

## Report to CABINET

# Library Fines

### Portfolio Holder:

Cllr Sean Fielding: Cabinet Member for Economy & Enterprise

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### Reason for Decision

The proposal to remove library fines would impact on library services in all wards and remove barriers to information, resources and opportunities for some of the most deprived communities in Oldham.

### Executive Summary

There is a current debate within public libraries concerning the negative impact of charging fines for the late return of books. Evidence suggests that fines can become a barrier to accessing library services rather than an incentive to return books on time and that those that can afford to pay the fines continue to use the service, whilst those that are arguably in most need of the service, from deprived communities, are then barred and discouraged from using the service.

This report outlines the arguments for and against the employment of library fines.

### Recommendations

This report recommends that Cabinet consider the arguments for and against the removal of library fines and approves Option 2a **To abolish library fines.**

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## Library Fines

### 1 Background

- 1.1 Fines have been used in libraries for many years primarily as means of controlling stock by ensuring that books are returned, and returned on time, for the benefit of other users. However, recent investigations in to the impact of library fines show that financial penalties might not be an effective influence on behaviour and that, for some sections of the community, fines might in effect become a deterrent to library usage.
- 1.2 It is common practice in libraries across the country not to apply fines for children and, in some cases other groups such as the elderly and library amnesties take place, whereby outstanding fines are removed for the return of over-due stock. Although amnesties can lead to a considerable amount of stock return, they are expensive and time consuming to undertake and there is no evidence that users who had accumulated fines will not do so again.
- 1.3 It is universally accepted that reading is critical to personal development and wellbeing. The positive impacts on educational attainment and consequent economic benefits are well known but reading can also engender empathy and lower rates of stress and depression (Appendix 1 Benefits of reading and references). Nowadays, libraries are not just about reading and learning. Welcoming and accessible and based in our communities, they are now portals to a wide range of other services, information and opportunities.

### 2 Current Position

- 2.1 The national picture: A growing number of Libraries in the UK have abolished fines altogether over the last couple of years.

*Angus* – Abolished overdue fines in December 2015 with no reported negative impact on return of stock (source: Fiona Dakers, Senior Manager, who also says “The positive impact has been enhancing our public image as a progressive and inclusive service and our teams no longer having the negative interactions with customers”).

*Halton* – have abolished fines for a trail period of one year from 8<sup>th</sup> Jan 2019.  
<https://hbcnewsroom.co.uk/library-fines-abiolished/>

*Kirklees* – library fines removed from 29<sup>th</sup> Dec 2018.  
<https://kirkleestogether.co.uk/2018/12/19/not-quite-finished-that-book-our-libraries-are-stopping-fines-for-late-returns/>

*Rutland* –The first in the UK to abolish fines.

*Trafford* – Abolished April 2018. “In a first for a UK borough, the council said in a statement that fines can be “off-putting for customers”, and it hopes the change, which will see library fines eliminated across Trafford for all ages from April, will lead to “a further increase in usage of libraries across the borough.” Trafford were taking £31,000 in fines 2016/17.

*Portsmouth* – Have removed fines for three years. “The council is confident libraries will not face a financial loss as a result of the change. Revenue from library fines in the city had declined from £28,000 a year to an anticipated £16,000 since 2011. “  
“Library services manager, Lindy Elliott, agreed. ‘The main positive change is that we’re seeing more books going out even though the scheme hasn’t been going for long,’ she said.”

