



REPORT TO THE LIBRARY BOARD

MEETING DATE: MAY 26, 2009

Session:	Public Session
Subject:	2010 Operating Budget – Collections Sustainability Business Case
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Purpose of Report:	For Receipt <input checked="" type="checkbox"/>

Recommendation

It is recommended that the Library Board receive this report.

Issue / Opportunity

The purpose of this report is to present background information about collections sustainability needs to the Library Board for its consideration in the development of the 2010 LPL Operating Budget.

Background & Review

The collections budget has neither kept pace with inflation nor with user needs, demand and expectations since 1994. Between 1994 and 2008 there has been a continuous decrease in collections purchasing power. The Consumer Price Index (CPI) for reading materials and other printed matter has been significantly higher than general CPI over the past 10 years. Between 1994-2008, the collections budget increased by 24.13% while the increase in the CPI for printed materials was 40.84%. Procurement continues to be affected by the US/CDN exchange rate.

If the collections budget had kept pace with inflation, it would now be larger by \$72,694. This does not account for the purchase of any new formats which brings the gap to approximately \$100,000.

An earlier business case identified a five year plan (2006 – 2010) to rebuild and sustain the collections by adding \$100,000 to the Operating Budget per annum. Although, this need continued in 2009, no increase was requested in order to meet City budget targets.

Appendix A presents a business case for an increase of \$100,000 to the 2010 Operating Budget in order to sustain the integrity of the LPL collections.

APPENDIX A: COLLECTIONS SUSTAINABILITY

DEPARTMENT: LONDON PUBLIC LIBRARY
KEY COMPONENT: COLLECTIONS SUSTAINABILITY
BUSINESS CASE: 2010 OPERATING BUDGET

1.0 PREAMBLE

In its Vision, Mission and Strategic Plan, London Public Library has committed to:

- Provision of quality core services to Londoners
- Strategies for services assessment to ensure that
 - Core services are aligned with the vision and mission and that they meet the needs in the community;
 - Operations are effective and efficient;
 - The Library is accountable to its stakeholders.

Londoners see library collections as core to all library services. Collections serve diverse users with a variety of needs and expectations, from all demographic and socio-economic backgrounds.

Comprised of approximately one (1) million items, the collection is housed in the Central Library and 15 Branch libraries located throughout the City of London. In 2008, library cardholders borrowed over 3.75 million items.

Description of Library Collections

Collections connect people to a range of ideas, creative thought, information and viewpoints and support Londoners of all ages in all aspects of their lives from formal learning to lifelong learning to daily information needs to recreation, leisure and cultural needs. People can use and borrow items from a comprehensive collection of fiction and nonfiction materials in a variety of formats.

For example, Londoners have access to:

- Non-fiction on a range of subjects for adults, teens and children;
- Hardcover and paperback fiction for all age groups;
- Picture-books for the very young; beginning readers and chapter books for youngsters learning to read;
- Children/Teen's project books for school and information books for pleasure and learning;
- Ebooks to access from home computers and at the library;
- Audiobooks and music in cassette, CD and MP3 format;
- Research and recreational videos and DVDs;
- Downloadable audiobooks for people on the go;
- Subscriptions to 1453 print magazines and newspapers;
- 45 information databases providing access to more than 23,000 on-line magazines, business, health information and reference sources such as almanacs, dictionaries, directories.

The Ivey Family London Room (Central Library) is a research facility for genealogy and local history. It contains a wealth of primary and secondary source materials on the city of London and Middlesex County.

As consumers, Londoners expect a variety of formats to suit their needs: books, audiovisual materials (VHS, DVDs, sound cassettes, CDs), magazines, newspapers, digital resources (Ebooks, CD-ROM, electronic databases, etc.) and even equipment (pedometers, hydro usage meters).

Accessibility is provided through specialized resources, for example:

- Non-English language books, music, videos and audiobooks in 29 languages for the growing multicultural community;
- Dual language children's books in English and Spanish, Chinese, Arabic, Hindi, Punjabi, Vietnamese, Russian, Portuguese and Somali;
- Literacy based book/av kits for those learning to read, or learning English as a second language;
- DVDs purchased with public performance rights to allow group presentations for students and others;
- Access formats for visually disabled and people requiring visual aids - audiobooks, described videos, large print books and magazines, adaptive technologies;
- Talking books produced by the CNIB for visually impaired individuals;
- Specialized electronic databases supporting language learning.

