

Title of meeting:	Culture Leisure and Sport Decision Meeting
Date of meeting:	19 July 2013
Subject:	E-book service
Report by:	Head of City Development and Cultural Services
Wards affected:	All
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1 To seek approval from the Cabinet member for the development of an e-book lending service in Portsmouth Libraries

2. Recommendations

- 2.1 That the Library Service develops an e-books offer to library members during the current financial year.**
- 2.2 That the Council enters into a contract with a library supplier of e-books for an initial two year period. This will be based on the most advantageous offer in terms of access to resources and value for money.**

3. Background

- 3.1 The public demand for, and use of, e-books is growing year on year. The Daily Telegraph reported a 188% rise in sales the first half of 2012 and an article in the same paper in May this year recorded a 134% rise in the consumer market for digital, mainstream fiction and non-fiction over the same period. At the same time the growth in e-book readers and tablets is showing a similar rise.

The same source reported that John Lewis saw a rise of 45% in sales of e-book readers and tablets in the run up to Christmas 2012 over the same period in 2011.

There has been a similar growth in the number of UK libraries offering an e-book service from 46 in 2011 to 142 in 2012. Portsmouth is now in the minority in not offering access to a format that is increasingly popular with the public and giving the impression that Portsmouth's service is behind the times and doesn't offer anything for people who only use digital books.

Portsmouth Library Services e-lending offer is at present restricted to e-audiobook download and an online magazine service. The Zinio e-magazine service was launched in February 2013 and already has nearly 700 users downloading over 8,000 magazines.

Staff working in Portsmouth libraries receive regular enquiries about an e-books service and there is a steady stream of emails on the same topic. This is illustrating a demand for an e-book service, while presenting a rising tide of dissatisfaction that the library service is not currently engaging in this area.

3.2 **The national position**

The major constraint on the development has been the understandable concern of publishers that the lending of e-books through libraries would lead to loss of sales. They are also concerned that the digital right management (DRM) that removes the book from a device at the end of the loan period is not always effective. The publishing industry does not want to see a repeat of what happened to the music industry with the growth of copying and illegal downloads.

The Society of Authors are also concerned as the loan of physical books from public libraries brings in a financial return through the Public Lending Right (PLR) scheme there is nothing currently in place that will replicate this for e-books.

This has resulted in a large number of publishers have refusing to license their titles for download in public libraries. Aggregators such as Overdrive and Askews and Holts Library Services have found it difficult to obtain popular UK published titles for public library users in this country.

To look at ways of overcoming these concerns and assisting the Public Library Service in the UK to develop e-lending, the Government set up a review in September 2012 under the chairmanship of William Sieghart. The Sieghart review was published in March 2013 and made the following recommendations:

- The provisions in the Digital Economy Act 2010 that extend PLR to audio books and loans of on-site e-books should be enacted.
- Further legislative changes should be made to allow PLR to take account of remote e-loans.
- The overall PLR pot should be increased to recognise the increase in rights holders.
- A number of pilots in 2013 using established literary events should be set up to test business models and user behaviours, and provide a transparent evidence base: all major publishers and aggregators should participate in these pilots.
- Public libraries should offer both on-site and remote E-Lending service to their users, free at point of use.

- The interests of publishers and booksellers must be protected by building in frictions that set 21st-century versions of the limits to supply which are inherent in the physical loans market (and where possible, opportunities for purchase should be encouraged). These frictions include the lending of each digital copy to one reader at a time, that digital books could be securely removed after lending and that digital books would deteriorate after a number of loans. The exact nature of these frictions should evolve over time to accommodate changes in technology and the market.

In the same month, March 2013, the Government published a response to the review. In this they welcomed the core principles that public library services offer a free e-book lending service while recognising the concerns of the publishing industry. The recommendations for the amendment of the Digital Economy Act (DEA) to extend PLR to e-books will require primary legislation

3.3 Constraints on e-book services

Other restraints on the development of an e-book lending service have been:

Until recently the most widely used e-book reader has been the Amazon Kindle and this has not been licensed for downloading books from public libraries in the UK. However, the new version of the Kindle, Kindle Fire can download from library sites. Additionally there is now a considerable range of devices, including tablets, e-readers, notebooks etc. that more people would have access to the service without the necessity to purchase another device.

