



**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**19 October 2023**

**Report of the Executive Director - Place**

**Use of the Provision of Library Stock to East Midlands and Mid Anglia Libraries (EMMA) Consortium Framework to Cover the Provision of Library Stock to Derbyshire Libraries**

(Cabinet Member for Strategic Leadership, Culture, Tourism and Climate Change)

**1. Divisions Affected**

1.1 County-wide.

**2. Key Decision**

2.1 This is a key decision because it is likely to result in the Council incurring expenditure which is, or savings which are significant having regard to the budget for the service or function concerned (this is currently defined as £500,000).

**3. Purpose**

3.1 To seek Cabinet approval to use the East Midlands and Mid Anglia Libraries (EMMA) Consortium Framework for the provision of library stock to Derbyshire libraries under Protocol 2a: of the County Council's Financial Regulations.

- 3.2 To seek approval to allocate up to £432,000 per annum from the Library Service budget for the six year period of the framework agreement, commencing April 2024 (total of up to £2,592,000).
- 3.3 To seek approval for the proposed budget control measures to be applied within the Library Service, including a quarterly review and approval of planned spend by the Director of Economy and Regeneration and an annual review of demand on stock as part of wider budgetary considerations and service delivery arrangements.

#### **4. Information and Analysis**

- 4.1 Derbyshire Library Service consists of 45 static libraries (including one Community Managed Library), two mobile libraries and a Home Library Service providing access to services and resources to all those living, working, and studying in Derbyshire. The service provides access to a wide and diverse range of physical and e-resources suitable for adults and children of all abilities and is currently subject to on-going budget review within the context of the Council's current financial challenges.
- 4.2 In 2022-23, 2,585,833 items were issued or renewed and 68% of those (1,759,857) were physical library stock; during this period, 97,576 physical items were added into stock.
- 4.3 Currently, Derbyshire libraries obtains physical library stock under a framework established by the East Midlands and Mid Anglia Library (EMMAC) Consortium (DN433996 Contract CCP18007). This came into effect on 1 April 2020 with Askews and Holts Library Services Ltd designated as the supplier. The arrangement was valued at £1,496,000 over four years and is due to expire on 1 April 2024, resulting in the need for a procurement exercise to be undertaken to secure a new contractor/ supplier.
- 4.4 Those authorities in the original Consortium, which includes Derbyshire County Council, have now been joined by Cambridgeshire and Peterborough to form the East Midlands & Mid Anglia Libraries Consortium (EMMA); Nottinghamshire County Council is running an open tender process on behalf of EMMA to establish a new framework agreement for the supply of library stock materials (DN684871).
- 4.5 The new framework is due to commence on 1 February 2024. Call-off from the framework will be by way of direct award and needs to be in place by 1 April 2024 – with an annual review providing flexibility with regards to changing circumstances and budgets. The actual award of

contracts from the framework is a matter which is delegated to the Executive Director – Place in accordance with Protocol 2B of the County Council's Financial Regulations.

4.6 The EMMA Consortium consists of:

- Cambridgeshire County Council (recently joined)
- Creative Learning Services (CLS), part of Leicestershire County Council
- Derby City Council
- Derbyshire County Council
- Inspire; Culture Learning & Libraries (Midlands) (known as "Inspire")
- Inspire's Education Library Service
- Nottinghamshire County Council's library service (operating as a charitable organisation)
- Leicestershire County Council, including supply to HMP Gartree.
- Leicester City Council
- Nottingham City Council, (including supply to Nottingham Prison Service)
- Peterborough City Council (recently joined)
- Rutland County Council (including supply to Rutland Prison Service)

4.7 The Consortium is a voluntary collaboration between the members who agree to comply with a set of collaborative tendering principles based on mutual benefits arising from joint working. Although the tender process is carried out jointly, there is no legal partnership agreement between the authorities and each member enters into its own call-off contracts with the appointed supplier(s) – spending up to whatever value is considered appropriate by the individual authority. A collaboration agreement has been formed detailing the roles and responsibilities of each party.

