

<b>Subject:</b>	<b>Fees &amp; Charges 2017/18 – Library Service</b>		
<b>Date of Meeting:</b>	<b>12 January 2017</b>		
<b>Report of:</b>	<b>Executive Director for Neighbourhoods, Communities &amp; Housing</b>		
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<b>Ward(s) affected:</b>	<b>All</b>		

## **FOR GENERAL RELEASE**

### **1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The fees and charges for the Library and Information Services are reviewed annually in line with the Corporate Fees & Charges Policy.
- 1.2 The council's Financial Regulations require that any proposed increases in fees and charges over and above inflation are agreed by the appropriate council committee. They also state that it is good practice to report on fees and charges that are rising by inflation only.
- 1.3 This report presents the review of fees and charges for the Libraries and Information Services and the changes would be implemented from April 2017.
- 1.4 The proposals should be viewed in the context of the very challenging financial position facing the council. A range of the proposals in the report to increase fees and charges above the inflation rate are to increase income and achieve budget savings with increased income targets.

### **2. RECOMMENDATIONS:**

- 2.1 That the committee approves the fees and charges for Libraries and Information Services for 2017/18 in Appendix 1.
- 2.2 That the committee grants delegated authority for officers to negotiate hire fees where commercially necessary outside the approved fees & charges.

Note: If the above recommendations are not agreed, or if the committee wishes to amend the recommendations, then the item will need to be referred to the Policy & Resources Committee meeting on 9<sup>th</sup> February to be dealt with as part of the overall budget. This is because the budget is being developed on the assumption that the fees and charges are agreed as recommended and any failure to agree, or a proposal to agree different fees and charges, will have an

impact on the overall budget, which means it needs to be dealt with by the Policy & Resources Committee as per the requirements of the constitution. This will not stop the committee from making recommendations to Policy & Resources Committee.

### **3. CONTEXT/ BACKGROUND INFORMATION**

3.1 Brighton & Hove Libraries provide unique free to use public spaces and services open and available to all communities of all ages:

- Free to join at any age
- Free to go into and spend time in
- Free loan of books and 'e' books
- Free access to consult books, read newspapers and magazines
- Free access to information
- Free unlimited Wi-Fi use
- Free use of computers for 1 hour each day
- Free story times
- Free class visits
- Free space for community run activities
- Free promotion/outreach to schools and other community partners

3.2 Charges are currently made for a range of facilities and services.

- There are concessions on charges based on low income or disability
- There are commercial and community rates around the hire of spaces.

3.3 Current charges for facilities and services are:

- Overdue charges for late return of books and other materials
- Loan of audio-visual materials - audio books, music compact discs, films on DVD, music score sets
- Reserving stock
- Photocopying and printing
- Extended use of computers
- Many events and activities
- Room hire and exhibition spaces

#### **Proposals for 2017 – 2018:**

3.4 As many Library Service charges are only a few pence it is not possible to increase them annually by inflation. Instead, most prices are left unchanged for a number of years until an increase in real prices can be adopted. For this reason, many of the fees and charges are remaining the same, and where increases have been proposed, they are above the rate of inflation.

3.5 In order to meet the annual increase in income targets for inflation and to help balance the libraries budget for the coming year, some of the existing charges are proposed to be increased, and a number of new charges are proposed to be introduced.

3.6 There is an increasing trend towards less income coming through our traditional sources of overdue charges, loans of audio-visual materials and reservation charges. This is placing extra pressure on our income targets and it is necessary for us to seek ways to meet this pressure as well as meeting the inflationary increase.

3.7 This year the inflationary increase to our target is £8,800 and the traditional income streams are expected to be down by £27,900. In addition, we have declared that we will find an extra £10,000 in 2017-18 to meet our budget savings targets. This means that a total of £46,700 needs to be found from increased income.

