

Suffolk Libraries

SUFFOLK'S LIBRARIES IPS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

SUFFOLK'S LIBRARIES IPS LIMITED

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The following pages do not form part of the statutory financial statements:

Detailed breakdown of donations

SUFFOLK'S LIBRARIES IPS LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS OF THE SOCIETY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2018

Board members

Tony Brown, Chair
Sylvia Knights, Vice Chair
Jonathan Ogden
Maureen Garratt Simpson, Honorary Secretary
Alison Wheeler, Chief Executive (resigned 22 February 2018)
Sue Buck (co-opted 27 April 2017, appointed 28 September 2017)
Colin Rockall
Sarah Wilson (appointed 28 September 2017)
Bruce Leeke, Chief Executive (appointed 29 January 2018)

Company registered number

IP031542

Registered office

Ipswich County Library, Northgate Street, Ipswich, Suffolk, IP1 3DE

Chief executive officer

Alison Wheeler (resigned 22 February 2018)
Bruce Leeke (appointed 29 January 2018)

Independent auditors

Larking Gowen LLP, 1 Claydon Business Park, Great Blakenham, Ipswich, Suffolk, IP6 0NL

Bankers

Santander, Bootle, Merseyside, L30 4GB

Cambridge & Counties Bank, Charnwood Court, New Walk, Leicester, LE1 6TE

Solicitors

Birketts, 24-26 Museum Street, Ipswich, Suffolk, IP1 1HZ

SUFFOLK'S LIBRARIES IPS LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

The chairman presents his statement for the period.

Our ambition is to enrich the lives of everyone in Suffolk

This Report contains another account of hard work and positive progress for Suffolk Libraries. Once again, we have increased the number of activities, and the number of active participants across the county, while many other library services across the country are, regrettably, in a state of managed decline.

I would like to highlight a handful of significant achievements from the 12 months to 31 March 2018.

As I wrote last year, we had embarked on a Transition process designed to ensure we are able to fulfil the second five years of our contract with sustainable, and rationally planned work patterns. Among other things, this has entailed a good deal of uncertainty for staff in our 10 largest libraries, and I am grateful to them for their patience during this period; and to the HR team for managing change with sensitivity and effectiveness.

The second notable landmark has been the agreement with Suffolk County Council to a fixed contract sum to cover the next five years until 2022. While this is a tough settlement for us – given the impacts of inflation, the living wage, etc. – it is a great relief to have certainty in relation to future years' funding.

I would like to thank Councillor Tony Goldson and his officer team at SCC for making this possible. The settlement has been reached against a background of unforgiving – and some of us may think unforgivable – financial constraints placed on the local authority by central government. And I believe this agreement is a reward for the tenacity of our negotiating team in the past five years – Mandy Wilkinson, Sylvia Knights, and Alison Wheeler.

I paid tribute to Alison's leadership in last year's report. To no-one's surprise she continued to display her passion, commitment and resourcefulness up to – and beyond – the day she retired in February. We thank her again for all she achieved in a long career of public service, culminating in her formative role at Suffolk Libraries. As a result of her retirement, the recruitment of a suitable successor was a high priority for the Board in 2017. A process of advertising and executive search enabled us to invite a strong shortlist to Ipswich County Library in October.

There was one outstanding candidate, who greatly impressed a demanding panel, which included, Ciara Eastell, a recent President of the Society of Chief Librarians. I am delighted that Bruce Leeke agreed to become our new Chief Executive. In a few short months he has brought a different kind of energy and insight to our affairs which have generated confidence and admiration within Suffolk Libraries, and among our partners, volunteers and customers. He has a clear, inspiring vision for the future which I believe will ensure we build on our leadership role in the library sector in the coming years.

The award of the Arts Council's prestigious National Portfolio Organisation status will ensure we are able to enhance our role in promoting creativity, particularly among young people in our communities. And we have achieved important improvements to customer and staff experience through complex and time-consuming work programmes from our IT team.

Thanks to the great motivation and creativity of our staff, volunteers, and professional partners, delivering an ever-improving service to our customers, we are able to report on a year which has made Suffolk Libraries more sustainable, and more competitive than ever.



Tony Brown
Chairman

Date

26th July 2018

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

Our objects and activities

The objects of the Society are to:

- (a) promote and enable reading, learning and the sharing of knowledge through free access to book borrowing, electronic and other information services;
- (b) make other educational, cultural and entertainment materials available for hire;
- (c) encourage access to informal adult learning, skills training and employment opportunities;
- (d) facilitate activities to improve well-being;
- (e) provide welcoming accessible environments where social inclusion and community development can safely prosper in response to changing demographic, socio-economic and educational needs of the people in the area of benefit;
- (f) build partnerships of shared interest between public, private and voluntary sectors at the heart of communities.

The vision that shaped our activities

- Suffolk Libraries is an independent organisation which delivers public library services which help people read, learn, gain information and connect with others in their local communities.
- We have welcoming and committed expert staff and volunteers who are dedicated to helping people find the services they need.
- In our 2020 Vision it states that Suffolk Libraries will transform lives through access to knowledge and resources, promote lifelong learning and strengthen communities by meeting their evolving needs.

In shaping our objectives for the period and planning our activities, the Directors have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The Society relies on grants and the income from fees and charges to cover its operating costs. In setting the level of fees, charges and concessions, the Directors give careful consideration to the accessibility of Suffolk Libraries for those on low incomes.

The business plan objectives for 2017/18 to achieve the charity's aims and objectives are:

1. To ensure that Suffolk Libraries is an enterprising organisation that seizes every opportunity available to extend its purpose and ensure its sustainability.
2. To develop relationships and partnerships to enable us to develop and deliver our offer.
3. To ensure that we connect with all staff, Board, volunteers, members and delivery partners so that they are conversant and engaged in our intent.
4. To continuously build good relations with our staff and look for ways to ensure that they fulfil their potential.
5. To demonstrate convincingly to customers, partners and the community the changing library offer.
6. To ensure that our buildings, infrastructure, systems and processes are engineered to maximise impact and performance.
7. To ensure that the Society has excellent governance through its Board with a thriving and supportive membership.

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

Achievements summary

Suffolk Libraries celebrated its fifth birthday during 2017/18 and marked the occasion at the September 2017 AGM with a cake and an inspiring reminder of everything the Society has achieved since divesting from Suffolk County Council in 2012.

The impact has been considerable, with increasingly confident staff and empowered communities working with the Society's leadership within the county and beyond, to show what an entrepreneurial library service can accomplish.

This report will provide an account of the year's remarkable achievements and initiatives delivered in partnership with Suffolk Libraries' members and partners. They include:

- refurbished libraries at Broomhill, Halesworth, Ixworth, Rosehill and Sudbury
- new and extended local services, including iPad lending; Lego and code clubs;
- better digital services for online customers with new eBook and audiobook apps;
- new self-service equipment at every library, using a bespoke solution developed by the Suffolk Libraries IT team;
- a new fundraising scheme called Suffolk Libraries Extra, with over 150 members already;
- an innovative pop up library experience called Suffolk Libraries Local;
- National Portfolio Status from the Arts Council with significant funding for an exciting programme for the future which will bring together young people, staff and artists;
- A redesigned emotional health and wellbeing service, developed with partner organisations.

A new contract for the next five years was signed in August 2017, showing Suffolk County Council's confidence in Suffolk Libraries, after a series of discussions which gave Suffolk Libraries reassurance about the future commitment by the statutory library authority to the library network and the work of the Society.

The list of achievements is especially impressive because they were delivered alongside a comprehensive and detailed programme of work, called the Next Five Years, which began in April 2017 and ended 11 months later in February 2018. The review was undertaken to help Suffolk Libraries plan, with a full understanding of what the library service would be like in the future and what resources would be needed to deliver it. Every aspect of the service was reviewed over five phases and it was overseen by a Transition Board.

The Transition Board included the county council commissioner, frontline staff and Board members to draw upon their knowledge and demonstrate transparency. This was invaluable as later in the year a new structure for the contract sum was agreed with a multi-year agreement with a one-off reduction of £50,000. Given the parlous state of other public library services, facing ongoing cuts and closures, this is an exceptional achievement.

Alison Wheeler, after six years as CEO, announced her decision to retire early in the year and a process then began to find and employ a successor. Bruce Leeke began on 29 January 2018 and spent three weeks in a handover with Alison who retired on 22 February 2018.

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

Priority projects for the year

The Next Five Years review

The Next Five Years review began in April 2017 with the first of five phases. These were:

- Listening and information gathering;
- Analysis and review;
- Formal consultation;
- Selection and implementation of the design;
- Follow up and team building.

The first phase included a media campaign linked to a customer survey, a staff survey, a consultation and update with friend's groups and the gathering of performance data. Customers were asked to say what was important to them now and in the future. Staff were asked what skills were important now and for the future.

The second phase brought all this information together and shaped a new 'core offer' for each different size of library, which described the expected range of resources and activities each library should deliver. The staff survey also helped Suffolk Libraries identify a skill set for front line staff which was then used in the third phase. The second phase also included a series of workshops with the managers at the larger ten libraries to design new working patterns for formal consultation. These new patterns were designed to ensure each of these libraries had the right skills and enough capacity to deliver the expected range of activities, across their opening hours. In some cases, they were very different to the existing rotas.

There were also some other changes suggested and implemented in some of the central office areas.

The customer survey was answered by around 3,400 people and over 99% of these said that their library was very important to them. This public show of confidence was much appreciated and shared at every significant opportunity.

What did the review achieve?

- It developed a clear description of the core local library offer, updated for modern library users, with clarity on what is to be measured for the future to assess individual and service performance;
- It has put frontline library staffing on a sustainable footing, with a clear description of what skills and capacity are needed;
- It set out several options for the new CEO to consider for future management structures;
- It saved approximately £200,000, once the costs of carrying out the review had been covered.

IT improvements

This is one of the main areas of potential saving, and improved efficiency. During the year there were three areas of focus.

The IT team worked with front line staff, the county council and developers to test and then roll out new self-service equipment for all libraries. The new devices are much more flexible, built around customer requirements and cheaper than the commercial products on offer. The project was delivered on time by the end of September 2017.

Alongside this, the team worked on the One Network project which had the ambitious goal to remove all Suffolk Libraries from the county council network and establish independent broadband connections with all software services then drawn down from the cloud, saving a total of up to £130,000. The project was 85% complete at the end 2017/18.