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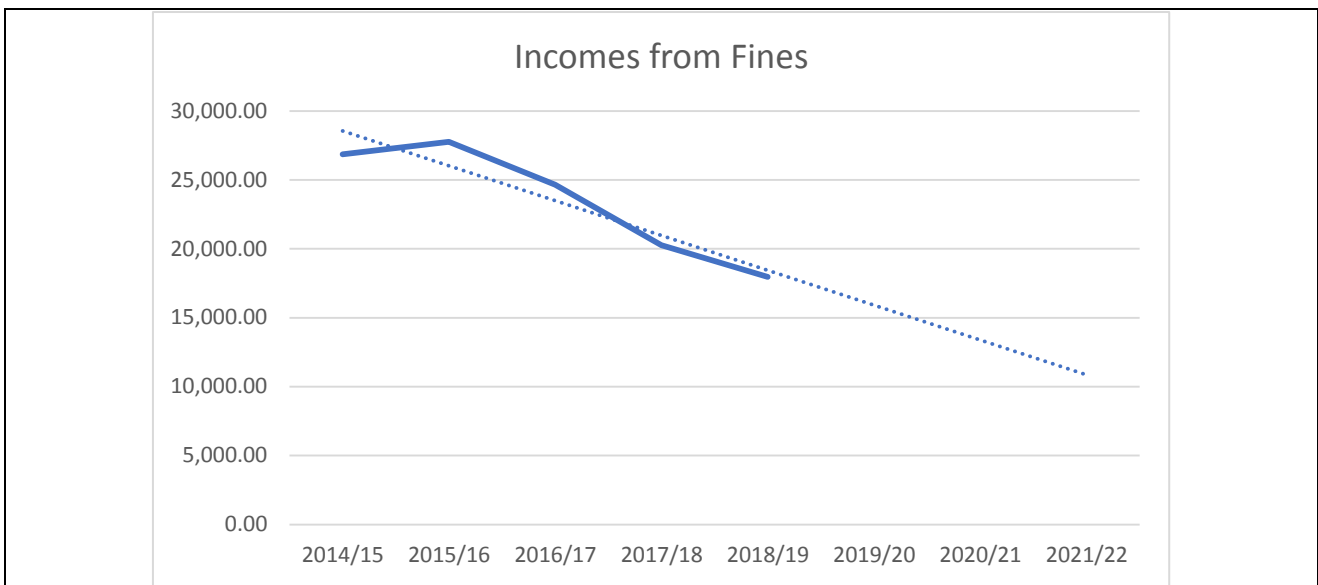
Northern Ireland –library fines abolished for all Northern Ireland’s public libraries in Jan 2019.  
<https://www.irishtimes.com/news/education/library-fines-abolished-in-plan-to-double-membership-1.3746308>

Salford announced the removal of fines May 2019.

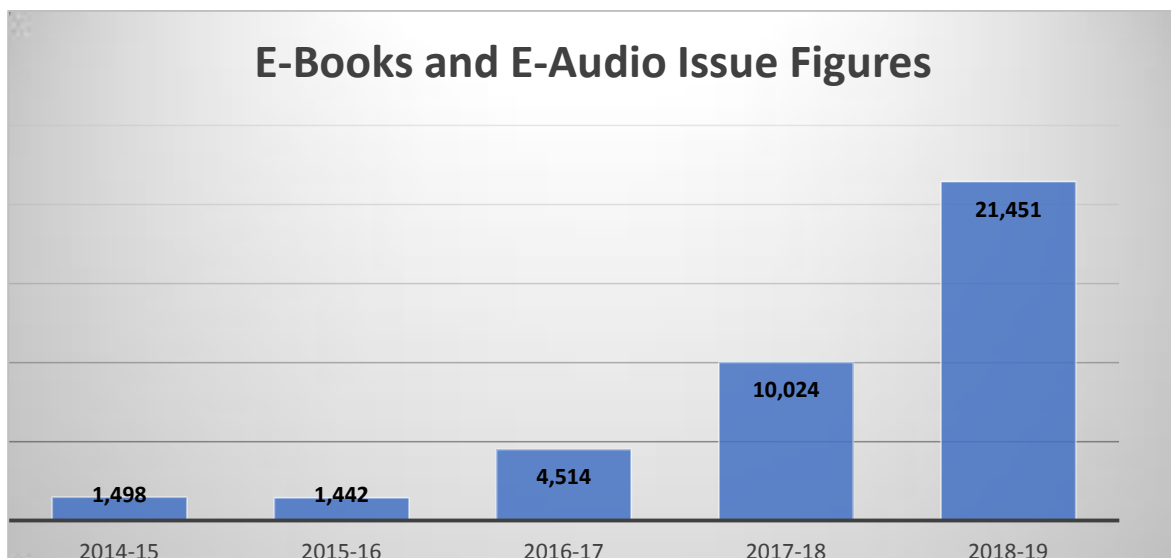
2.2 The Oldham picture: Oldham Libraries currently charge the following for overdue books:

