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TO: EMPLOYMENT COMMITTEE
6 JULY 2016

PROPOSED REDUNDANCIES - EDUCATION LIBRARY SERVICE Director, Children, Young People and Learning

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek approval to the redundancy of the postholders identified in Exempt Appendix A which arises from the closure of the Education Library Service.

2 RECOMMENDATIONS

- i) **That the Employment Committee declares the postholders, identified in the Exempt Appendix A, redundant with effect from 31 August 2016 subject to the Executive Member decision referred to in 3.5. Costs will be shared with other authorities in the joint service (see paragraph 5.12).**
- ii) **Delegate to the Director of Children, Young People and Learning in consultation with the Chairman (subject to the Executive Member decision referred to in 3.5), the authority to approve retention of two of three posts identified in Exempt Appendix A to a later date, 31 October 2016, to finalise the stock disposal and other arrangements post closure. (Selection method for the individuals to be retained until October to be agreed by Chief Officer: HR).**

3 REASONS FOR RECOMMENDATION

- 3.1 The Education Library Service is a joint service established by Bracknell Forest, Reading, Slough and West Berkshire Councils and the Royal Borough of Windsor and Maidenhead for which Bracknell Forest Council is the host authority. The service is provided on the basis of full-cost recovery. Funding for the service is almost entirely delegated to schools.
- 3.2 Due primarily to pressures on school budgets, income from sale of services has reduced consistently since 2010. Throughout the period the service has been sustained by in-year savings, primarily achieved by reducing expenditure on staffing and stock. In three of the last five years the service has operated on a deficit budget which has been met by drawing down from reserves built up in previous years.
- 3.3 The future income projections mean that savings of £90k would need to be found in 2016/17 and further savings of between £183k and £214k would be required to achieve a balanced budget in 2017-18
- 3.4 The agreement of the five Local Authorities to closure has been obtained with effect from 31 August 2016.
- 3.5 As a result the formal decision will be made by the Executive Member on 29 June 2016 to close with effect from 31 August 2016.

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4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 As an alternative to the closure of the service a number of alternatives were explored including further discussion on reducing the staffing levels and seeking potential new partners. However the level of staffing reductions that would have been required would have impacted on the viability of the service and there was also a major concern to how many schools would continue to buy into the service given the significant budget pressures facing schools. In this context informal approaches failed to identify any potential partners.
- 4.2 Like the other four authorities, the Council is working with its schools to identify arrangements that can be put in place to support school libraries following the closure of the service.

5 SUPPORTING INFORMATION

- 5.1 The Education Library Service is a joint service which has been hosted and run by Bracknell Forest Council from April 1998 following the abolition of Berkshire County Council. Currently Bracknell Forest, Reading, Slough and West Berkshire Councils and the Royal Borough of Windsor and Maidenhead are the participating council's using the service under a joint agreement. The service is provided on the basis of full-cost recovery. Funding for the service is almost entirely delegated to schools.
- 5.2 Arrangements for the Education Library Service are set out in the Joint Agreement between the Authorities signed in June 2005. The Agreement sets out the treatment of liabilities, including redundancy costs, and assets, including stock.
- 5.3 Due primarily to pressures on school budgets income from sale of services has reduced consistently since 2010. Throughout the period the service has been sustained by in-year savings, primarily achieved by reducing expenditure on staffing and stock. In three of the last five years the service has operated on a deficit budget which has been met by drawing down from reserves built up in previous years.
- 5.4 Initially it had been proposed to undertake a further reorganisation of the service in order to secure its financial viability. A new service offer for primary schools was successfully introduced in April 2015 intended to improve the service offered to schools and reduce delivery costs. This service was well received and there is evidence of increased impact however income has continued to decline.
- 5.5 The feedback from schools has indicated that their reduced spend is as a result of their challenging budgets. Reductions in spending on books and school libraries are a relatively easy saving in response to pressures on school budgets with little obvious short term impact. Such a response has been augmented by an increased reliance on online and electronic resources at the cost of school books and other more traditional resources.
- 5.6 The department considered options for further staffing reductions for the service to deliver a balanced budget in 2016-17. This would require savings of £90k to be found or for Bracknell Forest to underwrite the service, which would not be appropriate given the nature of the joint service hosted by Bracknell Forest. It was also unlikely that the partnering authorities would find additional financial resources to cover the additional costs to cover the service.
- 5.7 Although revised proposals were prepared in the light of the on-going reductions in school spending it became clear that the financial outlook for ELS would be likely to continue to decline due to pressures on school budgets, inflation and other budget pressures.

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- 5.8 The longer term projections indicated that further reductions would be required in 2017-18 and subsequently, at which point the service would no longer have been deliverable.
- 5.9 It was therefore decided in agreement with the five Local Authorities to close from 31 August 2016.
- 5.10 Schools have been consulted on the proposals and a working group representing schools is working with the department to identify arrangements that might be put in place to support school libraries following the closure of the service.
- 5.11 The Director wrote to the other DCS on 28th April to provide a revised estimate of assets and liabilities likely to remain when the service closes and setting out proposals for their apportionment in accordance with the Joint Agreement. Confirmation has subsequently been received from all four authorities of their agreement to these proposals under which 23.5% of these costs will fall on the Council, circa £70K.
- 5.12 Since the decision was made to cease the service, there has been collaborative work with the partner authorities to seek redeployment or, as they are separate employers, new job opportunities. This has been particularly the case with West Berkshire Council and the Royal Borough of Windsor and Maidenhead. Unfortunately, partly due to the fact that neighbouring authorities are also downsizing, this has only been of limited success with one worker being redeployed in Bracknell Forest.
- 5.13 The staff concerned have been fully consulted throughout this process and engaged, where practical, with future delivery options. There has been some uncertainty over a number of years about the future of the service as this joint arrangement is one of fairly few which continues to operate. Most other council led education library services have been closed for some years.
- 5.14 At the time the service closes two employees will need to be continued to be employed to deal with the disposal of stock and other assets between the partner authorities. It is anticipated that this would need to continue until 31 October 2016. The selection process for this will be agreed with the Chief Officer: HR. The costs of continuing to 31 October in each case are given in Exempt Appendix B.
- 5.15 It should be noted that the costs of severance are particularly high in employees reference 4 and 8 on the exempt appendix, with a payback period of 27 and 29 months respectively.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 No specific legal implications arising from the reports recommendations.

Borough Treasurer

- 6.2 The total cost of the redundancies set out in this report exceeds £300k, of which the Council's share is almost £72k. In most circumstances redundancy costs would be met from the Cost of Structural Changes Reserve. However, as the closure of the Education Library Service will not result in any future savings but will avoid future costs falling on the Council it is recommended that the Council's share be met from the Contingency rather than the Cost of Structural Changes Reserve.

Equalities Impact Assessment

- 6.3 Attached.

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Strategic Risk Management Issues

- 6.4 Should the decision to close not have been jointly taken there was a concern that one or more of the participating authorities could opt out of the service and more costs could be left with the remaining partners.

7 CONSULTATION

Principal Groups Consulted

- 7.1 Unions and staff have been consulted in accordance with Council policy and legislative requirements.

Client officers from the participating LA.

Bracknell Forest Headteachers.

Method of Consultation

- 7.2 Written information, group and individual discussions

Representations Received

- 7.3 None at this stage.

Contact for further information

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