4.8 The aim of the Consortium is to achieve commercial value by undertaking a fair and transparent procurement process, utilising the combined purchasing power and economies of scale that a consortium can offer; this helps secure the best discounts and reduces the costs associated with the acquisition, processing, servicing, and delivery of stock. The previous consortium, for example, secured a discount of 43.5% for both adult and children's stock.

4.9 The EMMA also helps ensure the quality of stock and reliability of services provided by the supplier through the provision of management information and inclusion of key performance indicators, service levels

and service credits in the framework. It also provides flexibility by allowing consortium members to create call-off contracts, reviewed annually, tailored to their service, and utilising the most appropriate selection methods.

- 4.10 The framework covers the mechanisms for selecting and acquiring stock (via websites and automated ordering systems) and ensuring stock is processed and delivered direct to libraries with records submitted to populate the library catalogue.
- 4.11 The proposed framework agreement will be split into two lots:
- Lot 1 - Adult fiction, non-fiction books and standing orders.
  - Lot 2 - Children's and Young Adult fiction and non-fiction books, books for education library services, including non-fiction to support Foundation, Key Stages 1 (KS1) and 2 (KS2) and some provision for Key Stage 3 (KS3) and Key Stage 4 (KS4).
- 4.12 The proposed framework will commence on 1 February 2024, and last for four years, with Derbyshire libraries having the option to extend for a further two years using call-off contracts. The estimated value of the contracts over the extended six year period would be £2,593,200, based upon current expenditure. It is recognised however, that within the Council's current budget constraints, expenditure may not reach projected levels.
- 4.13 Although the approval being sought is for expenditure up to the value of £432,000 per annum, Members should note this value is based on the current rate of expenditure on stock. Having regard to the current financial constraints, the framework arrangements allow for a lesser amount to be spent to ensure activity remains within available budget. To confirm, as part of the framework arrangements, the Council will submit an order form each year outlining projected expenditure for the following 12 months; this can change/be reduced depending upon circumstances. It was made clear in the tender specification for the consortium that any figures quoted on projected spend were indicative only and subject to change. It is proposed that in order to ensure value for money and spend on stock is reflective of wider financial pressures, a number of control measures be introduced within the Service. These are set out in paragraph 6.6 and in the recommendations.

	<b>Fiction (£)</b>	<b>Non-Fiction (£)</b>	<b>Standing orders (£)</b>	<b>Year 1 Total (£)</b>	<b>Cumulative Total after 4 Years (£)</b>	<b>Cumulative Total after 5 years (£)</b>	<b>Cumulative Total after 6 years (£)</b>
Lot 1 Adult	185,000	82,200	7,000	274,200	1,096,800	1,371,000	1,645,200
Lot 2 Children & Young Adult	110,000	48,000		158,000	632,000	790,000	948,000
				<b>432,200</b>	<b>1,728,800</b>	<b>2,161,000</b>	<b>2,593,200</b>

4.14 Under Protocol 2a, approval is sought to use the proposed framework which, given the value, requires Cabinet approval.

4.15 The Framework/Contract has been included on the Commercial Plan and also the Council's Forward Plan of procurement (CCP028), however, there was an error in quoting the value of the work (£748,000) and given the monetary difference, Cabinet approval is needed for the actual value of up to £2,593,200.

4.16 A business case (BC ID1809) for use of the non-DCC Framework, Provision of Library Stock to East Midlands & Mid Anglia Libraries (EMMA), with the correct value, has been approved by the Director of Finance & ICT, Director of Legal and Democratic Services in accordance with Protocol 2A of the County Council's Financial Regulations

4.17 The tender process, which is being managed on behalf of the Consortium by Nottinghamshire County Council, is currently in its initial stages. Derbyshire Library Service was actively involved in the development of the specification. In keeping with the timetable set by the Consortium this went out to tender on 11 September 2023 with the caveat that Derbyshire's inclusion is subject to internal approval. An indicative timetable is included below:

