

PART 1 - PUBLIC

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**Decision Maker:** Renewal and Recreation Portfolio Holder

**Date:** 12 April 2011

**Decision Type:** Non-Urgent Non-Executive Non-Key

**Title:** FEES AND CHARGES FOR CULTURE DIVISION 2011/12

**Contact Officer:** David Brockhurst, Head of Library, Archive and Museum Services  
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**Chief Officer:** Marc Hume, Director of Renewal and Recreation

**Ward:** All

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1. Reason for report

- 1.1 The fees and charges levied for services in the Culture division need to be assessed prior to the start of the new financial year. Particular attention needs to be given to these charges in the light of the current economic climate as any improvement in the level of income generated can offset reductions elsewhere in the service delivery.
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2. **RECOMMENDATIONS**

The PDS Committee is requested to:

- 2.1 Agree the proposed increases to some existing charges and to new charges as set out in the report;
- 2.2 Agree to the piloting and further investigation of some options;
- 2.3 Note that all other charges are to rise by 4.5%.

### Corporate Policy

1. Policy Status: Existing policy.
  2. BBB Priority: Vibrant Thriving Town Centres.
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### Financial

1. Cost of proposal: No cost
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: Libraries and Museums
  4. Total current budget for this head: £5.414 M (controllable budget)
  5. Source of funding: Existing budgets and charges to customers
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### Staff

1. Number of staff (current and additional): 138.5 FTE
  2. If from existing staff resources, number of staff hours:
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### Legal

1. Legal Requirement: No statutory requirement or Government guidance.
  2. Call-in: Call-in is applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 200,000
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments:

### 3. COMMENTARY

- 3.1 The charges made for service within the Culture division will rise by 4.5% with appropriate rounding unless specified in this report. The Committee is asked to agree to the higher than inflation and new charges detailed in this report, together with agreeing to the areas where further action needs to be taken.
- 3.2 **INCREASED CHARGES FOR RESERVATIONS:** Free reservations for items in stock were introduced in Bromley four years ago in order to offer better access to stock for those using smaller branches. However with the current climate it is recommended that we work on a cost recovery basis of 75p per reservation to cover the costs associated with the actual costs and postage. It is anticipated that the current level of 70,000 requests are likely to reduce back to the levels of five years ago, about 35,000, so this would project to give a new income of £26,250.

	Current charge	Proposed charge
Internal	Free*+postage (43p)	<b>75p + postage (43p)</b>
Not in local stock	£1.45	<b>£3.50</b>
Special/Academic Libraries	£1.45	<b>£12.60</b>
British Library	£1.45	<b>£12.60</b>
Abroad	£1.45	<b>£12.60</b>

*\*Free with email notification. Additional 43p cost if postal notification required.*

- 3.3 The current level of demand for obtaining items that are not in stock in Bromley is at 2157 pa. As the current charge of £1.45 is significantly lower than the actual cost of obtaining the item, between £3.50 and £12.60, it means that the service is subsidising this service to the tune of £6,136 pa. To move to a cost recovery model will undoubtedly significantly reduce demand but will remove that subsidy and leave the service cost neutral. It is also proposed that the charge is reviewed in August 2011 with the possibility of an increase to reflect any changes to the British Library charges.
- 3.4 With Bromley running the London Request service for neighbouring boroughs there is a chance to rationalise the charges, thereby standardising charges across the six SE London boroughs and, importantly, to look for a mechanism of recouping the real costs of the service payable to supplying agencies.
- 3.5 **INCREASED CHARGES FOR PERFORMANCE SETS:** The borrowing of multiple copy performance sets is a popular part of the service and increasingly, because of higher charges elsewhere, we have attracted many groups from outside the borough. The proposal is to increase the charge to cover costs and differentiate between charges for those boroughs in the local London Request area and those outside. Currently we have 475 local requests pa and 150 pa from outside the area but we anticipate that this will drop to about 250 with increased charging. Working on mid points and a mix of local and external requests, this should increase income by about £3,000

