

## **Soft Market Test – Museums, Libraries and Archives**

### **FEEDBACK REPORT**

#### **Introduction**

The soft market test on Herefordshire Council operated services of museums, libraries and archives was launched on 7<sup>th</sup> November 2017 with a deadline of 4<sup>th</sup> January 2018. The test intended to allow interested organisations to outline their views and ideas about the future provision of these services. The responses will therefore help inform the decision making process – ultimately assessing if there is appetite and potential for the services to be commissioned / transferred to an external organisation.

This feedback report gives an outline of the bids and key points which will inform decisions being taken by cabinet in May 2018 on the future of the services.

**Many thanks to the supplier organisations for their time and effort in completing the submission.**

#### **Suppliers**

There were 14 expressions of interest with 5 submissions. One of these submissions was a statement rather than a completed form. The remaining 4 bidders were:

Halo Leisure Services Ltd, The Courtyard Trust, GLL (Greenwich Leisure Ltd) and Vision Redbridge Culture & Leisure Ltd.

All of the suppliers are already providing cultural / leisure services. Two operating in the county and two in different parts of the country. Three operate multiple sites. The suppliers operate as charities status and / or limited companies. All four have a valid track record in running cultural and leisure services, and all interested in the full range of services. One supplier outlined the setting up a new “sister” trust, the others looked at services being part of their own operation as the main bidder but with potential partners.

It was expected that not all expression of interests would transfer as submissions as initial enquiries included stakeholders with an interest in the services rather than potential suppliers.

#### **Submissions**

The following responses summarise the collective comments from suppliers.

##### **Reason for choosing sites:**

Suppliers stated that there was a natural fit with the range of services they already provided. In some instances the suppliers already operate a combination of services in partnerships with local authorities with specialists in librarianship, archives services and museum management.

In addition suppliers have a range of support services that could aid these specialist services. These covered IT, human resources, facilities management, health and safety, marketing and learning and development. This existing support would make it relatively straightforward to incorporate new services.

Outlined as key benefits are economies of scale with opportunities for joint working which can increase audiences, innovation and best practice. Also further income generation potential to reduce subsidy, or enable co-location, integration with other services or organisations and better use of assets.

Additionally for suppliers with charitable status there could be an opportunity to generate revenue including gift aid.

#### **Services integrating into your business model:**

As suppliers already run these types of services working in partnership with Herefordshire Council would form a natural growth for their business. The county already delivers a comprehensive and professional service of libraries, archives and museums and suppliers would want to retain the expertise of existing staff. This would be integrated into regional or local delivery models.

The economy of scale integrated with current business model would mean:

- Service integration with multi-skilled staff and shared sites
- Negotiation of top discounts with a variety of suppliers
- Benefits from best practice
- Ability to call on specialists in all areas of our business
- Back office support

It was proposed that back office support services would be integrated in local, regional or head offices teams, including strategic management and development, stock support, finance, HR and marketing. An alternative model proposed was the establishment of subsidiary charity to create shared back office with current operations in the county.

#### **Approach in operating the services in the future to maintain their level of service:**

All suppliers were keen to develop and grow the services. This included increased customer usage and satisfaction by responding to local need and driving aspiration - while reducing costs and sourcing a range of external funding opportunities, whether commercial or through grant funding.

Suppliers also expressed a desire to:

- Have an open and robust relationship which seeks to utilise the experience of everyone involved in order to develop a better service for the local communities at each service point.
- Support and participate in any public consultations and council initiatives, and suggestion to re-motivate the staff with an outward looking focus.
- To keep all facilities open and even extend opening hours.

Other areas of development included:

- Use volunteer schemes to support the professional staff.
- Diversification to include retail or food & beverage options.
- Reduce subsidy balanced with increasing revenue opportunities.
- Multi-skilled staff.
- Utilising modern technology and innovation to deliver services more efficiently.

#### **How Services will be financed:**

Suppliers did state they did not anticipate being able to run the full range of library, museum and archive services on zero subsidy, though believed they could offer better value for money based on economies of scale, revised structures and areas such as from VAT exemptions on educational activities and relief from business rates. There was an indication that a zero subsidy would take time to achieve and potential investment up-front.

