

Introduction

Culture, Libraries and Learning comprises Libraries, Archives, Museum, Arts and Adult Learning. Libraries and archives are statutory services and their core provision is legally required to be free of charge. Access to the Bruce Castle Museum, in line with other national museums, is also free. The small arts provision is generally grant funded and free of charge. Adult Learning provision is entirely grant funded, and although fees are charged for some courses, under the terms of the grant, any income derived from grant funded courses has to be reinvested in adult learning provision.

Libraries

Library provision, including access/membership, written information and book stock for loan has to be free. However fines are charged for the late return of borrowed items and charges are made for additional services such as CD/DVD hire, printing and reservations. Fines are avoidable, and the remaining services are all elective: the level of charges can impact positively/negatively on service take up.

All fines and charges were reviewed in summer 2010 and following approval, implemented on 1st November 2010. A benchmarking exercise was undertaken to establish the fines and charges of our nearest neighbours before revision. The new fines rate has been set at the top end of our comparator group, partly with a view to facilitating self service coin payment in the future.

CD and DVD stock has long been provided on the basis that the income received will always be greater than the purchase of materials. Charges are set following assessment of our comparator group and those of our commercial competitors, as well as the changing nature of music and film provision in the form of downloading. In 09/10 income from CDs and DVD was 2.2 times greater than expenditure (a decline from 2.4 in 08/09).

Our concessionary offer has now been removed although we have retained fines exemptions and some discounts for under 16s and the over 60s. We could consider changing the fines exemption to a discounted charge, although for children especially, our goal has always been to have the fewest barriers to reading possible. Fines are likely to be a disincentive to library use for both parents/carers and children.

Use of our public PCs is also free (other than for printing and USB purchase). This is in line with other library services across the country. Free access to the Internet and other IT in libraries has long been part of a strategy to address the Digital Divide. The 09/10 Haringey Residents Survey records the fact that 18% of the sample have no access to the Internet and that the majority of these “offliners” are in social class DE. Of those with access, when asked where the Internet is accessed, 75% refer to home, 24%, to work, 7%, to

school or college. 7%, to a library and 5%, to “another place”. {Some access the Internet in different locations and so the percentage total is greater than 100%}. If charges were to be introduced there would be cost implications in developing a charging mechanism. Currently, self booking systems in all libraries facilitate access in a way that does not involve staff time.

As all the new charges have only been implemented very recently, it seems sensible to delay further increases until the new financial year in order to assess the impact of the revised charges. Do they generate more income or change people’s behaviour/patterns of use? It will also allow us to benchmark our charges again against neighbouring services and competitors.

For the future we would like to explore and take up commercial opportunities for income generation and sponsorship, as well as options for the profitable delivery of services to other authorities.

The charges for room hires have been looked at but we have recently raised these charges and feel that further increases would reduce rather than increase our overall turnover as we would become uncompetitive in what is a very competitive marketplace.

The attached schedule (appendix 5.1) provides details of all the amended charges for Libraries and the museum service.

Archives & Museum

The primary charges associated with the archives are scanning/copying charges, which were increased in the recent charge review in line with other museum and archive services and reflect the need for staff to be involved in this process. The nature of archive material does not allow a self service approach.

Additionally Bruce Castle Museum and Haringey Archives possess the right to authorise and charge for the photographic reproduction of prints, drawings, maps, manuscripts and paintings. Again these charges have been revised in line with other museum and archive services.

Payment Methods

Current methods of payment in Libraries, Museum and Archives are by cash or cheque only. We have been requesting card payment facilities for a number of years as we know our customers expect this and the lack of these facilities has lost us income. We are also exploring self service payment facilities to be used in conjunction with RFID technology, to reduce the need for staff to be involved in financial transactions.

Adult Learning

Background

HALS submitted a proposal through CEMB in the spring 2010 requesting to raise fees for adult learning courses in time for the Autumn term starting in September 2010. Fees had not been increased for three years.

The process for increasing the fees proved extremely slow and final approval was not signed off until the end of October 2010. The elements approved were:

1. An increase of fees in the range 5-15% depending on the course and learner group. Leisure courses would accrue the higher range of increase whilst Skills for Life courses (ESOL) would be at the lower end of the range.
2. The permission to begin to offer courses that were 'for profit'. These courses would offer the service opportunity to offer training, largely in IT, that is normally offered by local training agencies for profit. The intention is to use fees so generated to subsidise and develop other provision.

The delayed approval has put both these proposals considerably behind schedule.

The attached schedule (appendix 5.2) details all the amended fees for HALS.

HALS funding:

The courses where fees are charged are funded by the Skills Funding Agency. It is a requirement of this funding that:

1. Fee income is maximised wherever appropriate for Personal and Community Development Learning (PCDL) and other Safeguarded funds. (Safeguard refers to £211m of funding for community education allocated nationally). This level of fees recouped had been set as a % of the total in previous years, standing at 50% fee assumption before the maximisation approach was set.
2. That fees generated are declared to the SFA in its returns and that the funds so generated are recycled into further educational opportunities.
3. No fee charges are permitted for literacy or numeracy and Family Learning courses.

