

## **Report to Emily King, Assistant Director (Communities)**

**March 2022**

### **Extension of the CBC Library Group Framework Agreement for Library Books and Audio Visual Materials (AV)**

**Report by Russell Allen, Head of Libraries and Heritage, Place Services**

**Electoral division(s): All**

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#### **Summary**

In December 2019, the Acting Executive Director Place Services approved the award of a Framework Agreement to Askews and Holts Library Services (AHLS) Ltd for the provision of Library Books and AV on behalf of the Central Buying Consortium (CBC) Library Group.

West Sussex County Council (WSSCC) is the lead authority for Library books and other Library Services, on behalf of the Central Buying Consortium (CBC). The CBC Library Group (CBCLG) consists of 19 of the CBC members and currently a further 37 Associate member Local Authorities.

The Framework was procured with an initial contract period of 2 years with the option to extend by up to a further 2 years. The initial contract period is due conclude at the end of March 2022 and it is proposed to take up the option of extending the Framework for a further 2 years.

#### **Recommendation**

The Assistant Director (Communities) is asked to approve the extension of the CBC Library Group Framework Agreement for Library Books and Audio Visual Materials for a further 2 years from 1<sup>st</sup> April 2022.

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#### **Proposal**

##### **1. Background and context**

- 1.1 WSSCC has been acting as lead contracting authority for the CBC Library books and other Library materials since 1996, with the first Framework having commenced on 1 April 1997.
- 1.2 The most recent Framework procurement with a start date of 1st April resulted in AHLS winning a contract award for all Lots with the best Commercial offer and best technical offer.

- 1.3 Therefore, the current CBC Library Book and AV Framework Agreement began in April 2020 with an initial 2 year period which expires in March 2022. West Sussex County Council have therefore been renegotiating for the next period.
- 1.4 Whilst the Framework has no actual value as there is no guarantee of spend, the initial forecast spend for the CBC Library Group was £12.8M per annum which has declined to £11.5M. The WSCC forecast is £600K per annum.

## **Market changes**

- 1.5 At the time of going to market in 2019 the UK the number of suppliers of Library books for public libraries had declined from 30 in 1995 to 3 only by 2008. AHLS, Peters (children's books only) and Bertrams. AHLS with 60% of the UK market and Bertrams with 15%.
- 1.6 Library Books Lot 1a Adult Fiction and 1b Adult Non-Fiction comprises 2 thirds of the average CBC Library Group spend and the only UK suppliers were AHLS and Bertrams.
- 1.7 Prior to the procurement, market research established that it is extremely unlikely that there will be a new entrant. A leading US supplier (Baker and Taylor) carried out a market survey 3 years ago and did not proceed further.
- 1.8 Subsequent to the award, Bertrams went into liquidation and AHLS took on all their Adult Fiction and Non-Fiction requirements from Libraries, UK wide (additionally Gardners, their wholesale book sister company, acquired the premises and dominate the wholesale business in the UK).

## **Performance**

- 1.9 The incumbent, Askews and Holts Library Services (AHLS) are the only remaining Library Service provider for Adult Fiction and Non-Fiction.
- 1.10 At the time of bidding (when the market was still competitive), they had the best Commercial offer and the best technical offer.
- 1.11 Performance has been rated Good or Very Good by a minimum of 95% of respondents to the CBCLG survey each quarter.
- 1.12 AHLS continue to meet or exceed their discount targets.

## **2 Proposal details**

- 2.1 That the current Framework Agreement is extended by a further 2 years.

## **3 Other options considered (and reasons for not proposing)**

- 3.1 Use ESPO Framework. Current expires in 2022 but is in the process of being renewed. AHLS only option for Adult Fiction and Non- Fiction. AHLS and Peters offer Children's Books. Not a preferred option as an additional charge would apply.
- 3.2 Do not extend as lead Local Authority for CBC Library Group Consortium. Not a preferred option by the CBC Library Group members.

## 4 Consultation, engagement and advice

- 4.1 CBC Library Group
- 4.2 CBC Procurement Managers
- 4.3 Libraries Connected
- 4.4 WSCC Legal, Procurement and Finance.

## 5 Finance

### 5.1 Revenue consequences

	Current Year 2021/22 £m	Year 2 2022/23 £m	Year 3 2023/24 £m	Year 4 2024/25 £m
Revenue budget	600K	600K	600K	N/A
Change from Proposal	None	None	None	
Remaining budget	600K	600K	600K	

Actual expenditure through the framework will vary from year to year but this is managed within the service as part of the wider media fund budget. The extension of the contract can therefore be managed within existing resources.

### 5.2 Capital consequences - none

### 5.3 The effect of the proposal:

- (a) **How the cost represents good value:**
  - at the time of bidding (when the market was still competitive), AHLS had the best Commercial offer;
  - AHLS continue to meet or exceed their discount targets;
  - There is a very small increase of 1.44% which has been fully justified in terms of various inflationary cost drivers.
- (b) **Future savings/efficiencies being delivered** – None anticipated
- (c) **Human Resources, IT and Assets Impact** - None

## 6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
AHLS business model becomes unsustainable	<ol style="list-style-type: none"><li>1. Parent Company and AHLS have been assessed and are financially stable with cash reserves. Meeting planned with parent company to identify 'break points'</li><li>2. Via Libraries Connected consult with other UK Consortia</li></ol>
Competitor Peters for Children's Books (one third of overall CBC spend) withdraws from market	<ol style="list-style-type: none"><li>1. AHLS to confirm they have contracts in place with all publishers of children's books. Note: to date</li><li>2. Dialogue ongoing with Peters remaining Library Book supplier for Children's Books only at present. Not reliant on CBC award, mostly dealing directly with schools. Continue to monitor.</li></ol>

## 7 Policy alignment and compliance

### Legal implications

This Framework Agreement was competitively and compliantly procured in 2019 and the incumbent provider was awarded a place on the framework as the most economically advantageous tender.

The initial term of the Framework Agreement commenced on 1<sup>st</sup> April 2020 and expires on 31<sup>st</sup> March 2022. The Framework Agreement is capable of an extension period for a further 2 years as long as it does not exceed the 4 years maximum. This is stated in Clause 2.2 of the Framework Agreement where the Lead Authority can 'extend the Framework Term by a further period or periods of up to two (2) years by giving written notice to the Contractor.'

### Equality Duty and Human Rights assessment

An Equality Impact Report (EIR) is not required for this decision for the following reason:

The proposal has been assessed against the criteria in the EIR template and, as it has no negative or positive impacts on people, particularly those with protected characteristics, no EIR is needed.

### Climate Change

The supplier has reviewed all packaging materials, removed any that were plastic based and all materials used, including the packaging tape, are made from recyclable materials and are also recyclable i.e., not single use.

The supplier's carrier, Parcelforce, has invested significantly in their fleet meaning they are a leading light in the use of "clean energy" vehicles. They have recently launched electric vehicle only depots, which will continue to be rolled out and are also currently trialling a number of hydrogen powered vehicles.

**Crime and Disorder** – not applicable

**Public Health**

During West Sussex Libraries' Wellbeing month, libraries throughout the county will be celebrating the many ways they can support wellbeing. Reading can reduce stress and improve wellbeing by promoting relaxation, empathy, by providing escapism, and can even boost your mood.

**Social Value** – not applicable.

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