

READING BOROUGH COUNCIL

REPORT BY THE EXECUTIVE DIRECTOR FOR ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	21 SEPTEMBER 2022		
TITLE:	READING LIBRARIES IMPROVEMENT PROGRAMME: WITHDRAWAL OF LIBRARY FINES		
LEAD COUNCILLOR:	CLLR ADELE BARNETT- WARD	PORTFOLIO:	LEISURE AND CULTURE
SERVICE:	CULTURE	WARDS:	BOROUGHWIDE
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Reading Council's ambition for libraries is for them to be used more, by a wider number of people. Libraries have a great deal to contribute regarding improving health outcomes, improving quality of life and supporting improved education, wellbeing and skills. Reading's libraries are an investment into reducing literacy problems in children and adults - Reading's libraries are visited around 200,000 times a year with visits recovering after Covid, and issue over 400,000 items every year to library users.
- 1.2 However, we have evidenced that library use is lowest in areas of multiple deprivation, referenced in the library report to Housing, Neighbourhoods and Leisure Committee presented in November 2021. There is a correlation between increased book borrowing and affluence.
- 1.3 When library services were made fully digital during the first Covid lockdown in spring 2020 fines were, by necessity, suspended. Whilst in-person library services have now resumed, the fine suspension has been retained to encourage use and support people returning to the library. Fines previously were levied per item per day, and in the last full year of charging raised £22,000. The absence of income from fines has been covered by increased income elsewhere in the service.
- 1.4 The purpose of this proposal is to remove a barrier to people accessing the library, by removing fines for late return of books. This will enable more people to benefit from the opportunities arising from library use without any fear of future financial penalties from late return and encourage a return to the service for those who feel they cannot use library services as they owe money. For the same reason, we are also proposing the removal of reservation fees to make all stock freely available to all.
- 1.5 This is part of the Council's response to the current cost of living crisis, relieving a financial pressure on residents without impacting the Council's Medium Term Financial Strategy.

2. RECOMMENDED ACTION

It is recommended that Committee:

- 2.1 notes the work undertaken to improve the income position of the Reading library service as outlined at paragraph 3 of this report, increasing the library service's income to its highest ever level.
- 2.2 authorises the proposal to remove library fines for overdue items and other fees as outlined at paragraph 4 of this report, in line with other local authorities where fines for late return of items on library users have been removed to encourage greater library use.
- 2.3 notes that these changes are a measure of support for residents in a time of a cost of living crisis, which has no overall impact on Council financial position, and would also support marketing, developing and increasing use of the service.

3. POLICY CONTEXT

3.1 FINANCIAL POSITION OF LIBRARIES IN READING

The following table shows the budgeted position for Libraries in the last few years

	2018/19	2019/20	2020/21	2021/22	2022/23
Expenditure	1,238,800	1,300,700	1,359,600	1,455,500	1,488,470
Income	-203,100	-310,600	-310,600	-485,600	-530,600
Net position	1,035,700	990,100	1,049,000	969,900	957,870

To note increases in expenditure include increased staffing which delivers the increased income.

3.2 LIBRARIES CONNECTED

The most comprehensive UK research in this area was done by Libraries Connected during 2021/22, a membership group of library services, in a report entitled Library Fines Survey Summer Report <https://www.librariesconnected.org.uk/news/library-fine-survey-results-and-summary-report-revealed> - this looked at services which had gone fine free and researched attitudes in services which had not.

The research found that

- Most services still do charge fines but many are considering removal
- The main barrier to do so was making up a perceived income shortfall
- Reports that removing fines translated to increased membership and loans
- Further research, especially in relation to removing any Covid impact, would be useful

3.3 LIBRARY STRATEGIC PRINCIPLES

3.3.1 The strategic principles adopted by the library service following endorsement by the Housing, Neighbourhoods and Leisure Committee in November 2021, based on feedback from the consultation in Summer 2021 were:

- 1 Supporting our communities as we recover from the pandemic:**
 - * For libraries to be a key part of how Reading recovers from Covid and for Reading to 'think library' as part of recovery
 - * To be the trusted place in communities where people can engage
 - * To support the economic recovery for communities and individuals by hosting events, activities and services, enabling people to come back together.

