



Libraries, the community
hub and service needs in
the online age



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Executive summary

Western countries' library services face the unprecedented task of meeting severe budgetary cuts while meeting heightened user service expectations in the online age.

Many library services may struggle to meet different governments' efficiency spending targets and revised service expectations as they do not have the critical mass to provide resilient services: many libraries could potentially be outsourced or smaller library organisations obliged to share resources with larger ones; many libraries are very likely to be arbitrarily closed to provide local government and educational institutions with the necessary 'instant' savings for a new financial year - or they may possibly be forced to surrender their traditional community role where many branches are closed.

However, there is reason for some guarded optimism among library professionals on a number of grounds:

- > In countries like the UK, libraries began re-examining their access, inclusivity policies and community engagement roles long before the current post-global downturn cutbacks of many public organisations including local government, so they have a track record in adapting and innovating services.
- > Many larger library authorities have invested in modern library management systems, such as Civica's Spydus platform, to change the cost base of maintaining collection, administration and front desk services; some management teams have taken this approach much further by leasing their property estate from property/facility management specialists to change the economics of their service delivery.
- > Other library services have re-appraised their building utilisation and staff skill levels to reconfigure local library branch capabilities; this includes replacing traditional shelf and storage space with greater learning and social spaces and enhanced customer service or research support.
- > Some UK library authorities are considering moving towards concentrating senior professionals' resources on management/policy while improving the quality of community support and engagement with customer service personnel in branches that do not have library management qualifications but are nevertheless experts in customer engagement.

Private sector library management providers such as Civica offer many local authorities a practical way to outsource library services; these services could even be provided in conjunction with management of property estate to help councils engineer fully outsourced services that end any debates over whether a library is a significant cost centre.

Other options include regional scale collaborative networks: in the SELMS consortium in South East England, eleven authorities have now built an open framework for shared learning, sharing resources and adopting best library management practice with a specialist service provider as technical facilitator.

Many forward-looking public library authorities now understand their cost of service and arrange their organisational resources to meet changing local demands; some have even won tenders to provide outsourcing services for other authorities; these trends show that libraries may be revenue generators with external as well as internal customers.

Local government's elected members and executives often do not fully recognise the improvements and innovations achieved by their library services in recent years; senior library management has to make the business and community engagement case to these audiences as well as local communities more effectively.

Context – the challenge for library services

Public library services across the world are facing unique circumstances including very severe budgetary cuts and service restructuring over a very short time schedule. First, there are rapid shifts in the way information is being made available to users - causing some to question the accepted role of libraries altogether.

The most urgent issue is the reduction in the size of the public sector and the resulting cut backs in public organisations' service capabilities in a number of Western countries. In Britain, the coalition government's ambitious plan to balance the books is leading to unprecedented budget cuts under last year's Comprehensive Spending Review (CSR).

In Britain, library services are under severe threat of closure or restructuring, even though as they are generally mandatory services – such as the UK's 1964 Public Libraries legislation. There is a similar situation in Australia and New Zealand, with budget and potential staff cuts being accompanied by rising demands for branch or online customer services.

Local government chief executives and elected representatives are now faced with making specific spending reductions in their individual communities, so by implication, directors of library services are urgently considering:

- > Closure of branches or reducing opening hours to help effect budgetary reductions.
- > Plans for outsourcing entire services to private sector facilities management (FM), library management systems (LMS) and/or ICT providers to reduce capital investment and optimise operating expenditure budgets.
- > Partial ICT/administration outsourcing to LMS providers.
- > Sharing of resources to allow cost efficiencies to be made while maintaining the resilience of public library services to the community.

Outdated perceptions

Library services directors face the added complication that many local government senior managers have an outdated understanding of local libraries and their expert information access and library animation capabilities in the community. As a result, councils' budget holders haven't fully grasped the concept of a library as a public space, still less, the operational implications of its development or cutting back on services. In some countries, there is a lack of central understanding of, or effective policies for, co-ordinating and funding modernisation of libraries' administration.

So what is to be done?

About this paper

To address these issues and highlight progress and best practice, Civica's Library and Learning division which supports a range of government and academic libraries world-wide convened a discussion seminar.

The event was chaired by Marshall Breeding, Director of Innovative Technologies & Research for the Jean & Alexander Heard Library, Vanderbilt University Library and attended by senior library professionals from around the world.