3.8 To achieve this we are proposing a number of measures:

- We are seeking to increase our income from our commercial room hire to give an estimated £8,000 extra income through better marketing and improvements to our facilities on offer
- We are seeking to increase our income from the Booklover store by at least the rate of inflation (£2,500) through a review of the product lines on sale and the use of the foyer space in Jubilee Library
- We are seeking to introduce a new administration charge for all exhibitions and a new rental charge for exhibitions in our community libraries. Overall these charges are expected to raise £1,000
- We are seeking to increase our income from donations by another £8,700 and we will be implementing our Funding Strategy, in consultation with our corporate colleagues, to help us bring in more from diverse sources
- We are seeking to reintroduce overdue fees for children which is expected to yield an estimated £8,000 income
- We are seeking to charge for reservations up-front instead of at the point that the item is allocated to cover the costs of administering the reservation and to bring us in line with all the other authorities in the SELMS consortium to which we belong. This would give an estimated £6,000 extra income
- We are seeking to introduce a two-tier system for requesting items to be purchased – a basic free service and a full service charged for at the same rate as the Inter-Library Loan service. This would give an estimated £2,500 extra income
- We are seeking to bring our photocopying, printing from PCs and WiFi printing charges in line with each other and to make increases to most of these charges which would give an estimated £10,000 extra income
- We are also taking action to collect unpaid fees and charges (many of these are under £5) and we will seek to change the culture of borrowers to expect to pay off any debts before continuing to use our services
- All the increases in fees and charges proposed will bring our overall income targets for next year to a total of just over £478,000

3.9 We are proposing the introduction of a rental fee for exhibitions in community libraries to bring them in line with Jubilee and Hove libraries which already have weekly rental charges. As with the two main libraries, this charge would be negotiable and we may choose to reduce or waive it for partnerships on a case-by-case basis. We are also introducing a non-refundable administration fee which would be payable up-front to cover the costs of our staff administering the request for an exhibition.

- 3.10 We are also proposing to reintroduce overdue charges for children and young people. We have exempt cards for vulnerable children and they would not be charged and we always allow staff discretion to waive charges in special circumstances (eg illness) for non-exempt card holders. The proposed rate would be at 40% the adult daily rate and have a maximum cap of 31% of the adult maximum:
- Adults: currently 25p per day to maximum of £8
  - CYP: proposed 10p per day to maximum of £2.50
- 3.11 We provide a number of ways that overdue charges can be avoided. Children can renew online, by automated telephone line or in person at any library, and we are just introducing renewals via an app on a mobile phone. We send out reminders by email and/or text before the item is due if an email or mobile phone number has been provided. They can also return books to any library even when the library is closed by using the drop box provided.
- 3.12 A recent review of the reservation charges introduced for children in April 2016 showed that the charges have had no impact at all on issue figures for this age group. Again these were introduced with exemptions and discretionary waiving to protect more vulnerable children.
- 3.13 We receive 44,000 reservations each year and each of them currently costs us an average of £0.84 to administer if the item is in our stock and £18.15 to obtain stock from other libraries. However, we currently only place the charge on the customer's account at the point when the item has been allocated to them, so if the reservation is cancelled early for any reason we do not get any money to cover the work already done. In the past year, we have only charged for 17,100 (38.8%) of the reservations as a result of this. We are therefore proposing that we charge for all types of reservations, including Inter-Library Loans, up-front to cover administration costs regardless of the outcome. This will bring us in line with all of the other 10 library authorities across the region who belong to the SELMS consortium (which Brighton & Hove belong to and is the largest library consortium in Europe).
- 3.14 We receive approximately 3000 requests for the purchase of items each month which cost us an average of £6.82 to administer but we only charge if the customer decides to go ahead and reserve the item, and then it is only charged at the lowest rate (£1 full price with 50p for concessions). We do not want to lose the useful feedback from customers that the requests service provides but we do want to ensure that our costs are in part recovered. We are therefore proposing to introduce a two-tier system as follows:
- 3.14.1 A free basic service where a customer can make a recommendation for an item free of charge but we will not provide any follow-up service. If the customer wishes to know if we have obtained the item then they can search our catalogue online or set their preferences in their "My Account" on our library catalogue website to tell them of new items arriving in genres that interest them, and they can reserve the item themselves if they wish.

3.14.2 A full requests service where a customer makes a recommendation for an item and pays up-front a new charge (set at the current Inter-Library Loan rate) to cover our administration costs. We will keep them informed of whether we are buying the item or obtaining it from another library, and we will reserve the item for them at no further cost.

3.15 Our printing and photocopying provision across our libraries is proving very popular, and we are just introducing a new service of printing via WiFi from customers' own devices for which charges were agreed for 2016-17. We are proposing increases in most of the printing and photocopying charges for 2017-18 and we currently have discrepancies between these charges which we would like to remove. We also wish to reduce the handling of small change within the service and since these charges are often paid in cash we are seeking to make them all multiples of 10p.