- Teens 5p a day per book
- Adults 15p a day per book
- Over 60s 5p a day per book
- There is no charge for children under 13.

2.2.1 Income from fines is gradually declining over the years as customers have multiple methods to renew their books; in person, over the phone, at self-service kiosks and online. Customers can also sign up for automated text or email renewal alerts. Income from fines this year (2018-19), was just under £18k with projections of it dropping to £16k for 2019-20 and approximately £10k in 3 years’ time.



2.2.2 Customers are also borrowing more e-books, which do not incur any late charges. E-book figures have gone up from just over 1,000 issues to over 21,000 in the last 5 years.



2.2.3 The service has over 14,000 tickets that have been restricted due to long overdue books that have not been returned, totalling over 44,000 stock. These figures date back to when computers were introduced in the mid 1990's and equates to approximately 6% of our registered users. Initial analysis of these records shows that the majority of these people are from the more deprived wards of Oldham.

Postcode	Number of customers with long overdue books
OL1	1319
OL2	1580
OL3	496
OL4	2118



2.2.4 Self-issue kiosks were introduced to Oldham Libraries in 2014 and now account for almost 80% of issue and return transactions. The machines will soon be out-of-contract and no longer maintained by the supplier. Removing the payment function will enable the service to replace the machines with a less expensive model and more appropriately sized desktop machines for smaller libraries, reducing physical footprint and environmental impact. The need to develop a replacement programme has been the catalyst for a discussion about library fines. Following a decision regarding library fines an approach to replacing the kiosks will be developed and implemented.

### 2.3 Arguments for and against the removal of book fines.

#### 2.3.1 For:

- a) Fines act as a barrier to access for some of our most deprived communities. Removing fines will mean more people will be encouraged to access library services without the fear of building up charges that they cannot afford to repay. As evidence shows, over the past 20 years 14,000 customers have had their library membership restricted due to long overdue books and fines outstanding on their tickets. Large numbers of these customers come from some of the most deprived wards of the borough. Since the removal of fines at Trafford Libraries, the service has joined over 9,000 new members in the first 10 months. Issue and visitor figures have also gone up by 3% compared to previous year.
- b) Improved customer experience –rather than receiving a penalty alert, customers will receive a notification that the book needs to be returned and information about events and activities taking place in their local library.
- c) Staff will not have to engage in what can sometimes be challenging conversations with customers over fines disputes, releasing them to have more time for reader development work and more positive conversations with customers.

#### 2.3.2 Against:

- a) There is an argument that removing fines will result in an increase in lost stock however none of the authorities that have removed fines have reported an increase in the level of missing or lost stock

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- b) Loss of income – Currently the service has a fines income target of £20k, however our self-service kiosks are due for renewal in 2019 and a significant capital and revenue saving could be achieved by purchasing kiosks which do not have a payment function. This could save us approximately £80k capital outlay on replacement kiosks and a small saving of £2-3k p.a. on annual maintenance charges

#### 2.3.4 Financial implications

Loss of Income from fines	Income target is set at £20k per annum but there is already a shortfall in meeting the fines target. £18,000 was achieved last year, with projections that it will decrease to approximately £10k in 3 years' time.
Savings on cost of payment modules on Self-service kiosks	Without cash and card payments there would be a saving of approximately £80k on capital outlay to replace all 20 new kiosks
Savings on self-service maintenance contract	If the machines are replaced with no payment function there would be an estimated saving of approximately £2,000 p.a.