This white paper is divided into four sections which reflect the seminar's wide-ranging discussions.

Following the context provided in section one, section two of this white paper examines the potential for shared services in libraries to balance budget and services issues; section three asks whether charging for services is a realistic approach for libraries in a changing marketplace; section four looks at whether libraries can maintain their traditional community role as their operations change and section five examines whether libraries can realistically play a role as printed materials are increasingly joined by new electronic document formats in the Internet-driven age.

Shared services – the way forward?

The need to share resources presents library management teams with a practical (if challenging) response to cutbacks and an alternative to wholesale outsourcing of library operations. Two themes top the agenda here – should a library service merge with other bodies, or pool resources with other library authorities across boundaries?

In smaller countries with limited numbers of library services, this sharing (or consolidation) of efforts could cause an early move towards a single library service provider, with tenders being issued for national-level services.

Library managers face difficult issues of system integration and service automation. This is because different authorities, under pressure to produce savings year-on-year, have already standardised processes across their organisations. Many others are starting to push ahead with local shared services projects that will require common ICT and library management platforms. There are many approaches and inevitably, different technology strategies will be required.

Progress on sharing

Some countries are already seeing some successful sharing strategies. Several UK cities' library services have evolved a single system for planning, sharing and collaboration between neighbouring authorities. This raises questions of demarcation and individual library services' giving up their responsibilities for the greater good; a certain degree of horse trading is needed. As one delegate put it: **"Letting go of something in these negotiations is a sign of strength, not weakness."**

Other delegates emphasised that such arrangements are often incremental, with different authorities learning to share resources such as staff or back office systems. Another issue is establishing critical mass or building on existing large library services for ensuring resilient services. For example, smaller UK services with only four or five branch libraries would struggle to accept the 27% cuts that the CSR has mandated and still provide services.

The reorganisation of governmental structures – particularly under a new government – can thwart practical progress towards sharing. As a UK speaker explained: **"People talk to their counterparts in directorates or professional groupings about sharing services and systems. However, if their amalgamation plans are not strategic, their collaborations could actually be at risk from reorganisation at a higher level."**

One UK authority delegate described the evolution of a single policy approach across a region's different councils' library services with other libraries, colleges and schools brought into their service model. The programme has been so successful that other authorities beyond the city region are enquiring about joining. This approach could be replicated in a 'hub and spoke' model with smaller authorities. The only remaining challenge is opening up access to new resources – for example, the public hasn't yet got access to college facilities, although local students can access the public library service.

Other options include regional scale collaborative networks where resources are shared but private sector providers supply key elements such as library management systems (LMS): in the SELMS consortium in South East England, eleven authorities have clubbed together to provide branch services for five million people. Over the last five years, the participants have built an open framework for shared learning, sharing resources and adopting best library management practices. A specialist LMS provider is the core technical facilitator and ICT integrator.

Communicating the vision to colleagues

A final difficulty noted for libraries in sharing, is communicating their role and future plans – sometimes from the national level down. Will some shared projects prosper or others flounder because of a lack of common specifications? One delegate explained: **"In our country, there is no proven model for moving information around or even agreeing the associated budget for achieving this."** Not surprisingly, there are instances of library services having to initiate and manage sharing programmes 'under the radar.'

As public organisations are encouraged – or forced - to collaborate, libraries are no longer seeing themselves as a separate, specialised service. They are strengthening ties with colleagues who could eventually become internal customers. However, many senior non-library executives in local government have outdated perceptions of libraries and how they benefit the community. Library service directors will have to make a strong business case to their councils' senior management for their services, even as they strike up collaborations with counterparts or communicate with local residents.

The financial imperative

Whatever government upheavals take place in different countries, library professionals' overriding issue is ultimately how to change the economics of their service delivery and demonstrate this breakthrough effectively to their senior executives. In countries like the UK, this could be as much about understanding and managing the co-ordination of funding arrangements (known as place-based budgets) as reforming and re-engineering library services themselves.

Budgets will be the key to libraries' survival. As one delegate stated: **"Financial drivers will make collaborations happen. Library services need to aggregate to maintain services and drive out costs."**

Charging for services

In a market undergoing such radical operational, structural and content changes, it's not surprising that service costs - whether to the library services or chargeable to the user - represent one of the great unknowns in library services.