Current			Proposed			
			In Stock		Not in Stock	
			Local Groups	Outside London Requests	Local Groups	Outside London Requests
	-	Reservation Fee	£5	£5	£5	£5
1 - 30	£6.95	1-20	£10	£20	£20	£40
30+	£11.15	21-40	£20	£40	£40	£60
		41-60	£30	£60	£60	£90
		61-80	£40	£80	£80	£120
		81-100	£50	£100	£100	£150
		101+	£60+	£120+	£120+	£180+

- 3.6 MEDIA CHARGING: It is suggested that media charges are increased by inflation but that the loan period for backlist DVDs is increased to offer slightly better value for money in this competitive area. It is anticipated that the current shortfall on the 2010/11 budget will be about £18,000. These proposals are more likely to simply minimise the decline of the last few years so it is anticipated that the shortfall for 2011/12 will be the same, especially as less new stock will be purchased to stimulate demand.

	Current	Proposed
<b>DVDs</b>		
Top title	£3.00 for 2 days	<b>£3.15 for 2 days</b>
Backlist	£1.95 for 3 days	<b>£2.20 for 1 week</b>
Feature sets	£3.40 for 1 week	<b>£3.50 for 1 week</b>
Special Interest	£1.95 for 3 weeks	<b>£2.00 for 3 weeks</b>
<b>CDs: Music or Audio Books</b>	Three weeks	
1-2 Set	£1.25	<b>£1.30</b>
3-6 Set	£1.95	<b>£2.00</b>
7+ Set	£2.95	<b>£3.00</b>

- 3.7 SALES OF WITHDRAWN ITEMS: There are certain items of stock that might raise a higher sum of money than through standard books sales.
- Items that will certainly attract a specialist interest and be sold for £20+. It is recommended that these are offered to specialist dealers so that the service is able to benefit immediately from the sale.
  - Items in some key areas of publishing where items are out of print or of interest to a slightly wider market and worth between £5 and £20. Staff handling would need to be minimised but the most viable option for these is to set up an Amazon account. Clearly income would need to exceed staff costs for this to be viable.
- 3.8 It is estimated that a further £4,000 can be raised by selling some books this way based on the assumption that 200 items will be sold at an average price of £20.

3.9 CHARGING FOR EVENTS & ACTIVITIES: Libraries have long had a tradition of providing “free” services. However the range and level of sophistication of activities has grown over recent years.

- a) Large numbers attend activities for pre-school children and this is an area that charges could be introduced at low cost but relatively high yield. It is suggested that a supervised honesty box with a suggested payment (say £1 per session) be introduced .
- b) Adult IT training has moved from one-to-one very basic courses to group sessions over a period of time. Whilst staff point out that they are not fully trained tutors, the courses are well received and there are waiting lists. Pitching charges at below those of BAEC and having payment in advance would be appropriate. Initially we could look at £15- £20 per four week course lasting between 30 mins and 2 hours per session.
- c) Ancestry is a very popular service, costing us £8K pa for the subscription. It is unique that we are able to link this work with our own stock. Courses to get people better started on using the system could be offered at £10 each for a 2 hour session.
- d) Reading groups obtain a special support. Any charge would be easier to collect on a term or annual basis, say £20 pa per attendee.

3.10 It is estimated that a new income of £10,000 can be raised from activities above based on current numbers.

3.11 CHARGING FOR TALKS: Currently the museum visits schools for talks and loans boxes of artefacts for free.

3.12 We would wish to retain free introductory visits to our premises if this is to promote better use. However charges should be introduced for the visits to schools and increase the cost for talks although it must be recognised that the number of visits might drop to less than 50 giving a projected income of £1300

	CURRENT	PROPOSED	PROJECTED TAKE-UP	INCOME
Talk at a school (without aids)	0	£30	8	£240
Talk at school (with project box or presentation)	0	£45	10	£450
Additional talks to another class on same day	0	£15	4	£60
3 week loan of Project box inc delivery & collection	0	£45	7	£315
Subsequent collection if box not available	0	£15	3	£45
Outside talks to up to 15 people	£27	£30	5	£15
Outside talk to groups of 15 and over	£27	£45	4	<u>£72</u>
				<b>£1,297</b>