The service would not be of use to those Portsmouth residents without access to a tablet, e-book reader or smartphone. The existing free, physical book lending service will continue to provide a service to those users

Users with limited knowledge of downloading would require support initially with downloading to their device. E-book suppliers to public libraries provide online help for users, listing compatible devices and assistance on the download process.

Users with a visual impairment are likely to have difficulty navigating a website. Unless there is a text only version there are difficulties in using screen reading software. However users who have some sight will find that they can change the font size to assist with reading. An e-book service could provide access to a wider range of stock than the current large print offer. They would be able to access all material in the collection.

However, In spite of the above concerns a number of library authorities offer successful e-book lending services to their members.

3.4 **The marketplace**

The supply of e-book services to public libraries is limited at this time to two major suppliers. There are others but they mainly supply the education sectors with academic books, and while these could be of potential interest to our library members they don't offer the range of fiction, non-fiction and children's books that we see as attracting users to our service. Other library suppliers have signalled an intention to enter the marketplace but are unlikely to have an offer in place during the current year.

3.5 **The operation of the system**

There are two main elements to a service. The supplier provides a web based platform, badged with the library service logo that gives the user access to the library's stock of e-books. The website will also include help pages giving details of compatible devices and assistance with the download process.

The second element is the titles on offer. At present the suppliers negotiate separately with each publishing house who will decide on the range of titles they will offer and the terms. As has been stated the publishers have concerns and at present the range from UK publishers, while increasing, is limited.

The library service chooses the titles they wish to offer from the supplier's website and these are listed both in the library catalogue and on the website. The books are issued in the same way as the physical format on the basis of one copy, one loan at any one time.

The library service can decide on the number of e books a library member can "borrow" at any one time, and the loan period. The user can also put books on hold to download later and request titles that are on loan to another user

The library member will access the system using their library card and PIN. They are then able to search or browse the catalogue and select titles to download. Those titles with DRM are automatically removed from the user's device at the end of the loan period.

Library staff would have administrator rights to the system including the ability to add new titles and to obtain statistical information on the number of users, the number of "issues" both by borrower and by title.

3.6 **Funding**

The funding for the setup of an e-book service has been identified within the library service cash limit budget within the materials fund. An initial two year contract would give the library service the opportunity to develop the service and promote it to library members. The market is developing rapidly and new players with a better offer may be available at the end of this period.

4. Reasons for recommendations

- 4.1 The development of a service in Portsmouth would have considerable advantages for Portsmouth Library users and offer an incentive to membership for those who currently don't access the service

Such a service would:

- Give access to books at times when the library is closed in a convenient, downloadable, portable format.
- Attract new users to the service.
- Avoid the problem of wear and tear on the physical book format.
- Avoid the non-return and loss of material.
Items cannot go overdue and thus attract fines
- Books can be purchased quickly and made available instantly.

The Library Service recognises that the initial offer to our users will be limited but the feeling is that the lack of an e-book offer is giving the impression that the service is falling behind what is expected from a modern service.

5. Equality impact assessment (EIA)

- 5.1 A preliminary EIA has been submitted and agreed .

6. Legal Implications

- 6.1 The provision of E-books as part of the Library Service's service provision does not raise any specific legal implications.
- 6.2 The procurement of a contract for the supply of e-book services will need to comply with the Council's Contract Procedure Rules (CPRs) in addition to EU procurement rules.
- 6.3 The Cabinet Member for Culture, Leisure and Sport has the power to approve the recommendations as set out in this report.

7. Head of Finance's comments

- 7.1 The cost of providing a new e-book service is anticipated to be approximately £10,000. This will be funded from within existing library budgets.

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Signed by:
Stephen Baily
Head of City Development & Cultural Services

Appendices:

None

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Sieghart Review - Independent review of e-lending in public libraries in England	https://www.gov.uk/government/publications/an-independent-review-of-e-lending-in-public-libraries-in-england
Government response to the Sieghart review	https://www.gov.uk/government/publications/an-independent-review-of-e-lending-in-public-libraries-in-england

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by Cabinet Member for Culture Leisure and Sport on 19th July 2013

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Signed by:
Cabinet Member for Culture, Leisure & Sport