

Decision Maker: **Renewal & Recreation Portfolio Holder with pre-scrutiny by the Renewal and Recreation PDS Committee**

Date: **Tuesday 13 November 2012**

Decision Type: Non-Urgent Executive Non-Key

Title: **LIBRARY MANAGEMENT SYSTEM – ADJUSTMENTS REQUIRED FOR IMPLEMENTATION**

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Chief Officer: Director of Renewal & Recreation

Ward: Borough wide

1. Reason for report

As part of the Shared Service arrangement with Bexley Libraries a new computer system has been procured which will further streamline joint operations and enhance the library service. As part of the transition to a new system a major data cleansing operation is required. This includes updating the stock database by deleting those items that have been damaged, lost or stolen and rationalising some charges for hire of media items. Permission is sought to delete stock items that have been missing for more than 6 years as these will affect the smooth transition to a new system and to revise media charges.

2. **RECOMMENDATION(S)**

The Renewal & Recreation Portfolio Holder is asked to:

- Note the business requirement to cleanse the library database of items outstanding for more than 6 years and to rationalise media hire charges.
- Authorise officers to write off/remove the items of stock that have been missing for over 6 years from the stock database, with an estimated value of £156,084.04 and to create a new simplified charging structure for media items as set out in the table in 3.9.

Corporate Policy

1. Policy Status: Not Applicable Existing Policy New Policy: Further Details
 2. BBB Priority: Children and Young People Excellent Council Quality Environment Safer Bromley Supporting Independence Vibrant, Thriving Town Centres Not Applicable: Further Details
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: The impact of the rationalisation of charges on income levels is expected to be minimal.
 3. Budget head/performance centre: Libraries
 4. Total current budget for this head: £4.843m
 5. Source of funding: Existing controllable revenue budget for 2012/13
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Staff

1. Number of staff (current and additional): 119ftes
 2. If from existing staff resources, number of staff hours:
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Legal

1. Legal Requirement: Statutory Requirement Non-Statutory - Government Guidance None: Further Details
 2. Call-in: Applicable Not Applicable: Further Details
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected):
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes No Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 Bromley and Bexley have jointly procured a new library computer management system (LMS). The move to a new LMS is beneficial both in terms of the improved service to customers and the greater efficiencies of working it will afford for the Shared Service arrangement in place with Bexley Libraries. In addition it facilitates membership of the London Libraries Consortium (LLC). Bexley and Bromley will bring the number of London library authority members to seventeen when they join in January 2013 giving residents of both boroughs not only access to the stock in both boroughs with one library card, but also access to more than 6 million items from 180 library branches across London. Joining the LLC will also reduce on-going IT costs by £30k per annum.
- 3.2 The current LMS holds the complete stock database and records items of stock that have been damaged, stolen or lost. There is a requirement as part of the preparation for the migration to the new LMS to undertake data cleansing in advance of our transfer. In addition, the London Libraries Consortium does not want out of date information added to the database. In terms of data cleansing, this includes any stock long overdue that will not be recovered.
- 3.3 The Library Service has always sought to recover outstanding charges and non-returned items by a number of means including
- (i) An overdue notifications procedure is in place. Customers receive:
 - One day email overdue notice
 - Written and/or email overdue notice which includes warning of referral to a debt collection agency (DCA), 4 weeks after the items were due for return
 - (ii) A defaulters process has been in place for many years, whereby:
 - Customers who owe over £10 are defaulted immediately and therefore blocked from borrowing anything further until their charges have been paid or reduced
 - Customers who owe over a specified amount are referred to the DCA. The specified amount owed before referral to the DCA currently stands at £20. Of the total number of items and fines outstanding and referred, approximately 40% is recovered. The % rate of recovery, whether outstanding charges or returned items, is much better the more recently the debts are chased.
 - In addition, anyone with outstanding charges in excess of £5.00 is blocked from using the People's Network PCs until the debt is reduced to below £5.00.
 - (iii) In 2008, Bromley Council applied a County Court judgement against 49 customers for non-payment and/or non-return of items. All owed over £120. Although there was some success and payments were received from around 6-7 people, the exercise proved not to be cost effective.
- 3.4 In addition to the need to cleanse the data for transition to a new LMS it is deemed prudent to take this opportunity to write-off or remove the stock items that have been recorded as missing or stolen because attempts to trace and recover have not been successful and any further action is likely to be uneconomical. There is also a statutory limit of 6 years on the right to pursue the recovery of goods or debts in the Limitation Act 1980. These debts are therefore deemed to be not collectible.