### 3 Options/Alternatives

#### 3.1 Option 1a) To continue with current fines policy

- 3.1.1 Based on figures from our Library Management System we know that the gap between book issue figures and fines generated is getting greater. This is, as mentioned, due to the number of ways customers can borrow and renew books.
- 3.1.2 It is projected that income generated from fines will drop gradually to approximately £10k in 3 years' time, widening the gap between issues and fines income.

#### 3.2 Option 1b) To continue with current fines policy and undertake an amnesty.

- 3.2.1 We could undertake an amnesty for the duration of a month (based on previous amnesty models undertaken by us and neighbouring authorities e.g Rochdale undertook an amnesty in 2018) and continue with our fines policy. This is often successful and generates positive publicity and returned stock. However, it is costly and staff intensive to implement and is a short-term fix as customers that generate fines in the future, continue to disuse the service.

#### 3.3 Options 2a) To abolish library fines. This is the recommended option.

- 3.3.1 This option would remove known barriers to access, promote inclusivity and would ensure that those most in need of the service are not deterred or disadvantaged in anyway. The campaign would allow us to re-engage with lapsed users of the service as well as attracting new users.
- 3.3.2 This option does however present a challenge in balancing the library budget as currently the service has had to apply further cross-cutting budget reductions for 2019/20 and therefore there is no other obvious means of meeting the £20k income target. The budget pressure will therefore be managed within the Reform Directorate.
- 3.3.3 As the library self-issue kiosks will have reached their end of life and be out of contract from December 2019 it is proposed that the removal of library fines could take effect from October 2019 once our policies and procedures have been revised or once an approach to the full, partial or phased replacement of the new self-service kiosks has been agreed..
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### 3.4 Option 3b) To trial the removal of fines for a year

- 3.4.1 The library service could, as some library authorities are doing trial the removal of fines for a year and review the impact before making it a permanent policy decision. However, as we need to purchase some new self-service kiosks during the trial period, it will be more costly to have the payment function retrofitted, if the fines removal was not made permanent.

### 4 Preferred Option

- 4.1 Options 2a) To abolish library fines. This is the recommended option

### 5 Consultation

- 5.1 Senior officers in the library service have been involved in researching and developing this proposal. The proposal has been discussed in the following forums:

Reform DMT 23<sup>rd</sup> May 2019  
SMT 4<sup>th</sup> June 2019  
Economy & Enterprise Portfolio briefing 12<sup>th</sup> June 2019

### 6 Financial Implications

- 6.1 The recommended option (shown at 3.3) would result in loss of income generated from library fines.

- 6.2 The table below demonstrates that income received from fines has reduced over the past few years. Assumptions are that the income will continue to reduce in future years. As in previous years, this would be mitigated by re-aligning service budgets to ensure that the loss of income is absorbed and there is no financial burden on the Authority.

	2015/16	2016/17	2017/18	2018/19
	£k	£k	£k	£k
Income from Fines	28	25	20	18

- 6.3 The removal of charging for fines would mean cheaper RFID machines could be purchased. A bid for capital resources for the machine purchase has not yet been prepared and will come forward at a later date, However, accepting this proposal would mean that costs of approximately £80k could be avoided on the capital outlay for the RFID machines. This would also avoid annual maintenance costs of £2k - £3k. (Jenny Howarth)

### 7 Legal Services Comments

- 7.1 Regulation 3 of the Library Charges (England and Wales) Regulations 1991 enables library authorities to impose charges in respect of borrowed library material which is returned late. The amount and the incidence of any charge made in accordance with Regulation 3 is at the discretion of the library authority and the library authority may make different provision for different cases including different provision in relation to different persons, circumstances or localities. As the power to impose charges is discretionary, the Council may remove such charges if it wishes. (A Evans)

### 8. Co-operative Agenda

- 8.1 Access to books, reading and wider library services are important for personal and community development and wellbeing. The proposal to remove library fines and ensure that library services and resources continue to be accessible to those in our society who
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are most in need is an important tool in helping us move to a borough where everyone is able to better help themselves. It supports the Oldham Model of creating Thriving Communities and an Inclusive Economy and delivering Co-operatives Services.