<b>Specification Development</b>	
Specification updated	Completed
Method statements questions development	Completed
<b>Evaluation methodology</b>	
Pricing Schedule	Completed
<b>Legal Services (Terms and Conditions)</b>	
Draft Framework Agreement	Completed
<b>ITT Preparation</b>	
ITT Guidance and Scoring	Completed
Final Preparation of Tender Documents	Completed

<b>Tender Period</b>	11 September 2023
Final Clarifications close	9 October 2023
ITT Closes	16 October 2023
<b>Evaluation</b>	
Evaluate Pass/Fail	23 October 2023
Evaluators to Score section individually	10 November 2023
Moderation (panel meetings)	14 November 2023
<b>Post Tender</b>	
Recommendation report	16 November 2023
Prepare Award letters with feedback	21 November 2023
Award Letter	21 November 2023
Mandatory Stand still ends	1 December 2023
Due Diligence Checks	15 December 2023
Issue Framework Agreements for signing to Preferred Bidders	18 December 2023
Award Notice	31 December 2023
Issue Framework Agreements agreed and signed	18 January 2024
<b>Framework Agreement Commencement</b>	<b>1 February 2024</b>
Contract Implementation	1 February 2024 – 31 March 2024
<b>Contract Call off Commencement</b>	<b>1 April 2024</b>

## 5. Consultation

5.1 Not required.

## 6. Alternative Options Considered

- 6.1 Option 1: Do nothing – The current framework and call-off contracts will expire in March 2024, leaving the Library Service unable to access discounted stock. This will have a negative impact on the quality of service provided to Derbyshire residents and would ultimately impact on usefulness as stock becomes increasingly out of date and potentially, would have reputational consequences.
- 6.2 Option 2: Go out to tender alone – Without the combined purchasing power and economies of scale the Consortium provides, the Council would have a much weaker position when negotiating with suppliers and would not be able to secure the same discounts or reduced costs. Undertaking its own tender process would also take much longer and present greater risk to continuity of service, given the tight timeframe.

- 6.3 Option 3: Consider use of an alternative non-DCC framework - There is no suitable alternative that meets service requirements. This framework includes tools for the selection of stock, automated ordering systems for acquiring stock, the processing of stock, direct delivery to libraries and the provision of records to populate the library catalogue all of which save staff time and resources. Other suppliers/frameworks can provide some but not all of these elements.
- 6.4 Having regard to the above options, it is concluded that use of the EMMA framework as outlined in Section 4 of this report enables the Council to benefit from substantial savings in the purchase of stock as a result of economies of scale. Although approval is sought for a maximum budget envelope over a six year period, it is fully recognised that budget challenges will determine the amount of money available.
- 6.5 The EMMA Consortium arrangements allow flexibility in terms of 'spending than less than projected' therefore enabling the Library Service to respond according to the budget available.
- 6.6 To this end, if the recommended option is approved to join the EMMA Consortium, it is proposed that additional checks and balances be introduced in the Service and that any planned spend on stock be reviewed and agreed by the Director of Economy and Regeneration on a quarterly basis, in line with agreed delegation levels. This will ensure that all spend not only remains within the allocated budget but more importantly, reflects the current financial challenges and need to achieve corporate savings targets at any given time.

## **7. Implications**

- 7.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

## **8. Background Papers**

- 8.1 Protocol 2a Business Case Provision of Library Stock to East Midlands and Mid Anglia Libraries Consortium (EMMA) Approved 24 August 2023.
- 8.2 Cabinet Report, Departmental Service Plan dated 10 March 2022 (Minute No.59/22 refers).
- 8.3 Tender documentation (Restricted).

## **9. Appendices**

### 9.1 Appendix 1 – Implications

## **10. Recommendations**

### 10.1 That Cabinet:

- a) Approves the use of the Provision of Library Stock to East Midlands and Mid Anglia Libraries Consortium (EMMA) Framework Agreement for the purposes of acquiring stock to Derbyshire Libraries.
- b) Approves the allocation of up to £432,000 per annum for the six year period of the framework, commencing in April 2024, up to a total of £2,592,000.
- c) Agrees that any planned spend on stock be reviewed and agreed on a quarterly basis with the Director for Economy and Regeneration, prior to the placing of orders and purchase of stock.
- d) Agrees that an annual review be undertaken of demand on stock as part of wider budgetary considerations and service delivery arrangements to ensure appropriate levels of spend.