The Key Principles

The key principles defined in the 'general overview' were:

Full cost recovery, where 'full cost' is defined as:

- Direct costs of service provision:
- Directorate overheads recovery: Where courses are
- 'Reasonable' corporate overhead recovery:

- Recovery of the cost of any concessions
- If feasible, not to be restricted to just break even but surplus generation for the benefit of the council as a whole.

Given the reporting of fee generation outlined above it is not possible to redirect fees generated through adult education to other purposes. However there are considerable benefits that accrue from the council being able to demonstrate additional training and education being made available to residents in response to the current economic climate.

The 'reasonable' corporate recovery also presents HALS with considerable difficulty. The level of corporate recovery already stands at more than £400000, some 18% of the grants available. With additional costs accrued against the renting of space in Libraries and supporting shared management services this amount rises to more than 20% of our funding. Guidance issued by the LSC states that overheads should not be more than 10% of the grant awarded and should only be exceeded with specific permission from the funder. Additional diverting of reportable income generated through fees would raise this amount and further expose the service to funds being recouped.

What happens when fees increase?

The evidence we have had so far does indicate that there is a limited return from the increase in fees, particularly in the current economic climate.

2009 Aug-November		2010 Aug-November	
Course instances	Enrolments	Course instances	Enrolments
175	1730	185	1860

	To end Nov 2009	To end Nov 2010	As % of total	As % of total	Comparative %
Cash	39,146.32	43,720.10	50.9	50.9	111.7
Cheque	7,190.02	5,018.30	9.3	5.8	69.8
Card	30,635.64	37,076.30	39.8	43.2	121.0
Income from fees	76,971.98	85,814.70	2009	2010	111.5

Over the equivalent period last year HALS has demonstrated a 6% in courses offered, and an 8% increase in enrolments.

During the same period fees, though increasing as a total by 11.7% are below what HALS might have expected. Given the 8% increase in enrolments the fees have generated only 3.7% ($8 + 3.7 = 11.7$) more overall despite the minimum increase of 5%.

This is due to more learners enrolling who qualify for fee subsidy because they are unemployed and are seeking to be re-trained. This is demonstrated

in ECDL course shown below where fee income per enrolment has dropped by an average of £13, whilst the willingness to pay more for Media and Digital courses has shown an increase of £7.23, the later actually being the more expensive course.

	Fee Income	Fee Income	Difference 2009-2010 per enrolment
Computer Courses - ECDL Courses	3,480.00	558	-13.89
Computer Courses - Microsoft Applications for Beginners	1,030.50	2,402	-1.49
Computer Courses - Start IT	1,709.20	1,667	-0.53
Creative Courses - Art and Crafts	3,016.00	3,814	1.54
Creative Courses - Media and Digital technologies	3,025.40	4,281	7.23
Personal and professional development - Business and work skills	7,538.70	7,972	5.67
Personal and professional development - Languages	7,818.00	9,798	0.35
Personal and professional development - Well being	8,220.90	7,417	-5.48

Though the increase in fees does not appear to have radically affected the number of enrolments being made a drastic increase in fees may have the negative effect of reducing income as fewer people take up the opportunity to train.

Action: *HALS is proposing to undertake a focussed survey on fees to ascertain which areas would still be delivered if full-cost recovery models were adopted.*

Action: *HALS will consider fees charged to 'repeat' learners. HALS has targets for 'new learners'. Where a learner re-enrols for the same course there may be scope to move to full-fee recovery. Where courses have many repeat learners (such as Art) HALS will consider whether these are now learning 'clubs' and therefore should not benefit from concessions against fees.*

Appropriate Concessions

Up to 2009-10 HALS offered the following concessions:

50% concessions to Home Learners in receipt of an income based state benefit or Senior Citizens in receipt of a State Pension.

An additional 10% was available to Registered Carers with proof of Registration, Library members with proof of membership, Haringey employees with proof of employment. Following the review Haringey employees no longer qualify for the 10% discount.

Fees are already rounded to appropriate amounts to facilitate payment.

Action: *A further review will now take place to evaluate the remaining concessions in particular the 50% concession and the 10% for Library card holders.*

Facilitating payment

The figures demonstrate that whilst cash payments remain very stable at 51% of the total fees collected, cheque payments are falling and more learners are choosing to pay by credit card.

HALS has suffered from a poor connectivity through its chip and pin machines, particularly on the 2nd floor at Wood Green where most enrolments are made. The hard wired machine in this location has never worked and therefore learners have to move between the ground and first floors to complete payment.

The option of moving to a web-based payment system would be reliant on web-based enrolment. This would present HAL with considerable difficulties:

- Many courses have minimal skills levels for entry and are subject to initial assessment before enrolment. Online self-assessment may lead to learners enrolling for courses that they do not have the skills to achieve.
- SFA funding requires evidence be made available for both concessions and the issuing of the Unique Learner Number (ULN). This could not be achieved using web-based systems.

When the ULN is more universal there may be scope for online payment where learners are progressing from one course to another, but currently this would simply make the enrolment options more complex.

Action: *HALS will seek to move to wireless card payment from Wood Green. As Leisure Services have already implemented a card payment system this should not need a new project proposal the ICT Strategy Board.*