

Suffolk Libraries C/O Ipswich County Library Northgate Street Ipswich IP1 3DE

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Dear Nicola and Philip,

We would like to begin this letter by saying how regrettable it is that our negotiations with Suffolk County Council (SCC) have degenerated into such a difficult and contentious situation. Suffolk Libraries (SL) has only ever been acting in the best interests of the people of Suffolk, and we have been forced to defend our position. Until very recently we believed negotiations were ongoing and we are still open to further conversations to attempt to recover the situation.

We are writing this letter to clarify some of the statements that have been made – and subsequently released to the media – to provide an accurate overview of the facts relating to SCC's decision to bring the library service in-house. Suffolk Libraries is the charity that has run libraries in Suffolk on behalf of SCC for nearly 13 years. We are widely regarded as one of the best library services in the UK due to our innovative approach and unique ability to create and fund extra services. We love supporting the people of Suffolk and making a difference to their lives.

With contract renewal talks with SCC breaking down we simply request the right for everyone concerned to be in possession of the full story and to understand the context behind the grassroots driven petition which as I write, currently has over 5,500 signatures and rising by the hour. The petition has had over 120,000 views and been shared over 4,200 times.

#### **Collaborative partner**

As a trusted partner organisation, having worked closely with SCC for almost 13 years to deliver a service of tremendous community benefit, we are disappointed not to have been treated as such, but rather as a commercial provider of a transactional service. As has been demonstrated, there was no market identified for the future contract as we were the only party bidding. We are a unique community charitable provider, that has subsidised the services and could and should have been treated as a public benefit partner to SCC.

We had reasonably expected our progressive partnership to have been acknowledged with a direct conversation about the future contract instead of a drawn-out and expensive tender process which has cost the taxpayer. That process was completely unnecessary as with no competitors, simple direct discussion is appropriate. If SCC press ahead with their plans to bring the running of the libraries inhouse, we believe it is only fair that the electorate of Suffolk understand the rationale for this decision.



### **Detailed review**

The Institute for Government's 'insourcing' i.e. bringing in-house guidelines for statutory bodies state that a service should be subject to a thorough review prior to an insourcing decision. Given all quarterly and annual reviews of the service by SCC have been problem free and that a recent audit of our finances by SCC's own internal auditor passed with flying colours, we would be shocked to find that a review identified any reasonable cause for insourcing the service. In its summary and key findings, the audit report noted:

"Suffolk Libraries have demonstrated good financial control and governance arrangements. Significant assurance can be taken from the work carried out by their external auditors, who report that they have not identified any matters regarding weakness of internal controls, accounting practices and governance."

It further noted that:

"Review of income and expenditure throughout the contract identifies that Suffolk Libraries have been successful in finding numerous opportunities for cost savings, with total expenditure remaining at a level below that expended in 2013-14. Some of these cost savings would not have been available if the service had continued to be run by the Council (an example being Business Rate Relief)."

We respectfully request that SCC is transparent about this review and shows us and the people of Suffolk the causes of concern, with irrefutable evidence supporting any claims. Alongside this, we don't understand why communities have not been consulted on what they want, as libraries absolutely belong to the people of Suffolk. Surely the view of the people of Suffolk should be taken into consideration before implementing such dramatic change. We would remind SCC that their own recent consultation of our customers to which nearly 6,000 people responded, found that 93% of people were very satisfied (61.1%) or satisfied (31.9%) with the service.

Many people are supporting this evidence in comments in the current petition with two examples below: "What a wonderful resource Suffolk Libraries has created. Please allow it to continue its work." "This charity has done more for our libraries than anyone could have hoped! Let them continue."

# **Finances**

The public statements on our finances are inaccurate and mislead the public on what they are paying for. We would like to ask SCC for their evidence for these figures which are being repeatedly cited as being a key factor in their proposals. This is a concern as it would suggest that the decision is fundamentally flawed. SCC provides Suffolk Libraries £6.8m annually for the service, but as a charity with a £10m turnover it is clearly evident that we have to innovate and fundraise to sustain the amazing offer for the people of Suffolk.