## **11. Reasons for Recommendations**

- 11.1 The combined purchasing power and economies of scale offered by the Consortium puts the Council in a good position to negotiate favourable terms with suppliers. By awarding contracts using the Provision of Library Stock to East Midlands and Mid Anglia Libraries Consortium (EMMA) Framework, the Council will benefit from savings that could not be achieved alone. Under the previous EMMAC Consortium Framework, a discount of 43.5% for Adult Fiction and Adult Non-Fiction and 43.5% for Children and Young Adult stock was secured.
- 11.2 The Consortium has a proven track record of establishing frameworks that work and tendering for reliable suppliers. The previous framework operated successfully for its full term, ensuring a consistent supply of quality stock from a dependable supplier, ensuring the needs of Derbyshire residents could be met.
- 11.3 The setting of robust processes to evaluate and control planned spend will ensure the Library Service fulfils its responsibilities in helping address the wider financial challenges currently facing the Council.



**12. Is it necessary to waive the call in period?**

12.1 No.

Report Author: Anna Cotsell

Contact details: Anna.Cotsell@derbyshire.gov.uk

## **Implications**

### **Financial**

- 1.1 Funding would come from the existing Derbyshire Libraries revenue budget. Given the Council's current financial situation, consideration should be given on the level of investment that is needed in year to renew library stocks, with only essential purchases being made from this framework. The recommendation to undertake quarterly assessments and an annual review would help ensure expenditure was aligned to essential purchases whilst still maintaining a level of quality offer within the service.
- 1.2 The level of spend should be agreed on a quarterly basis with the Director for Economy and Regeneration. All spend will remain within the agreed budget and consider the current savings target and stance on non-essential spend.
- 1.3 Based on Quarter 1 projections, the Library Service is predicting an overspend of £0.275m at year end, the spend on this framework was taken into account in this overspend.

### **Legal**

- 2.1 The Director of Legal and Democratic Services considers that on the basis of the information set out in the report, the use of the Provision of Library Stock to East Midlands and Mid Anglia Libraries Consortium (EMMA) Framework Agreement is appropriate and is in accordance with the County Council's Financial Regulations.

### **Human Resources**

- 3.1 None.

### **Information Technology**

- 4.1 None.

### **Equalities Impact**

- 5.1 Maintaining a good quality, up to date collection, which reflects the diverse nature of Derbyshire's communities and provides relevant, up to date resources for those living, working, and studying in Derbyshire, is

essential. Providing access to a wide range of books and audio books, catering for different purposes, ages, abilities, and interests enables the service to remain inclusive.

- 5.2 Physical book stock is essential for those who do not have access or the ability to make use of e-resources. Large Print, Audio and Dyslexia friendly books enable the Council to meet the needs of Visually and Print Impaired customers and are essential for the Home Library Service. Not being able to provide new, up to date library stocks would have a significant impact upon all customers, but certain key groups, such as the elderly, visually impaired and the housebound, would be particularly impacted.

### **Corporate objectives and priorities for change**

- 6.1 By working as part of the Consortium, Derbyshire libraries aim to ensure value for money by securing discounts and savings through economies of scale that could not be achieved alone. The inclusion of key performance indicators, service levels and service credits in the Framework will ensure the delivery of high performing services.
- 6.2 As part of the tender process, potential suppliers have also been asked to provide evidence of how they support social value and sustainability in keeping with Council values. They have to demonstrate their commitment to Equality, Diversity and Inclusivity and show how they will support the Council, as a service, to acquire and promote a diverse and inclusive range of stock across all lots, reflective of its communities and customer base age range. This will help to ensure services are resident focused and fulfil communities' needs.

### **Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)**

#### **Environmental Sustainability**

- 7.1 The tender documents specify suppliers should use environmentally friendly packaging wherever possible. Items should be packed in cardboard boxes that can be recycled and all internal packaging materials used in boxes should be recyclable.