

What alternative delivery model options are open to me?

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Challenges, potential solutions & opportunities

Potential solutions

Challenges

- Budget reductions
- Public pressure to keep libraries open
- Decline in traditional book lending
- Rise of 'digital'



Reduce or close

Reduce number of libraries/ professional staff/opening hours

In-house re-design

Efficiencies and/or develop sources of income

New delivery model

e.g. PSM, Joint Venture

Outsource

Contract out
e.g. GLL/third sector

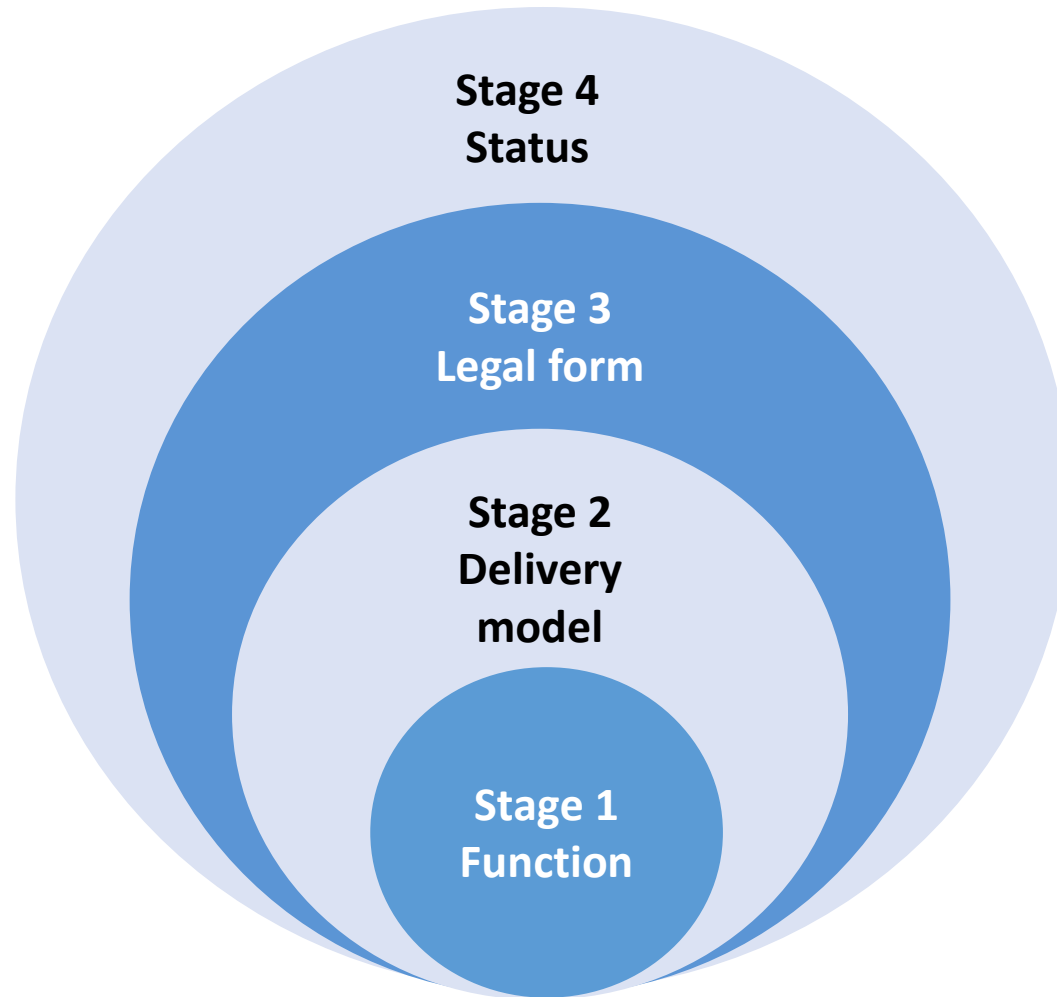


Opportunities

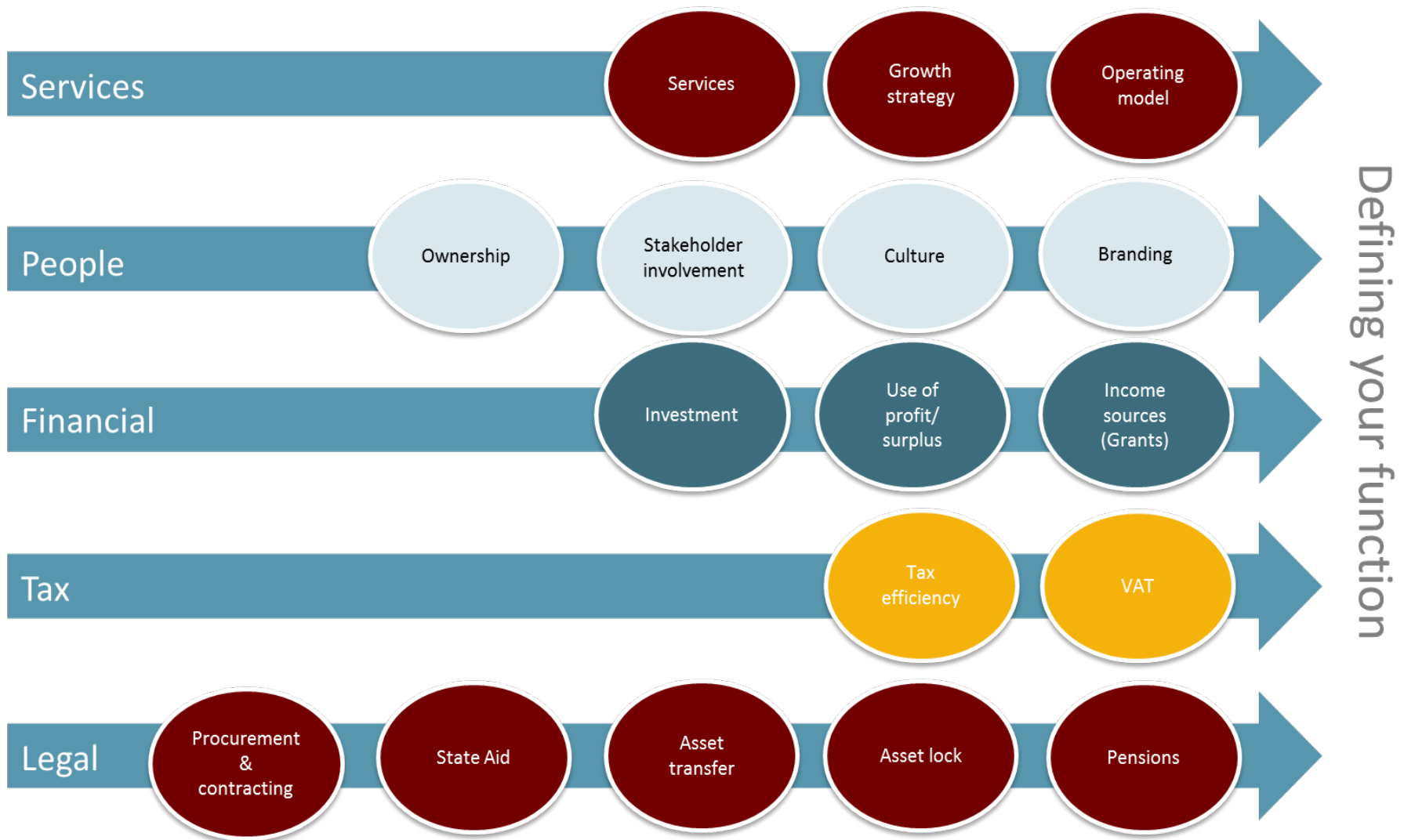
- Reposition libraries - more than just 'books and buildings'
- Part of a wider cultural, P&EI and H&WB offers
- Partnerships with ASC, housing, mental health, Public Health, adult education etc.
- Offer to businesses and employers
- Role for staff and communities in defining direction and offer
- 'Sweat' assets
- Demonstrate social impact and social value

Examples of new delivery models

- **Explore York Libraries and Archives** - staff/community owned
- **Suffolk Library IPS** - staff/community owned
- **Libraries Unlimited** - staff/community owned
- **Inspire Culture, Learning, Libraries** - staff/community owned
- Numerous examples of community led libraries



'Function' before 'form'



Overview of ADM options

Delivery model	Ownership	Governance	Services
Remaining in-house with re-engineering	100% parent LA	Within LA management structures and hierarchy	Can only deliver local public sector services
Local Authority Trading Company (LATC) <i>Sometimes referred to as a Wholly Owned Company</i>	100% parent LA(s)	Can be designed for flexibility/autonomy Requires an LA appointed Board SLA/contract with parent LA(s) – <i>control test</i>	Flexible – but majority of services delivered on behalf of parent LA(s) – <i>function test</i>
Public Service Mutual (PSM)	Variety of options: <ul style="list-style-type: none"> • LA + staff • Staff + community • 100% staff 	Can be designed as required Board membership dependent upon ownership SLA/contract with LA(s) Well positioned to promote co-production	Flexible – can deliver services to LAs, private or VCS customers
Outsource to existing social enterprise, third sector or private provider	100% third party provider	Arranged via contract Well positioned to promote co-production	Contracted services delivered on behalf of LA(s)