There is an opportunity to generate new income streams along with maintaining traditional library income streams.

Methods of income and commercial opportunities vary by site, but could include:

- social functions, weddings, filming and other hires
- Retail, food and beverage operations
- Room hire – focus on long term lets of unused space, hot-desking, meeting room
- Events packages including children’s parties and catered business events
- Exhibition space – used by local artists and commercial organisations
- Advertising – range of advertising types
- Review fees and charges, and add-on services

Costs savings include:

- Share sites and staffing include integrated libraries and children’s centres where co-location has provided better outcomes for residents through joint working, substantially reducing overheads to the authority by merging staffing teams and integrating services.
- Charity status would mean 80% mandatory NNDR (business rate) relief.

#### **New model attract new audiences and create wider benefits:**

Suppliers all believe they can attract new audiences and could create wider benefit for the community including boosting tourism. A key element would be to establish strong partnerships with a range of organisations with links to economic and health /well-being, with sites as “destinations” and the opportunity for audience sharing across service areas.

Suggested ideas include:

- Raising awareness and marketing
- Schools and education programmes
- Introducing new activities covering social and education programmes
- A wide range of activities for children and adults
- Additional exhibitions
- New volunteering opportunities
- Closer partnerships with the independent museums
- Improved public access IT
- Satisfaction survey to improve services
- Enhancement of sites.

#### **Future model protect the duties and obligations of the authority regarding museums, libraries and archives:**

The suppliers generally understood the duties the authority has in relation to delivery of museum, library and archive services. These are direct legislation or related legal requirements. All future delivery models would be compliant with these duties and the guidance issued by the DCMS following a number of judicial reviews and inquiries following changes to services.

Suppliers suggested that key priorities of the council and performance indicators to measure success would be part of any detailed tender process.

**Services meet the corporate plan objectives of the local authority:**

Suppliers were asked to outline how they would meet the corporate plan objectives for the council – below is a flavour of the responses from the 3 suppliers who gave detailed contributions to the question.

**Enable residents to live safe, healthy and independent lives**

- Collaborative work with public health teams
- Health promotion activities, including mental health
- Health checks and advisory sessions
- Signposting to health professionals and information
- Activities, courses and classes, included targeted groups
- ICT access and support
- Volunteering opportunities

**Keep children and young people safe and give them a great start in life**

- Links to sporting and leisure activities
- Sharing sites with children centres
- Promoting mental health and emotional resilience
- Inclusive, accessible, inspiring and attractive places to visit
- Schools library service and school visits
- Regular sessions and activities for primary and secondary age
- Designated spaces for children and teenagers
- Formal and informal learning resources
- Bookstart programmes
- Summer Reading Challenge and other Reading Agency programmes
- Range of materials in different languages and formats
- Volunteering opportunities for young people

**Support the growth of our economy**

- Local employer
- Promote job vacancies
- Supporting employment skills by providing job seeking activities and careers information
- Provision of IT and other learning opportunities to help with gaining employment
- Partnership working with employers and advice organisations
- Make the Herefordshire package more appealing supporting the recruitment efforts of Herefordshire University
- Providing and/or hiring space for business
- Food and beverage concessions or other complementary retails
- Participating in funding bids relating to regeneration
- Advice and resources for businesses, start-ups and enterprise signposting
- Support the marketing efforts of Visit Herefordshire
- Spaces for study
- Business information and other online services

**Secure better services, quality of life and value for money**

- High performing, low cost service
- By working with vulnerable people help reduce or delay the need for formal social care which will have a positive impact on the local authority's budget
- The efficiencies created by combining back office services
- Economies of scale
- Using the latest technologies

- Building strong partnerships and co-locating services
- Maximising the use of spaces
- Providing specific spaces for community activities and individuals
- Obtaining regular feedback to ensure services are meeting customers' needs
- Sharing best practice
- Offer support services to other local authority departments
- Supporting the local authority's focus on prevention and work with number of services to build strong and resilient communities including social prescribing
- Supporting the creation of the network of Health and Wellbeing hubs, shaped by and serving local communities.

### **Management of the collections assets**

The general view of suppliers was that the collections – principally the books, archives and museum objects – remain the property of the council with suppliers responsible for their management for the duration of any agreement. The council would need to have in place policies within which the supplier would work towards.