The fundamental issue facing many library services is understanding the cost of services they provide. While libraries have faced close scrutiny on inclusiveness and user demographics in recent years, many library services haven't had to do this before. This will only be complicated by the intricacies of sharing services, whether internally or across different local authorities' services.

Online access issues

Australian professionals emphasised a related part of the same issue: charging the customer. Despite their country's progress towards shared service models, the local educational institutes are nevertheless operating in a competitive market. A user or student can choose to access online as much as go to one location and pay for services.

How can costs be recouped?

UK attendees said that with changes to the funding local government and tuition fees there is a lot of thinking going on in this area. Since students will carry a 'price tag', this will need to be recouped in fees charged. This is part of a wider continuing debate in the UK and other societies on the extent to which public services should be free or chargeable.

One delegate highlighted the 'EasyCouncil' model championed by a UK authority in which the user buys the particular level of service that they want, whereas the original council service model was to pay a fee as a local tax and have everything provided for them.

Cross subsidisation of services

One professional highlighted the difficulties that new charging models could raise, stating: **"We're committed to serving users but if this develops, are taxpayers going to be subsidising services elsewhere? We are becoming competitive in terms of service provision but there hasn't previously been a commoditised market in library and other local community services."**

Nevertheless, some library services have successfully developed service models whereby they can provide outsourced services for other local authorities.

Sharing services can pose difficulties for the library professionals who must justify service and expenditure to their elected members. One guest stated in their region: **"The benefit will be for smaller authorities. When we formalise shared operations, attitudes will inevitably harden so we will be asked: 'What have you been doing?'"**

Determining the cost of service remains a considerable challenge for many authorities and one which will only be complicated by likely governmental restructuring and budgetary caps. Perhaps the issue of charging end users is, if anything, somewhat simpler as the following sections will discuss.

Community engagement

The budgetary-operational demands facing libraries are becoming more acute with the continued explosion of information and online access systems. The rapid rise in 2010 of e-book and e-reader platforms is leading some observers to question the continuing role of libraries as book lenders or supporters of academic research.

Could these content trends force a rethink of the way library spaces are set up? Or change whole property estates' utilisation? Could staff's traditional role in community-building be undermined – or paradoxically, changed for the better?

Online and e-books

A number of seminar delegates felt that libraries located in physical buildings were inexorably giving way to online and e-services. Library directors from several countries described how established book-based libraries were being replaced by e-access, children's learning areas and coffee shops. One speaker stated: **"We're getting to a point where we ask if people will be diverted from using hard copy altogether."** Many library professionals, accustomed to reporting centrally on their user loans and demographics, now have strong insights into e-publishing trends and what the reading public wants. Many contributors believe that libraries are helping to shape the agenda on consumption of published material more than publishing houses.

Better community engagement

Some councils are building on the strength of their library services for providing vital community engagement. In the UK, a number of metropolitan library services envision the resident's library card to be the door for citizens to open up other local services.

Other delegates, while supporting the community outreach role, are cautious about the responsibilities and expectations involved. Many library executives find that building the wider community partnerships to support engagement inevitably demands more of library professionals' resources – just at the time when they are trying to free their time to service customers or plan service innovations.

Aside of managing lending and information services, only a large regional service will have the management capacity to maintain effective relationships with hundreds of schools in their region. Such co-operations are an inevitable part of sharing. Most service directors accept that achieving successful collaborations often comes down to managing egos and reputations – 'whether you can all just get on.'

Community expectations have long-term implications for its local library service and how it is organised. Delegates agreed that some library services may be flexible enough to adapt to new service expectations but others may not. One delegate suggested that: **"Some under-performing services need to sort out their offer and then map out the future. Some will just give up."** Another participant noted: **"We are starting to see the notion that the community can run the library... which can be dangerous."**

However, this pressure to engage is helping senior library professionals to bring about innovations – not just in terms of services but also in terms of staff utilisation, upskilling and community liaison. Several speakers said that library services have had to show leadership and reinvent themselves – because carrying on as before is no longer an option.

