Comprehensive Assessment of Need culminates in a vision which aims to summarise our requirements for the future service:

We propose to build on the success of our libraries by continuing to place learning at the heart of everything we do, re-imagining our libraries as *Centres of Learning and Opportunity for All*. We believe that our libraries should continue to be stocked with a broad range of books and materials that promote reading and literacy and to support people with the information they need in their everyday lives. Increasingly they will be:

 - Fit-for-purpose, contemporary spaces meeting the needs of everyone
 - Fully accessible: information will be easy to obtain, reading encouraged, research easy and learning natural

- Outward looking, linking with the community and drawing people in to foster a sense of place
- Open at times that reflect the needs of the community including late night and weekend opening where required
- Shaped by local need, promoting community involvement and enabling local people to take action in their area
- Transparent and visible from the outside, clearly signed and encouraging people to come in
- Staffed by well trained staff with excellent customer focus

And they will:

- Maximise use of the building assets through partnership working and innovative programming
- Proactively promote their activities and services making sure that the whole community is aware of the offer

They will also provide state-of-the-art learning spaces that have:

- The latest digital technologies
- Flexible spaces for formal and informal learning
- Study space and creative spaces
- A range of learning programmes
- Digital inclusion programmes to get people online for free

What network of library buildings should we have?

There should be a range of libraries to meet the needs of different users. Some libraries will be larger, offering all services, and some smaller, designed to meet more local needs. Reading cafés should be incorporated into libraries wherever possible and appropriate to local circumstances. There will be five broad types of library as set out below. It should be stressed that these types are a guide rather than a precise blueprint. It is critical that individual libraries develop in a way that suits local needs.

York Explore: this should remain the flagship facility where all services are available including the Archive & Local History Centre.

Explore Library Learning Centres: Experience shows that the bigger libraries are popular (the biggest 4 currently account for 64% of library visits). People will travel further to use them because they have more stock, are open longer and offer more services. There is

a case to build on this by creating three Explore Library Learning Centres across the city providing:

- A broad range of library and information facilities
- Space for Adult Learning courses
- Café
- Space for multiple community use / hires
- Access to archive and local history resources

The Explore Library Learning Centres would be located in the areas of greater need: at the Centre@Burnholme (opening June 25), Acomb Explore (which has been so successful that it would now benefit from enlargement) and in the Clifton area (potentially a replacement for / upgrade of the current Clifton library).

Explore Gateways: Offered in a variety of venues, preferably with café facilities, these libraries should be co-located with other community activities where possible, with local communities invited to be involved in their operation. They will remain a key part of the statutory service and the library provider will continue to ensure that they are staffed and stocked with books, materials and information.

Virtual Libraries: A 24/7 online service including e-books and e-magazines, other online resources and virtual spaces for people to share ideas e.g. online reading groups.

Reading Cafés: These are a different type of library service encouraging the joy of reading especially for those who may feel uncomfortable in a more traditional library. There is currently a reading cafe within Rowntree Park.

The Contract

13. In light of the soft market-testing undertaken it is proposed that a 15 year contract be offered with the potential for a 5 year extension.

Service Specification:

14. The service specification sets out what the council requires of the provider and how the vision is to be realised. It builds on the current service and ensures that the library service will contribute broadly to achievement of the council's objectives, for example in the areas of public health and adult social care. It will consist of:
 - A series of "core offers":
 - Spaces and Places
 - Reading

- Information
- Digital
- Health & Social Care
- Learning and Skills
- Culture
- Archives and Local History
- A range of other requirements concerned with:
 - Opening Hours
 - Programming of Events and Activities
 - Health and Safety Management
 - Access and Legislation
 - Staffing
- Performance and reporting requirements concerned with:
 - Facilities Management
 - Customer Care
 - Audience Development
 - Promoting Inclusion
 - Quality Assurance and Continuous Improvement
 - Quarterly and Annual Reporting Requirements

15. More detail is set out in Annex B. The services specification will provide a robust framework against which the performance of the operator will be assessed. Under the payment and performance monitoring system, financial deductions will apply for failure to achieve the required performance standards.