### **Management of the sites**

The suppliers suggested several different models for management of sites. Each of the scenarios has a range of pros and cons for both the council and supplier. This included full repairing lease, the council retaining the facility maintenance, or community asset transfer.

One supplier suggested a 10 year process with initial transfer of staff on commencement of the contract with diminishing financial contributions from the Council. After 5 years, consideration of asset transfer would begin with the intention that the service would be fully divested from the Council after 10 years.

This issue to be a key element of any procurement process.

### **Staffing arrangements**

The general practice was outlined that the suppliers would employ all staff on the TUPE list at the commencement of the contract. The costs for achieving the staff restructure are dependent on the council's plans for the service.

There could be an opportunity for sharing skills across services, including front of house and management requirements.

Pension arrangements would require careful consideration.

### **Vision for services for the next 10-15 years**

Suppliers recognised the importance of the services to communities, and that services were founded on principles of equality and improvement for all; enabling people to build a better life regardless of means or background. That still applies today however, in times of austerity and limited funding, services need to be more focused and creative in how they are delivered ensuring that they are relevant and respond to local need. For the service to remain attractive, safe and trusted places, particularly in the face of competition for people's leisure time. Suppliers also aim

to create stability after a period of change and transformation along with new audiences to the service areas.

Points included were:

- Libraries, museums and archives to be vibrant, animated places, with each visit providing a sense of discovery and enjoyment - to challenge thinking and stimulate creativity.
- Services to develop and grow with the community involved in shaping their future direction
- High levels of usage, engagement and user satisfaction.
- Embrace digital technology and give communities the opportunities to learn new skills and access technology that may otherwise be out of reach.
- Improve buildings, services and infrastructure to enable them to support a new generation of users, ensuring that library services and resources are relevant to the needs of the community.
- Joint approach to addressing key public health inequalities - focus on wellbeing in a wider sense will open up new funding streams and commissioning opportunities.
- Positive links with Herefordshire University and indeed the entire education sector.
- The combined service to act as a catalyst for service users to come together to run more community services themselves and reduce the reliance on statutory services.
- Provide opportunities for young people to enjoy, achieve and increase their participation in reading and cultural activities.
- Be a gateway to information, knowledge and support that enables residents to gain confidence and make the most of their lives, including improved health and wellbeing and supporting the most vulnerable members of the community.
- Build capacity and partnerships to deliver an excellent, value for money service, exploiting commercial opportunities and maximising use of assets.
- Improve buildings, services and infrastructure to enable a new generation of users, ensuring that library services and resources are relevant to the needs of the community.
- Provide opportunities for young people to enjoy, achieve and increase their participation in reading and cultural activities.

### **Consider partnering with other organisations to deliver these services**

There was mixed response from suppliers for a formal partnership model.

- One supplier would not considering partnering.
- Two suppliers would consider partnering with other services.
- One supplier would consider receiving offers of partnership although preference is to tender as a main partner.

### **Types of pricing models you have found work particularly well:**

Three suppliers responded to this question. Based on the following options:

- The pricing model should be index linked and take into account refreshment cycles of capital investments.
- Where possible, a flexible pricing model should allow the provider to determine the fees and charges to ensure maximum income can be reached.
- A profiled fee where investment is required from the provider, otherwise an average fee can be considered.
- Full open book accounting in relation to the services contracted, with a fixed core management fee the management of services, alongside variable pricing elements relating to the delivery specification.

- Gain share arrangements for joint investment ventures depending on risk/rewards levels for both parties and likely capital investment.
- Long term funding agreements are advantageous to securing the best value for the local authority in the long term.
- Front loading the funding schedule in order to secure early investment will also be an advantage to modernising the service for the future.

**How long you would ideally require for implementation of each service area from the point of contract award:**

Once a procurement process has taken place suppliers have suggested between 3-6 months mobilisation depending on the scale and type of change. It was also outlined that a new charitable trust would take approximately 12 months to set up and transfer the appropriate staff from the Council to the charity.

**Key considerations:**

- Relevant asset transfers.
- Legal agreements.
- TUPE consultation and pension arrangements.
- Legal agreements and leases.
- Public and service user engagement.
- Specialist inventory issues re: collections/artefacts.
- Wider mobilisation.