In addition, there was a programme to replace and upgrade the printers at libraries. The new machines were replaced with a different contract to provide an improved standard and efficiency for cartridge replacement which had been causing major problems.

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BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

There were a number of locally led changes and improvements

As ever the friend's groups of Suffolk Libraries were active and energetic in providing new and extended services at their local library. There have been a number of community led initiatives including code and Lego clubs, activities to support people who are lonely and excluded, iPad classes for the digitally excluded, fundraising quizzes and culture and entertainment to delight the mind. All led by the friend's groups, and informed by their local knowledge, talent and contacts. All of these are described in more detail later in this report and summarised in our annual leaflet focusing on friend's group achievements. Some highlights include:

- Refurbishments at Broomhill, Halesworth, Ixworth, Rosehill and Sudbury libraries;
- Eye library consulted on and requested agreement from the Board and County Council to changes to their opening hours;
- Framlingham library welcomed the Town Council to their building as a tenant, with a mutually supportive partnership and funding model;
- Freddy's Fund was launched using a significant charitable donation from a library customer to help encourage local projects to encourage reading and improve literacy.

New services and increased profile

Suffolk Libraries Local

Early in the year, the County Council commissioned Suffolk Libraries to explore the concept of pop-up libraries for rural areas. Suffolk Libraries were also keen to explore the opportunity to bring the broader library experience - access to reading, help, information and activities - to a wider audience and extend the reach of the library network.

This led to the development of three pilot pop-ups called Suffolk Libraries Local at Shotley, Moreton Hall and Red Lodge from April to October 2017. The three venues had a weekly session of between three to four hours with a mix of borrowing, activities for families and help with online services with laptops and tablets.

Suffolk County Council funded the sessions for six months. After this period the Board decided to continue the most successful pilot at Shotley to see if additional funding could be identified. In January 2018 Ipswich Borough Council also decided to fund a further Suffolk Libraries Local session in North East Ipswich at the Ransome's Pavilion for three hours per week. This new development was launched in March 2018.

Optimo

At the beginning of 2017, Suffolk Libraries worked with the other three mutual library services to co-found a new consortium to provide peer mentoring and practical support for other councils investigating alternative delivery models. There were several masterclasses during 2017 to supplement the toolkit developed by Optimo with the perspectives and insights of the four CEOs. These masterclasses and advice were also useful as they established a fee structure for this kind of work and the Society was paid for their involvement by DCMS.

SUFFOLK'S LIBRARIES IPS LIMITED

**BOARD MEMBERS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

Performance

Events and activities continue to be a growing area of success for Suffolk Libraries, with 182,298 attendees recorded at 12,659 events during the year. This compares to 175,561 attendees at 11,120 events the previous year. The breakdown is as follows:

Regular events / activities for older people	Total attendees	26,107
	Number of sessions	2,296
Regular events / activities for children up to and including the age of 4	Total attendees	62,492
	Number of sessions	3,716
Regular events / activities for children aged 5 and over	Total attendees	29,910
	Number of sessions	3,169
Other regular events / activities (not covered by the above)	Total attendees	23,319
	Number of sessions	2,290
One off events / activities	Total attendees	40,470
	Number of sessions	1,188
Overall total	Total attendees	182,298
	Number of sessions	12,659

Total attendees split by gender and adult / child:

Boys	36,415
Girls	40,929
Male adults	21,914
Female adults	83,040

Suffolk's static libraries continued to be well used during the year. Issues and visitor figures are down but are still encouraging compared to the National trend. The total number of physical books issued from static libraries during the year was 1,984,137 compared to 2,043,545 the previous year. There were 3,008,330 visits to static libraries during the year, compared to 3,131,396 the previous year.

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**BOARD MEMBERS' REPORT
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Customer ethnicity

Suffolk Libraries continued to attract an ethnically diverse customer base, as highlighted by the combined results of two ethnicity surveys during the year:

Ethnicity Group	2016/17		2017/18		Census Percentage
	Number	%	Number	%	
White British	6,466	75.18%	7,465	85.29%	90.80%
Irish	81	0.94%	80	0.91%	0.50%
Gypsy or Irish Traveller	17	0.20%	16	0.18%	0.10%
Any other white background	316	3.67%	253	2.89%	3.80%
Mixed Caribbean	62	0.72%	75	0.86%	0.60%
Mixed African	78	0.91%	47	0.54%	0.20%
Mixed Asian	130	1.51%	50	0.57%	0.40%
Any other mixed/multiple ethnic background	68	0.79%	51	0.58%	0.40%
Indian	235	2.73%	76	0.87%	0.50%
Pakistani	56	0.65%	35	0.40%	0.10%
Bangladeshi	78	0.91%	30	0.34%	0.30%
Chinese	167	1.94%	54	0.62%	0.30%
Any other Asian background	67	0.78%	36	0.41%	0.60%
Black African	160	1.86%	94	1.07%	0.40%
Black Caribbean	156	1.81%	47	0.54%	0.30%
Any other black/African/Caribbean background	120	1.40%	5	0.06%	0.20%
Arab	36	0.42%	21	0.24%	0.00%
Any other ethnic group	6	0.07%	29	0.33%	0.30%
Not completed	302	3.51%	288	3.29%	0.20%
Total	8,601	100.00%	8,752	100.00%	100.00%

Mobile libraries

Suffolk Libraries run three mobile libraries which provide a valuable service to rural communities across the county, visiting over 550 locations every month. The service issued 97,719 books during the year compared to 99,407 the previous year. There were 26,418 visits to the mobile libraries compared to 27,971 the previous year.

Areas of success during the year in more detail

Suffolk Libraries Extra

A new fundraising scheme, Suffolk Libraries Extra, was launched to enable people who would like to make a regular donation to support the library service. With three categories, Silver, Gold and Platinum, people can donate £20, £50 or £150 to support development and innovation in the service. By the end of the year, Suffolk Libraries Extra had covered all the set-up and running costs and the Board were able to consider how best to administer the monies raised.

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Chat and Chill

The Ipswich County Library programme to support women who need to learn English (Chat and Chill) was shortlisted for two major awards. The first was the East Anglian Daily Times Business Award where Suffolk Libraries was a finalist for the Social Inclusion Award. Later in the year the Chat and Chill project was a finalist in the CILIP Libraries Change Lives Awards. Chat and Chill was also included as a case study in the Government's Integrated Communities Green Paper.

This recognition is gratifying, however the main benefit of applying for and winning awards is the increased profile given to the work they recognise. This work to support people who may be marginalised in their local community is a prime example of how libraries play an increasingly important role in community cohesion and reducing radicalisation.

Arts Council England National

An undeniable triumph in the year was the attainment of National Portfolio status with the Arts Council. This is a significant achievement as the portfolio only includes exemplar organisations with exceptional delivery in their artform or discipline. After a successful bid into their formidable and intensely competitive application process, Suffolk Libraries was then invited to develop a detailed and comprehensive business plan. The plan submitted was then agreed, and praised for its rigour, detail and professionalism.

It's not only gratifying that the Suffolk Libraries team met all the high standards of the Arts Council, it's also a considerable achievement which will bring £702,000 over four years which will be invested in artistic programming and development activities with staff and young people. Only six library services have been invited to join the Portfolio. Clearly there is always a great team behind this type of project and Krystal Vittles, Paul Howarth and Sarah Lungley, amongst others, worked tirelessly to deliver the business plan and resultant funding.

Wellbeing

Throughout the year the New Chapters service worked with Suffolk Mind and Suffolk Family Carers on a developing and extended information, advice and emotional support service which included the development of a website, extended activities across the county to support people with advice and signposting, and the roll out of the Open Space drop-in sessions which give valuable peer support to people with their wellbeing.

There were also development discussions on the provision of a further service for people with learning disabilities for the following year.

Fun Palaces

In October 2017, six libraries facilitated Fun Palaces, as part of the wellbeing service. With Fun Palaces, "everyone's an artist and everyone's a scientist" and all the activities are free. All six palaces, held at Ipswich, Lowestoft, Saxmundham, Elmswell, Chantry and Gainsborough libraries were successful enterprises delivered in partnership with local communities. The Suffolk Fun Palaces were all visited by Stella Duffy, the co-founder of the Fun Palaces movement.

Membership engagement events

Suffolk Libraries held seven community forums during the year. These events enable trustees and members of different library friend's groups to meet with each other and Suffolk Libraries staff, discuss key issues and find out about important information. In addition, in March 2018 the communities team held four smaller scale 'local' community meetings, the aim of which was to provide a more informal environment for different friend's groups to meet up, network and discuss issues.

The geographical spread of the meetings also meant they were accessible to more groups. Feedback from the meetings was extremely positive with people appreciating the informal, friendly atmosphere and the opportunity to meet up with other groups. In total, there were around 150 attendees at the 11 meetings.

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

Local library developments and member activities

Improvements in the service that libraries provide have been made throughout the county. Some of these are physical improvements to the library space and others are changes to opening hours or the introduction of new events, activities and services. In most cases, the library friend's group plays an important role in such improvements, from helping to fund the cost of physical improvements to organising and supporting the delivery of new activities. Some of the highlights from the year are as follows:

- Beccles library hosted two Live at the Library live music events – Honey and the Bear and Steve Tiltson;
- Broomhill Library Friends initiated a project to replace the library's lighting with new and more efficient LED lighting, with the long-term aim to use the money saved to support the library;
- Capel library had a new counter installed, largely funded by the friend's group through profit generated from their regular cinema nights;
- Eye library changed its opening hours after a consultation with local people. It has also announced that the library would be moving to new premises during 2018/19;
- A new group came together in early 2018 to form the Friends of Felixstowe Library which was officially launched in April 2018;
- The Friends of Halesworth Library funded significant improvements to the children's library area;
- Ixworth library's friends group provided funding to enable the library to be refurbished, including redecoration, new furniture and shelving;
- Kesgrave library Manager Maggie Lusher won the 'Services to the Community' award at the Suffolk Coastal Business and Community Awards after being nominated by the Friends of Kesgrave Library. A new and improved 'comfy corner' was also installed at Kesgrave library thanks to funding from local genealogy company Anglia Research;
- Gainsborough library was the focal point of celebrations in Gainsborough for the Great Get Together weekend to mark the life of MP Jo Cox;
- Glemsford library held a Riot Night event of live music, local ales, good food and dancing to commemorate a memorable event in the village's history;
- The Cake and Revolution Women's Institute group held a special fundraising event at Ipswich library to raise money for both the WI and the library. The library also held its annual multicultural celebration for the local community. The library continues to host weddings and civil ceremonies. Throughout the year it also hosted several successful fashion shows;
- Lowestoft Library Friends ran their annual literary festival at the library;
- The Friends of Mildenhall Library contributed to new iPads for the library's lending scheme;
- Following the major refurbishment of the library, the Friends of Newmarket Library secured funds to improve the space hosting the library's racing collection. Newmarket Library was also a runner up in the Business Improvement District Awards under the 'Lifestyle' category;
- Rosehill Library underwent significant refurbishment and improvement work, funded by Suffolk County Council;
- The fifth Slaughter in Southwold crime writers' festival was organised by Southwold library with support from the friend's group;
- Sudbury library had a new public toilet installed, funded by section 106 money. Also, at Sudbury, one of the country's most successful authors, Anthony Horowitz OBE, supported a short story competition for children by writing an introduction to a book of the best entries;
- The Friends of Thurston Library again teamed up with St Peter's Church to provide a Christmas Tree Festival at the church and library. The Friends of Thurston Library also teamed up with Thurston Sixth Form to host BBC Radio 4's weekly discussion programme 'Any Questions'.