Trends Analysis

User trends include:

- In difficult economic times, the use of library collections is on the increase resulting in more demand for new materials and increased wear and tear on materials resulting in higher need for replacement;
- Bestselling fiction and nonfiction continue to be in high demand;
- Demand for digitized, content-rich resources such as full text magazine and newspaper databases driven by changes in the publishing industry and user preference;
- The demand for DVD format, in English and international languages, continues to rise, while the use of the VHS collection remains steady;
- Print, audiovisual and electronic resources will continue to coexist and be popular collections formats for the future;
- New audiovisual and digital formats are introduced and become popular quickly so that demand for them is concurrent with that of previously existing formats, e.g. audiobooks in CD, MP3 and downloadable format. Libraries comparable to LPL are now purchasing yet another format called "Playaways" which are individual audiobooks on a player easier to use than an MP3 player;
- The boomer and older segment of London's population are vigorous and engaged and want new authors and popular fiction and nonfiction large print books;
- An aging population places an increased demand on specialized formats such as described videos, talking books, and audiobooks;

- Ongoing settlement of newcomers is resulting in increased demand for ESL materials and multilingual collections. Newcomers are approaching the library in greater numbers to advocate for collections to support their settlement needs.

Service Analysis

LPL uses both quantitative and qualitative services assessment and external comparative measures to assess service levels, community impact and effectiveness/efficiency for service delivery to Londoners.

In addition to using the Ontario Municipal Benchmarking Initiative (OMBI) measures, LPL benchmarks and measures using standards set by the Province of Ontario Ministry of Culture, Canadian Urban Library Council, Canadian Library Association, and International Federation of Library Associations.

Current OMBI data (2007) shows lower service levels and higher usage in London than in other comparable communities:

- Service level: **Total LPL holdings per capita: London = 2.77** [average for Ontario libraries = 2.96]
- Community impact: **Total LPL annual circ. per capita: London = 10.65** [average for Ontario libraries = 9.49]

Analysis of usage patterns helps to ensure that resources are directed to meet community needs and expectations. LPL reports quarterly on collections and lending services, comparing current quarter and year-to-date with that of previous year(s).

Demand for newly published material is considerably greater than the demand for older titles. The ongoing effort to weed old, outdated material has resulted in a shrinking of the library collection by 2% from its size in 2007, although circulation in 2008 has increased by 6.25% over the previous year. The number of holds placed by customers waiting for material to arrive increased nearly 10%. Londoners use the collections heavily, but their preference for current resources is very evident in borrowing patterns.

Market Analysis

Consultation and review of the considerable body of literature on demographic, social and library industry trends show that:

- In difficult economic times, library attendance and the use of library collections increases;
- The electronic revolution that was supposed to make libraries extinct has made them indispensable as people attempt to find useful, authoritative, and current information in an information-rich world;
- Demographic trends that are showing an impact include an increased percentage of seniors in the total population and immigration and settlement patterns in London;
- Societal trends impacting library services include a strong media influence on the use of collections, changing consumer behavior, the Net Generation, and the continued evolution of the knowledge-based society.

2.0 PROBLEM DEFINITION

The collections budget has neither kept pace with inflation nor with user needs, demand and expectations since 1994.

Factors Affecting Collections Expenditure

Between 1994 and 2008 there has been a continuous decrease in collections purchasing power. The Consumer Price Index (CPI) [source: Statistics Canada] for reading materials and other printed matter has been significantly higher than general CPI over the past 10 years. Between 1994-2008, the collections budget increased by 24.13% while the increase in the CPI for printed materials was 40.84%. Procurement continues to be affected by the US/CDN exchange rate.

If the collections budget had kept pace with inflation, it would now be larger by \$72,694. This does not account for the purchase of any new formats which brings the gap to approximately \$100,000 per annum.

In conjunction with the Library Settlement Partnership, the Federal and Provincial governments are to provide limited funding to increase multilingual collections. As of May, 2009 confirmation of this funding has not been received. To support the needs of the non-English speaking newcomers, the library relies heavily on donations of materials in heritage languages and concentrates collections purchasing on English as a Second Language resources.

The World Wide Web provides much information of use to library users and staff. However, authoritative digitized content is a fee-based commodity provided by vendors through licensed subscriptions. In order to acquire access to these resources, LPL continues to reallocate funds within the collections budget.

Increased Public Demand and Expectations

Changes in the marketplace (e.g. digitized content and introduction of new formats such as DVD and downloadable options) have raised consumer expectations adding demand for new types of collections formats while demand for traditional resources, such as books, also increases.

Circulation increased greatly in the new and refurbished locations identified in the capital program of 2001 – 2008 (e.g. Central, Cherryhill, Crouch, Westmount, East London, Byron, Beacock, Jalna, Landon, Sherwood, Pond Mills, Masonville). Patrons continue to appreciate these refreshed spaces, and activities, such as materials use and borrowing, continue to rise.

