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Healthy People | Healthy Economy | Healthy Environment | Healthy Organisation

Update on the School Library Service (SLS)

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1. Synopsis

This report outlines a proposal for the future of the Shropshire Schools Library Service, making a recommendation for Cabinet to consider. Provision of a School Library Service is not a statutory duty that the Council must provide, rather schools have an expectation to provide library resources as part of their curriculum offer. In September 2025, the DfE announced a government commitment to fund libraries in all state primary schools in England by the end of this parliament.

Given the financial emergency declared by Shropshire Council in September 2025, all options to reduce costs and expenditure on non-statutory services, particularly where they are making a financial loss, must be explored.

2. Executive Summary

2.1. On 10th September 2025, Cabinet declared a financial emergency. The Schools Library Service ("SLS") has been operating at a trading loss since 2022/23. The deficit has been increasing each year since that time and is forecast to end the 2025/26 financial year on a deficit of £79-90k. Due to the financial position faced by Shropshire Council, there are no further Council reserves available to underwrite future losses for non-statutory traded services.

2.2. Buy-in from schools for 2024/25 was significantly lower than in previous years: this was impacted by the uncertainty created by the limited term offer (the usual annual subscription of three terms was reduced to two, with no indication of provision being offered beyond December 2024) whilst the future of the service was considered by the Cabinet of the previous administration. Compared to 2023/24, SLS lost 47% of its LA maintained subscribers, 39% of academy subscribers and approximately 53% of out-of-county subscribers.

2.3. The presentation – and subsequent acceptance – of a Cabinet paper in September 2024 (included as Appendix A) resulted in operational changes to Shropshire SLS. The changes included relocation to a more affordable site, management of stock, and a reduction in the costs of several overheads, specifically transport. Overhead costs were reduced by at least 50%.

2.4. The agreed actions were implemented by the then Assistant Director for Education and Achievement. This included the exploration of appropriate grant funding opportunities (as detailed in 2.6). School buy-in has been closely monitored to inform whether it is sufficient to enable the SLS to be cost-neutral from 25/26 onwards.

2.5. A revised tariff was offered to schools that allowed them to buy into the service based on affordability and need. The tariff (as seen in Appendix C) allowed schools to loan a range of items on a termly basis rather than commit to a costly annual subscription. The requirement to move from the Shirehall site also meant that stock had to be reduced significantly and this also influenced the nature of the new offer to schools. The revised pricing structure avoided the cost of service level agreements being increased by 40%. Schools had indicated that level of price rise (up to 40%) would be unaffordable and the revised 'pay as you go' scheme would allow schools flexibility according to their budget position. This was also more manageable in view of a stock reduction. The DfE have also launched a pilot programme to trial assistive technology in schools, including 'lending libraries' of devices like reading pens and dictation tools to support SEND students. SLS was ideally placed to assist with this, which would result in additional income of £58k.

2.6. The revised tariff was launched in January 2025 with a lead-in time of two months to allow schools to place orders using the new online system. Although several schools that had not engaged with SLS for two or more years started to buy-in, there was a further decrease in orders being placed. Across Shropshire, there are only 13 schools that consistently use the service out of 152 state funded schools.

2.7. In the past two terms, the service has received several requests for book banding (a national scheme using colour-coded levels to grade children's reading books by difficulty) and/or training school librarians, indicating these schools already have library stock on-site. Discussions with headteachers indicate some schools have also now established their own on-site library, which is in line with current DfE expectations.

2.8. Despite a more flexible offer to schools, the service has not recovered the levels of school engagement pre-2024 when a potential closure was announced.

2.9. Considering the DfE's announcement and the uncertainty of future buy in, the following actions are proposed:

Cease trading SLS under Council control

It is proposed that, following Cabinet approval, the Director of Children's Services starts a period of engagement with external agencies to ascertain the viability of the service being maintained by a Multi-Academy Trust, Federation or other third-party organisation (for example, town or parish councils), in order to keep the resource in the county. This would enable interested organisations the opportunity to explore the possibility of assuming operation of the service. It should be noted that if there was no interest by Multi-Academy Trusts, Federations or other third-party organisations to run the service, the SLS would cease trading and close. In this event, the statutory 45-day consultation period with the 4 members of staff would commence.

Given the DfE announcements made in September 2025, schools will be required – and centrally funded by Government – to establish an onsite library. If no external stakeholder expresses an interest in maintaining the service, current SLS stock could be utilised to support this, offering schools in Shropshire the opportunity to build their library – free of charge – from existing stock in the service with resources allocated equitably across the county.

Associated costs:
The costs of transferring to a third-party organisation are to be determined through appropriate processes (e.g. TUPE)
In the event that the service ceases trading, total costs:
£102,102.06 (inc. Pension strain)

Implications:
- Potential loss of staff expertise and traded service if no third-party organisation identified
- Children and young people benefit from free resources to help establish an on-site library
- Risks to SEND/Assistive Technology programme if no suitable delivery alternative is found
- Some further costs associated with estates expenditure to remove items from site will be incurred.

In conclusion, the continued uncertainty of traded income means that the service is likely to end future financial years in a deficit position: the Council has insufficient reserves to cover a non-statutory service. This proposal allows wider engagement with third party groups to explore interest in retaining the service to ascertain the viability of maintaining school library resources for the county.