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BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

Innovations and service development

Arts Council National Portfolio Organisation

As already highlighted, one of the most significant successes of 2017/18 was the news Suffolk Libraries was successful in its bid for National Portfolio Organisation status from Arts Council. Following the good news, the second part of 2017 was taken up with intensive planning and collaboration to draft a high-level business plan for year one. From July to December 2017, Suffolk Libraries spent a significant amount of time and energy trying to describe what the arts offer will be for young people in libraries and the result is a clear and focused plan which will add significant value to both libraries and young people's lives.

New core offer for libraries

Part of the Next Five Years process in 2017/18 involved gathering the ideas and preferences of library users, with a focus on customer service and their local library experience through a survey. After combining this with the data that has been collected on each library, a new 'core offer' for each library was created. This provides a blueprint of the minimum level of service a customer can expect in their library based on its size and scope (grade A, B, C and D). The core offer includes everything from the level of stock on offer to the kinds of events and activities expected through the year. Work will continue in 2018/19 in embedding this, with library staff working hard to make the core offer a reality for customers.

Suffolk Libraries Presents

2017/18 saw the conclusion of the official Arts Council screening project and the final report was welcomed by Arts Council. The Arts Council were very pleased with how the project progressed and the outcomes achieved. To reinforce this a case study of the project was featured on the Arts Council blog. The remainder of 2017/18 was used to succession plan for the programme.

UK visa pilot

Ipswich and Lowestoft libraries were chosen to be part of the UK governments in-country visa application pilot which sets out to make visa applications easier for people who need extra assistance. The pilot, in conjunction with the Home Office, offers support and assistance to navigate the official visa application gateway. Staff in both libraries have undergone training in order to deliver this. Suffolk Libraries is paid by the government for each person helped.

Working with NatWest

Suffolk Libraries were approached by NatWest about hosting community bankers to help NatWest customers better understand the digital service and to support requests for online banking help. From mid-October, the NatWest Community Banker held a weekly pop-up in seven libraries across Suffolk. Suffolk Libraries generated income by charging NatWest for the ground space to deliver their service.

Fun Palaces

Suffolk Libraries' first Fun Palace events took place at the start of October and they were incredibly successful. The activities were focused on bringing together the arts with science and offering something delightful and exciting to library users. Each library involved took a different approach to suit local communities and a huge range of partnerships sprang-up which will hopefully be sustained. Ipswich Library were also very successful in securing nearly £3,000 in funding to support their events. A number of Suffolk Fun Palaces were visited by Fun Palace creator Stella Duffy on Sunday 9 October who was thrilled with how successful they were.

Bids and grants:

Suffolk Libraries continued to be supported by the Arts Council. As previously stated, the organisation was awarded National Portfolio status in July 2017. Suffolk Libraries Presents came to an end in December 2017.

New Chapters is now a part of a partnership with Suffolk Mind and Suffolk Family carers. After a successful funding application, a three-year grant was secured. During 2017/18 great progress has been made towards building a new information service.

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

Literacy, Books and Reading Team for Schools (LBaRT)

Throughout 2017/18, the schools' team worked hard to generate business as well as giving their customers a high-quality service. After successes in 2016/17 where the team saw their hard work pay off to produce a near financial breakeven point after several years of uncertainty it was disappointing to hear the news of the proposed schools' funding formula in Suffolk. Following this significant change, the early part of 2017 saw schools withdraw from the service as they had to make tough financial choices. Therefore, the decision was made by the Suffolk Libraries Board to close the service at the end of financial year 2017/18.

The team continued to deliver advice, training and resources to schools who were still engaged throughout 2017/18. There was a diverse mix of training and CPD opportunities ranging from how to use puppets and mental health and wellbeing for working with children. The team and their expertise were really valued by the schools who bought into the service. When schools were communicated with about the closure, the heartfelt replies showed how valued the staff were by schools.

As the service moved towards wind-down, decisions were made about elements of the service which could possibly continue. As a result, Suffolk Libraries will keep the self-service card offer which was introduced two years ago. Also, it is likely the Book Mastermind Competition will continue as a standalone offer to schools to celebrate books and reading.

In late 2017, decisions were also made about the vast stock estate that was used by the service. The decision was made to gift a significant amount to schools who were still customers. Alongside this, some stock was transferred into public libraries, schools purchased additional stock and remaining stock was gifted to good causes including hospitals and children's homes.

Public library services for children and young people

Suffolk Libraries has a strong offer to children and young people of all ages. Events, activities and resources are of the highest quality. Throughout the year there was a strong focus on enhancing literacy amongst children.

Early years (0-4)

This part of the children's offer continued to thrive through 2017/18 and the period saw the range of events, activities and offer grow and diversify. There was a significant expansion in performances from early years theatre organisations which saw some wonderful theatrics in libraries. Excitingly, in early 2018, Suffolk Libraries found out it had been successful in its joint 'Grants for the Arts' bid with theatre company Wonderful Beast to bring an immersive, early years theatre experiences to several libraries in May 2018.

The national 'baby bump' offer was launched in September 2017 and Suffolk Libraries has been testing this offer in several libraries. The purpose of the project is to create good habits in relation to reading at the pre-birth stage to give the child the best start in life. Full roll-out will be seen in 2018/19, but early pilots were successful in 2017/18.

A strategic partnership with the national early years reading charity Beanstalk was established in the latter part of 2017. Suffolk Libraries supported them as they set themselves up in the county and trained their volunteers to deliver in schools. More joint working is planned in 2018/19.

Children (5-11)

During 2017/18, the library service piloted lending micro:bit coding computers in six libraries. This proved to be hugely popular and in the six month pilot, there were close to 2,000 loans of the 60 micro:bits put into circulation. Towards the end of 2017 the decision was made to roll this out to all libraries, as the micro:bit foundation was still offering free micro:bits to public libraries in England. Therefore, an additional 380 micro:bits were added to the system and the roll-out began. Alongside this, code clubs, in many different formats, continued to grow across Suffolk.

SUFFOLK'S LIBRARIES IPS LIMITED

BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

Young people (11-18)

Summer 2017 saw the ImagiNation, the arts and reading project, run in all libraries across Suffolk. There were nearly 500 young people who took part in reading books and creating artistic reactions to them. Feedback from the young people showed how valued this activity was. This activity was made possible through a successful bid to the Reading Agency.

Literacy projects

Let's Talk Reading

Throughout 2017-18, Suffolk Libraries continued to host and offer support to the Let's Talk Reading (LTR) project which works to combat literacy issues in Ipswich. This past year saw the LTR group link-in with Beanstalk charity to help support the training of volunteers to go into schools to help children read. The group also secured further funding to purchase more books and bookbags to give to families who would benefit from a little extra support to create good reading habits at home. The group has also worked very closely with the libraries in Ipswich, namely Gainsborough and Chantry, to support adult reading hubs using a key adult literacy resource purchased by LTR through fundraising activities. The adult literacy aspect of the project will continue to grow and at the end of 2017-18 the LTR group linked in with ReadEasy, a national adult literacy charity, to take over this aspect of the programme.

Summer Reading Challenge

The number of children taking part in the Summer Reading Challenge in Suffolk was the highest ever in 2017 – 8,362. This was the fifth consecutive year that this number has increased. Children taking part also read over 85,000 books and nearly 2,300 registered for their first library card. Suffolk Libraries also received very positive feedback from parents and children about the benefits of taking part and how it helps to encourage children to read and visit the library more often.

Volunteering

Volunteers continue to play a key role in supporting the services provided by Suffolk Libraries:

- All 44 of the static libraries in Suffolk have a voluntary friend's group who help and support their local library. They raise money to improve and enhance their library and help to organise and run events and activities to attract people into the library;
- The board of Suffolk Libraries consists of volunteers who are elected from the library friend's groups;
- Suffolk Libraries operates a volunteer led 'home library service' which provides books to people who are not able to get out of their homes;
- The Summer Reading Challenge relies heavily on volunteers who meet with children and discuss the books they've read;
- In addition to this, many volunteers work in the library supporting the staff in the day to day delivery of the service.

According to figures submitted by library managers, a total of around 500 volunteers contributed a total of 4,566 days of volunteer time in their libraries during 2017/18.

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Staffing

The Next Five Years

During 2017/18 a transformation programme to create a refreshed and affordable definition of the local library experience with the right skills and working patterns for staff in larger libraries to deliver it was implemented. This aimed to strengthen Suffolk Libraries delivery of current and future Suffolk County Council specified services and enable us to deliver a more varied offer on their behalf in the future.

Total Employees at 31/03/2018	390
Total Contract at 31/03/2018	521
FTE at 31/03/2018	156.96

Suffolk Libraries operates within its published Equality and Diversity policy to ensure that there is no discrimination in employment for disabled persons, and that full and fair consideration is given to all applicants.

Senior Manager Pay

Suffolk Libraries has terms and conditions for senior managers which enables the attraction, retention and engagement of senior managers to further the aspirations and development of Suffolk Libraries.