Libraries' proud role as a local 'centre for ideas' and community support received added momentum some years ago when many library services were obliged by some national governments to review their accessibility and inclusion strategies. While this led services having to make changes such as reconfiguring library operations and space towards electronic copy formats, it also led to library services reappraising their staff and skills sets. Some library directors, especially those encouraged to rethink services, found that their customer service and 'people skills' far outstripped those of other departments that have only been obliged to re-evaluate services in the last couple of years.

Innovative approaches to engagement

These different changes have led to two broad strategic approaches by the most advanced library services:

- > Increase in-house service potential by matching demands to service resources.
- > Rethinking of resources as services to other in-house departments or other organisations.

In the first scenario, service directors are making their branch staffing and services more flexible, to the point of focusing library professionals on management and non-professionals to support customer-facing services. One director noted that: **"We don't have professional librarians in many of our libraries; we arrange staff to suit community needs – children's learning and adult literacy skills – and then we plug them in across the network."**

This redeployment of staff is leading some professionals to rethink the role of staff in the 21st century library. Could technology assume and automate many of the administrative tasks and allow more streamlined and customer-focused staff? One speaker said: **"We have to ask ourselves if we are training our librarians for the right model."** Some library services are quietly confident that they will avert making service or staff cuts altogether and will develop capabilities – what others would call 'sweating assets.'

In the second scenario, large library services are providing library services as a hub for different authorities. Some have even provided customer service to other departments. As one speaker explained: **"We are getting to the stage of being paid by other organisations. We provide customer service and administrative staff to support police, credit unions or act as a Registrar's office in the future."**

Seismic changes like this can lead to performance and operational issues. Library professionals that have re-oriented services towards online use have sometimes seen staff struggle to cope with the overnight change in user demographics and service expectations. Others found that evaluating the benefits of a successful changing service provision was difficult; communicating it was more difficult still. Library services had to be able to adapt and show they are delivering benefit to the community.

Achieving economies of scale (larger operational management units) creates an inherent tension with politicians encouraging greater local control of facilities. The nature of public organisations and their management processes creates legal and operational responsibilities that innovation may cut across. This encouragement is now overt at a national level, but some regional library services have some years of fairly unhappy experience to draw upon when reconciling these needs. This experience shows that the tension is not easily managed. As a UK-based head of shared libraries service observed: **"I can't redeploy staff to another new library without their local constituency receiving some form of payment or recompense. To take strategic action, I have to get buy-in from all ten services - despite my office providing shared back office to all ten authorities anyway."**

The rapidly changing nature of published content's consumption is undoubtedly forcing libraries to change. However, in many countries like the UK, traditional libraries' role in supporting and binding together local communities was reviewed and evaluated even before the Internet explosion. Libraries that re-oriented services, staff resourcing, library management systems and building utilisation are still well ahead of many other public organisations that are now being forced to undergo a similar (if more severe) exercise in the post downturn 21st century economy.

In particular, library professionals have absorbed the shift away from hard copy books, changing user demographics and the expansion of higher education. Because the post-downturn economic tightening has demanded rapid (and increasing) efficiencies, library services have been quick to see themselves as service providers and revenue-generators, rather than static

cost centres. They have provided new services or started sharing resources to underpin them. As one director, speaking of the library service's overall future, remarked: "If you build a powerful model, they can't get rid of you."

Electronic content and e-books

Changing trends in publishing and consuming written material in electronic format is forcing libraries to consider how they will continue to provide information and charge for it. However, senior professionals sometimes face a difficult task in seeking to harness usage patterns and demographics to help services or branches to personalise content or lending systems to suit different tastes.

E-readers – not the next big thing?

One quite surprising example is that of e-readers, seen in many quarters as the 'next big thing' in book publishing. However, seminar delegates referenced recent studies which showed that students haven't widely adopted e-readers. There is a comparatively low uptake in academic institutions purposes, so even though this is a promising new format for reading, the business case for providing it as a front desk library service may not be as compelling as some people think.

In many cases, library management teams, accustomed to reporting centrally on their user numbers and loans, now have a good appreciation of e-publishing formats and what the reading public wants. Libraries are seeing changing habits at local branch and website level and are helping set the agenda, ahead of publishers. Seminar attendees suggested that the publishing industry could already be used to drive down printing and transportation costs. Many delegates thought that the UK publishing industry is somewhat behind the times – it doesn't quite 'get' the digital agenda.

