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<p>Corporate Plan Output: Across all outputs</p>	

The purpose of this report is to respond to the request of Council, at its meeting of 27 May, to review the recommendation to charge non-city children and senior citizens a fee per item borrowed.

BACKGROUND

A review of membership was conducted by a Library staff project team for the following reasons:

- Dissatisfaction with the processes for joining new members, which were seen as cumbersome, “authoritarian” and not particularly customer friendly
- A need to simplify the categories of membership which were confusing to staff, and customers, and which had grown up in an ad hoc fashion over many years
- An outstanding request by a previous Community Services Committee for non-city membership to be reviewed

Amongst the desired outcomes from the review were two that related to members who did not live or pay rates to the city:

- That membership parameters should provide fair and equitable access to all Christchurch citizens
- That policies on those living outside the city and not City ratepayers were clear, consistent and equitable

CURRENT SITUATION

The current situation with non-city members is as follows:

- Children (up to the age of 12) and Young Adults (13 to 18 years) are able to borrow all materials without the payment of a per item charge, as if they were city members
- Adults (19 to 59 years) pay a per item charge and all other charges as they relate to city Adults
- Adults (60 years and above) do not pay a per item charge and have the same borrowing privileges as city members.
- A subscription of \$100 per annum (or \$50 per six months) is available as an alternative to a per item charge.

The exemptions given to children, young adults and senior citizens were made at the time of amalgamation, partly as a result of concerns about the scope of library services in the neighbouring authorities. Over the last ten years those authorities have improved their own library services and the need for the City to underwrite them is less pressing. In some cases we have received informal feedback that our continuing free service is actually undermining their ability to deliver improved services, because their business is not growing as it might do if their residents relied more on their own library services.

WHAT IS PROPOSED?

The Membership Review Team has proposed that a per item charge be applied to all non-city members regardless of age. This charge is a recognition of the fact that those people living outside of the city, or not paying rates to the city, are not contributing to the 93% of funding of the library which comes from rates paid by those who live in the city, or own property in the city. In light of the improvements in out-of-city library services over recent years, NOT to charge non-city members an appropriate fee could be seen as unfair by those who contribute through their rates and rent.

It is proposed that the per item charged for children and young adults (the new Youth category of membership) be half of that of the per item fee for adults. These young people will still benefit from no extended loan charges and no charge for reserves, as will City Youth. If they or their parents are heavy users of the library, they will be encouraged to take out the subscription offer that allows up to 20 items per issue. If they take the maximum number of items for a four-week period, this is 260 items per year – a unit cost of \$0.38 per item.

The rationale for introducing the per item charge across the board is based on the need for consistency and clarity (both for staff and customers) and on the need for fairness and equity to those who fund the service. We are also mindful of the pressure over the years for the Library to meet some of its costs from revenue from direct user charges.

The proposals already adopted by the Council to exempt youth from 13 to 18 of extended loan charges will also apply to youth who live outside the city. This must be a real benefit to non-city youth who, for reasons of lack of transport, may find it difficult to return their items before the four week free loan period expires. The introduction of a \$1 per item charge for this category of members may be preferable and result in lower costs for some young people. For others who have always returned their items within the four weeks it will be an increased cost.

Whether or not this proposal makes additional revenue or not is difficult to predict. Some current members may choose to discontinue their use of the city's libraries rather than pay the per item fee, or the subscription. In all cases they do have an alternative free library service available in their own local authority. However, the revenue gained is not the driving reason for the proposal. Rather, it is one of fairness and equity. City members contribute to their library service through rates and rents, non-city members do not. The per item fee, or the subscription, is the way they can contribute to the cost if they wish to use the service.

As stated before, one of the driving reasons behind the review has been to simplify the parameters and the numbers of categories of membership. To maintain exemptions for certain age groups within the non-city category runs counter to this aim.

One other issue raised in the debate was the situation of the former Paparua County Council members who, as a result of amalgamation, found themselves outside the city boundary. This group of members, plus those living in the Rolleston Ward of the Selwyn District Council, do not pay the per item charge as this is paid on their behalf by the Selwyn District Council. We bill them annually based on the number of items borrowed by their members in the preceding year. The changes proposed will not affect individuals who live within these two areas of the Selwyn District Council.

CONCLUSION

The Membership Review Team has looked again at our rationale in the light of the Council's request to reconsider the per item charge for children, youth and senior citizen who are non-city members. Whilst there may well be an adverse reaction from the proposed changes, we do not think this is sufficient reason not to proceed with the recommendation. We believe it is fair and equitable, given that the bulk of the costs of the library (93%) are met by city residents and ratepayers. We also believe that the library services provided by neighbouring local authorities have improved considerably in the last ten years.

Recommendation: That the following membership parameter be endorsed:

“Residents living outside the Christchurch City boundaries and who do not pay rates to the city are eligible for membership without the payment of a joining fee. In addition to any direct charges applying to city members, they will be required to pay either a per item charge or an annual subscription to borrow library materials.”

Chairman's

Recommendation: For discussion.