There is a consistent and transparent job evaluation of each post to set pay and conditions by using a role profile. The panel consists of representation from UNISON, HR and the Chief Executive.

Due to the responsibility and confidential nature of the role a personal contract is used at add extra detail and security. The contract covers all the required areas of Suffolk Libraries employment contract as well as payment in lieu of notice, confidentiality, intellectual property and the post-termination restrictions.

Succession planning

The skill set of the Senior Leadership Team (SLT) are consistently monitored to ensure that they meet the needs of SL as it moves through the next phase of development.

Absence management over the year

There were 1,608.5 working days lost due to sickness absence or injury during this reference period which ran from the 1st April 2017 – 31st March 2018. This is equivalent to 4.13 days per employee a year; this is slightly below the national average which according to the Office of National Statistics is currently recorded as 4.3 days per worker.

Minor illness (such as coughs and colds) were the most common reasons for sickness absence during 2017/18, accounting for approximately 26% of the total days lost. This was followed by stress, anxiety and depression at 19.2% of total days lost. After this musculoskeletal /injury conditions were the most common reason for sickness absence resulting in 18.59% of days lost.

Suffolk Libraries has recently updated its absence management policy and uses return to work interviews and trigger mechanisms to review attendance. Support in the form of help and guidance is provided from the HR Team or other professionals e.g. Occupational Health, Employee Assistance Programme and the Early Intervention and Best Doctors Services if required.

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Reward Scheme

Since April 2014 Suffolk Libraries has been operating an employee reward scheme which recognises an individual's outstanding contribution over and above normal expectations for their role. Employees are able to nominate each other, team or themselves. The nominations go to a review panel every couple of months and, if successful, staff are sent an email to thank them and are given vouchers as a small gesture to show the society's appreciation. Since commencing this scheme 4 years ago, 349 vouchers at a cost of £13,600 have been issued for the recognition of exceptional performance which includes the organisation and implementation of projects and events, customer service and going the extra mile to promote a positive outlook for the service.

Training

In the past year 285 staff and volunteers have attended 13 different workshops which ranged from Manual Handling and Safeguarding to Premises Management and Suffolk Needs Met Training.

Alongside the current programme Suffolk Libraries as part of the Wellbeing Programme have been working with Suffolk Mind in running the following workshops:

Suffolk's Need Met Course content:

Your Needs Met is the essential introduction needed to understand the causes of mental ill health, and how people can recover.

- How unmet needs trigger symptoms across the mental health continuum
- How your workplace can become an emotionally health place to be and thrive
- How levels of rising stress, anxiety and depression can be reduced

Effective Communication with Distressed People content:

Providing the practical tools to communicate effectively with people suffering with distress; mental health suffers; self-harmers; and those contemplating suicide; experiencing shock or high levels of stress and anxiety and out-of-control rage.

- How to stay clear headed and maintain self-control when faced with angry or distressed people
- Understanding what language to use and what language to avoid when communicating with mental health suffers
- Improve confidence and morale when communicating with members of the public
- Be better able to support team members facing difficult situations.

Throughout the year there has been ongoing internal management training and coaching in areas such as managing absence and performance. Managers are also being supported with skills to deal with change such as workshops on building resilience, stress management and dealing with confrontational situations.

IT performance and changes

This year has seen the continuation of the migration of IT services away from the county council to a simpler, cloud-based model. At year-end, 37 of 44 library networks had been moved to the Suffolk Libraries network and plans have been finalised to complete the remaining libraries by the end of the first quarter next year. The new IT platform simplifies the tools used by library staff and enhances the ability of the Suffolk Libraries IT team to provide remote support and assistance.

The self-service solution developed last year was rolled out to all 44 libraries between March and September and delivered a more flexible, cost-effective, and supportable platform. There are ongoing discussions with the developers and other library services to offer the Suffolk Libraries solution as a commercial product for wider use, offering a potential revenue stream in the future.

The drive to simpler, more flexible solutions has caused some short-term challenges for library staff but will deliver significant financial and functional benefits in the coming year.

SUFFOLK'S LIBRARIES IPS LIMITED

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Customer services

In 2017/18 the Customer Service team solved around 10% fewer tickets (13,770) compared with 2016, in line with a 10% drop in tickets opened by customers over the year. The median resolve time stood at 0.7 hours.

The team processed 3,741 stock title suggestions, up 13% on the previous year. Customer satisfaction fell by around 2% to 94.6%, which may reflect a period of nearly three months where we had no dedicated Customer Service Advisor. Since employing a new advisor in March 2018 the satisfaction rate has been 98.2%.

Web

The Web and IT teams completed the self-service project installing new machines in all libraries. Overall, self-service issues have increased by around 4% year on year, with some libraries, such as Kesgrave, showing increases as high as 20%.

The estimated overall cost was under a third of the previous self-service project, and annual support costs are down by 56%. Suffolk Libraries owns the software and is in talks with the software provider Dootrix over a licensing agreement.

The system has attracted interest from other library services, and Suffolk Libraries have met with several services and a hardware manufacturer to develop a viable commercial offering. It is hoped to see the first sale to another library service in 2018.

The Web team continued to support other teams, including the MHIS by developing an IAGES website, and with events such as Slaughter in Southwold, Lowestoft Library Literary Festival, Suffolk Libraries Presents, Fun Palaces and children's events at the Felixstowe Book Festival.

Information, stock and content

Digital library content and services

This year the ongoing trend of growth in uptake of digital services from Suffolk Libraries has continued.

Downloads of eBooks via Overdrive are up by approximately 30%. This has largely been down to continued investment in quality content and a dynamic approach to promoting key content within the app and website. The Suffolk Libraries Stock team actively curate topical and themed bookshelves to highlight key eBook titles. Suffolk Libraries' successful approach to this has caught the eye of Overdrive, who have on a number of occasions cited Suffolk Libraries as an example of good practice in presentations to and communications with other subscribing library services. During this period, Overdrive have launched a completely new app through which the eBook content can be accessed, called Libby. Libby offers a quicker, easier and more interactive experience for customers.

Downloads of eAudio across the two platforms (Overdrive and Borrowbox) are up by approximately 51%. This reflects continued investment in content and improved customer experiences across the two apps, as described above.

Check outs from the digital magazine service are up by 70%. This is the result of combination of wider customer awareness of the offer and careful monitoring of use of specific titles to ensure the best selection of magazines subscriptions are available.

Use of the Freegal music download and streaming service has remained steady. This service is well used, but it is format for which usage levels can be tangibly and instantly affected by levels of promotion and there are plans for significant promotional activity over the coming year.

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Book lending

As highlighted earlier, the trend of decrease in overall lending of physical books has continued in 2017/18. However, the rate of decrease is significantly reducing, and a more stable pattern is being seen and within this overall pattern there are areas of growth in lending. This is most evident in the lending of children's books.

The Suffolk Loves collections, offering selections of books for quick browsing, continue to be popular. Lending from this collection has increased by 138% compared to the equivalent collections in the previous year (which included Suffolk Loves' predecessor, Quick Choice).

iPad and eReader lending

The number of libraries offering iPad lending has continued to increase with additional libraries launching the service throughout the year, bringing the total number of libraries offering the service to 13, with a further three libraries offering eReaders.

Other libraries are preparing to launch the offer in 2018/19.

In all cases these devices have been funded with money raised by friend's groups, or other local sources such as County Councillors' locality funding.

Book and reading related events and activities:

Due to other central team priorities within the year, the decision was made not to hold a Suffolk Libraries Bookfest in 2017/18. Instead the focus was on more localised events and festivals and maximising links with externally organised events in communities. Key examples from the year include the Slaughter in Southwold Festival (as part of Southwold Arts Festival) and involvement in the Felixstowe Book Festival. A rich and varied programme of one off events was provided in libraries also.

Mental Health and Wellbeing Information Service (MHIS) New Chapters

New Chapters is now a part of a partnership with Suffolk Mind and Suffolk Family carers. After a successful funding application, a three-year grant was secured. During 2017/18 great progress has been made towards building a new information service. Feedback was gathered during workshops, which were held across the county, and elements of the new service have been designed as a result of this.

The service, previously known as IAGES, has been renamed SAGES after a public vote and has a new logo. Work has begun on the SAGES website and once complete, launch events will be held to formally introduce what the partnership offers.

Suffolk Libraries has seen an increase in wellbeing enquiries, with the extrapolated data showing around 9,100 enquiries for the year 2017/18; an increase of around 1,500 since 2016/17. New Chapters has been able to continue offering training to frontline staff to support them with these enquiries. It is hoped that further development opportunities will continue to empower staff in supporting the wellbeing needs of customers. The training offered included 'Suffolk Needs Met' and 'Effective communication with people in distress' (both developed by Suffolk Mind). In 2018/19 'Drug awareness and reducing harm' will be trialled.

Open Space remains very popular and there are now groups running in Ipswich, Bury St Edmunds, Haverhill and Sudbury. There are current conversations about setting up groups in Stowmarket, Newmarket and Felixstowe, with the hope these will be the next locations to support the Open Space model. The attendance rates have shown improvement in all areas, with new attendees engaging as well as those who attend regularly; the total attendance for the year is around 2,200 with an average of 43 people attending an Open Space group every week.

Investment has been made in an external evaluation of Open Space, which will begin in 2018/19. The evaluation aims to provide evidence for how Open Space can support people's wellbeing and how libraries and the library environment are integral to this.

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New Chapters has also recently completed the purchase of a number of sports and fitness equipment items for Stowmarket, Haverhill, Gainsborough, Saxmundham, Bury St Edmunds and Newmarket. The project, named 'Move It!' is in support of Public Health's Most Active County scheme and it is hoped, if successful, further libraries could look at funding options for purchasing more.

Suffolk Libraries completed a bid for further funding to extend the SAGES service with an offer for those with learning disabilities and autism. Unfortunately, the Society was not successful in winning the bid but have been allocated separate funding to provide Open Space groups in partnership with the winning organisation. It is thought this work will begin to be developed in the summer of 2018.

Prisons

Suffolk Libraries continue to provide a lending and information service to three adult prisons: HMP Highpoint at Stradishall, HMP Hollesley Bay and HMP Warren Hill, both at Hollesley near Woodbridge.

These services are funded by the Ministry of Justice, via HM Prison and Probation Service.