**9 Human Resources Comments**

9.1 None

**10 Risk Assessments**

10.1 None

**11 IT Implications**

11.1 None

**12 Property Implications**

12.1 None

**13 Procurement Implications**

13.1 None

**14 Environmental and Health & Safety Implications**

14.1 All adjustments to library policies and procedures are risk assessed prior to implementation.

**15 Equality, community cohesion and crime implications**

15.1 The proposal to remove library fines will support access to educational opportunities and resources and access to essential services for those most in need. The majority of residents with the longest overdue books live in areas of Oldham including Coldhurst, Werneth and St Mary's. These areas rank in the 5% most deprived areas in the country (Indices of Multiple Deprivation 2015, DCLG). Recent figures from research by End Child Poverty in March 2019 show that rates of child poverty are also particularly high in these areas; in Werneth for example, as high as 66.2%, the fifth highest in the country). The removal of library book fines will ensure that people continue to have the opportunity to access books and the educational, health and broader benefits they bring irrespective of their income. This will help to facilitate the narrowing of the gap in educational attainment, linked to poverty.

**16 Equality Impact Assessment Completed?**

16.1 No

**17 Key Decision**

17.1 Yes

**18 Key Decision Reference**

18.1 ECEN-08-19

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19	<b>Background Papers</b>
19.1	None
20	<b>Appendices</b>
20.1	Appendix 1 Benefits of Reading. Appendix 2 References

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## Appendix 1: Benefits of Reading

Statistics from 2014 show that one in five children in England cannot read well by the age of 11<sup>1</sup>, and 16% of adults (around 5.8 million people) in England and Northern Ireland score at the lowest level of proficiency in literacy (at or below Level 1)<sup>2</sup>

There is a body of evidence that highlights the positive impacts that reading has on people's personal health and well-being, and on educational and economic outcomes.

### Educational impacts of reading

- Reading for pleasure is more important for children's cognitive development than their parents' level of education and is a more powerful factor in life achievement than socio-economic background.<sup>3</sup>
- There is a difference in reading performance equivalent to just over a year's schooling between young people who never read for enjoyment and those who read for up to 30 minutes per day.<sup>4</sup>
- Children who read books often at age 10 and more than once a week at age 16 gain higher results in maths, vocabulary and spelling tests at age 16 than those who read less regularly.<sup>5</sup>
- DfE analysis suggests that if all pupils in England read for enjoyment every day or almost every day, the boost to Key Stage 2 performance would be the equivalent of a rise of eight percentage points in the proportion achieving a level 4b (from its current level of 67% to 75%).<sup>6</sup>
- The frequency of reading for pleasure at age 42 is linked to vocabulary skills: those who read every day at 42 have an advantage of 4 percentage points in their vocabulary over those who do not read as frequently.<sup>7</sup>

### Economic impacts of reading

- Low levels of literacy cost the UK an estimated £81 billion a year in lost earnings and increased welfare spending, impacting on 'the success of the economy as a whole'.<sup>8</sup>
- Per capita incomes are higher in countries where more adults reach the highest levels of literacy proficiency and fewer adults are at the lowest levels of literacy.<sup>9</sup>
- 16 year-olds who choose to read books for pleasure outside of school are more likely to secure managerial or professional jobs in later life.<sup>10</sup>
- In England and Northern Ireland the median hourly wage of workers with the highest levels of literacy is 94% higher than for workers who have the lowest levels of literacy.<sup>11</sup>