3.13 HALL HIRE: The halls and meeting rooms in the Central Library are relatively well used by a wide range of groups. With the potential of changing the role of site officers to concentrate on activities during the day it is worth exploring how we can offer the halls for hire more days in the week by using extra staff. The minimum charge should at least cover this additional cost but we should aim to usually get 50% more than the cost of additional staffing the event. Charges are made appropriate to the type of organisation making the booking with A = Charities and the Council, B = Clubs and Societies, and C = Commercial organisations.

<b>CENTRAL LIBRARY HALL HIRE PROPOSED CHARGES</b>				
<b>MONDAY TO FRIDAY 9 – 6</b>			<b>ALL OTHER TIMES</b>	
MINIMUM 2 HOURS			MINIMUM 2 HOURS AND 4HRS FOR WEEKENDS. + 50% FOR BANK HOLIDAYS	
<b>CURRENT</b>	<b>PROPOSED</b>		<b>CURRENT</b>	<b>PROPOSED</b>
<b>LARGE HALL</b>				
£14.20	<b>£20.00</b>	A	£22.25	<b>£29.00</b>
£28.55	<b>£30.00</b>	B	£31.75	<b>£45.00</b>
£49.00	<b>£52.00</b>	C	£51.75	<b>£78.00</b>
<b>SMALL HALL</b>				
£9.10	<b>£12.00</b>	A	£16.25	<b>£21.00</b>
£13.95	<b>£17.00</b>	B	£19.05	<b>£26.00</b>
£22.30	<b>£26.00</b>	C	£32.95	<b>£39.00</b>
<b>MEETING ROOM (45.5 Sq Mtrs)</b>				
£6.40	<b>£9.00</b>	A	£11.35	<b>£20.00</b>
£8.90	<b>£12.00</b>	B	£18.45	<b>£20.00</b>
£10.55	<b>£17.00</b>	C	£33.95	<b>£35.00</b>
<b>TRAINING ROOM 1 (35 Sq Mtrs)</b>				
£5.00	<b>£7.00</b>	A		<b>£20.00</b>
£7.00	<b>£9.50</b>	B		
£8.20	<b>£13.00</b>	C		
<b>TRAINING ROOM 2 (19 Sq Mtrs)</b>				
£2.85	<b>£4.00</b>	A		<b>£20.00</b>
£3.85	<b>£5.00</b>	B		
£4.50	<b>£7.00</b>	C		
<b>INTERVIEW ROOM (7.5 Sq Mtrs)</b>				
£2.00	<b>£3.00</b>	A		<b>£20.00</b>
£2.00	<b>£3.00</b>	B		
£2.00	<b>£3.00</b>	C		

<b>OTHER LIBRARY HALL HIRE PROPOSED CHARGES</b>				
<b>MONDAY TO FRIDAY 9 – 6</b>			<b>ALL OTHER TIMES</b>	
MINIMUM 2 HOURS			MINIMUM 2 HOURS AND 4HRS FOR WEEKENDS. + 50% FOR BANK HOLIDAYS	
<b>CURRENT</b>	<b>PROPOSED</b>		<b>CURRENT</b>	<b>PROPOSED</b>
<b>BECKENHAM CHILDREN'S OR INFORMATION AREA</b>				
-	-	A	£16.28	<b>£23.00</b>
-	-	B	£16.28	<b>£28.00</b>
-	-	C	£16.28	<b>£35.00</b>
<b>CHISLEHURST LECTURE HALL, ORPINGTON EXHIBITION ROOM OR GREAT HALL</b>				
£10.35	<b>£13.00</b>	A	£16.28	<b>£20.00</b>
£10.35	<b>£18.00</b>	B	£16.28	<b>£25.00</b>
-	<b>£27.00</b>	C	£48.75	<b>£55.00</b>
<b>BIGGIN HILL COCKPIT ORPINGTON MARKET PLACE</b>				
£6.40	<b>£9.00</b>	A	£11.35	<b>£20.00</b>
£8.90	<b>£12.00</b>	B	£18.45	<b>£20.00</b>
£10.55	<b>£17.00</b>	C	£33.95	<b>£35.00</b>