**Information you consider useful to be released to help you submit a full procurement:**

**Supporting documentation should include:**

- Full list of staff eligible for TUPE transfer, with grades, post title and actual costs.
- Current staff structure.
- Pension liabilities, including actuarial review.
- Historic service budget information including income broken down by sources.
- Full facilities management costs – repairs and maintenance, planned preventative, insurance costs.
- Building condition surveys.
- Full inventory, including specialist collections.
- Service performance data.
- Details of existing library, museum and archive activity programmes.
- 3rd party contract/lease information, particularly those likely to novate.
- Management and additional service contracts e.g. alarms, security reviews.
- Service level agreements for shared services.
- Details on any leases/condition surveys/Asbestos surveys.
- Vehicle/mobile details and agreements.
- Asset lists including ICT inventory – age and condition.

**Key considerations if we decided to proceed with a full procurement:**

Suppliers would welcome:

- Full and frank discussion around how flexible the council can be about their aspiration to make the services self-financing.
- Clarity on the range of services to be tendered for and/or services that might be packaged together.
- Full specification for each part of the service they decide to outsource, with some room for negotiation prior to the final tender submission date.
- Terms, including length of contract, lease/property transfer arrangements, landlord/tenant responsibilities.
- Level of risk transfer to contractor around pension liabilities, redundancy costs, building repairs and maintenance, performance measures, utility liabilities, changes to NNDR.
- Precise details about length of contract for each service element.
- If there is scope to include other services.
- Assurance that the roof works at Hereford Library have been carried out along with any other essential building works.
- Any desirable change in operating/delivery model, i.e. locations, opening hours, service offer.
- Approach to capital investment.

Other points:

- Ensure that there is a balanced approach to risk sharing and that the local authority is clear on the balance of cost/quality to ensure that the most appropriate partner for the service is selected.
- For the council to look for a partner, and not just a contractor, to deliver the services.
- Ensure that the new partner fully understands the vision and expectations for the service.
- To understand how other partners are involved in the services; for example, special interest groups and give consideration as to how these groups are engaged.

## Conclusion

The level of feedback indicates that there is interest and potential to conduct a process to outsource services. The interest is in all services rather than individual elements.

The feedback indicates 3 options:

- A tender process, issuing a specification and the assessment of bids based on specific criteria.
- A dialogue process to create a partnership approach.
- Setting up of a new trust.

The feedback also suggests the transfer of the operation of services along with staff; with assets managed by the service supplier though ownership of the assets would be retained by the council. Over time the ownership of assets could transfer.

Each of the suppliers would want to develop and grow the service, and some mention the potential of other services being part of the transfer (it is unclear which services these would / could be). The suppliers would see maximising the assets to create an income as a real possibility, though reaching a zero subsidy might be a challenge.



## Appendix 1 – Supplier Information

### Soft Market Test – Museums, Libraries and Archives

**Release date: 7 November 2017**

**Feedback date: 4 January 2018, 10.30am**

#### 1. Introduction

This soft market test is being undertaken to gauge market interest in running all or elements of the museum, library and archive services which is currently operated by Herefordshire Council.

The soft market exercise is intended to allow interested organisations with appropriate experience to outline their views and ideas about the future provision of these services. The council will consider the responses received as a result of this exercise to help inform the decision making process – ultimately assessing if there is appetite and potential for the services to be commissioned / transferred to an external organisation.

There are several reasons why Herefordshire Council is pursuing the outsourcing of its library, museum and archive services. Over the last 5 years the services have changed significantly. There has been investment in key sites such as a new library at the Masters House in Ledbury, purpose built archives centre at HARC in Hereford, major refurbishment of Hereford Library, and redisplay and branding of the Black and White House in Hereford. Further investment is planned is for the refurbishment of Leominster and Ross libraries. The council recognises the value of these services to the economic and community life of the county, though to meet the financial challenge faced by the public sector there has to be a scaling down of resources in these service areas and new models of delivery – particularly in libraries and museums.