- 2 Helping Children and Young People**
 - * To ensure children's services work closely alongside the aims of Brighter Futures for Children, in order to maximise benefit and position the service as a key one contributing to the success and wellbeing of Reading's young people - with a particular focus on early speech and literacy
 - * To provide a quality programme of events and activities that appeal to and help to develop creativity and a love of reading
 - * To ensure that the voice of children and parents is part of service planning

3 Improving access to online services

- * Work to support digitally excluded communities online, by hosting, supporting and developing device lending schemes, activities and supporting agencies who help people online, using library equipment to encourage people to get online
- * High quality online presence and offer - increased provision of e-resources, a range of resources for everyone to use, linked together seamlessly and efficiently to provide an excellent customer experience
- * Provide physical spaces that allow quality digital experiences - fast fixed networks, fast wifi and suitable spaces to plug in to support connectivity o
- Commitment to open data standards and working to encourage innovation

4 Supporting improvements in health, wellbeing and literacy

- * working with agencies in Reading to support targeted interventions and projects that will improve physical and mental health - encouraging this sector to 'think library' as a solution to reach the greatest number of people o
- Focused work in particular areas to reduce social isolation amongst particular communities to ensure that everyone can participate
- * Be key agent for town in getting public health messaging to communities and different age groups to reduce health inequality and support communities
- * A high quality book lending and digital lending service, focused on customer needs to make the service offer more attractive

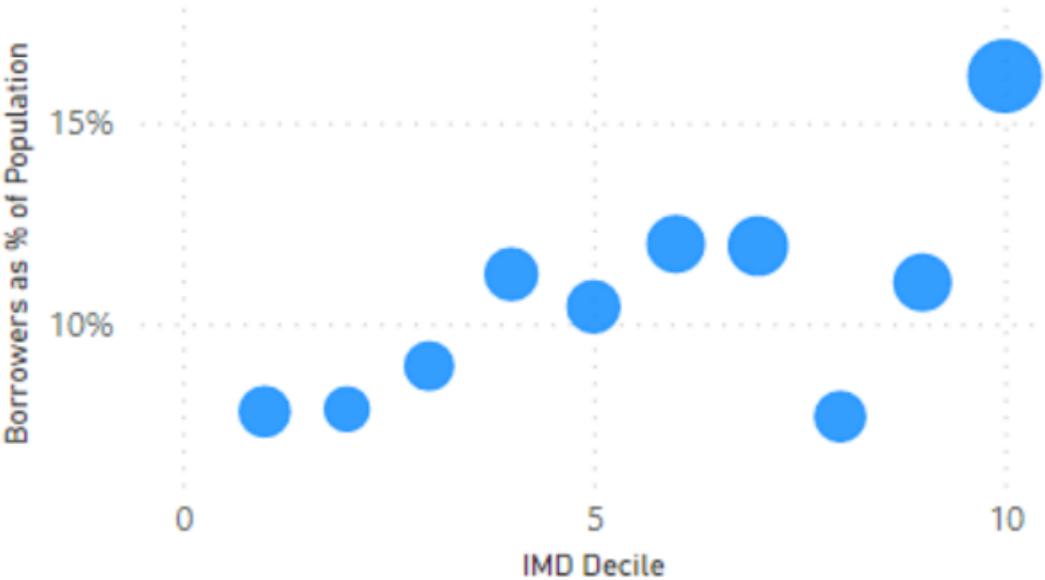
5 Bringing arts, culture and heritage to library spaces

- * Work locally, regionally and nationally to provide high quality, locally focused experiences that delight audiences to ensure Reading as a place of culture is enhanced.
- * Support Reading's amazing cultural community to realise ambitions, by hosting, providing space and providing audiences to support artists and producers to stay in Reading.
- * Ensure library programming is alongside wider Cultural programming in Reading, encouraging 'think library' as a venue, audience and creative space to build audiences

3.3.2 The proposals support all these aims in some way, but are strongest in principle 1.

3.4 LIBRARY FINES AND FEES

3.4.1 Traditionally over the counter charges in libraries have been fees and fines. Library fines historically have been there to encourage return of items. The higher fines do not automatically lead to higher income, but can act as a deterrent to use. We have shown that library usage is less in areas of higher deprivation, and the wards/Local Super Output Areas which are the most deprived have the fewest users. These areas are also facing the biggest impact from the current cost of living crisis and of changes over the last few years. The chart below is reproduced from the HNL June 2021 report, showing a correlation between increased deprivation and lower library use.