<b>CENTRAL LIBRARY EXHIBITION AREA CHARGES</b>		
	<b>CURRENT</b>	<b>PROPOSED</b>
Display Area	£80.00	<b>£90.00</b>
Built-in case	£40.00	<b>£45.00</b>
Freestanding Glass cases (each)	£27.00	<b>£30.00</b>
All Display Cases	£110.00	<b>£125.00</b>
Whole area, including display cases	£150.00	<b>£170.00</b>
Extra screens	£2.00	<b>£2.50</b>
Private View	£65.00	<b>£72.00</b>

- 3.14 The halls currently have an income budget of £56,878 for 2010/11 and the projection is that this figure will be exceeded. These new charges will undoubtedly dissuade some from booking the facilities but it is anticipated that the increased charges will raise an additional £10,000 pa.
- 3.15 **PAYMENT METHODS:** The contract for separating the Library IT from the Council has just been awarded and it is hoped that this will be achieved by the end of March 2011. At that point it will be possible to introduce Credit Card payment which should increase the level of income.
- 3.16 **FUTURE OPTIONS FOR MEDIA SERVICES:** Charges for the services have continued to rise during a period when the cost of the material has dropped. Therefore the perceived value for customers has fallen. However a drop in charge of, say, a half would be unlikely to result in double the loans. Changes in the market have also meant that we now face increased competition from downloading, Love Film etc. The cost of collecting money from customers and the speed with which they can complete transactions is also questionable. One alternative would be to offer a pre-payment option that collects regular amounts of money from customers and then allows them unlimited loans and other benefits. Market research has been carried out with customers who expressed some interest in a scheme as long as they perceived it to offer good value. A similar scheme has recently been introduced in the London Borough of Westminster but the take up has been small, with around 150 customers currently registered. It is therefore suggested that further work is undertaken to examine the feasibility and that, if it seems viable, then a small pilot could be undertaken with a report back to the Portfolio Holder.
- 3.17 **FUTURE OPTIONS FOR CHARGING FOR THE PEOPLE'S NETWORK:** the People's Network is a national scheme to provide access to computers in libraries. An increasing number of Council services together with access to core library services are now only available through the web. Therefore it is imperative to retain at the very least 30 minutes free access per day for each customer. It would then be feasible to charge customers, say £1 per hour, for additional use. However very few authorities do charge and several who did introduce charges have now reversed the decision due to significantly falling use. One of the key issues is ensuring that an easy system can be introduced with customers being sure which category they fall into and being able to operate the booking without involving a member of staff. This would be achievable if we could have two types of membership and this was recognised by the PC booking system. At present it seems as though the link between this system and the Library Management System is not sophisticated enough to enable this to be achieved. It is not feasible to introduce a charge that means customers have to go through a member of staff as this introduces an unnecessary and costly extra step into the process. It is suggested that further work is undertaken to achieve an IT solution to deliver this goal.

#### **4. POLICY IMPLICATIONS**

- 4.1 The charges suggested are within the existing policies operating in the service.

## 5. FINANCIAL IMPLICATIONS

- 5.1 The changes in this report should lead to a better income level, as detailed, and will help to offset the decline of income in other areas as well as retain aspects of the public service

<b>Estimated increases and decreases in current income</b>	<b>ADDED INCOME</b>
	<b>£000</b>
1. Reservation charges	£26
2. Savings form out of borough requests	£6
2. Performance Sets	£3
3. Media charging	-£18
4. Sale of Withdrawn items	£4
5. Events	£10
6. Talks	£1
7. Hall Hire	£10
10. Credit card payments	£5
<b>TOTAL</b>	<b>£47</b>

<b>Non-Applicable Sections:</b>	Legal Implications Personnel Implications
Background Documents: (Access via Contact Officer)	