Joint Venture (JV)	Potential for joint ownership, including staff, LA(s) and/or third party provider	Can be designed as required SLA/contracts as required Well positioned to promote co-production	Flexible – can be delivered to LA(s) and private/VCS customers

Potential benefits

Single focus
organisation

Increase staff
motivation and
engagement

Decisions involve
end-users more
effectively

Reduced costs

Less red tape
enables faster
decisions

Develop commercial
behaviours & timely
decision making

Potential to
deliver over a
wider area

Community
involvement

Enable innovation

Potential challenges

Complicated
process &
establishment
costs

Politics

Over reliance on a
single contract

Taxation issues

Gaining
recognition

Pensions and
asset transfer

New business
challenges

Cultural fit

Capacity /
capability
restrictions

▼ Form follows function

▼ Examples of legal form:

- **Limited Company** - most common legal form. Limited either by Shares (shareholders) or by Guarantee (members)
- **Community Interest Company (CIC)** - custom made for businesses that want to use their profits for public good, but are not eligible to be charities. All have an “asset lock”

- **Registered Societies** - puts values and principles at the heart of what it does. Formed for the benefit of its members or for the benefit of the community
 - **Co-operative Society** - trading for the benefit of its members
 - **Community Benefit Society** - trading for the benefit of the wider community
- **Charitable Incorporated Organisation (CIO)** - First corporate structure specifically designed for charities or charitable groups that wish to be incorporated

- ▼ **Social enterprise** - “Businesses with **primarily** social objectives whose surpluses are **principally** reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners”
- ▼ **Charity** - “An institution which is established for **charitable purposes only**...where charitable purpose is a purpose which is for the public benefit”

Before you start...

- ▼ Do you have a clear vision and strategy for your library service?
- ▼ Assess the appetite for change
- ▼ Think about the scope of the new model:
 - Just library services?
 - One or more councils?
- ▼ Understand that ‘change costs’
- ▼ Consider the democratic decision-making process
- ▼ Don’t underestimate the emotional impact