In addition to supporting the recreational, vocational and educational needs of prisoners the libraries deliver successful initiatives to encourage men to maintain family ties. Storybook Dads enables the men to record personalised stories for their children onto CDs (DVDs at Highpoint). In 2016/17 Storybook Dads was also launched at Warren Hill.

Reader development has been encouraged with book groups, the Reading Ahead programme, author visits and creative writing opportunities.

Prison library staff have continued to work to integrate the libraries into the wider work of the prisons. This has helped to maintain their role as hubs within the prison community, providing education and information with a view to reducing reoffending.

Safety

Suffolk Libraries takes its responsibilities towards both staff and the general public, under the Health and Safety legislation, seriously. This approach is highlighted by regular premises checks and testing of safety equipment alongside a focus on encouraging staff vigilance and delivering appropriate training. Libraries are considered low risk compared to many buildings, but they are used by all ages and by people with various conditions that pose additional risks to their and others' safety. This year there has been a focus on safely managing premises by showing managers the importance of their role in ensuring the safety of staff and users in their libraries. There is an increased emphasis on fire safety following the Grenfell Tower tragedy.

The main concern for management this year has been the increase in antisocial behaviour, not just in the main urban centres. It is hard to pinpoint the causes but there is a lack of affordable facilities for young people leading to groups congregating around libraries. There are, sadly, more displaced people, sometimes with drug and drink problems looking for somewhere free and warm to spend time. There are also more people with mental health problems which can lead to behavioural issues. Being open to all, libraries are a place these groups can go to.

The resultant bad behaviour places stress on staff who have been abused and threatened. This has led to two caretakers resigning in Ipswich. Suffolk Libraries are working with other agencies and the police to address the problems, which clearly are not just confined to libraries and have reviewed how these incidents are recorded and monitored. There is an ongoing review of training and procedures to support staff. However, there has been considerable success in Lowestoft where the situation has been turned around by the local staff working together and supporting each other and the new CCTV system which has provided evidence to the police and given staff the confidence to tackle bad behaviour.

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The recorded incidents have shown a small decrease from 111 to 104. This is encouraging, but as many of the incidents are completely unpredictable and beyond Suffolk Libraries' control, such as people being taken ill in a building, it is impossible to say if this is part of a trend. Sadly, there have been two incidents reported under RIDDOR compared to just one last year. Both were at Gainsborough but unrelated. One concerned an elderly lady leaving an event who fell and broke her hip and the other a Brownie who was taking part in a sleep over and broke her finger after catching it in a door.

Equalities

Suffolk Libraries is committed to ensuring access to its services for all members of the community regardless of age, health, ethnicity, gender, sexual orientation or belief. In addition to the standard characteristics set out in the Equalities Legislation, Suffolk Libraries is required to consider the needs of people living in very rural areas. Any changes to opening hours have been examined to see if any groups are unfairly disadvantaged. This is an ongoing process. Similarly, the new self-service machines were developed with consideration of the Equalities Legislation.

This year most attention has been on the accessibility of buildings and improving the facilities for users with a range of needs. Fully accessible public toilets with baby changing facilities have been installed in Rosehill and Sudbury. Plans have been drawn and are awaiting approval for improvements to the entrance at Great Cornard to make access easier for pushchair and wheelchair users. In a response to a query it was found that the accessibility information about our buildings on the internet by Disabled Go was patchy and sometimes incorrect. This has been rectified.

A full accessibility survey was commissioned by Suffolk Libraries of Newmarket library to establish what is needed to bring it up to current accessibility and safety standards. Nothing was found that would make Suffolk Libraries vulnerable under the Equalities Act but there were a lot of issues around the lift and fire safety for people with poor mobility. This report acted as a catalyst to get a full survey of the library produced with costings which will inform the lease renewal negotiations.

External profile, marketing and communications

Working to promote the library service and engage with the local media continued to be an important focus for Suffolk Libraries.

Customer feedback

It was particularly important this year as customers' feedback and ideas formed a key part of the Next Five Years review. A campaign to encourage people to have their say on the future of the library service resulted in around 3,400 responses to a customer survey – roughly twice as many as the last survey in 2015. Over 99% of people said they felt their library was important and the survey also generated hundreds of supportive comments reinforcing the role that libraries play in people's lives.

Some examples:

"The libraries in Suffolk provide an invaluable service to the community. They are important for social interaction and the use of facilities for people who for economic reasons would not be able to access all the facilities for learning, leisure, social etc."

"This is a fantastic resource for people who are old and cannot afford a computer or who have no broadband access. It is great to have somewhere to go. If one is old or infirm; one tends to be stuck at home. It opens up a whole world of travel and education and entertainment for people on low income."

"Both of my children (two and six years) are passionate about books. We attend regularly, and my little girl loves the children / toddler group. My six year old uses the library books and computers for his homework."

"The staff are amazing. It's the only place I can come to concentrate and to relax and get my work done."

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"It provides a vital role in the community. When my husband was ill recently, the library provided a real lifeline as reading was one of the few things he was still able to enjoy. The service is also extremely efficient, especially the Inter-Library Loans facility."

"It's open every day. It's inspirational - a great place to get ideas."

"Use of computers, borrowing books, watching the films that are put on by the Friends in the library. Literary Festival was excellent too."

"Where do I start. Rosehill is an excellent set up. The staff are friendly and helpful. You order a book and it is there by the end of the week. It is a great social space, where you always meet someone you know to catch up on the news."

"It's a wonderful service for small towns and communities. it's one of the only meeting places in a small town - it would feel 'dead' without it."

"I really enjoy the children's library with its groups and massive range of books. The staff are so friendly and welcoming. The library as a whole offers so many services and such a wide range of activities. It is also the only place in town with baby changing facilities. Our library is a valuable resource."

The responses to the survey were used as part of establishing the redefined core offer and local library experience.

Suffolk Libraries Extra

Suffolk Libraries Extra was also launched at the same time as the customer survey with the aim of capitalising on people's support for their library to raise additional income to enable the evolution of the service. The scheme was formally launched in June 2017 and by March 2018 over £5,000 had been raised with nearly 150 members signing up. The first round of funding was allocated to six projects across the county which included additional IT tuition for customers, new equipment for coding activities and projects to help those with dementia.

5,000 followers on Twitter and 6,000 newsletter subscribers

Online marketing and promotion continues to be a big part of publicity work with Suffolk Libraries reaching 5,000 followers on Twitter towards the end of the year. The Suffolk Libraries newsletter is also now sent to nearly 6,000 people. Many libraries and their friend's groups are also very proactive both online and in their all-round efforts to promote the library.

Suffolk Libraries relationship with the media

Suffolk Libraries continued to receive great support from the local media for the role the service plays in Suffolk life. Local media also helped to promote many service developments and hundreds of events and activities across the county throughout 2017/18. Well over 100 press releases were issued throughout the year with BBC Radio Suffolk, the East Anglian Daily Times and the many other local newspapers and magazines all playing an important role in helping to promote Suffolk Libraries.

Publicity highlights included coverage of the Summer Reading Challenge success, Suffolk Libraries' involvement in new literacy projects, library refurbishment projects and the positive outcome of the organisation's contract renewal with the county council.

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BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

Financial review

Going concern

The Directors assess each year whether the Society is in a position to use going concern as an appropriate description as to the state of the Society for the production of its annual accounts. This takes into consideration any material uncertainties which may cast doubt on the Societies ability to continue trading.

The Directors have taken into consideration the recent extension of the contract up to 31st July 2022 and the agreed commitment of SCC to fund the grant at its current level up to the end of the contract. The current income will be sufficient to cover the budgeted expenditure during the next financial year and the unrestricted reserves have been increased at the year end.

Investment powers and policy

The Directors, having regard to the liquidity of operating the Society and to the reserves policy have operated a policy of keeping available funds in an interest-bearing 45-day notice deposit account.

Reserves policy

The reserves policy forms part of the Financial Regulations which are reviewed annually.

The Society's reserves policy is to maintain 2 months of running costs, excluding stock purchases. This is estimated at 900K, as the largest expenditure of SL is for staff increasing costs will require a higher reserve by the end of 2022.

Actual reserves held as at 31st March 2018 were £602K, being split between un-restricted (available) funds of £433K (2017 – £309K) and restricted (specific project expenditure) funds of £169K (2017 - £77K)

The gap between required reserves and current reserves for unrestricted funds is £467K, while the Directors recognise that the reserves held by the Society are below those considered to be appropriate for an organisation of this size, the payment of the grant from Suffolk County Council being paid quarterly in advance enables the Society to remain true to the going concern statement above, while the Society grows the strength of its Balance Sheet.

There are no specific expenditure provisions made within the income and expenditure accounts for the financial year ending 31st March 2018.

Redundancy

During the year a total of £208,181 (2017 - £44,905) was paid in redundancy and termination payments as part of the ongoing restructuring of the Society, following a full review of services within the larger libraries. These payment amounts are prior to the adjustment of the provision made in the prior year of £102,043, and subsequent reversal in the current year.

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In 2018/19 the Society will be focussing its energies on the following areas.

Vision and strategic pillars

Having recently reviewed the Societies vision Suffolk Libraries will be focusing its energy on achieving its revised goals. Ultimately 'our vision is to enrich everyone's quality of life'. Suffolk Libraries aims to provide safe, fun and inspiring spaces that stimulate creativity, expand knowledge, foster a sense of community and connect people.

To ensure that the Society has the strongest focus on achieving its vision four strategic pillars have been devised. These are:

- delivering the core offer;
- developing new partnerships and services to attract new customers and increase income;
- inspiring existing stakeholders and promoting our brand and services to more people;
- Establishing, measuring and monitoring our social impact.

In 2018/19 capacity and resources will be channelled into the four strategic pillars. This approach will see the drafting of a new underpinning strategy, with supporting tactics developed, that will be designed to achieve the pillars.

Suffolk Libraries people

The Society would be nothing without its people. To ensure that staff and volunteers continue to play a key part in the future of Suffolk Libraries a 'people plan' will be developed. This will be an ambitious plan focused on making the organisation the best possible place for both staff and volunteers. To support this approach a values process will take place in early 2018/19. This is designed to capture staff and volunteer feedback on how they feel we should deliver the vision to our customers and other key stakeholders. As a part of this process everyone will have the opportunity to input into the values that drive everything we do as we move forward together.