Buildings:

16. The current library service operates from 14 buildings and 2 mobile vehicles. A new library at the Community Stadium is due to open in summer 2019 and a commitment to move Haxby Library from a mobile vehicle into a static library has been given.

17. To deliver the aspirations for our library buildings as set out in the vision, the specification will determine who will lead on the respective actions required:

- Explore Library Learning Centres: Council lead.

The imperative here is to address the current high cost of the learning centres by moving to a new model which provides the operator with larger buildings and additional income streams.

The Centre@Burnholme already delivers this, being forecast to generate a net profit which can be used to cross-subsidise the service. The task will be to invest in Acomb and Clifton subject to appropriate building solutions being available and preparation of detailed business cases.

- Explore Gateways (community libraries): Operator lead.

Here the task is for the operator to work with communities to create improved facilities through co-location of libraries with other community facilities. This will be a continuation of the work Explore York has begun, for example through the planned move of New Earswick library into the Folk Hall, which is home to a café and the local post office and has numerous rooms for community use.

It is proposed that the operator is required to complete the process of making satisfactory arrangements for all the community libraries by the end of year 8 of the contract. It will be for the operator to determine the solution in light of local needs with the Council having the right to decline any proposal, acting reasonable, should it consider that it does not meet the requirements of the vision and the service specification.

The ability of the operator to deliver improvement in this way will be a key facet of the tender evaluation.

18. The Community Asset Strategy will be a key tool to inform both operator and authority led changes, driving partnership working between the two parties to deliver the vision for our residents.

Building Asset Liabilities

19. The repairs / maintenance liability on each building has been estimated over the next 20 years through condition surveys with a total liability of £2.8m:

Library type	20 year lifecycle costs
York Explore	£1,880,223
Explore Library Learning Centres	£405,729
Explore Gateways & Reading Café	£544,196
TOTAL	£2,830,148

20. The procurement process will set out for bidders the risks and liabilities in respect of the buildings. The following is proposed:

Area of responsibility over 15 years of the contract	Library Operator	CYC
Non-structural maintenance, repair and replacement	✓	
Annual servicing costs, e.g. lift servicing, asbestos monitoring, electrical testing	✓	
Day to day repairs and maintenance, e.g. to boilers up to the end of their serviceable life	✓	
Internal and external decoration	✓	
Maintenance and replacement of furniture, fittings and equipment	✓	
Structural building repairs e.g. roof leaks, structural failure		✓
Lifecycle replacement of major structural elements which are identified on the condition surveys, e.g. replacement windows, doors, roof, heating system, electrics		✓

A more detailed table will form part of the service specification.

The Financial Framework

21. Across all the libraries we can see a big difference in how much individual libraries cost, ranging between £2.00 per visit and just 32p per visit. When we enter into the new contract we believe it is both important and possible to make sure that all our provision provides good value for money. We need ideas from our potential contractor for innovative ways to provide excellent services whilst saving money.
22. The service will generate £147k of ongoing savings from 2018/19. We have rebased the budget resulting in £77k of savings. This is due to the five year costs of employees taking early retirement ending. We have also been contributing annually to a pension provision held to mitigate any pressures the council may encounter from an actuarial review of ex local authority employees. The provision now stands at £164k and we feel this is sufficient to meet any future pension shortfall.
23. The contract with Explore will also be reduced by £70k. This is as a result of them occupying and managing the new Centre@Burnholme which provides them with brand new facilities and a £70k “windfall” from running the centre which includes other services.