An infusion of \$250,000 to the Collections Operating Budget as part of the operating budget increase to support the new, expanded Central Library (2000/2001) helped to narrow the growing gap between available funding and need. Budget increases from 2006-2008 helped support the increased demand in branch locations. However,

additional funding is required to ensure the library collections remain current and relevant.

Innovation and Cost Containment

Attempts to keep pace with increased costs and public needs, demands and expectations include a variety of strategies and innovations such as:

- Annual prioritization of allocations within collections budgets;
- Limited introduction of new formats until the format is mainstream and less expensive in order to balance resource allocation;
- Magazine subscriptions cancelled and funds redirected to electronic resources;
- Aggressive procurement resulting from tendering and vendor negotiation;
- Consortium buying with other libraries for both print and electronic resources;
- Securing donations for enhanced areas of the collection such as support for environmental resources by Friends of the Environment;
- Use of funds raised through the Library's annual giving campaign, "Imagine", and by the Friends of the London Public Library to support the introduction of new formats.
- Establishment of partnerships with groups such as Autism Society and the Child Abuse Prevention Council, to augment specific, topical collections;
- Changes to lending services policies to increase turnover rates and increase public accessibility to limited resources;
- Internal processing workflow and materials movement efficiencies implemented for improved access for patrons.

3.0 RECOMMENDED SOLUTION

A business case that identified a five year plan (2006 – 2010) to rebuild and sustain the collections was presented as part of the 2006 Annual Operating Budget process to increase the collections budget by up to \$100,000 per annum. In the 2009 budget, the addition of \$100,000 to support collections was cut from the budget in order to achieve the Library's budget target set by City Council..

Approval of an additional increase of \$100,000 to the core collections budget for the 2010 budget year would have a number of positive and immediate results including:

- Maintenance of core collections service levels, customer satisfaction, and content relevancy (scope and currency);
- Improvements to service levels by meeting emerging community needs resulting from demographic shifts and changes in newcomer populations;
- Greater community impact by increasing current holdings thereby improving per capita access, which remains below other library systems.

4.0 DECISION CRITERIA (SELECTION CRITERIA)

Each alternative was analyzed on the basis of the following criteria:

- Capacity to advance achievement of LPL Vision, Mission, Core Services, and corporate goals and objectives in being a key information services provider in the City of London;
- Impact on service levels, customer satisfaction and community impact;
- Ability to support and advance the goals and priorities of the City of London in serving its citizens and to promote London as a creative, innovative place to live and work;
- Cost effectiveness and efficiency;
- Sustainability;
- Potential for partnerships and collaboration

5.0 IDENTIFYING ALTERNATIVES

- Retain the status quo;
- Seek increase to operating funding from the City of London as part of the 2010 LPL Operating Budget Request

6.0 ANALYSIS OF ALTERNATIVES

Alternative One – Retain the Status Quo

The disadvantages of this alternative are considerable, as follows:

- Results in an ongoing erosion of service levels (collections relevancy, currency, accessibility) and will have a negative impact on the ability to meet community needs, demands and expectations;
- Negative impact on Londoners who rely on the Library for access to the world of information and creative expression;
- Negative impact on newcomers who frequently seek out the Library as their first entry point to settlement in London;
- Negative impact on educational, community and government institutions and agencies that rely on the library collections to serve their clients and Londoners as citizens;
- Negative impact in ability to support the City's primary strategic priorities of Community Vitality and Creative, Diverse and Innovative City;
- Experience has also shown that reduced service levels will have a negative impact on partnerships, revenue development and fund raising.

Alternative Two - Seek Operating Increase as Part of 2010 Budget Request

- Gap analysis has identified a financial need of \$100,000
- LPL Senior Team and Staff have developed a multi-year plan to address the funding need and the corresponding collections management program required.

7.0 IMPLEMENTATION AND FOLLOW-UP

- Acquire necessary operating budget;
- Commence implementation of strategic intents and business plans already created as part of development of new LPL Strategic Plan (including: project scope, goals, operational resource requirements, tasks, accountabilities, timelines, metrics to measure project success and service impact);
- Services Assessment: measure, analyze and report on impact.

8.0 RISK ASSESSMENT

The risks to be considered include:

- Reduced service levels resulting in lower user satisfaction;
- Dilution of the perceived relevancy of the London Public Library as an integral and essential information gateway and community hub;
- Greater budget expenditure required in future years to “catch up” in order to meet reasonable library service standards.