The goal would be for these services to be self-financing and independent from Herefordshire Council investment as much as possible. Therefore, the soft market test aims to explore if an external organisation has the ability and experience to manage, develop and advance these services. We will be looking for proposals in reducing costs but also how the company's ethos and credibility meet future ambitions for the services.

The outcome of the soft market test will be considered by the council's full cabinet in May 2018, along with a number of other changes in services taking place this autumn. At that point it will be decided whether to proceed through to a full tender process.

The information provided is to give a flavour and outline of the services and if a procurement is pursued the services profiled in the document will be subject to change, including in-scope services, budgets and structures.

#### 2. Overview of Herefordshire and Herefordshire Council

Information on Herefordshire can be found at [link](#). Here are key facts:

- Situated in the south-west of the West Midlands region bordering Wales, Herefordshire's principal urban locations are the city of Hereford, the market towns of Leominster, Ross-on-Wye, Ledbury, Bromyard and Kington.
- The resident population of the county is 188,099.
- The population is dispersed right across the county's 842 square miles. Just under a third live in Hereford city and just over a fifth in one of the five market towns, but over two-fifths live in areas classified as 'rural village and dispersed'.

- Herefordshire covers a land area of 2,180 square kilometres (842 square miles) and is predominately rural county (95% of land area classified as such) with fourth least densely populated area in England.

Herefordshire Council was established in April 1998 and took over the responsibilities of South Herefordshire District Council, Hereford City Council and Hereford-Worcester County Council and some of Leominster District Council and Malvern Hills District Council. Herefordshire Council's priorities are set out in full in the corporate plan ([link](#)) and are to:

- Enable residents to live safe, healthy and independent lives
- Keep children and young people safe and give them a great start in life
- Support the growth of our economy
- Secure better services, quality of life and value for money

The council spends £354 million providing services to residents and businesses in Herefordshire. Around £93 million is covered by council tax contributions the remaining £261 million is funded by business rates, Government grants and charging for some services.

Herefordshire Council's budget for 2017/18 maintains financial stability, delivers efficiencies and supports investment in priority services, while demonstrating value for money and maintaining service quality with reducing resources. Funding from central Government reduced by a third for 2016/17 (a loss of £9 million from the council's budget). The council have made significant savings of £59 million since 2010 while delivering successful projects to boost the local economy including The Old Market retail development, the new livestock market, faster broadband and the Hereford Enterprise Zone. From April 2017 to March 2020 a further £17.4m savings are planned for.

Herefordshire Council tax rose by 3.9% in 2017/18, this included a 2% precept to fund growing adult social care needs. For Herefordshire this is an added pressure, with a higher than average proportion of people in the county over the age of retirement.

### **3. Direction of Travel for Museums, Libraries and Archives**

Herefordshire Council's approach to cultural services has been to enable services to be increasingly community lead. This has been implemented over a number of years including passing to a trust the operation of the Courtyard Centre for the Arts after the authority built and established the centre in 1998 and the creation of the Halo Leisure Trust in 2002 to run the public sector leisure centres and swimming pools. In the last three years the council has worked in partnership with both organisations to deliver a self-financing model.

All of the libraries in the county have remained open despite funding reductions of more than 50% over three years. This has been achieved through innovative arrangements including community groups running smaller libraries with council support, sharing buildings with partner organisations such as the Department for Work and Pensions, the introduction of customer self-service, introduction of free wifi, upgrade of public access PCs and using capital investment to ensure efficient service operation. Alongside these changes, there has been a reduction in staff overheads that has impacted on capacity.

#### 4. Background to the Services

Over the course of the last 3-4 years there has been numerous formal decisions regarding the museums, libraries and archives services reflecting the transformation that has taken place. These include:

Title	Date
<a href="#">Hereford Libraries and Museums</a>	3 December 2015
<a href="#">Museum and Archive Services</a>	10 March 2016
<a href="#">Hereford Library and museum response</a>	9 May 2016
<a href="#">Customer Services and Libraries</a>	13 October 2016
<a href="#">Response to the LGA Peer Review of Museums, Libraries and Archives</a>	26 October 2017

These reports are all available on the Herefordshire Council website.

The services were also part of a peer challenge by the Local Government Association in May 2017. Subsequently, museums, libraries and archives have been brought together in one management structure as part of a service redesign that took place in October 2017. Also each service has an operational plan to outline the profile and objectives of the services (Appendix 1).

