

Somerset Council

Full Council  
24 May 2023



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## **Redundancy Arising from Cancellation of Libraries West Contract**

Executive Member(s): Cllr Bill Revans

Local Member(s) and Division: Not applicable

Lead Officer: Chris Hall, Executive Director, Community Services

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### **1. Summary**

**1.1.** The purpose of this report is to present details of a proposed dismissal on account of redundancy in relation to the cancellation of a service provided by the LibrariesWest Consortium. Appendix A presents the cost of the redundancy to the Council. All payments are in accordance with statutory and contractual obligations.

### **1.2. LibrariesWest Consortium**

In its role as lead authority for the LibrariesWest Consortium, Somerset Council provides multiple library support services which are purchased by the member authorities on a full cost recovery basis as detailed in the LibrariesWest Consortium Agreement. One of the support services offered is a telephone enquiry service for library customers. The LibrariesWest Information Librarian is a unique role, employed by Somerset Council to deliver this service to the two sole remaining purchasing authorities - South Gloucestershire and North Somerset councils.

The two purchasing Authorities gave notice in summer 2022 that they wished to cease purchasing the Enquiry Service and there is no longer any requirement for the information librarian role, as the postholder was employed solely to provide a service to the purchasing Authorities.

The two purchasing Authorities have advised that they intend to provide the service in a different way, by encouraging customers to ring library service points in their localities.

As a consequence of this, the post of LibrariesWest Information Librarian will be deleted from the structure and one postholder to be made redundant.

The Business Case for the proposal is shown in Appendix Two.

- 1.3.** Attempts to renegotiate with the purchasing authorities to reduce hours were unsuccessful. Previous attempts to find additional purchasers of the service have also proved unsuccessful.

In the absence of funding from the two purchasing authorities and no requirement/demand from other potential purchasers to buy into and thus fund the service, we intend to cease the service and consult with the postholder, asking them to consider redeployment through the Resource Pool or the possibility of redundancy.

Somerset County Council's agreed redundancy procedure has been followed for this process, noting that this has taken place before and subsequent to the establishment of Somerset Council. The process has been as follows:

30th January 2023	Business case sent to trade unions.
14th February 2023	Met with postholder, at risk letter issued. Commenced 45-day consultation period.
30th March 2023	Consultation period closed.
April 2023	Confirm outcome.

- 1.4.** There is a requirement for Full Council to approve any financial settlement more than £100,000, as required under s40 of the Localism Act, 2011 and the Council's Constitution.
- 1.5.** Partner organisations have agreed that they will pay for the statutory and contractual redundancy cost of £12,322.
- 1.6.** There is a cost to the Local Government Pension Scheme if an individual is aged 55 or over at the point of redundancy (known as the 'pension strain', a payment made to the pension scheme and not to the individual). Somerset Council will need to pay the pension strain cost of £95,500.
- 1.7.** The member of staff started service with Somerset County Council in December 1990.
- 1.8.** The total cost of the redundancy is £107,868. This includes the following considerations:
- Statutory Redundancy Pay.

- Contractual Redundancy Pay.
- Cost to the Local Government Pension Scheme

As per paragraphs 1.5 and 1.6, the partner organisations will pay the statutory and contractual redundancy costs, Somerset Council is liable to pay the additional cost to the pension scheme.

- 1.9.** There is a requirement for Full Council to approve any financial settlement more than £100,000, as required under s40 of the Localism Act, 2011 and the Council's Constitution. This is irrespective of whether the payment is statutory, contractual or enhanced/discretionary.

The cost of the redundancy represents contractual and statutory obligations; no element of the package has been enhanced.

## **2. Recommendations**

Full Council is asked to:

- 2.1.** Approve the costs of the redundancy, as set out in Appendix One.
- 2.2.** Delegate authority to the Chief Executive to agree the final date of dismissal and the final redundancy package, noting that the settlement will not exceed contractual redundancy pay or the payment required under statute to the Local Government Pension Scheme.
- 2.3.** Delegate authority to the Service Director to conclude discussions on the contribution from partner organisations towards redundancy costs.

## **3. Summary of the redundancy process and considerations**

- 3.1.** Full consideration has been given to policy, governance and employment law considerations relating to the redundancy process
- 3.2.** An employee who is made redundant:
  - Must be given notice of the termination of their employment and must be paid for their notice period.
  - Must be paid a redundancy payment in line with statutory entitlement and any contractual entitlement.
  - Must be paid any accrued holiday pay due to them as at the termination date; and:

- If they are age 55 or over, their LGPS pension becomes payable, and the Council is required to pay any pension strain so that the employee takes the pension free of any actuarial reduction.

