
Meeting of the Executive Member for Leisure Culture and Social Inclusion Advisory Panel

15 July 2008

Report of the Assistant Director (Lifelong Learning and Culture)

Library Service Revenue Generation

Summary

1. This report asks the Executive Member to agree to the principle of the library service generating additional revenue through commercial contracts.

Background

2. Income generation has become increasingly important for all Council services. It is regularly identified as a budget pressure for the library service and so we have been reviewing how we can both improve our performance and identify new income streams.
3. All library income targets for 08/09 have been set afresh. Staff were actively involved in the target setting process, and are committed to achieving the targets set. All libraries have their own income targets, which are monitored each month. Poor performance will be identified and rectified during the year.
4. However, to make a real difference new revenue streams need to be identified. One of the largest of our income streams has been hire of DVDs and CDs (approximately £52,000 a year.) Nationally income from this source is beginning to decline as downloading replaces traditional A/V hire. This will become a problem for us within the next five years.
5. Another major source of income is that from overdue charges (approx £40,000). Some authorities are starting to question the desirability of charging overdues as it is consistently identified as a major barrier to use by the public. If we could replace this income from another source we could stop charging overdues which would increase our visitors and our issues.

Consultation

6. We have spoken to two other authorities who have entered into contracts with a managing agent to deliver advertising – Somerset and Leeds. They have both recommended the approach.

The Proposal

7. To enter a contract with a managing agent to provide advertising in libraries. This would be over a period of approximately 5 years – so any income gained would be judged over that period.

8. The first stage would be an audit of buildings to identify commercial opportunities – these would be a wide range but would include book inserts, website revenue, vending optimisation, promotional space management, sponsorship. There would be a cost to this – approximately £12k.
9. Once the audit is complete – media packs are prepared and commercial opportunities sent to us. We would retain control over which opportunities we agreed to.

Options

10. The options are:
 - to allow commercial advertising
 - not to allow commercial advertising

Analysis

11. New income streams are needed – ones that gain maximum profit from minimum staff time to allow staff to engage with their communities. Working with a broker would ensure this.

Corporate Priorities

12. This would enable us to ensure income streams for the future so we meet our targets. It is part of our commitment to providing value for money services.

Implications

Financial:

13. There are no immediate financial implications from this report although over the medium term there is the potential to generate additional income for the library service. The council's proper procurement processes would be used to identify the managing agent including tendering for the service if necessary.. Any one-off costs of an audit of commercial opportunities would in the first instance be sought to be included within any service specification. If this were not possible funds could be raised through a venture fund bid and repaid as a first call on any income generated.

Other implications:

14. There are no human resources, legal, equalities, crime and disorder, property or IT implications - unless there are in which case create a sub-heading as for Finance above.

Risk Management

15. In compliance with the Council's risk management strategy the main risks that have been identified in this report are minor risks which could lead to financial loss or damage to the Council's image and reputation.

Recommendations

16. The Executive Member is asked to agree to the principle of the library service generating additional revenue through commercial contracts:

Reason: To enable the service to investigate this income stream further

Contact Details

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Report ✓ **Date** 27.6.08
Approved

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Wards Affected:

All ✓

For further information please contact the author of the report

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