##### 4.1 The library services

Along with all upper tier authorities Herefordshire Council has a statutory responsibility to provide a library service as part of Section 7 of the Public Libraries and Museums Act 1964 which states ‘it shall be the duty of every library authority to provide a comprehensive and efficient library service for all persons desiring to make use thereof.’ Despite being a statutory service each local authority operate their library service in different ways as there is no definition of minimum requirement. Many local authorities have changed the way they operate libraries due to budget pressure and changing service demands.

The services are composed of 5 key elements:

**Core libraries** - Direct operation of libraries at Hereford (c. 200k visits per year); Ross on Wye, Leominster and Ledbury (each c.100k visits per year) and branch library Kington library (c21k visits per year). All except Leominster, the sites are owned by the council – Ledbury is a dual use site and Hereford has a covenant with the requirement to provide a “free library”.

**Contracted libraries** – there is one contract to Halo Leisure Trust to run Bromyard Library at their site in Bromyard (c.12k visits per year).

**Supported community libraries** – these operate in Weobley, Leintwardine, Peterchurch, Colwall and Belmont. Whilst generally volunteers run them, the council provides support in managing the book stock, internet provision, training, and in the case of Belmont provide staff and in Colwall the council are paid to provide an element of staffing.

**Delivered and Schools Library Services** – this is a direct delivery service to people who are housebound (c.160 residents), it also includes the contract to operate the courier service for Herefordshire (not included in the soft market test) and the school’s library service which is paid for by the school with service level agreements (c.50 schools).

**County Library Services** – this central team operates the book stock, reading clubs, campaigns, social media, new development and projects (including capital schemes). As above the team also support the community libraries as well as core and contracted libraries.

Facts and figures on the library service: [link](#)

## 4.2 The Archive Service

The Archive Service holds in the region of 7,800 collections dating back to the twelfth century. The service is based at HARC (Herefordshire Archive and Records Centre) created as a dedicated building in 2015 for archives and records (owned by the council). The archives team run the site and centre though shared with other services. There are in the region of 3k visits per year to the search room and another 6k for workshops, exhibitions and the learning room. Earned income is via copies that the searchers make, workshops, events, use of the learning room and conservation commissions.

The archive service provides the following services:

**Enquiries:** people will visit HARC to view records and able to write in with requests which are chargeable. There will be increased on-line presence going forward.

**Store and Conservation:** The service has an important role in conservation of the archives and records, repairing damage created in the past and preventing any further deterioration.

**Education and outreach:** The service also runs events to raise awareness of the archives using them as an effective source of education and learning. Increasingly the archives are being made available on-line to support people's access if unable to travel to HARC.

**Council records:** the archive service is used by other parts of Herefordshire Council for storage and enquiries - specifically land registration, planning, coroners, rights of way, and property services; as well as requests for freedom of information.

The archives service contributes to the council statutory responsibilities under legislation relating to the Local Government Acts, the Freedom of Information Act, and the Data Protection Act. Also HARC is an appointed Place of Deposit for Public Records designated by the National Archives.

More information: [link](#)

## 4.3 The Museum Service

The museum service is accredited through the Arts Council. There are over 180,000 historic objects in the care of the museum service of Herefordshire Council, predominately owned by the council with a small number of items on loan. The collections comprise of a wide variety of subjects some of national significance, displayed at key sites in Hereford.

The museum service operates three core functions:

**Care and store of the collections:** the service has the role and responsibility of looking after the museum collections – this includes documentation, conservation, care and storage. The Museum, Resource and Learning Centre is a dedicated store for the collection as one of the best museum stores in the region if not country. The centre also has a learning room used for events and hire.

**Public sites:** the collections are displayed at two sites in Hereford – the Hereford Museum and Art Gallery at Broad Street as a shared site with Hereford Library; and the Black and White House Museum in Hereford with a chargeable entrance fee introduced in 2017.

**Education and outreach:** this service is available at a charge to the schools and other establishments based on full cost recovery. Activities and promotions will also take place, with an emphasis on audience development for the Black and White House.

