

CHAIRPERSON AND MEMBERS
Council Workshop, 15 February 2023

(From Melanie Brebner, District Library Manager)

Proposed Libraries Fine Free Policy implementation

Purpose of Report

The purpose of this report is to seek Council approval to implement a fine free policy for Matamata-Piako Libraries to remove financial barriers for the community to better access the libraries and their resources.

Recommendations

- (i) THAT Council Receive the report**
- (ii) THAT Council approves implementation of a fine free policy for all late returned library items including books, DVDs, magazines, and other lending items, effective from 1 July 2023**
- (iii) THAT Council approves a review of the removal of overdue fines on Hot Picks in February 2024, with an option of reinstating overdue fines on Hot Picks only, if revenue from these items has decreased**

Background

Overdue fines are charges incurred for the late return of any borrowed adult library item and triggered on the return of the item. For customers that have overdue items, a series of regular notices are sent out weekly to remind them that items they have out on loan have become overdue and that they need to be returned. Once the item(s) become four weeks overdue a billing notice is issued advising the customer that if the item(s) are not returned or paid for within 16 days, the debt will be referred to the Council's Finance Department's debt recovery process.

This proposal is for the removal of fine charges only. Lost or damaged items will continue to be charged for and all efforts will continue to be made to recover either the item or its replacement cost.

Both internationally and nationally it has been recognised that "fining" as an incentive to return items on time is more of a deterrent to using the library than an effective tool to manage overdue items.¹ Library fines in New Zealand have recently been a topic in the media with Christchurch, Wellington City and Porirua Libraries all removing fines in 2022.

In 2019 the American Library Association passed a resolution encouraging public libraries to actively move towards eliminating fines, saying that they are a form of social inequity.

Based on studies undertaken in both the US and the UK, these fines are preventing customers from using libraries. Studies undertaken in the UK have seen increases of 6.5% in new members, 4% increase in items issued and 3% increase in visitor numbers since fine free policies have been enacted.²

In a recent New Zealand study "Libraries in times of economic downturn" by Lara J Sanderson, barrier-free access to Libraries and their resources is identified as a key factor for community wellbeing. Libraries were also identified as playing a positive role in community recovery.

¹ 2019 sees rapid increase in libraries dropping fines. Katherine Cowdrey, The Bookseller, January 13 2020

² We wanted our patrons back – Public Libraries scrap fines. Emma Bowman, NPR News, November 30 2019

This barrier to access was evident in Matamata-Piako before removing fines on children's items. In one example, Library staff were told never to allow the child into the library again, because they were naughty and stupid for costing the parent so much money. It was eight years before the child was old enough to rejoin the Library as an adult. In another example, a parent came in and asked for scissors to cut the child's library card up in front of them as they had been irresponsible and couldn't be trusted to have a library card any longer; the fines were less than \$5 and the child was under 10 years old. One new parent, who ended up paying \$30 in overdue fines, never returned to the Library once the fees were paid. Library staff have many other examples of parents who had shared with them that it was too expensive to use the Library, as the fines were too high.

Unfortunately, no base-figures were gathered prior to the removal of overdue charges on children's items. Anecdotally, library staff noticed:

- Some members who had stopped coming to the library returned;
- Parents stopped limiting the number of items children could take out on each visit;
- Next SPACE groups had more participants signed up to membership after being re-assured that they wouldn't get overdue fines if they got busy and didn't get items back in time.

Library staff have many examples of members who no longer come to the library once they have been charged overdue fines. In some instances, the fine is paid off; in others, it remains outstanding. Library staff are also aware that in many instances, once an item becomes overdue, it is never returned, and the customer never returns to the Library. Rather than acting as an incentive to returning items in time, fines can act as a deterrent to bringing items back at all.

