

SHEFFIELD CITY COUNCIL

INDIVIDUAL CABINET MEMBER DECISION RECORD

The following decision was taken on 05 December 2016 by the Cabinet Member for Community Services and Libraries.

Date notified to all members: Friday 9 December 2016

The end of the call-in period is 4:00 pm on Thursday 15 December 2016

Unless called-in, the decision can be implemented from Friday 16 December 2016

1. **TITLE**

Cessation of World Metal Index Service and Withdrawal from MI-21 Metals Database Product

2. **DECISION TAKEN**

(i) To cease the operation of the World Metal Index service (WMI);

(ii) to withdraw WMI's involvement in the MI-21 database product;

(iii) to seek to transfer elements of the WMI service to a third party and if possible to maintain access to information for Sheffield based companies and individuals via Sheffield Libraries; and

(iv) to launch an Achieving Change/MER process covering the existing WMI staff dependant on advice from Human Resources and in discussion with Trades Unions and staff.

3. **Reasons For Decision**

WMI is currently operating out of contract with Granta Design Ltd and to continue the service would definitely need to tender for a new supplier/service arrangement. The estimated cost of £20k for this exercise would have to come from the existing library budget. There is also a commercial risk that a new agreement would not maintain the existing level of income, or be capable of generating more.

The service is not currently able to cover its costs or meet its income targets and is in effect being subsidised from the core Library Service's budget.

WMI has faced a potential legal challenge over copyright and on legal advice has removed the externally supplied content from the Mi-21 database. Further legal advice has indicated that for the service to continue agreements would need to be reached with the publishers of a number of sources used. There is a risk that publishers would refuse permission and we have no way of estimating in advance

the possible costs of rectifying this problem.

The Library Service implemented significant reductions in its service provision in 2014. WMI was excluded from those reductions with the aim that it would be able to become self-financing through negotiating a new contract for the Mi-21 database and developing a better business model for WMI services. Unfortunately, for the reasons outlined above this has not been possible, and the scale of the future financial risk is impossible to quantify at this point. With the ongoing need to maintain and develop its core library services to the general public, the Library Service does not have the scope within its existing budget, or resources, to continue to offer a non-cost neutral specialised metals service aimed primarily at private sector companies.

4. Alternatives Considered And Rejected

Discussions were held with Commercial Services as to the possible contract options available, and the most appropriate seemed to be some type of licence based model. However, the key factor was that the service would be required to tender for a new service provider for the database and the estimated costs of £20k would need to be picked up from within the Library Service core budget.

Prior to the copyright issue a survey of existing subscription members was conducted in an attempt to discover what they valued about the service. The survey showed that the service was well regarded by its users. However, WMI staff have consistently indicated that there is not much scope to raise more income by increasing the cost of the subscriptions as many of the companies are relatively small and would be likely to cancel if their subscriptions were increased by significant amounts.

As was mentioned elsewhere third parties have expressed an interest in making a proposal regarding the MI-21 database product. At this point we do not know what form that proposal will take, but we would seek to transfer/preserve as much of the existing service and resource as possible to ensure access to the information for Sheffield based companies.

5. Any Interest Declared or Dispensation Granted

None

6. Respective Director Responsible for Implementation

Executive Director, Communities

7. Relevant Scrutiny Committee If Decision Called In

Economic and Environmental Wellbeing Scrutiny Committee