Capturing social impact

Much of the text in this report encapsulates the considerable impact that Suffolk Libraries have on the fabric of our society. In 2018/19 the organisation will develop a method that allows us to better capture the financial and emotional benefit of the services we provide. The purpose of this exercise is twofold. Firstly, it is important that the Society knows where it is delivering the most social benefit so that it can tailor and evolve its services to expand its overall reach and impact. Secondly, it needs to ensure that it is able to clearly demonstrate its value to its funders.

Understanding customers

In 2018/19 the Society will strive to gain a greater level of insight into its existing and potential customers. This will enable Suffolk Libraries to develop its existing services and improve customer satisfaction. Additionally, this process will enable the organisation to examine the potential to develop new products and services for non-traditional customers.

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Directors

The Directors of the Society are its trustees for the purpose of charity law. The Directors and Officers serving during the period were as follows:

Tony Brown	Chair	Appointed 12 th September 2013 Reappointed 10 th September 2015
Sylvia Knights	Vice Chair	Appointed 15 th February 2012 Reappointed 11 th September 2014 Reappointed 28 th September 2017
Maureen Garratt Simpson	Honorary Secretary	Appointed 29 th September 2016
Alison Wheeler	Chief Executive	Appointed 15 th February 2012 Resigned 22 nd February 2018
Bruce Leeke	Chief Executive	Appointed 29 th January 2018
Jonathan Ogden		Appointed 12 th September 2013 Reappointed 10 th September 2015
Sue Buck		Appointed 12 th September 2013 Retired 29 th September 2016 Co-opted 27 th April 2017 Reappointed 28 th September 2017
Sarah Wilson		Co-opted 27 th October 2016 Appointed 28 th September 2017
Colin Rockall		Co-opted 29 th May 2014 Appointed 11 th September 2014 Reappointed 28 th September 2017
Peter Callaghan		Appointed 11 th September 2014 Retired 9 th February 2017

Suffolk Libraries IPS Limited is a Registered Society governed by its Rules dated 7th August 2013. It is an exempt charity, regulated by the Financial Conduct Authority. Members are local community groups or local councils who are committed to supporting their local library and Suffolk Libraries as a whole. On 31 March 2018 there were 44 members representing libraries out of a possible 44 libraries.

Appointment of Directors

As set out in the Rules the Chair of the Directors is elected by the Board of Directors. Seven Directors are elected annually by the members of the organisation attending the Annual General Meeting and serve for a period of three years. The Directors have the power to co-opt up to five further Directors.

The Chief Executive is an ex-officio member of the Board, and an employee.

All members are circulated with invitations to nominate Directors prior to the AGM advising them of the retiring Directors and requesting nominations for the AGM. When considering co-opting Directors, the Board has regard to the requirement for any specialist skills needed.

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Trustee induction and training

New Directors undergo a briefing on their legal obligations under charity and other relevant law, the Charity Commission guidance on public benefit, content of the Society's rules, the committees and decision-making processes, the business plan and recent financial performance of Suffolk Libraries. During their induction, they will meet key employees and other Directors. Directors are encouraged to attend appropriate events held by community groups where these will facilitate the undertaking of their role.

Board

The Board of Directors, which can have up to 13 members, administers the Society. The board and its sub-committees covering governance, finance and audit and staffing meet regularly. The Chief Executive appointed by the Directors manages the day-to-day operations of Suffolk Libraries. To facilitate effective operations, the chief Executive and senior staff have delegated authority, within terms of delegation approved by the Directors, for operational matters including finance, employment and operational matters.

Related parties

None of the Directors receive remuneration or other benefit from their work with Suffolk Libraries except for the Chief Executive who is an employee and details of their remuneration is set out in note 14. Any connection between a Director or senior manager of Suffolk Libraries with a supplier or contractor must be disclosed to the full Board of Directors and details of such relationships in the current year are set out in note 14.

Risk management

It is the responsibility of the Directors is to have a risk management strategy which comprises:

- an annual review of the risks the Society may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the Society should those risks materialise.

This work that has been carried out has identified that financial sustainability is the major financial risk for the Society. A key element in the management of financial risk is via a reviewed reserves policy and the retention of sufficient working capital. Attention has also been focused on non-financial risks arising from fire, health and safety, management of public access and safeguarding. As previously stated the Reserves policy was reviewed on 31 March 2016 and forms part of the Financial Regulations which were also reviewed and accepted at this meeting.

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BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

Directors' responsibilities in relation to the financial statements

The Society's Directors (who are also the trustees of the Society for the purposes of Charity law) are responsible for preparing a Directors' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Co-operative and Community Benefit Societies Act 2014 requires the Directors prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of its income and expenditure for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Society Act 2014, Charity law and the provisions of the rules. They are also responsible for safeguarding the assets of the Society and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the Society's auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Larking Gowen LLP have expressed their willingness to be reappointed auditors at the forthcoming Annual General Meeting.

This report was approved by the Board members on 26 July 2018 and signed on their behalf by:

Maureen Garratt Simpson
Honorary Secretary



Bruce Leeke
Chief Executive



Sylvia Knights
Chair of Finance and Audit Committee



SUFFOLK'S LIBRARIES IPS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUFFOLK'S LIBRARIES IPS LIMITED

Opinion

We have audited the financial statements of Suffolk's Libraries IPS Limited (the 'Society') for the year ended 31 March 2018 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

SUFFOLK'S LIBRARIES IPS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUFFOLK'S LIBRARIES IPS LIMITED

Other information

The Board members are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the Society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the Society's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.
 - remove references to company law

Responsibilities of trustees

As explained more fully in the Board members' responsibilities statement, the Board members (who are also the directors of the Society for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board members are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board members either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

SUFFOLK'S LIBRARIES IPS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUFFOLK'S LIBRARIES IPS LIMITED

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the Society's members, as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Larking Gowen LLP

Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Ipswich

Date: 26 July 2018

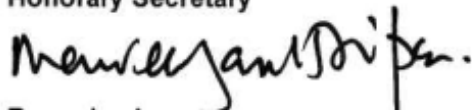
SUFFOLK'S LIBRARIES IPS LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	2	9,861	91,058	100,919	132,219
Charitable activities	4	5,907,282	1,343,460	7,250,742	7,336,362
Investments	3	6,279	-	6,279	7,819
Total income		<u>5,923,422</u>	<u>1,434,518</u>	<u>7,357,940</u>	<u>7,476,400</u>
Expenditure on:					
Charitable activities	8,12	5,800,136	1,343,172	7,143,308	7,449,370
Total expenditure		<u>5,800,136</u>	<u>1,343,172</u>	<u>7,143,308</u>	<u>7,449,370</u>
Net income before other recognised gains and losses		123,286	91,346	214,632	27,030
Net movement in funds		123,286	91,346	214,632	27,030
Reconciliation of funds:					
Total funds brought forward		309,757	77,965	387,722	360,692
Total funds carried forward		<u><u>433,043</u></u>	<u><u>169,311</u></u>	<u><u>602,354</u></u>	<u><u>387,722</u></u>

The financial statements were approved by the Board members on 26 July 2018 and signed on their behalf, by:

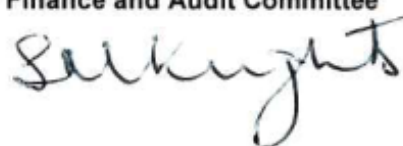
Maureen Garratt Simpson
Honorary Secretary



Bruce Leeke
Chief Executive



Sylvia Knights
Chair of Finance and Audit Committee



The notes on pages 32 to 50 form part of these financial statements.

SUFFOLK'S LIBRARIES IPS LIMITED
REGISTERED NUMBER: IP031542

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	£	2018 £	£	2017 £
Current assets					
Debtors	17	2,187,238		493,598	
Cash at bank and in hand		775,968		2,388,678	
		<u>2,963,206</u>		<u>2,882,276</u>	
Creditors: amounts falling due within one year	18	<u>(2,360,852)</u>		<u>(2,392,511)</u>	
Net current assets			<u>602,354</u>		<u>489,765</u>
Total assets less current liabilities			<u>602,354</u>		<u>489,765</u>
Provisions for Liabilities	20				<u>(102,043)</u>
Net assets			<u>602,354</u>		<u>387,722</u>
Charity Funds					
Restricted funds	21		169,311		77,965
Unrestricted funds:					
Share capital	17	44		44	
Unrestricted funds	21	<u>432,999</u>		<u>309,713</u>	
Total unrestricted funds			<u>433,043</u>		<u>309,757</u>
Shareholders' and Charity's funds			<u>602,354</u>		<u>387,722</u>

The financial statements were approved and authorised for issue by the Board members on 26 July 2018 and signed on their behalf, by:

Maureen Garratt Simpson
Honorary Secretary

Bruce Leeke
Chief Executive

Sylvia Knights
Chair of Finance and Audit Committee

The notes on pages 32 to 50 form part of these financial statements.

SUFFOLK'S LIBRARIES IPS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	23	<u>(1,612,710)</u>	<u>24,245</u>
Change in cash and cash equivalents in the year		(1,612,710)	24,245
Cash and cash equivalents brought forward		<u>2,388,678</u>	<u>2,364,433</u>
Cash and cash equivalents carried forward	24	<u><u>775,968</u></u>	<u><u>2,388,678</u></u>

The notes on pages 32 to 50 form part of these financial statements.

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Co-operative and Community Benefits Societies Act 2014.

Suffolk's Libraries IPS Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in Sterling (£).

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Board members in furtherance of the general objectives of the Society and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Board members for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Society for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Income

All income is recognised once the Society has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the Society has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Society of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised. Please refer to the Board members' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Society which is the amount the Society would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Society and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Society and compliance with constitutional and statutory requirements.

1.5 Going concern

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the society to continue as a going concern. The Directors make this assessment in respect of a period of one year from the date of the approval of the financial statements.

Based on this information the Directors have a reasonable expectation that the society has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the financial statements. The Society extended the original five year contract by taking up the option granted by Suffolk County Council to extend by five years to 31st July 2022. The value of the contract as stated at 01 April 2018 is sufficient to cover the costs incurred by the society in fulfilling the contract. The Society has a healthy bank account and surplus funds to carry forward.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Society; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting policies (continued)

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Society anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The Society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Taxation

The Society is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Society is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting policies (continued)

1.13 Pensions

The society operates two pension schemes for the benefit of its employees.