Detractors of going fine free worry that removing fines will mean there is no deterrent to stop customers from keeping their issued items. However, studies in the US have shown that, with good circulation management procedures in place, in the long term there is no significant difference in the number of items not returned. In fact, one library in the San Francisco area saw an improvement of 5% in the overall number of books returned.³

In 2021 South Taranaki District Libraries removed fines on adult's items. They note that people are much more willing to return overdue books, because they are not faced with a fine. Families have rejoined the library, because they are not scared they "will get a bill if the kids lose their books for a while". Horowhenua Libraries have had a slight increase of children joining the library, and have had feedback from parents and teachers that they feel better about taking out more books without the threat of fines. Masterton Library report that the amount of time allocated to book recovery has decreased from one to two hours per day, to one to two hours per fortnight. They consider the positive engagement with the community to be the best outcome.

Promoting a more positive, welcoming environment and encouraging wider use of our libraries supporting the improvement of literacy levels in the Matamata-Piako District are key outcomes for Matamata-Piako Libraries. To achieve this, the fine free policy as proposed would be implemented along with effective management of the circulation of library stock to minimise the risk of non-return of items by customers.

Discussion

Current State

Active membership of Matamata-Piako Libraries is 7,071 (these being members who have used their cards within the last two years) which is 20.55% of our current population (based on 2018 Census statistics). Although this figure is comparable to other similar-sized libraries within New Zealand, it still shows that a

³ Why Libraries are eliminating late fees for overdue books. Linda Poon, Citylab Daily Newsletter, 3 October 2019

large percentage of our population does not make use of the significant investment that Matamata-Piako District Council makes in the provision of library services.

Although fines on children's items were removed on 1 July 2020 for Matamata-Piako Libraries, if a child or young person has an adult item issued on their membership card, this does incur fines, putting a barrier in place for a young person wanting an adult nonfiction title to support their learning.

Many parents also prefer to use one adult family membership card to borrow items so that they can more easily manage a family's library usage. The main factor for them doing so is to limit the risk of incurring fines across several members of one household. This practice, however, does not allow a child to independently borrow items and learn how to manage their own borrowing and distorts the usage figures between adult and child memberships.

Current Overdue Notice and Billing Process

The overdue fee for all items, except for children's and teen's collections, is fifty cents per day per item. Overdue fines are triggered on the return of these items, as opposed to the charge of the lost book which is incurred on the non-return of items after a period of 30 days from the due date. During this five week period, the customer has received three reminders, as well as two texts or phone calls advising that items are overdue and need to be returned to the Library.

Currently, at the billing stage, an administration fee of \$15.50 per adult and children's item is applied to the account, in addition to the replacement cost of the item. This administration fee is waived if the books are subsequently returned. However, the overdue fines, which at four weeks overdue from the due date have accrued to the cost of the item, will still be charged.

Once an item has been billed for four weeks overdue, it becomes a lost item debt which, after seven days from the billing notice (five weeks after the due date), with no response, and if over \$50 is then referred to the Council's Finance Department's debt recovery process, including the referral to a debt collection agency if necessary.

Overdue Fines Collection Process

Once an overdue item has been returned, the Library Management System calculates the overdue fee that is applied for adult items. If these fines are not paid on the return of items, notices are generated and sent out, or the Library Team Leader makes a phone call, once the overdue fine amount reaches \$10 for an individual patron. As soon as these fines reach \$10 the patron's card is blocked until the amount owing is either paid off or reduced to below the \$10 thresh-hold.

Individual overdue fines rarely exceed the \$10 thresh-hold to be referred to the Council's debt recovery process. These overdue fines are not included in the Council record for Library debt, but are held on the Library Management System. It is only this debt held on the library system that, under this proposal, will be removed. Any unpaid debt for lost items that have been referred to Council will continue to be actively pursued.

Financial Impact of Fines

Currently Matamata-Piako Libraries has a total of 17,237 members who have not used the Library for the past 2 years, (since 27/01/2021), of which 4,187 are children. Of these numbers, there are 92 adult members who have fines averaging \$6.47 and 16 child members with an average of \$8.70 of fines owing on their accounts.