Revenue Budget:

24. The current revenue budget available for the library contract is set out in the table below:

Library budget	Available in 2019/20 (£000)	Available over 15 years (£000)
Current revenue budget	2,459	36,885
Less budget withheld to establish a Sinking Fund	147	2,205
Less IT Broadband budget	180	2,700
Budget available for re-procurement	2,132	31,980

25. We are not proposing to transfer any of our buildings as part of the new contract. Instead it is intended to grant the operator leases of the respective buildings. We propose that the operator / tenant will only be responsible for internal, non-structural repairs and maintenance. In which case the council would therefore be responsible for maintaining the structure and external aspects of our libraries. The need for investment will be needed irrespective of the tendering process.
26. The council is proposing to withhold the £147k budget to establish a 'Sinking Fund' to address the current and future aggregate repairs/maintenance liability on the buildings estimated to be over £2m over the term of the contract.
27. The council is also withholding the budget for broadband to libraries from that available for recommissioning the service. We want to maintain control over the integrity and speed of the fibre broadband network in the libraries and for this reason the council will take responsibility for this service.
28. We intend to set an affordability limit for tenders based on the existing budget (£2.132m per annum, £31.980m over 15 years). It is expected that any savings will be driven out through the competitive tendering process as bidders will be asked to complete a detailed 15 year financial revenue model that can be assessed as part of the tender evaluation.
29. We will ask any prospective bidder to complete this model at today's prices. We will advise them of an appropriate inflationary index

model which we will use to increase the contract annually. Our preference will be to use an index linked to Local Authority pay (given the majority of the contract is for ex LA staff costs) such as the EARN01 index compiled by the Office for National Statistics.

Capital budget:

30. There is currently £0.5m in the capital programme for the replacement of Haxby library, which was allocated following the closure in 2017/18.

Options

31. The principal option open to the Executive is to launch the procurement on the basis of the specification and financial envelope proposed or to propose changes to these.

Procurement Strategy

32. The Procurement Strategy for this project is built around the following key aims:
 - a. Preparing the market and listening to suppliers, to ensure a viable tender is submitted which meets the specification and financial stipulations
 - b. Allowing as many suppliers as possible to respond to the tender, and using adverts and notices to reach a wide audience
 - c. Seeking tenders which are based on innovation, including the use of emerging technology, whilst ensuring a high core offer is maintained in line with the specification
 - d. Minimising delays, costs, and tendering paperwork to suppliers, whilst ensuring enough information is received to determine the most economically advantageous tender
33. Officers' intentions include the use of a single-stage procurement process. Within this process, there will be two parts to the evaluation:
 - e. Technical expertise and industry-standard financial checks, which will ensure that suppliers are suitably and appropriately experienced, and capable of delivering the contract;
 - f. Tender evaluation, which will select the most economically advantageous tender, by judging tenders against the evaluation criteria.
34. Detailed award criteria will be developed to fit with the specification:

- Price - Total life costs of the library service based on fifteen year projection (including transition to co-located model).
- Quality - Assessing bids against the evaluation themes which are:
 - a. Running an efficient and well-managed Library service (staffing, opening hours, health and safety, cleaning etc);
 - b. Response to the “Core offers”
 - c. Experience of delivering improvement to library facilities including transition to co-located models
 - d. Community benefits in terms of learning, health and well-being, social isolation and increasing community involvement

35. The Executive is asked to agree the percentage split to be used between Price and Quality for the purposes of evaluation. The principal choices are:

- 60% Price, 40% Quality
- 50% Price, 50% Quality
- 40% Price, 60% Quality

Officers’ recommendation is 40% price and 60% quality given the importance of securing a high quality library and archives service.

36. A project timetable is set out below which summarises the actions required.

Procurement Timetable

Date	Tasks
1 July 2018	Issue relevant procurement notices
1 July 2018	Launch invitation to tender
30 Sept 2018	Tender return deadline
Oct / Nov 2018	Clarification & evaluation including interviews
Dec 2018	Contract award and relevant notices
1 April 2019	Contract operational

Council Plan

37. The re-procurement of library services will contribute to the Council Plan aim of placing “A focus on frontline services” and ensuring that all residents, particularly the least advantaged, can access reliable services and community facilities.