A number of employees are members of the Local Government Pension Scheme ("LGPS"), the Suffolk Pension Fund. This is a multi-employer defined benefit scheme funded by contributions from employee and employer. The draft results of the 31 March 2016 valuation indicate that scheme liabilities attributable to the Society were funded by assets at a level of 131%. Employer contributions for the three years to 31 March 2020 were proposed at a multiple of salary that is projected to amount to £235,262 in 2018/19.

Should the provider of library services change then either the new provider or Suffolk County Council will inherit those liabilities in respect of the LGPS, as determined by an actuary. The Society is therefore unable to reliably estimate future liabilities in respect of the LGPS and the scheme is accounted for as if it were a defined contribution scheme, with the pension charge representing the amounts payable by the Society to the fund in respect of the year.

Other employees have the option to join the group stakeholder pension scheme operated by Aviva plc. This is a defined contribution scheme. Employees joining this scheme contract directly with the insurance company. The pension charge included within the financial statements represents the amounts payable by the society to the funds in respect of the year.

Pension costs are allocated between activities and funds based on the employees that the costs relate to.

1.14 Assets

Suffolk County Council has an obligation to provide a library service to the people of Suffolk. Under the terms of the contract the society has the right to use the necessary assets, including the lending stock and relevant software and licences.

Fixed assets, such as fixtures and fittings and properties are utilised under the terms of the contract with Suffolk County Council.

The Society does not legally own any of the assets, have any rights or obligations over the assets or receive any monetary benefit directly from their use. These assets are therefore not included within the financial statements of the society.

On termination of the contract Suffolk Libraries IPS Ltd are obliged to hand back all assets for the consideration of £1 which are required to run the service to the same standard as prior to termination of the contract, this includes assets which have been donated or purchased out of donations. Assets surplus to this requirement will be retained by the IPS.

It is the policy of the IPS that assets purchased to maintain the running of the service at the current standard are taken as costs during the year they are purchased.

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting policies (continued)

1.15 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Society makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Accruals

The directors make judgements when calculating accruals, for expenditure when amounts are estimated. The directors base their estimation on the information in hand at the year end.

Provisions

The directors make judgements when determining provisions. The estimations are made based on the detailed projections that are produced based on the expected future expense.

2. Income from donations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Group Contributions Cash Donations	-	66,871	66,871	101,882
Group Contributions Services	-	3,512	3,512	894
Fundraising by staff	6,080	-	6,080	9,054
Donations	3,781	20,675	24,456	20,389
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	9,861	91,058	100,919	132,219
	<hr/>	<hr/>	<hr/>	
<i>Total 2017</i>	29,443	102,776	132,219	
	<hr/>	<hr/>	<hr/>	

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

3. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	6,279	-	6,279	7,819
<i>Total 2017</i>	7,819	-	7,819	

4. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Libraries service contract income	4,984,548	-	4,984,548	5,153,838
Contract stock budget income	-	988,242	988,242	988,242
Grants received	-	153,327	153,327	99,316
LBaRT, Cafe, Libraries and Stock unit	348,696	1,295	349,991	386,328
Professional Services	353,777	200,495	554,272	499,878
Collection fees	220,261	101	220,362	208,760
	5,907,282	1,343,460	7,250,742	7,336,362
<i>Total 2017</i>	6,161,934	1,174,428	7,336,362	

The LBaRT services ceased operation as at 31 March 2018. Total income from LBaRT services was £152,566 (2017 - £227,556).

5. LBaRT, Cafe, Libraries and Stock Unit analysis

	2018 £	2017 £
LBaRT	770	8,136
Lowestoft cafe	4,288	1,430
Stock unit	1,295	1,054
Libraries	212,000	246,378
Room and equipment hire	123,757	101,912
Central office	7,881	27,418
Total	349,991	386,328

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

6. Professional services analysis

	2018 £	2017 £
LBaRT	151,796	219,420
Prisons library service	161,142	165,837
Mental health project	200,495	70,333
Transition project	34,516	8,390
Professional services - central	3,350	27,228
Professional services - library	2,973	8,670
Total	<u>554,272</u>	<u>499,878</u>

7. Collection fees analysis

	2018 £	2017 £
Library hire overdues	78,700	78,052
Library reservations	4,967	6,520
Library sale/hire of audio/visuals	50,347	58,052
Library sale of books/publications	69,388	53,829
Library other fees and charges	16,960	12,307
Total	<u>220,362</u>	<u>208,760</u>

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

8. Analysis of expenditure on charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Library	3,953,639	1,149,225	5,102,864	5,391,662
LBarT	205,582	-	205,582	249,713
Let's Talk	-	24,990	24,990	-
Prisons library services	170,004	-	170,004	173,048
Mental health project	-	168,957	168,957	52,919
Support costs	1,412,030	-	1,412,030	1,558,653
Transition	34,516	-	34,516	-
	<u>5,775,771</u>	<u>1,343,172</u>	<u>7,118,943</u>	<u>7,425,995</u>
<i>Total 2017</i>	<u>6,138,419</u>	<u>1,287,576</u>	<u>7,425,995</u>	

The LBarT services ceased operation as at 31 March 2018.

Governance expenditure of £24,365 (2017 - £23,375) was incurred during the year. Total expenditure in the financial statements is £7,143,308 (2017 - £7,410,483).

9. Total Resources Expended

	Staff Costs £	Stock £	Premises £	Other £	2018 £	2017 £
Library	2,976,939	947,385	739,238	439,302	5,102,864	5,391,662
LBarT	169,050	7,636	22,440	6,456	205,582	249,713
Let's Talk	8,035	1,939	-	15,016	24,990	-
Prisons Library Service	145,280	24,153	-	571	170,004	173,048
Mental Health Project	150,647	-	-	18,310	168,957	52,919
Allocated Support Costs	1,089,265	1,800	3,257	317,708	1,412,030	1,558,653
Transition	24,430	135	-	9,951	34,516	-
Governance expenses	-	-	-	24,365	24,365	23,375
Total	<u>4,563,646</u>	<u>983,048</u>	<u>764,935</u>	<u>831,679</u>	<u>7,143,308</u>	<u>7,449,370</u>

Staff costs includes £4,464,225 as analysed in note 14 and £99,421 of staff expenses.

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

10. Analysis of resources expended by expenditure type

	Direct £	Support £	Governance £	2018 £	2017 £
Library	5,102,864	1,262,574	21,786	6,387,224	6,845,431
LBarT	205,582	50,866	878	257,326	317,044
Let's Talk	24,990	6,183	107	31,280	-
Prisons library service	170,004	42,063	726	212,793	219,707
Mental health project	168,957	41,804	721	211,482	67,188
Transition	34,516	8,540	147	43,203	-
Total	5,706,913	1,412,030	24,365	7,143,308	7,449,370

11. Support costs

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Wages and salaries	1,042,812	-	1,042,812	1,174,380
Property costs	(1,970)	-	(1,970)	8,818
Insurance	32,450	-	32,450	19,908
Travel and subsistence	33,752	-	33,752	25,655
Bank interest and charges	5,272	-	5,272	7,414
IT, HR and accountancy	254,170	-	254,170	298,179
Consultancy fees	4,444	-	4,444	11,655
Stock	1,800	-	1,800	123
Other	17,944	-	17,944	5,868
Supplies, Printing and telephone	21,356	-	21,356	6,653
Total	1,412,030	-	1,412,030	1,558,653

12. Governance costs

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Accountancy fees	8,745	-	8,745	6,000
Legal fees	6,992	-	6,992	9,421
Board expenses	8,628	-	8,628	7,954
Total	24,365	-	24,365	23,375

SUFFOLK'S LIBRARIES IPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

13. Net income/(expenditure)

This is stated after charging:

	2018	<i>2017</i>
	£	£
Auditors' remuneration - audit	6,695	<i>6,500</i>
Auditors' remuneration - non-audit	1,050	<i>1,000</i>
Operating lease rentals	156,421	<i>150,776</i>
	=====	=====

During the year, 2 (2017 - 1) Board members received remuneration (including employers' NI and pension contributions) of £81,830 (2017 - £83,298).

During the year no Board members received any benefits in kind (2017 - £NIL).

During the year 6 (2017 - 7) Board members received reimbursement of expenses amounting to £4,298 (2017 - £6,808).

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

14. Staff costs

Staff costs were as follows:

	2018	<i>2017</i>
	£	£
Wages and salaries	3,936,567	4,006,866
Social security costs	195,831	202,470
Other pension costs	331,827	545,391
	<u>4,464,225</u>	<u>4,754,727</u>

During the year a total of £208,181 (2017 - £44,905) was paid in redundancy and termination payments as part of the ongoing restructuring of the Society, following a full review of services within the larger libraries. Of this amount, £106,138 is included in staff costs for 2018 and £102,043 was included in the 2017 accounts in a provision for reorganisation costs.

The average number of persons employed by the Society during the year was as follows:

	2018	<i>2017</i>
	No.	No.
Frontline staff	339	362
Administration and support	10	7
Management	12	12
	<u>361</u>	<u>381</u>

The number of higher paid employees was:

	2018	<i>2017</i>
	No.	No.
In the band £60,001 - £70,000	1	0
In the band £80,001 - £90,000	0	1

Aggregate Key Management Personnel remuneration (including employer pension contributions) was £356,478 (2017 - 363,235).

During the year retirement benefits were accruing to 2 Board members (2017 - 1) in respect of defined contribution pension schemes.

15. Acting as agent

During the period the society collected fees on behalf of, and paid over to, Suffolk County Council totalling £217,408 (2017 - £208,737). This is not included within the Statement of Financial Activities.

The society received £217,408 (2017 - £208,737) as collection fees for undertaking this process.

During the period the society received Section 106 money from Suffolk County Council totalling £66,815 (2017 - £88,756). The society uses this money on behalf of Suffolk County Council to enhance the libraries. This is not included within the Statement of Financial Activities, and the unspent year end balance of £2,235 (2017 - £5,363) is held within other creditors.