3. Recommendations

That Cabinet:

3.1 Approve the proposal to cease the operation by the Council of the Schools Library Service but before closing the Service altogether, delegate to the Director of Children's Services, in consultation with the Portfolio Holder for Children and Education, the implementation of an engagement process to ascertain the viability of the service being maintained by a Multi-Academy Trust, Federation, town or parish council, or other third-party organisation. Should that engagement be unsuccessful in identifying a viable interest in operating the Service, it will be closed

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4. Risk Assessment and Opportunities Appraisal

4.1. The SLS has been in a constant state of flux for three years now. The impact on staff should be carefully considered.

4.2. Recent DfE announcements have indicated the direction of travel for Government policy: the risk is that these intentions are not realised which may result in children across Shropshire having limited access to valuable stock.

4.3. An Equality, Social Inclusion and Health Impact Assessment (ESHIA) has been carried out and is attached as appendix to this report, along with the initial ESHIA carried out in September 2024. The recommendation ensures that children and young people in Shropshire continue to have access to valuable resources that benefit them, their role in society and their understanding of the wider community. Retaining the SLS under a third-party organisation means that schools will still have access to buy-in resources.

4.4. Potential closure also ensures that schools have access to keep resources to assist in kickstarting their on-site libraries wherever these may be across our rural county, ensuring that children have access to resources in familiar surroundings. This is particularly important for SEND children including neurodivergent children, and those with additional learning needs, for whom familiar surroundings are important in aiding their learning, reducing the academic attainment gap with their peers, and supporting their inclusion in mainstream education. Locally accessible resources are also of importance for children learning about diversity and gaining greater awareness and understanding of themselves and of others in regard to gender reassignment, to race, to religion or belief, and to sexual orientation.

4.5. Overall, therefore, the likely equality impact has potential to be low to medium positive for those in the Protected Characteristic groupings of Age and Disability, with potential to be medium positive in impact; and to be low to medium positive in regard to the other groupings given intersectionality between these and the main grouping of consideration, ie Age.

4.6 From a health and wellbeing perspective, exploring the potential of moving the service to a third-party organisation would ensure resources which help children understand wellbeing and how to live healthy lives could be kept for continued use in schools across the county. Overall, the focus needs to remain upon children and therefore to Age and to Disability as the principal Protected Characteristic groupings, with regard to intersectionality between these and to other Protected Characteristics groupings to which children may consider that they belong. This will be of benefit to their mental well being and to their social, emotional and mental health (SEMH) needs, provided that resources are available to them in familiar surroundings of their own schools, and that access is ensured to assistive technology resources as well. This access will need to be kept under review whichever option proceeds.

4.7 Key risks are outlined below.

Risk	*Mitigation*
Reputational damage, breakdown of relationship with key stakeholders	- Consultation with key stakeholders to ascertain viability of service being transferred to an external organisation - If no external organisation is found, align messaging to DfE announcements highlighting that SLS stock will be given to schools equitably, free-of-charge to facilitate DfE's intentions, as well as continue to support promotion of reading and literacy among children.
Impact on health and wellbeing of staff	- HR to co-ordinate consultation periods carefully and professionally, ensuring engagement with members of staff off sick or on maternity leave - All potential redeployment opportunities to be explored - Appropriate support from other directorates to be established to assist with any estates matters
Inability to deliver Assistive Technology project	Explore possibility of moving income to other services to support with delivery and promote inclusion of children with SEND in mainstream settings
Reputational damage through loss of expertise which impacts on schools	Explore possibility of retaining some expertise to assist with book banding and/or school librarian training on a casual basis as and when required.
Negative impact on children and young people as a result of loss of resources	Both potential options (transfer of service or distribution of resources) enable children and young people to retain access to resources in an environment already familiar to them.

5. Financial Implications

5.1. Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):

- scaling down initiatives,
- changing the scope of activities,
- delaying implementation of agreed plans, or
- extending delivery timescales.

5.2. One-off exit costs relating to the recommendation total £102,102.06. Ongoing revenue costs are in the region of £192,000; this reflects savings that have already been made to certain areas of expenditure (for example, premises hire, van lease).

6. Climate Change Appraisal

6.1. The recommendation would provide positive impact as the carbon footprint would be significantly reduced. Should the service be retained by another organisation, the carbon footprint could still be reduced through consideration of fuel emissions and energy usage. Closure of the service would remove fuel consumption entirely. Useful climate change resources would still be offered to schools to assist in establishing on-site libraries.

7. Background

7.1. Cabinet approved previous recommendations presented in a paper in September 2024. This resulted in operational cost savings being made and a new tariff being offered to schools. The paper also suggested further action could be taken to restructure to result in staff cost savings.

7.2. The new tariff allowed schools to buy-in flexibly, but this has increased uncertainty around the ability of the service to break even.

7.3. The potential of outsourcing the service was also presented in that paper.

8. Additional Information

8.1. In September 2025, the Department for Education announced that it will be mandatory for all state schools to have an on-site library, also indicating £10 million of funding to support this. (Further details: **New youth guarantee for eligible young people and funding for libraries in all primary schools - GOV.UK**)

9. Conclusions

9.1. The Schools Library Service has operated at a loss for several years. Whilst the offer has been tailored to help ease pressures on school budgets, schools have not bought into the service at the same levels enjoyed in 2022. The DfE have made a commitment to ensuring each state primary school has its own on-site library and this indicates that buy-in levels for SLS will continue to decrease thus placing further financial pressure on Council budgets. The recommendation made ensures that a valuable set of resources for children in Shropshire can still be retained for their benefit.

Appendices

Appendix A – Cabinet Paper September 2024

Appendix B – ESHIA September 2024

Appendix C – Revised SLS tariff

Appendix D – ESHIA December 2025