On average 17% of the total fines charged each year are not paid. Bills created from 1 January 2022 to 31 December 2022 amounted to \$9,188. Of that \$1,467 (or 16%) remains unpaid. The total amount of overdue fines as of 2 February 2022 stood at \$37,205.10, of which \$894.02 is older than 2 years. An additional

\$733.80 has been written off. From 1 July 2022 to 1 July 2023 the expected income from overdue fines is \$9,000.

Overdue fines of less than \$20 are removed from the system after a period of three years. Fines over \$20 get removed after six years have lapsed, as these are unlikely to be recovered. For the last three years, the average amount of overdue fines accrued has been \$11,765 per year, of which an average of \$9,784 each year has been recovered.

Implementation

In 2020, the Matamata-Piako Libraries reviewed their overdue fines with a follow-up process to implement a tighter timeframe between notices to reduce the level of lost books. The current process to manage overdue items would continue to be followed, but with no overdue fines as summarised below:

- At 3 days prior to the due date a pre-due alert notice is issued offering the option to renew items if a longer borrowing time is required.
- At 5 days after the due date the first overdue notice, with a renewal option, is generated.
- At 15 days after the due date a second notice with a renewal option, is generated.
- At 25 days after the due date a third notice, with no renewal option, is generated containing a warning that if not returned within three days the item(s) will be billed for the full replacement cost of each item. At this point, the customer is blocked from any further borrowing until all overdue items are returned.
- After this notice, and before the next 30+-day billing notice, customers with non-returned items to the value of \$10 or more will be phoned to remind them that they have items still issued out to them that are overdue and need to be returned to the Library to avoid the customer being charged for them as lost items.
- If the items are not returned within 4 days of the Billing notice a phone call will be made providing the customer with a final opportunity to return the items before they are referred to the Council's Finance Department's debt recovery process.
- At 16 days after the due date with no response, the full amount of the account for the outstanding item(s) will be referred to the Council's Finance Department's debt recovery process.
- If the items are all returned in good condition at any stage prior to referral to debt recovery, all charges will be removed and the customer will be allowed to borrow items again.

If this proposal is approved Matamata-Piako Libraries will implement a "Welcome Back" campaign which will include reaching out to non-active patrons to encourage them to reactivate their membership.

This campaign will involve a well-promoted amnesty period to reach out to all customers with outstanding items, encouraging them to return these long overdue items to the library to have all fees and charges waived. This will provide an opportunity for the Council to alleviate some stress and financial burden for Matamata-Piako District citizens in these difficult financial times.

This campaign will also provide the opportunity to educate customers on managing their library accounts by returning or renewing their borrowed items. The effective management of overdue items will result in improved access to library resources for all customers.

Consultation and Engagement

Although no formal consultation has been undertaken, the Library receive on average 10 to 15 enquiries per week regarding library fines. These enquiries are made up of disputes over the amounts owing, requesting time to pay them off or asking for clarification about the fining process.

Anecdotally, we also hear statements along the lines of “I won’t let my children use the library, because we will get billed for fines” or “I am put off from using the library as I don’t want to be fined for returning my books late”.

Financial Considerations

As with outstanding overdue fines on children’s items, this proposal will not result in the removal of outstanding overdues on adults’ items from Matamata-Piako Libraries’ Library Management System, other than as outlined above (after three years for fines under \$20 and after six years for fines over \$20). Fines are removed from the Library Management System, but a note is placed on the account.

Conclusion

In this time of financial hardship for all New Zealanders, we need to ensure our libraries are barrier-free and easy to access for all Matamata-Piako District residents.

As evidenced by the international studies referred to in this paper, the removal of library overdue fines is expected to realise an overall increase in library membership and usage. It is also expected that the number of books that are never returned will reduce. Most importantly, it will also assist in creating a more positive and welcoming environment, removing the barriers and negative connotations that a fines system generates.

If approved it is proposed that the policy will be implemented from Saturday, 1 July 2023, after a media release during the week beginning Monday, 3 July 2023.

Melanie Brebner
District Library Manager