Furthermore, SCC has quoted that our management costs equate to 33% of the contract. We would once again like to clearly state that our independently audited accounts show that only 7.7% of our total annual staff costs are attributed to key management personnel (with less than 5% of our total charitable



expenditure expended on these personnel), and because of our imperative to fundraise the overwhelming majority of this does not come from the contract monies provided by SCC. Does SCC really believe that a 7.7% management ratio is shocking and irresponsible for a charity of our size, bearing in mind we run 45 libraries, 3 mobile libraries, 13 prison libraries and hold many other value adding contracts?

We also openly ask SCC how they plan to fund the local government pension and revised pay scales of over 300 people should this move go ahead. SCC has continually told us there is no more money on the table, so we are left baffled as to how this will be achievable. For example, can SCC make assurances to the public that the stock fund will not be slashed to fund this?

Furthermore, as the commissioners of the library service SCC is responsible for overseeing the effective use of the public money involved. If SCC's claims, that SL was not using public money in the most efficient way possible, were true we are mystified as to why they as stewards of a large contract that has been running for nearly 13 years had not raised this before?

To independently verify all the facts listed above we would invite any external auditor to openly review our finances to confirm the validity of the information in this document.

## **Destroying a public institution**

Suffolk Libraries is not merely a contract provider, we are a public institution which is on the brink of destruction as a result of SCC action. Given rising costs, we came to SCC openly and explained that our fundraising efforts can no longer outrun existing costs, primarily because our contract had no inflationary uplift built in and we are still operating on a 2013-14 level of funding. The expenditure on staff, buildings, mobiles, utilities etc. has risen by £390,000 in the last year alone and will continue to rise – just as the nation's running costs have increased.

This is why we reluctantly proposed a 30% reduction in service as SCC categorically told us they would not give us more money for the service. We had to act to make the budget realities work. Our proposals were the only future proof solution to not closing libraries wholesale. For the record, we should also add that our proposals always included the provision of mobile libraries, books and computers, so we fail to understand why statements have been made suggesting that bringing the service in-house is the only means to secure this investment. We believe that once you close a library that space is lost to the community for good and as guardians of an invaluable service, particularly to the most vulnerable in our society we cannot recommend closures in good conscience.

We were advised by SCC's senior managers that they understood this and agreed with our position, but they would not allow us to make any changes due to the upcoming local elections, which have now been cancelled.

# <u>Staff</u>

Library staff are the foundation of quality library service, and our colleagues perform their roles for a community benefit, whether that is frontline or those supporting behind the scenes. In SCC's open letter to staff, they have promised all 45 libraries will stay open and that staff will not lose their jobs. Our



colleagues and the wider Suffolk community are seeking assurances that post devolution, this promise will not be reneged upon and swept under the carpet.

Given that we have more over 300 staff who will fall under TUPE (employment protection) rules, we are concerned that there is not enough time to undertake a transfer process which provides full consultation with those affected. In addition, we remain sceptical that this number of staff will be on payroll with their pensions in place prior to June 1<sup>st</sup>, alongside the innumerable behind-the-scenes changes that need to occur.

## **Additional benefits**

We are a national trailblazer for library services and run more than the public libraries. Our efforts to innovate means we hold innumerable intellectual property rights such as our Discover More wellbeing tool and public facing website. Sadly, should SCC in-source this service, these amazing products and many additional services will be lost to the people of Suffolk forever. As a national prison library provider, (a service not provided by SCC) we understand the deep contractual ramifications of SCC's decision and the reality is that the provision in Suffolk will be outsourced to an independent provider, not to SCC. Given the collaboration between prison and public libraries to reduce reoffending we feel this creates a backwards step for society. We would also point out that as a charity, Suffolk Libraries has access to funding from bodies not applicable to a local authority and attracts 80% rate relief on its buildings across Suffolk, equating to funding of over £500k per annum which will be lost.

#### <u>Time to talk</u>

During our many negotiations with SCC we have robustly held our position not because we don't want to run the service but because our trustee's fiduciary duty prevents them from signing a contract that they know will make the charity insolvent within a year or two. We simply needed a fair funding proposal and agreement on service levels manageable within SCC's limited budget. We hope you can understand our position.

We now urge SCC to reconsider their decision and request an urgent meeting to afford Suffolk Libraries the opportunity to present its recommendations in line with a fair and democratic process. We sincerely hope to resolve the differences and do the right thing for the people of Suffolk not just for the next 12 months but well into the future.

Yours sincerely,

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Bruce Leeke Chief Executive

Sylvia Knights Chair