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

16. Share Capital

Organisation name	Date of acceptance
Friends of Glemsford Library	19/12/2012
Friends of Thurston Library	24/01/2013
Wickham Market Partnership	26/02/2013
Needham Market Town Council	26/02/2013
The Friends of Long Melford Library	26/02/2013
Leiston Cum Sizewell Town Council	26/02/2013
Bungay Community Library	15/04/2013
Sudbury Town Council	26/03/2013
The Aldeburgh Library Foundation	26/03/2013
Friends of Mildenhall Library	26/03/2013
Friends of Southwold Library	15/04/2013
Friends of Ipswich County Library	15/04/2013
Friends of Lowestoft Library	15/04/2013
Friends of Brandon Library	02/05/2013
Stradbroke Courthouse & Library Trust CIO	29/05/2013
Friends of Ixworth Library (FOIL)	29/05/2013
Friends of Library in Kessingland (FOLK)	29/05/2013
Saxmundham Library Friends	29/05/2013
Friends of Woodbridge Library (FOWL)	29/05/2013
Debenham Library Foundation	29/05/2013
Framlingham Town Council	08/07/2013
Voices for Gainsborough Community Library	08/07/2013
Friends of Oulton Broad Library	08/07/2013
Friends of Stowmarket Library	08/07/2013
Friends of Haverhill Library	08/07/2013
The Friends of Lavenham Library	15/07/2013
The Kesgrave Community Library	21/08/2013
Elmswell Library Friends	21/08/2013
The Friends of Halesworth County Library	21/08/2013
Friends of Newmarket Library	21/08/2013
Friends of Lakenheath Library	21/08/2013
Felixstowe Town Council	21/08/2013
Beccles Library Community Trust	21/08/2013
Eye Library Friends	21/08/2013
Hadleigh Library Friends Group	21/08/2013
Broomhill Library Friends	21/08/2013
Kedington Library Friends	28/11/2013
The Friends of Capel St. Mary Library	30/01/2014
The Friends of Stoke Library	20/03/2014
The Friends of Clare	20/03/2014
Rosehill Library Friends	20/03/2014
Friends of Chantry Library	29/05/2014
The Friends of Great Cornard Community Library	31/07/2014
Friends of Bury Library	31/07/2014

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

Each group has a £1.00 share, with the share-holders fund being £44.

Individual members of the society must support its objects and complete an application for no more than one share.

The shares of the society are of the nominal value of £1 and are issued to members on admission. They are not transferable, except in the case of an unincorporated organisation or partnership members (and then only in the case of a change of nominee(s) and only to the new nominee(s)). They are not available for withdrawal, carry no rights to interest, dividend or bonus, and are forfeited on cancellation or cessation of membership for whatever reason.

At the year end the society had 44 members (2017: 44 members).

17. Debtors

	2018	2017
	£	£
Trade debtors	1,973,752	300,989
Other debtors	35,208	14,833
Prepayments and accrued income	178,278	177,776
	<u>2,187,238</u>	<u>493,598</u>

18. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	237,886	209,210
Other taxation and social security	304,250	283,943
Other creditors	2,235	5,363
Accruals and deferred income	1,816,481	1,893,995
	<u>2,360,852</u>	<u>2,392,511</u>

Deferred income

Deferred income at 1 April 2017	1,561,400
Resources deferred during the year	1,563,473
Amounts released from previous years	(1,546,344)
	<u>1,578,529</u>

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

19. Financial instruments

	2018	<i>2017</i>
	£	£
Financial assets measured at amortised cost	2,784,928	<i>2,704,500</i>
Financial liabilities measured at amortised cost	467,135	<i>541,805</i>

Financial assets measured at amortised cost comprise trade and other debtors and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

20. Provisions

	Provisions
	£
At 1 April 2017	102,043
Amounts used	(102,043)
At 31 March 2018	-

Provisions

The provision represented the estimated costs of restructuring as at 31 April 2017. The restructuring took place in 2017/18.

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2017 £	Income £	Expenditure £	Balance at 31 March 2018 £
Unrestricted funds				
General funding	309,713	5,923,422	(5,800,136)	432,999
Share capital	44	-	-	44
	<u>309,757</u>	<u>5,923,422</u>	<u>(5,800,136)</u>	<u>433,043</u>
Restricted funds				
Stock Fund	15,830	990,086	(953,551)	52,365
Arts Council	10,685	13,473	(24,158)	-
Friends Group	-	70,383	(70,383)	-
Mental Health Fund	17,415	200,495	(168,957)	48,953
Lets Talk	26,943	35,385	(24,990)	37,338
SL Reserves Rosehill	-	63,158	(63,048)	110
Local Libraries Rushmere	-	13,736	(854)	12,882
Suffolk Libraries Extra	-	4,978	(1,968)	3,010
Freddys Fund	-	2,500	-	2,500
Other Restricted Funds	7,092	40,324	(35,263)	12,153
	<u>77,965</u>	<u>1,434,518</u>	<u>(1,343,172)</u>	<u>169,311</u>
Total of funds	<u><u>387,722</u></u>	<u><u>7,357,940</u></u>	<u><u>(7,143,308)</u></u>	<u><u>602,354</u></u>

Purpose of unrestricted funds

General funding - Funds available for the requirements of Suffolk Libraries IPS Ltd to fund continuing operations.

Purpose of restricted funds

Stock Fund - To purchase books, audio books, CDs, DVDs, periodicals, online subscriptions, and E-readers for use within the libraries of Suffolk.

Arts Council Fund - The purpose of the funding was to enable 8 libraries to host digital screenings of high quality theatre productions.

Friends Groups - To support individual libraries to enhance their community.

Mental Health Fund (Well Being Grant) - To facilitate and promote access to Mental Health services within Suffolk.

Let's Talk - To encourage reading by children.

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

21. Statement of funds (continued)

SL Reserves Rosehill - SCC hold a capital expenditure reserve account for SL to make applications to in order to fund improvements in the library buildings or to enhance the library service which would not be possible otherwise. During the year 2017/18 an application was made to build an extension to Rosehill library and to install a public toilet. This project was also part funded by the Children and Young Persons section of SCC as Rosehill Library is also used to run Children Centre activities and the improvements in the library have benefited the library users and the Children Centre users.

Local Libraries Rushmere - Funding by Ipswich Borough Council and Locality funding to enable a temporary library to be run at Rushmere for a period of 2 years.

Suffolk Libraries Extra - a supporter scheme offering individuals and local businesses the chance to make an annual donation to get more involved and enhance the service Suffolk Libraries provides.

Freddys Fund - A donation to Suffolk Libraries to enable individual projects within libraries to assist reader or literacy development.

Other - Small grants expended during the year.

Statement of funds - prior year

	<i>Balance at 1 April 2016</i>	<i>Income</i>	<i>Expenditure</i>	<i>Balance at 31 March 2017</i>
	£	£	£	£
General funds				
General funding	272,311	6,199,196	(6,161,794)	309,713
Share capital	44	-	-	44
	<u>272,355</u>	<u>6,199,196</u>	<u>(6,161,794)</u>	<u>309,757</u>
Restricted funds				
Stock Fund	23,567	989,295	(997,032)	15,830
Arts Council	19,597	4,740	(13,652)	10,685
Friends Group	808	102,776	(103,584)	-
Mental Health Fund	-	70,333	(52,918)	17,415
Literacy	9,184	-	(9,184)	-
Lets Talk	16,655	26,500	(16,212)	26,943
SCC Section 106	70	-	(70)	-
Making the most of wifi	5,956	800	(6,756)	-
Debenham transition	12,500	30,366	(42,866)	-
Gainsborough youth project	-	10,623	(10,623)	-
Transition fund	-	15,484	(15,484)	-
Other Restricted funds	-	26,287	(19,195)	7,092
	<u>88,337</u>	<u>1,277,204</u>	<u>(1,287,576)</u>	<u>77,965</u>
Total of funds	<u><u>360,692</u></u>	<u><u>7,476,400</u></u>	<u><u>(7,449,370)</u></u>	<u><u>387,722</u></u>

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

Summary of funds - current year

	Balance at 1 April 2017 £	Income £	Expenditure £	Balance at 31 March 2018 £
General funds	309,757	5,923,422	(5,800,136)	433,043
Restricted funds	77,965	1,434,518	(1,343,172)	169,311
	<u>387,722</u>	<u>7,357,940</u>	<u>(7,143,308)</u>	<u>602,354</u>

Summary of funds - prior year

	<i>Balance at 1 April 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2017 £</i>
General funds	272,355	6,199,196	(6,161,794)	309,757
Restricted funds	88,337	1,277,204	(1,287,576)	77,965
	<u>360,692</u>	<u>7,476,400</u>	<u>(7,449,370)</u>	<u>387,722</u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Current assets	2,754,322	208,884	2,963,206
Creditors due within one year	(2,321,252)	(39,600)	(2,360,852)
	<u>433,043</u>	<u>169,311</u>	<u>602,354</u>

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Total funds 2017 £</i>
Current assets	2,798,948	83,328	2,882,276
Creditors due within one year	(2,387,148)	(5,363)	(2,392,511)
Provisions for liabilities and charges	(102,043)	-	(102,043)
	<u>309,757</u>	<u>77,965</u>	<u>387,722</u>

23. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	214,632	27,030
Adjustment for:		
Increase in debtors	(1,693,640)	(186,872)
(Decrease)/increase in creditors	(31,659)	82,044
Increase/(decrease) in provisions	(102,043)	102,043
Net cash (used in)/provided by operating activities	(1,612,710)	24,245

24. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	775,968	2,388,678
Total	775,968	2,388,678

SUFFOLK'S LIBRARIES IPS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

25. Contingent liabilities

Certain of the society's employees are members of the Local Government Pension Scheme (LGPS). This is a funded, multi-employer defined-benefit scheme, with assets held in separate trustee-administered funds. The society made contributions of £293,944 (2017 - £545,391) during the year in respect of these employees. The society considers itself liable only for the contributions accrued for such employees during the term of the contract with Suffolk County Council, and as such they have been accounted for as an expense in the statement of financial activities in line with the accounting policy of the society. This is consistent with the treatment of a defined contribution scheme.

The terms of the contract with Suffolk County Council for the provision of library services state that, should the provider of the library service change, then either the new provider or Suffolk County Council will inherit the historic liabilities relating to LGPS at that time, at an amount to be determined by the terms of the contract and an independent actuary. As a result, the society is unable to reliably estimate the liability (if any) at the period end that relates solely to itself, as both its timing and amount is contingent on future events.

26. Operating lease commitments

At 31 March 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
Amounts payable:		
Within 1 year	49,076	94,401
Between 1 and 5 years	127,907	94,889
After more than 5 years	185,464	199,136
Total	362,447	388,426