#### **4. Background papers**

Appendix One: Redundancy Costs

Appendix Two: Restructure Business Case

## Appendix One – Redundancy Costs

8 ESTIMATED GROSS SAVING ON-GOING (Please refer to SectionH4, Appendix 9, HR Handbook)					
a)	Savings:	salary			£ 23,365.00
		on-costs			£ 5,070.00
		other (please specify on an attached sheet)			£
		Total			£ 28,435.00
b)	Less costs:	re-gradings (inc. on-costs)			£
		additional posts/increased hours (inc on-costs)			£
c)	Total Net On-going Savings				28,435.00
d)	One-off costs:	re-training			£
		recruitment			£
9 COST TO THE DIRECTORATE (Please attach a copy of the Pensions Estimate)					
a)	Premature Retirement - Actuarial Cost iii (C on Pensions Estimate)				£ 95,545.37
b)	Compensation Payment				£ 0.00
c)	Redundancy Payment				£ 12,322.48
d)	One-off costs netted from savings [see item 8 (d) above]				£ 0.00
e)	<b>TOTAL CAPITAL COST</b>				<b>£ 107,867.85</b>
iii For management purposes prior to finalising approval request, Ready Reckoner can be used to calculate actuarial cost - see Appendix I.					
10 COST/BENEFIT CALCULATION			3 Years		5 Years
a)	Annualised Cost		[9(e) ÷ 2.9] = £ 37,196		[9(e) ÷ 4.8] = £ 22,472
b)	Annual saving [from 8 (c) above]		£ 28,435		£ 28,435
c)	Net annual cost [10 (a) less 10 (b)]		£ 8,761		£ -5,963
[For approval, the net annual cost at 10 (c) should be negative (ie a saving) over 5 years and preferably over 3 years also. Where there are no savings, please set out the reasons to justify approval on an attached sheet.]					

## Appendix Two – Restructure Business Case

### Service Area – Libraries West Service

#### HR BUSINESS CASE FOR PROPOSED RESTRUCTURE/REDUNDANCY

##### 1. Background / Introduction / Current position

This business case relates to The Libraries West Information Service which is one of the lead authority services offered by Somerset Library Service as part of the LibrariesWest Consortium Agreement. It is wholly funded by the purchasing authorities on a full cost recovery basis.

From April 2015 to March 2018, the service was purchased by three (3) local authorities and a member of staff was employed as an information librarian for 37 hours a week. One (1) authority gave notice and ceased to purchase the service from April 2018.

From April 2018, the hours of the information librarian were reduced to 27 hours a week to deliver services to two (2) local authorities. In July 2022 one (1) of the authorities gave notice that they wished to cease purchasing the service. Different options for delivering a reduced service to 1 authority were explored, but proved too costly and the second authority gave notice in August 2022.

The information librarian provides a telephone, SMS and email based information and enquiry service to customers and employees in the purchasing authorities. Enquiries are received, answered and logged. Briefings and awareness training sessions are designed and delivered to staff in the purchasing authorities so that they are able to refer customers with confidence to the enquiry service.

A relief librarian is employed to cover absence as and when required.

##### 2. Reasons for change

The two purchasing Authorities have given notice that they wish to cease purchasing the Service and there is no longer any requirement for the information librarian role, as the postholder was employed solely to provide a service to the purchasing Authorities.

### **3. Proposed changes/New Structure**

1 x LibrariesWest Information Librarian (0.73 FTE) to be removed from structure.

Direct customer enquiries received by telephone, SMS and email will no longer be answered by an information librarian employed by Somerset Libraries.

The two purchasing Authorities have advised that they intend to provide the service in a different way, by encouraging customers to ring library service points in their localities.

Post of Libraries/West Information Librarian to be deleted from the structure and one postholder to be made redundant.

The 3 x grade 11s are all different roles with unique job assignments. The funding structure is also different.

Library Systems and Project Officer is an SCC Libraries post and has no connection with Libraries West.

Libraries West Project Officer - is part of the core Libraries West services which consortium partners must purchase and is funded by all 7 partner authorities, including SCC.

### **4. Consultation**

Business Case sent to recognised Trade union representatives as per the timeline.

Consultation with the 1 affected Information Librarian (0.73 FTE)

Partner Organisations – South Gloucestershire Libraries Head of Service, North Somerset Libraries Head of Service – the Partners proposed the changes to the service provision.

Service Users – purchasing Authorities have indicated that they wish to communicate with customers re the change of service. There is no option to continue with the service in its current format as the funders are withdrawing funding.

## **5. Process to be followed**

Attempts to renegotiate with the purchasing authorities to reduce hours have been unsuccessful. Previous attempts to find additional purchasers of the service have also proved unsuccessful. Where the existing purchasers have chosen to cease purchasing it is difficult to 'sell' the service as an ongoing concern to other potential customers.

We will follow Somerset County Council's agreed redundancy procedure.

In the absence of funding from the two purchasing authorities and no requirement/demand from other potential purchasers to buy into and thus fund the service, we intend to cease the service and consult with the postholder, asking them to consider redeployment through the Resource Pool or the possibility of redundancy.

## **6. Costs of Proposals**

1 x 0.73 FTE to be made redundant, if redeployment is not available.

Purchasing authorities have been reminded that, in the terms of the agreement covering the provision of the LibrariesWest Information Service, they are responsible for 'staffing costs', including redundancy costs. Both authorities have accepted responsibility for a partial share of the redundancy costs, however they have indicated that they may refuse to pay the entirety of the costs, dependent on the value, if they believe these to be unreasonable in their view.

If they were to refuse to pay, the estimated redundancy cost is approx £12,322.

There is also a significant pension cost due to the length of service and age of the employee, which Somerset County Council is responsible for meeting.

## **7. Proposed timescale**

w/c 30 <sup>th</sup> January 2023	Send business case to trade unions for any feedback. A meeting with Unions will be arranged if requested.
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w/c 14 <sup>th</sup> February 2023	Commence 45 calendar days consultation period with employee
14 <sup>th</sup> February 2023	Meet with employee, issue at risk letter, employee join Resource Pool
30 <sup>th</sup> March 2023	Close consultation and consider feedback

Service to cease on 30/6/22 or earlier. Processes must be completed by this date or earlier, as agreed with the purchasing authorities.

**8. Equality Impact Assessment (EIA)**

As 1 person is affected by the change an EIA has not been completed as it would mean that they would be identifiable.