



ROCHDALE
METROPOLITAN BOROUGH
COUNCIL

ITEM NO. CC110a

Subject: *Book fund*

Cabinet Member: Councillor Peter Williams
Portfolio Holder for Customer Services and Economic Affairs

1. RECOMMENDATIONS / DECISION REQUESTED

1.1 Members are asked to approve as a basis for consultation:

- The permanent removal of £38,000 from the library service 'book fund' – the fund used to procure books and related resources for public use. This will leave a fund of £200,000 from 2013/14 to procure resources for the borough's 17 libraries, mobile and housebound services.
- The physical withdrawal from stock of chargeable music CDs and DVDs, on the basis that the library service will continue to offer alternative access to online commercial provision which is as cost effective as the service provided by the library. This access will enable customers to register for postal services for example where films can be sent to them directly. Note that we will continue to provide services for blind and partially sighted service users and talking book provision will be unaffected.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Council is facing an acute financial challenge, with significant reductions to the funding it receives from central government. As a result of this the Council must carefully consider how best to spend significantly limited resources.
- 2.2 In 2011 – 12, there were 849,200 visits to the borough's libraries and 978,209 items were issued.
- 2.3 The total replacement value of the stock holding for the library service, including books and other resources is just over £3.5 million (*Source: LMS, June 2012*).
- 2.4 The proposed reduction in funding would mean that we would be able to refresh just under 6% of the library resources annually.
- 2.5 In order to mitigate the loss to the book fund, it is proposed that the service no longer issues music CDs or DVDs. Demand for borrowing music CDs and general DVDs has decreased nationwide. This drop in demand for CDs in Rochdale is reflective of the nationwide picture. Loans of feature film DVDs has increased in Rochdale, but the service costs more to administer than the income it generates and it is service management's view that the cost of administering this provision as a public service outweighs the public benefit when alternative, cost effective, commercial provision is available. This commercial provision is able to be accessed via the library network (e.g. registration for postal services online).
- 2.6 Furthermore, we will not be able to achieve the full benefit of the introduction of self service technology at specific library sites if we retain DVDs and CDs because the CDs/DVDs would need to be checked out by a member of staff in order to meet age restrictions on the products. In addition, we would need to keep them in their cases leaving them vulnerable to theft.

Additional security mechanisms could be implemented within the self-service machines, but this would lead to increased capital and revenue costs that cannot be covered within existing budgets.

2.7 It is proposed that the library service sells off existing stock. If we are unable to achieve a bulk sale, we will consider local sale of stock to residents. Any income generated over and above the existing service income target will be declared as a surplus and utilised to procure additional book stock, offsetting the wider impact of the proposed cut. It is not possible to predict the demand for the sale of stock and the total achievable is likely to be less than £10,000, so this figure has not been included as a cashable saving.

2.8 The total stock holding for DVDs and CDs and usage is explained below.

Type of stock	Items held	Total replacement stock value	How many loans Jan - June 2012	Individual charge	Income (for 6 months)	Usage change June 2011 - May 2012
CDs	3815	57540*	3598	50p	1799	-10.30%
DVDs - information and children's	283	3599*	410	50p	205	-21.90%
DVDs – feature films	503	10284*	1861	2	3722	63.80%

* Note that the unit cost of replacing these items for rental is higher than if they were to be bought directly from a retailer. This is because the charge to the library includes public lending right costs.

2.9 In 2010/11, £200,000 was permanently removed from the library book fund, reflecting a downward movement in book issues, improved procurement practices and removing the gap between the amount budgeted for resource procurement and the amount actually being spent. £100,000 of this funding was transferred to ICT to pay for a new Library Management System and investment in customer focused ICT – supporting the modernisation of the service.

2.10 In the 2012/13 budget a further one year only reduction to the book fund was made of £100,000, allowing only a very limited amount of stock to be procured in this financial year. Given the need to provide a 'comprehensive and efficient' library service and the volume of issues, it is not however considered sustainable to reduce the book fund by this amount on a permanent basis.

2.11 In the light of the significant strain on Council resources, it is now proposed to permanently remove a further £38,000 from the 2013/14 budget, leaving a total annual fund of £200,000.

3. ALTERNATIVE ACTIONS CONSIDERED

3.1 We considered seeking funding reductions elsewhere in the service, but with the service budgets at minimum levels this was not considered viable.

3.2 We considered reducing the book fund by more than £38,000, however it is not considered that the library would be able to operate comprehensively at more than this level of reduction across 17 service points, plus non fixed provision.

4. BACKGROUND & SUMMARY

4.1. As above

5. CONSULTATION UNDERTAKEN / REQUIRED

5.1. This proposal will permanently impact on the availability of stock and the frequency with which stock can be refreshed at each of the borough's libraries. It will also impact on users of the CD and DVD collections. Consultation with the public and specifically with library users will be required.

6. FINANCIAL IMPLICATIONS

6.1. **Theme:** In service savings

6.2. **Proposal Title:** Permanent reduction to the book fund of £38,000 – leaving a £200,000 fund for books and other library resources

6.3. Breakdown of Savings from the Service

Service Name: Customers and Communities Service

Area of Service: Customer Access

Cost Centre affected:

Is this a cost or additional saving: Saving

	Savings 2013/14 £000		Savings 2014/15 £000		Total £000	
	Ongoing	One Off	Ongoing	One Off	Ongoing	One Off
Employees						
Other Costs	38				38	
Income lost (Show as minus)	(12)				(12)	
Net Savings	26				26	
Additional Income Generated (show as a positive figure)						
Total Savings	26				26	
Implementation Costs						
Total Savings less Implementation Costs	26				26	

The saving proposed represents a 16% reduction in the book fund budget.

6.4 **Financial Impact on another service? No**

6.5 **Details of the Financial Impact on another service**

6.5.1 There are no specific risk issues for members to consider arising from this report.

6.6 **Voluntary Sector Financial Impact**

6.6.1 There are no specific risk issues for members to consider arising from this report.

7. LEGAL IMPLICATIONS

7.1. The Council has a duty to provide a 'comprehensive and efficient' library service under the Public Libraries Act

8. PERSONNEL IMPLICATIONS

8.1. The proposals within this report do not have any staffing implications for the Council.

9. RISK ASSESSMENT IMPLICATIONS

9.1 There are no specific risk issues for members to consider arising from this report.

10. ASSET IMPLICATIONS

10.1 There are no specific risk issues for members to consider arising from this report.

11. JOINT WORKING

12. EQUALITIES IMPACTS

12.1 Workforce Equality Impacts Assessment

This proposal has no staffing implications and therefore there are no workforce equality issues arising from this report.

12.2 Equality/Community Impact Assessments

An equality impact assessment to assess the potential impact on the community.

13. VOLUNTARY SECTOR IMPACTS

13.1 There are no equality/community issues arising from this report.

14. BACKGROUND PAPERS

14.1 There are no background papers.