Implications

38. **Financial:** The main financial implications are detailed in paras 21 - 30 above.
39. There is a risk that the tendering process does not generate any further savings which will put pressure on other areas of the directorate to deliver alternative savings.
40. There is a risk that the current pension provision of £164k is insufficient to meet any future actuarial valuation. The council will need to consider how to mitigate this risk at the point it materialises.
41. The contract is expected to be inflated annually by broadly the same value as the local authority pay award (the preferred index uses all public sector pay). It is expected that this growth will be met corporately as part of the budget process.
42. Explore currently contract for IT and payroll support from the council. The successful bidder may opt to no longer use these services and these departments will have to reduce their costs to offset this loss of income.
43. **Pensions:** The council has a continuing obligation to ensure staff that transfer from the council to external organisations have access to a broadly comparable pension scheme or continued access to the Local Government Pensions Scheme (LGPS). This obligation remains under second generation transfers.
44. The council will commission an Actuarial Assessment from the Pension Fund which will ascertain the future employer's pension contribution rate to be applied based on the staff transferring. It is proposed that this will be on a closed basis thereby access to the LGPS and the liabilities associated with this will be limited to existing members at the transfer date.
45. It is proposed that the council will limit the liability to the Contractor with a 5% cap and collar mechanism, consistent with other similar service contracts. Any increase in the contribution rate up to 5% above the initial rate will be the responsibility of Contractor. Any increase in excess of the 5% cap will be funded by the council. Any decreases in the contribution rate greater than 5% will be reimbursed to the council.
46. Under the current contract arrangements the council has already build up a provision to deal with any pension liabilities. An amount

of £164k per annum has been set aside from the library budget to fund any potential pension liabilities that arise through the Contract.

47. **Legal:** As the report identifies the council has a duty under the 1964 Act to provide a “comprehensive and efficient library service for all persons desiring to make use thereof”. The council is also subject to the best value duty to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.” Members therefore need to be satisfied that the proposals meet these duties. In relation to the best value duty there is a specific duty to consult. As with any consultation exercise undertaken the council must honestly consider the outcome of that consultation and take it into account when making its decision.
48. The council has ample powers both under the 1964 Act and the Localism Act 2011 to establish its library service in the way proposed.
49. Clearly a 15 year contract is a long term arrangement which brings with it a level of risk. That can be mitigated through the contract terms and good contract management but Members need to satisfy themselves that the benefits of this proposed arrangement will outweigh the residual risk.
50. The type of contract that will be used for this procurement will be a standard service operator contract, with a detailed service specification that sets out the council’s requirements. There will be a number of strands of contract e.g. service agreement and lease agreements. All agreements need to work together.
51. To protect the council from a poor performing library operator a Payment and Performance Monitoring System links to the Performance Standards set within the service specification. This allows the library operator to be measured against Key Performance Indicators (KPIs) and having financial consequences of failing to meet those KPIs.
52. There is a need within the service contract to set out change controls, particularly with regard to delivering the Library Vision and the transition of the current library buildings into new locations as set out in the report. For this reason there will be the need for:
 - g. Council led changes
 - h. Library operator led changes