More information: [link](#)

## 5. Budgets and Staffing

A summary budget is below and full breakdown of the revenue expenditure are based on 2017/18 budgets (appendix 2). This is to give an idea of the breakdown of expenditure across the services. Detailed budgets will be provided for any future procurement of in-scope services. The following points need to be considered when reviewing the budgets:

- Planned savings for 2018/19 outlined in cabinet reports and management savings are not included in appendix 2.
- Not all elements of the service will be part of future procurements, e.g. contract for Hereford City courier service and proportion of county courier service (contained within Delivered Service budget).
- Customer Services budgets included as pay for the front of housing staffing at the market towns libraries.
- Bracketed costs are income.

Revenue costs	Full Year Budget £
Heritage Management	136,536
Project Commissioning	32,921
Front of House	32,813
<b>Museums total</b>	<b>202,270</b>
Customer Services South	222,890
Customer Services North	195,160
Bromyard Library	16,645
Kington Library	13,219
Ledbury Library	(10,669)
Leintwardine Library	(80)
Leominster Library	(16,733)
Ross On Wye Library	(14,155)
Colwall Humphrey Walwyn Library	(13,291)
Weobley Library	(152)
<b>Customer Service (market towns) Total</b>	<b>392,834</b>
Hereford Library	138,855
Hereford Belmont Library	(1,682)
Peterchurch Library	(88)
Library Management	165,628
Delivered Services	120,516
It Development	10,800
Library IT Systems	79,500
Stock And Reader Services	407,617
Schools Library Service	(29,690)
Herefordshire History Digital Library Project	12,000
<b>Library Service Total</b>	<b>903,456</b>
Archive Services	325,554
<b>Archives Total</b>	<b>325,554</b>

Property costs	Rent	Rates	Utilities	Cleaning	Income	Total
Hereford Library and Museum		31,000	5,003	25,519		61,522
Ross Library		10,936	7,912	11,690	(24,125)	6,413
Leominster Library	200	20,972	7,136	11,149		39,457
Kington Library		2,477	3,808	9,191		15,476
Ledbury Library		8,349				8,349
HARC		175,193	17,859	14,478		207,530
Black and White House		7,068	950	2,487		10,505
Museum Resource and Learning Centre		36,948	8,420	13,862		59,230
<b>totals</b>	<b>200</b>	<b>292,943</b>	<b>51,088</b>	<b>88,376</b>	<b>(24,125)</b>	<b>408,482</b>

The staffing structure is included in appendix 1 based as of November 2017 (following a service redesign in October 2017). These are provided to give an idea of the workforce supporting these services. Not all posts would be in scope and further change in structures is likely in 2018/19 financial year.

## 6. Expectations, Process and Time Scale

We would expect interested companies responding to this soft market test to:

- Have a track record in managing functions in the service areas
- A track record in sustaining service on a reduced subsidy
- Considered proposals in future operation of the services so they are ambitious balanced with realistic

The process will involve relevant companies and organisations registered on the council's procurement portal to review the documentation and response to questions below. The deadline for responses is the 4<sup>th</sup> January 2018, 10.30am (late bids not accepted). The council will then review the submission and may have clarification for you between 15<sup>th</sup> January and 26<sup>th</sup> January 2018. Feedback will be in February / March 2018. These dates are indicative depending on the volume of returns. The summary information of bids will be contained within a cabinet report planned for May 2018.

Indicative timescale is:

7<sup>th</sup> November 2017 - release soft market test

4<sup>th</sup> January 2018, 10.30 am - responses received

15<sup>th</sup> to 26<sup>th</sup> January 2018 – clarifications to bidders (if required)

February / March 2018 – feedback responses

## 7. Disclaimer

The information contained in this document is preliminary in nature and may be subject to further amendment and revision. Although every care has been taken in preparing this document and data provided by the Council to interested parties will be given in good faith but interested parties will have to make their own investigations and interpretation. No liability will be accepted by the Council for the accuracy or completeness of that data.

Nothing in this document is, or should be relied on, as a promise or representation as to the future. The Council reserve the right to change the procedure for the project or any of the proposals or information in relation to the project.

No expense in responding to this soft market testing will be reimbursed by the Council.