- 3.5 In order to maintain the integrity of the database and financial records going forward any items that have been missing for more than 6 years will be removed on an annual basis. Where the total exceeds £5,000 Member permission will be sought.
- 3.6 The amount to be written-off for which Member permission is sought amounts to £156,084.04. The following table illustrates how this figure is made up by year.

| Year | Number of items | Value |
|--------------|-----------------|--------------------|
| To 1999 | 1261 | £14,640.21 |
| 2000 | 1744 | £20,247.84 |
| 2001 | 1635 | £18,982.35 |
| 2002 | 1470 | £17,066.70 |
| 2003 | 1448 | £16,811.28 |
| 2004 | 1912 | £22,198.32 |
| 2005 | 2044 | £23,730.84 |
| 2006 | 1930 | £22,407.30 |
| TOTAL | 13,444 | £156,084.84 |

- 3.7 With over 2,000,000 visits to libraries per annum and 1,702,366 items borrowed, this amounts to an average annual loss rate of just 0.1% over the past 8 years.
- 3.8 There are also some changes to the fees and charges required which cannot wait until the annual review. There are 2 key reasons why these changes will be required:
- The new system (Axiell's Open Galaxy) does not function in exactly the same way as existing systems and a bespoke solution that fits our exact current operational methods would require expensive development work to be undertaken.
 - Bexley and Bromley are joining the London Libraries Consortium, which means the new LMS will be configured to allow customers to use one library card across 17 London boroughs, so some compromise will be needed to ensure our fees and charges fit with the way the system works across multiple authorities.
- 3.9 It is recommended that the changes as laid out in the table below are agreed for implementation in conjunction with the transfer to the new LMS. This is currently expected to take place in January 2013. The impact on customers and income levels is likely to be minimal.

| Item | Current Cost | Recommended price from Jan 2013 | Annual volumes | Comments |
|---|---|---|--|--|
| Spoken word loans on cassette & CD | £0.70 - £3.00 depending on category & number of cassettes | £2.50 | 26,981 in 2011/12 (£16,857) | LMS requires 1 price for this format. Free to residents with disabilities. |
| Talking Book loans - children's (3 weeks) | £0.28 - £0.38 | £0.38 | 4,616 during 2011/12 (income included above) | LMS requires 1 price for this format. Free to residents with disabilities. |
| DVD loans | Top title - 2 days £3.15 Standard - 1 week £2.20 DVD feature set - 1 week - £3.50 Special interest DVD 3 weeks - £2.00 | Premium £3.25 Standard £2.50 Exempt £2.00 | 20,149 in 2011/12 (£36,276) | LMS requires 3 prices for this format. |
| Music Compact Disc loans | £1.30 - £3.00 depending on number of discz | £1.30 | 17,753 in 2011/12 (£14,167) | LMS requires 1 price for this format. Need to hold price at lowest level as issues have reduced dramatically in this format. |

4. POLICY IMPLICATIONS

The Library Service has had a continuing policy of seeking to recover debt and stock but has found in some cases that the cost of recovery outweighs the actual level of debt, particularly where many years have passed.

5. FINANCIAL IMPLICATIONS

- 5.1 The procurement of a new library computer management system has resulted in a reduction in on-going IT costs of £30k per annum. The budget monitoring report highlights that the IT library budget is projected to be £75k overspent and therefore the £30k saving from the new LMS system will reduce this cost pressure from 2013/14.
- 5.2 Before data is transferred to the new system, there is a requirement to cleanse the data. This report is requesting authority to write-off stock items with a value of £156k from the system database in accordance with financial regulations. There is no impact on the revenue account.
- 5.3 This report is also seeking permission to rationalise some charges in order to meet the new system requirements. The simplified charging structure is not expected to generate additional income.
- 5.4 The budget monitoring report also highlights that library income is expected to be £100k below budget. The table below shows the reduction in income for the types of charges in 3.9 above, over the current and previous two years to demonstrate the continued decline in income.

| Type of Income | Actual 2010/11 £ | Actual 2011/12 £ | Projected 2012/13 £ |
|---------------------------|------------------------|------------------------|---------------------------|
| Spoken word/talking books | 19,486 | 16,857 | 11,420 |
| DVD loans | 41,367 | 36,276 | 27,580 |
| CD loans | 17,796 | 14,167 | 7,760 |

6. LEGAL IMPLICATIONS

These are contained in the main body of the report.

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| Non-Applicable Sections: | Personnel Implications |
| Background Documents: (Access via Contact Officer) | |