3.16 Maintenance of concessionary rates and exemptions:

The comprehensive range of concessionary and exemption arrangements for disadvantaged borrowers will be maintained:

Concessions on charges - usually half price will be available to:

- People receiving job seekers allowance, employment and support allowance, income support, pension credit and Universal Credit
- People receiving disability living allowance, personal independence payment or with other verification of long standing disability

3.17 People with learning disabilities, for example Compass Card holders, are exempt from charges.

3.18 Appendix 1a shows the complete range of concessions and exemptions.

3.19 Summary of the changes to fees and charges:

Change		Current	Proposed
Printing from PC	A4 black & white	12p	20p
	A3 black & white	20p	30p
	A4 colour	60p	£1
	A3 colour	£1	£1.50
Printing via WiFi	A4 black & white	12p	20p
	A3 black & white	20p	30p
	A4 colour	60p	£1
	A3 colour	£1	£1.50
Photocopying	A4 black & white	12p	20p
	A3 black & white	20p	30p
	A4 colour	£1	£1
	A3 colour	£1.50	£1.50
All reservations and Inter-Library Loan charges		Charged	Charged

	on allocation	up-front
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Appendix 1a shows the dates all Library charges were last increased.

3.20 New charges to be introduced:

New Charge	Detail
Administration charge for exhibitions	£40
Exhibition space rental in community Libraries	£15 per week (negotiable)
Overdues for children	£10p per day to maximum £2.50
Basic Requests Service	Free
Full Requests Service	New charge set at current Inter-Library Loans rates, inclusive of free reservation and supply

3.21 A full list of all Libraries fees and charges is in appendix 1a with a table of comparisons with other authorities is in appendix 1b. At the end of appendix 1b there is also a table of local printing costs from a selection of commercial and academic sources.

**4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

4.1 The rationale for the proposed increases in the fees and charges are indicated in the body of the report.

**5. COMMUNITY ENGAGEMENT & CONSULTATION**

5.1 No specific community engagement or consultation has been carried out in respect of the changes proposed here.

**6. CONCLUSION**

6.1 The proposed fees and charges for Libraries & Information Services are considered proportionate and reasonable. Where charges are proposed for increases above inflation there are sound business reasons.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 The fees and charges have been reviewed in line with the corporate fees and charges policy and with budget assumptions approved by Policy, Resources and Growth (PR&G) Committee. The changes to fees and charges aim to ensure that the library service delivers a proposed saving of £0.010m for 2017/18 (included in the budget update report to PR&G Committee 8<sup>th</sup> December 2016) and also to set charges to meet expected inflationary targets and to off-set current trends of income reduction from some traditional income streams. 2016/17 budgeted income from fees and charges is £0.459m. Adding inflation of £0.009m and an extra income target of £0.010m to meet savings proposals, means that the proposed charges set out in this report aim to meet a new income budget for 2017/18 of £0.478m.

*Finance Officer Consulted: Monica Brooks      Date: 12/12/16*

### Legal Implications:

- 7.2 The Corporate Fees and Charges Policy has been properly applied in forming the recommendations set out in this Report.

It is not considered that the Report raises any adverse human rights implications.

*Lawyer Consulted: Hilary Woodward      Date: 04/01/17*

### Equalities Implications:

- 7.3 When fees and charges are proposed, a balance needs to be found to ensure services remain financially sustainable whilst still providing value for money. The proposed fees and charges provide a range of flexible pricing to minimise price being a barrier to participation.
- 7.4 Libraries have a system of concessionary rates and exemptions to minimise the impact of changes. We reviewed the changes to charges for reservations for children introduced in April 2016 to ensure that there had not been an adverse effect, and we will similarly review the introduction of overdue charges.

### Sustainability Implications:

- 7.5 In order to assist with the long-term sustainability of services and to continue providing a quality service, it is necessary that the charges be set at an appropriate level.

### Any Other Significant Implications:

- 7.6 None

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Appendix 1a – Libraries Fees & Charges 2017/18
2. Appendix 1b – Comparisons with other authorities

### **Documents in Members' Rooms**

None

### **Background Documents**

None