The council recognises that submission may be submitted in commercial confidence, but for suppliers to be mindful the council is bound by the Freedom of Information Act 2000.

## Questionnaire

Please complete the below questionnaire and return your response via the e-tendering portal by 4<sup>th</sup> January 2018.

### 1. Profile of your company

#### Contact details

Company	
Contact name	
Email address	
Telephone number of contact	
Web address	
Registered address	
Company or charity number	

Status of your company / organisation (please click on box to indicate):

<input type="checkbox"/> Limited company	<input type="checkbox"/> Charity	<input type="checkbox"/> Community interest company
<input type="checkbox"/> Local authority	<input type="checkbox"/> Town or parish council	<input type="checkbox"/> Health authority
<input type="checkbox"/> Staff mutual	Other:	

Profile of the company – background, current portfolio of services, activity, assets and market sector.

Up to 300 words
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### 2. The Services

2.1 What is your area of interest in submitting the soft market test? Please mark all that is relevant.

<input type="checkbox"/> Museum sites	<input type="checkbox"/> Libraries sites	<input type="checkbox"/> HARC site
<input type="checkbox"/> Archive service	<input type="checkbox"/> County library service	<input type="checkbox"/> Museum care and collections
<input type="checkbox"/> Schools library service	<input type="checkbox"/> Library Delivered Service	

2.2 If museum sites which one? (please mark all relevant)

<input type="checkbox"/> Black and White House Museum	<input type="checkbox"/> Hereford Museum and Art Gallery
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2.3 If libraries which ones? Please mark all relevant.

<input type="checkbox"/> Hereford	<input type="checkbox"/> Ross	<input type="checkbox"/> Leominster
<input type="checkbox"/> Ledbury	<input type="checkbox"/> Kington	

2.4 What is your reason for choosing these sites and services e.g. combined set of services creates economy of scale; specialism in that particular area; links to site, opportunity to create an income?

Up to 300 words
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2.5 What is your track record in running these services? We would expect experience in running all or elements of the services and demonstration of transferable skills / experience.

Up to 300 words
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2.6 Outline your track record in transforming and developing services in this and/or the wider culture / leisure arena.

Up to 300 words
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### 3. Future Model

3.1 How would you see these services integrating into your business model?

Up to 300 words
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3.2 Describe your approach in operating the services in the future to maintain their level of service?

Up to 300 words
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3.3 How would the services be financed with the aspiration of zero subsidy, including outlining how the services could be developed to maximise commercial opportunities including income with like example or examples where you are done this before?

Up to 300 words
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3.4 How would any new model attract new audiences and create wider benefits for the Herefordshire community?

Up to 300 words
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3.5 How would the future model protect the duties and obligations of the authority regarding museums, libraries and archives?

Up to 300 words
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3.6 How would the services going forward meet the corporate plan objectives of the local authority?

Enable residents to live safe, healthy and independent lives - up to 100 words

Keep children and young people safe and give them a great start in life - up to 100 words

Support the growth of our economy - up to 100 words

Secure better services, quality of life and value for money - up to 100 words

#### **4. Assets, sites and staff (if not relevant please state n/a in the response box).**

4.1 What would be expected regarding management of the collections assets e.g. archives and objectives with the associated duty on the authority to care for?

Up to 300 words

4.2 What would be the expectation over the management of the sites e.g. asset transfer, leased, continued management of the local authority, other?

Up to 300 words

4.3 What would be the expectation regarding staffing arrangements?

Up to 300 words

#### **5. What would success look like?**

5.1 What is your vision for these services for the next 10-15 years?

Up to 500 words

#### **6. Procurement**

6.1 Which services would you be interested in tendering for directly (as the sole supplier)?

Up to 50 words

6.2 Would you consider partnering with other organisations to deliver these services? If so, which services would you be interested in tendering for as a partner or sub-contractor with another organisation?

Up to 50 words

6.3 Please advise what types of pricing models you have found work particularly well under previous contracts for these services?

Up to 100 words

6.4 Please advise how long you would ideally require for implementation of each service area from the point of contract award?

Up to 100 words

6.5 Information you consider useful to be released to help you submit a full procurement?

Up to 200 words

6.6 What do you think will be the key considerations if we decided to proceed with a full procurement?

Up to 200 words