53. **Branding** – as the council does not own the rights to the Explore brand, each bidder will need to propose their own solution around naming and branding the library and archives service.
54. **GDPR** - Some personal data will pass between the council and the new provider. This will be reflected in the contract, which will contain up-to-date and robust GDPR clauses along with a schedule containing any data issues which may be anticipated by both the Council and the new provider.
55. **State Aid:** There is a potential state aid issue in relation to the granting of leases of some of the library buildings to the provider at a lower-than-market rate. Officers from Legal Services have considered this issue and have reached the following conclusions:
56. All four aspects required to establish a transaction constituting state aid have, arguably, not been met. The requirements are as follows:
 - a. The grant is made through state resources - this point has been met as we will be forgoing revenue which we could otherwise potentially receive;
 - b. The state aid favours certain undertakings - this point may be met but it is unlikely. There is an argument that the low-cost leases only favour undertakings able to offer library services, but it is open to all businesses to attempt to offer the library service to us and this will be an EU wide procurement;
 - c. The state aid distorts competition - the winning provider may gain a small advantage over competitors, but this can be mitigated by virtue of the fact that a Europe-wide procurement process is being carried out. We anticipate lower bids from all bidders being made as a result of the lower lease cost, so there is an argument that there will be no distortion of the competition. The procurement is open to anyone who meets the tender criteria across Europe and all competitors in the market will have the option to win this contract;
 - d. The state aid affects trade between member states - there is an argument that any advantage a provider gains could affect trade between member states, but again, the fact that this procurement is open Europe wide mitigates any argument against our position on this point.
57. Overall, it is not considered that the low-cost leases constitute state aid given the points above, which are largely underscored by the

fact that this will be a Europe wide procurement open to anyone able to offer the service.

58. Even if the lower-cost leases do constitute state aid, this should be assessed as being lawful state aid because the project should meet the requirements of the block exemption for culture and heritage conservation. The government has specified that libraries fall under the English Aid for Cultural and Heritage Conservation State Aid Scheme (this scheme details the domestic approach and the conditions attached to that aspect of the block exemption). The Council would have to demonstrate an “incentive effect” i.e. that the provider would not have undertaken the work without the aid having been granted. Given the poor condition of many of the buildings, an argument can be formed that the providers would not have been willing to pay market-rate for use of the facilities because of the disruption of dealing with problems that are likely to occur over the years. Also, given the fact that the council wants to encourage the winning provider to co-locate library services throughout the course of the contract, the lease rates are likely to be of benefit in that the providers will not be locked into costly leases preventing a cost-effective co-location process. If the “aid” would exceed €500k, we would need to notify the commission about this even under the block exemption (this would be under a modified notification process and would not require the full notification procedure).
59. The view of Legal Officers is that the activity is not likely to constitute state aid and that the Council does not need to rely on the block exemption, therefore no notification process is necessary. However, before tender for this contract is published, Legal Officers will consider this matter in more detail as a precautionary measure.
60. **Property:** Any buildings owned by the council (or leased by the Council from someone else) which are to be used by the operator will need to be leased to the operator for a Term / period equal to the duration of the service contract. However, in relation to the Explore Gateway Libraries a 15 year lease will include a council / landlord break clause after 8 years and also includes a 6 month notice period for the operator to deliver the changes as set out in para 17.
61. It is proposed that the council does not seek payment of any rent from the operator for the proposed leases (as it is anticipated that bidders would effectively recharge any rents back to the council by taking such liabilities into account when pricing their bids). Section 123 of the Local Government Act 1972 requires that the consent of

the Secretary of State for Communities and Local Government is obtained for any disposal/lease of property for less than 'best consideration' / full market value. A General Consent Order gives consent for disposal if both of the following conditions are satisfied:

- (i) the council considers that the purpose of the disposal / lease will contribute to the improvement of the economic, environmental or social well-being of its area and
- (ii) the difference between any consideration being obtained by the Council and best consideration / full open market value does not exceed £2m

This £2m is an aggregate figure. Valuations have been obtained which indicate that the aggregate full open market value of leases of the relevant properties for a period of 15 years would be approximately £1.5m