Library managers know that in the Internet age, every new year is portrayed as the year of the e-book. If e-books do achieve wide uptake, the function of libraries will move further away from being 'rooms with books.' As one senior delegate commented: "**We only need a 10% demographic shift for us to switch our practices to the point where we ask how our buildings are used.**"

One UK authority has seen e-book loans increase by 20 times in the last couple of years. Its team is already negotiating with UK publishers on access, book formats and opening hours. Authorities in different countries are already adjusting charging models to accommodate e-books. Some countries libraries are setting up virtual libraries or electronic book library (EBL) models on a pay as you go basis.

Automation for innovation

Centrally-driven mandates for wider community outreach as well as trends towards online information and study has in any case forced libraries to re-evaluate the way they manage loans, collections and front desk services. Most library professionals accept the need for services automation, management of collections and inter-library loans. They are increasingly using leading providers' library management systems (LMS) which reduce staff time for back office administration, frees staff time for front desk services to users and enables faster and more efficient sharing of resources.

This automation of administration, allied to the development of new storage and retrieval systems is triggering a further wave of service innovation. Branches find that national collections are more accessible and less space is needed for storage, giving the public more space in prestige or high street branches.

Some seminar attendees believe that new content formats such as e-books will only fuel rethinking of library operations. Senior librarians are using online book catalogue products such as the Aqua browser. This enables the branch to link different virtual, physical and increasingly, social media resources and multi-layered catalogues to widen users' choices. Library directors note that modern sophisticated browsers serve e-content better than many proprietary websites. As one delegate noted: "**Amazon isn't properly personalised, it just makes a selection based on what you last read.**"

Managing the physical and the virtual

The continued success of on demand print services within libraries and book chains indicates that the inter-relation of different electronic and physical formats is certainly there. Senior library professionals emphasise that accessibility is partly about being inclusive in library use but also about providing information from different resources.

Some users will always like a more tactile approach which can pose difficulties in some communities. Seminar guests noted that when libraries are changed, the overall usage goes up but does the type of usage go up as well? This may once again spark a debate as to what the role of our libraries is supposed to be. Are libraries moving away from supporting the traditional constituency of educated middle class and academic users? There may be a backlash from traditionalists asking 'Where have all the books gone?' or from those that dislike retail-style libraries with self-service front desks.

Clearly in such circumstances, library services need to ensure that they are reaching out to the community and providing services that bring people back in. One senior library professional told the seminar that the bottom line was to: "**Get your staff to get out and talk to people about what they need.**"

Conclusion

Different countries' library services face an unenviable task in trying to deliver previously unheard of cost efficiencies while meeting the local population's expectation of instantaneous service. It is likely that many library services could be cut back or outsourced in different ways to close funding gaps while meeting local needs. A series of factors could determine the success of such approaches:

- > **First:** Library professionals have a proven ability to adapt their role in the community and the way their service is delivered. This was proven as 'hard copy' libraries gave way in the 1990s to apparently more community focused information and learning service provision. There is no reason to think that libraries - particularly larger ones - cannot adapt again to the new challenges of different countries' spending cutbacks.
- > **Second:** Many libraries services, especially smaller ones, will undoubtedly be forced to collaborate and share resources (whether 'cross boundaries' with other library authorities or internally with other departments) simply to maintain basic community services. However, these collaborations - particularly because in many countries like the UK the scope of governmental reform and associated savings is still being defined - raise questions of how practical it is for them to establish common platforms for administration and ICT anyway.
- > **Third:** Many library services will be outsourced to private sector providers, providing a variety of managed service options. This will help close the large budget-service gap. It will also shift investment needs from libraries' capital budgets to operational expenditure. Some leading library services have successfully re-engineered their services and even started to establish independent revenue-generating models of their own - even before the current budget-tightening in Western countries after the downturn.

Private sector library system providers as well as a vanguard of advanced local authorities have established models that transform the economics and services capabilities of libraries. The most advanced public library authorities have identified and are drawing on their staff's particular expertise in engaging and helping residents across the local community in order to provide outsourced services to public organisations.

The future of libraries will certainly build on their skill in innovation. However, it will ultimately be up to directors of libraries to convince elected members and local government CEOs to follow these radical approaches to library management and new service delivery models - whether public or private - over the next few years.



Delegate profiles

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Attendees:

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