3.4.2 Library staff also find that a fine is a deterrent to use the library, whether it is a historical fine, a memory of a fine as a child or a worry about incurring a fine. This was also reflected in the results to the public consultation on libraries in 2021, which was reported to the Housing, Neighbourhoods and Libraries Committee in November 2021. Specifically asking non-users of the service the question ‘What are the main reasons you don’t use the library service?’ 11% indicated the reason to be a worry regarding fines.

3.4.3 Since libraries in Reading suspended fines as part of the pandemic response, the service has not seen substantially more items become set to ‘lost’. Historically, there is a fear that because charging fines is a deterrent, removing them is likely to see books go missing, however this is not generally seen the case in the 30 UK library authorities that have already removed fines. The current position in Reading is below.

Year	Number of items set to lost	Number of physical issues	%age issues > lost
2018	1022	452601	0.23%
2019	989	437465	0.23%
2020	1154	119046	0.97%
2021	746	185396	0.40%
2022 (>30/6/22)	101	165211	0.06%

3.4.4 The library service would continue to message customers if books were not returned. Reminders are sent prior to the due date, 2 days after and then a final reminder at 21 days. If the item is not returned after the final reminder it is classed as ‘lost’.

Items can be renewed online, on the phone or in person. We are also exploring automatic renewals with our service provider.

- 3.4.5 Fines and fees are often an area of confrontation within libraries, and removal would lessen this and provide a more welcoming space.
- 3.4.6 Around 30 UK library authorities have gone fine free in recent years, based on wanting to avoid deterring users from using the service, for a relatively small amount of income. These services did not report greater losses in the Libraries Connected report cited at 3.1.
- 3.4.7 One of the main areas of change for libraries during the pandemic was a greater use of the reservations service. The service had previously been charged for to cover the cost of sending postal notices. As part of pandemic response post lockdown March-June 2020, fees were suspended, reservations were compulsory and postal reservation letters ceased. Customers had to choose items in this way during the initial 'click and collect' phase of opening but reservation levels have stayed high. The library stock sees more issues as a result, as there is no barrier or cost to request, evidenced by an additional 20,000 issues compared to 2018/19.

Year	2018/19	2019/20	2020/21	2021/22	2022/23 (projected)
Reservations made	6,755	15,625	26,311	35,700	27,000

- 3.4.8 We anticipate that the removal of fines and reservation fees will encourage use, help residents impacted by the cost of living crisis, and send a positive message about our libraries as welcoming community resources, open to everyone. The removal of these charges will also remove an area of confrontation between library users and staff, with associated time and efficiency savings in dealing with and counting money. The service review conducted in 2021 has provided a detailed dataset which will enable us to track impact and affect on usage across the borough.

- 3.4.9 Removal of this income stream will not impact the Medium Term Financial Settlement (MTFS). As the table below shows, library fines were last charged in 2019/20 and made up 8% of income, down from 15% the year before. Library service income has increased by 70% since 2019/20.

Actual income '000s	2018/19	2019/20	2020/21	2021/22	2021/22 Oracle budget lines	2022/23 forecast
Leases	110	85	91	91	98	91
Fines and fees	30	22	0	0	31	0
CD/DVD hire fees	7	4	0	0	29	0
Copying/printing	29	35	0	10	30	12
Visa income	21	130	94	377	287	420
College	9	10	0	7	10	10
Total	206	286	185	485	485	533
Budget reduced by		50	0	100		45

3.4.10 In the recent past there has been an income stream from rental charges for music and film on CD and DVD. The demand for these items has reduced greatly and therefore Reading no longer maintains a stock of music CDs and DVDs for hire.

3.4.11 Reading maintains a collection of audiobook CDs as there is still a demand for these as well as downloadable audiobooks. Downloadable audiobooks have always been free of charge as they were introduced as part of pandemic response and the model does not allow for charging per loan. Physical and digital CDs for lending usually cost the library service between £20-40 per title to purchase. The service purchased 167 adult and 35 children’s audiobook CDs in 2021/22. Reading made children’s audiobook CDs free to hire a in 2017 to encourage use, which increased usage, and we would anticipate a similar increase by making adult audiobook CDs free to borrow.