- 62. The council's current lease of the existing library premises within Copmanthorpe Shopping Centre is due to expire on 28th September 2020. The council's current lease of the existing library premises at Dunnington Reading Rooms is due to expire on 31st January 2022. The council will therefore need to negotiate terms for further leases of those respective buildings from our respective landlords, including with an ability to grant subleases thereof to the operator for the duration of the proposed new service contract.
- 63. The lease arrangements at New Earswick Folk Hall have been negotiated between Explore and the freehold owner of that building without any involvement from the council; therefore the lease arrangements are subject to negotiation with the future library operator. Explore and the freehold owner would need to negotiate a surrender / early termination of Explore's current lease and the winning bidder should negotiate terms for a new lease from the freehold owner.
- 64. As Rowntree Park Reading Café is within a public park, the leasing of it to the operator will be classed as a disposal of open space land for the purposes of Section 123 of the Local Government Act 1972. Therefore before any lease of it is granted, the proposal should be publicised by placing a Notice in a local newspaper in two consecutive weeks and due consideration should be given to any comments/objections received.
- 65. Transparency Code Legislation: City of York Council publishes data to meet transparency code legislation on its open data platform www.yorkopendata.org. On this platform are links to the council's

procurement practices and current procurements (through www.yortender.co.uk) as well as various other datasets to show the councils commitment to transparency.

66. In the continuing interests of the council and public sector commitment to transparency, within the library procurement, we will be asking the successful supplier to be aware of the Transparency Code legislation (which is aimed and for at local councils), and acting in the spirit of the legislation, by providing as many datasets as possible in to the public domain through the city's open data platform.
67. **Equalities:** An Integrated Impact Assessment has been undertaken which reflects the research, consultation and engagement undertaken by the Library Procurement Project Team. This will be used in the procurement of the Library and Archives service. It will be submitted as a 'user specification' to potential bidders so they understand the vision that the Council, its partners and residents have for the Library and Archives service.
68. **Information Technology:** As a digital city, York must strive to ensure libraries are places where ITT is truly accessible; therefore it is proposed to protect the network infrastructure to ensure the service expansion is future proof. CYC will provide the fibre broadband network and public Wi-Fi service to the bidder with the cost being top sliced from the available library budget. The library operator will be free to choose how to provide all other hardware and software.
69. There is a risk that if the library operator chooses not to use the council for provision of hardware and software the Council will be left with some fixed costs that it is not able to defray in the short-term. This could be up to £70k in the first instance. In this case, there could also be some redesign work required to separate out the connectivity layer.
70. There are no **Crime and Disorder** implications.

Risk Management

71. Risks are addressed, reviewed, analysed and updated regularly through the monthly working group.
72. The specific risks relating to this report are:

Risk	Mitigation / Action
Condition of library buildings could lead to significant increase of revenue budget or unplanned closures	<p>CYC to accept building liability risk under terms of operator contract.</p> <p>Revenue allocation to cover the risk of building repairs / replacement over the 15 year contract. Kept in a sinking fund and managed by CYC.</p> <p>CYC retain the right not to repair/replace under the contract.</p> <p>Vision agreed to co-locate community libraries and target set for library operator</p>
Poor performance by library operator and visitor numbers in decline	<p>Performance standards are set with a service specification.</p> <p>Performance is measured against a payment and performance mechanism that allows CYC to make financial penalties against operator.</p> <p>Termination triggers if continuous under performance.</p>
Local needs are not met following comprehensive consultation in Nov 17 to Feb 18.	<p>Service specification built upon 'Comprehensive Assessment of Need' which included the feedback from the consultation results.</p> <p>Strategic delivery plans will be approved on an annual basis by CYC to ensure the library operator is continuously improving.</p>

Annexes:

- A. Comprehensive Assessment of Need
- B. Key terms for the service specification

Contact Details

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	Report Approved	✓	Date	7.6.18.
Specialist Implications Officer(s)				
Steve Tait - Finance Manager Phil Monk - Procurement Peter Cairns, Victoria Wasinski, Gerry Allen - Legal Services Philip Callow - Head of Asset and Property Management Emma Audrain – Corporate Finance Nigel Oates - IT				
Wards Affected:			All	✓
For further information please contact the author of the report				

Background Papers:

Building condition surveys - held by the report authors

Building valuations - held by the report authors

Integrated Impact Assessment - held by the report author