### Health and wellbeing impacts of reading

- Adults with lower levels of literacy are more likely to experience poor health and to believe that they have little impact on political processes, and are less likely to participate in volunteer activities.<sup>12</sup>
  - Literacy has been found to have a relationship with depression: 36% of those with low literacy were found to have depressive symptoms, compared to 20% of those with the highest levels of literacy.<sup>13</sup>
  - Studies have shown that those who read for pleasure have higher levels of self-esteem and a greater ability to cope with difficult situations. Reading for pleasure was also associated with better sleeping patterns.<sup>14</sup>
  - An online poll of over four thousand people from a representative sample in the UK revealed that regular readers for pleasure reported fewer feelings of stress and depression than non-readers, and stronger feelings of relaxation from reading than from watching television or engaging with technology intensive activities.<sup>15</sup>
  - Studies have found that reading for pleasure enhances empathy, understanding of the self, and the ability to understand one's own and others' identities<sup>16</sup>. For example, reading Harry Potter has been shown to improve children's attitudes toward stigmatized groups such as immigrants, refugees, and members of the LGBT community<sup>17</sup>.
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- Participation in shared reading groups is linked to enhanced relaxation, calmness, concentration, quality of life, confidence and self-esteem, as well as feelings of shared community and common purpose <sup>18</sup>.
  - Children with reading difficulties are at greater risk of developing mental health problems later in life, including depression, anxiety, behavioural problems, anger and aggression <sup>19</sup>.
  - There is strong evidence that reading for pleasure can increase empathy, improve relationships with others, reduce the symptoms of depression and improve wellbeing throughout life, new research carried out for The Reading Agency has found. The report, conducted by BOP Consulting and funded by the Peter Sowerby Foundation, brings together a strong and growing body of research that shows how and why reading for pleasure can bring a range of other benefits to individuals and society. There is already strong evidence to show that reading for pleasure plays a vital role in improving educational outcomes. However, in the UK, most children do not read on a daily basis and almost a third of adults don't read for pleasure.
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## Appendix 2: References

1. DfE (2015) Reading: the next steps p.13]
  2. OECD (2013) England & Northern Ireland (UK) - Country Note -Survey of Adult Skills first results p.6]
  3. [Sullivan and Brown (2013) Social inequalities in cognitive scores at age 16: The role of reading]
  4. [OECD (2002) Reading for Change: Performance and engagement across countries p.16-17]
  5. [OECD (2010) PISA 2009 Results: Learning to Learn: Student Engagement, Strategies and Practices p.32-4]
  6. [Sullivan and Brown (2013), Social inequalities in cognitive scores at age 16: The role of reading]
  7. [DfE (2015) Reading: the next steps p. 18]
  8. [Sullivan and Brown (2014) Vocabulary from adolescence to middle-age WP 2014(7) - Vocabulary from adolescence to middle age - A Sullivan, M Brown - November 2014.pdf p.5]
  9. World Literacy Foundation (2012) The economic and social costs of illiteracy
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  12. [Taylor (2011) Reading at 16 linked to better job prospects]
  13. [OECD (2013) England & Northern Ireland (UK) - Country Note -Survey of Adult Skills first results note - United Kingdom.pdf p.2]
  14. [Billington, J, (2015). Reading between the Lines: the Benefits of Reading for Pleasure, Quick Reads, University of Liverpool]
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  17. [Vezzali, L., Stathi, S., Giovannini, D., Capozza, D., & Trifiletti, E. (2015). The greatest magic of Harry Potter: Reducing prejudice. Journal of Applied Social Psychology, 45(2), 105-121.]
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  19. [Boyes, M. E., Leitao, S., Claessen, M., Badcock, N. A., and Nayton, M. (2016) Why Are Reading Difficulties Associated with Mental Health Problems? in Dyslexia, 22: 263-266]
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