3.5 DIVERSIFYING INCOME STREAMS

3.5.1 The library service has in recent years concentrated on letting space and the provision of services such as a visa verification service to provide a diversified income base. These services offer good returns and are complementary to the core provision.

3.5.2 The success of this diversification means that total income recorded now runs at levels around 150% higher than 5 years ago, despite a reduction in income from fines and charges, as is noted at section 3.1

3.5.3 This income has been factored into financial planning, and has reduced the net library service cost to residents in recent years to one of the lowest in the UK, based on returns to CIPFA.

2019/20	£ net spend (exc SSC) per 1,000 population	compared to Reading (%)
RBWM	14,455	280%
<i>all authorities</i>	9,504	184%
<i>English unitaries</i>	8,317	161%
Bristol	8,176	158%
Slough	7,796	151%
Southampton	7,451	144%
Reading	5,163	

3.5.4 This means we are in a position to benefit residents by going fines-free without impacting budgets.

3.4.5 A charge for printing and copying would remain, further enhanced with chargeable wifi printing and chargeable scanning as part of the library delivery plan. This will be rolled out to all libraries to provide a better overall customer experience for those wanting to quickly print. It will enable direct printing from phones or other devices without needing a library card or a session on the computer. It will also be possible to print from home and collect from a library.

4. THE PROPOSAL

4.1 For all libraries in Reading to:

- a) remove fines for late return of items completely

- b) remove borrowing fees for any audio-visual items remaining in stock, ensuring parity with online digital lending
- c) remove fees for reservations of items in stock within Reading's libraries

These proposals directly contribute to library strategic principles 1,2 and 5 and therefore help the service deliver on the strategic plan.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 The strategic principles of the library service in 3.3 above align with the Strategic aims of the library service and the Corporate plan of Reading Borough Council, which seeks to

- Develop our library network to provide innovative local services in person and online.
- Work towards a town where everyone can access education, skills and training and good jobs and where child poverty is eradicated.
- Tackle inequality in our society, to ensure everyone has an equal chance to thrive wherever they live and whatever their economic, social, cultural, ethnic or religious background.
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5.2 The proposals align with providing thriving communities and an inclusive economy, and also are a mitigation against current cost of living increases.

5.3 By removing one of the most significant deterrents to library usage and reengagement, we hope to see increased library usage as a result of this decision

6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

6.1 The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers).

6.2 There are no environmental or climate implications arising as a result of this report.

7. COMMUNITY ENGAGEMENT AND INFORMATION

7.1 The library strategic principles, from which this proposal emerged, were consulted on in Summer 2021 and received a total of 1,500 responses

7.2 The consultation was notable in the high number of non-library users engaged, of whom 10% indicated they did not use the service due to worries over fines.

8. EQUALITY IMPACT ASSESSMENT

8.1 The changes reduce the cost of using the library service for customers and do not disproportionately disadvantage any group, an equality impact assessment is not required.

9. LEGAL IMPLICATIONS

- 9.1 Public libraries are a statutory service under the 1964 Libraries and Museums Act, and local authorities must provide a service which is ‘comprehensive and efficient’.
- 9.2 The proposal in this report is in line with Reading Libraries’ vision to deliver a library service accessible to all and at the heart of all of its communities and enhancing the lives of Reading people.
- 9.3 The Council has a statutory duty to promote health and wellbeing and reduce inequality of the inhabitants of its area.

10. FINANCIAL IMPLICATIONS

- 10.1 The removal of fines does not impact on the library service’s ability to meet budgets set out in the Medium Term Financial Settlement (MTFS)
- 10.2 Whilst income would cease from fines, the more diverse areas from which library income is now sourced means that there would be no overall impact on library budgets.
- 10.3 Library fines have been suspended since March 2020, and in 2021/22, the most recent year of full library opening, with fines suspended, library income was higher than in any previous year.
- 10.4 Fines made up only 8% of library income in 2019/20, the last full year in which they were charged. Total income in 2019/20 was £286,000. Income in 2021/22, when no fines were charged, was £485,000, and the service is confident that this income position can continue with permanent removal of fines.
- 10.5 The amount in the Council’s budget line for library fines can be transferred to another income line within the Library service with the overall amount of income to be generated unaffected.

11. BACKGROUND PAPERS

- 11.1 None