

Dear Councillors

Explore York Libraries and Archives Mutual Limited's Response CAC 10 Explore York Contract

On the 22nd February you will be meeting to vote on the Council's budget for 2024-2025. Within that budget there is a proposal to enter discussions with Explore to agree a reduction per head of library spending (reproduced at the end of this letter for your convenience). Those cuts equate to £300,000 next year (2024/25) and a further £300,000 the following year (2025-26). With those cuts remaining in place for the remaining life of the contract, a reduction of £5.7 million for the lifetime of the contract. This letter is asking you to exclude reductions in library services from your budget proposals.

Explore has a unique and special approach to delivering local services; we are an independent not-for-profit mutual organisation, every penny we receive goes back into the service we deliver. We are owned by the people of York and are shaped by the people of York. By way of example there are 100 staff employed by Explore, 522 volunteers who have already contributed 15,138 hours to Explore this year, 700 community members, 57,178 library card holders and many York residents behind the ¾ million visits to libraries in York.

We are your success story, this success has been recognised nationally, with the Explore approach recognised as a creative and place-based approach. This has been acknowledged with us being awarded National Portfolio Organisation status by the Arts Council, as one of only 16 library services in the country to achieve this accolade.

We contribute through our teams to almost every agenda that matters to your residents, providing time, experience and ideas to the cultural agenda, the learning agenda, the place agenda, the digital agenda, and the health and well-being agenda. We are responsive, adaptable and able to work quickly and effectively. All of this was highlighted and acknowledged when I recently attended the [Children, Culture & Communities Scrutiny Committee](#).

Inflation, food and energy price hikes, and staffing difficulties have affected our unique model for providing library and archive services across York. Despite inflationary pressures and rising costs, Explore has adeptly managed its budget by holding vacancies, utilising contingencies, reducing discretionary spending (especially the book stock budget), and focusing on essential repairs. Due to soaring energy costs, staff received only a modest pay

increase, significantly below inflation and comparable salaries. This has impacted staff morale, retention, and recruitment.

The ongoing uncertainty over our contractual income is likely to lead to material uncertainty in our status as a going concern. At present, our going concern status is based on an agreed and stable 15 year contract for services. As Directors, we have a legal duty to act in the best interests of Explore, and we would not be able to agree to contract changes that would lead to Explore becoming financially unviable.

We are sensitive to the current challenges of the City of York Council and will continue, as we have done to date, to work in partnership with you to ensure that we can continue to deliver the libraries and archives service that the people of York so clearly value. We have provided Cllr Coles and Officers with the relevant financial information to enable them to consider the reality of those proposed reductions in relation to the library service you wish us to provide.

If there is anything more I can do to assist you in your deliberations in advance of the 22nd February please do not hesitate to contact me.

Yours sincerely



Jenny Layfield | Chief Executive on behalf of the Board of Directors

Reference: CAC10

Proposal Description: York Explore Contract

Whilst preserving and uplifting spending on the City of York archive, officers are seeking approval from Executive and Full Council to commence discussions with its current library services provider in accordance with the terms and conditions of the current contract to agree with the provider an appropriate reduction to library services for the next two (2) years with a corresponding reduction per head library spending by the Council and amendments to any KPIs under the current contract.

Any proposed cuts to library services, and corresponding to price reductions under the contract, will be subject to agreement with the provider, consultation with the public, and said proposals being approved by Executive at a later date.

For the avoidance of any doubt, the library services contract will continue to be subject to its current terms and conditions, and the Council will continue to pay the provider the current price for the services including the CPI uplift, until such time that any proposed service reductions have been agreed with the Provider, have gone through any required lawful consultation process and have been approved by Executive.

Target savings of £300k for each of the next 2 years are included in the budget
