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# SCONUL Autumn Conference 2004

**Making the most of it: library finances in a changing environment**

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David Perrow  
*Acting Deputy Librarian  
The Bodleian, University of  
Oxford*  
Tel: 0186 527 7000  
E-mail: david.perrow@ouls.  
ox.ac.uk



Jon Purcell  
*Deputy Librarian  
Robinson Library, University of  
Newcastle*  
Tel: 0191 222 7591  
E-mail: j.purcell@ncl.ac.uk

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Library finance, often the lack thereof and the means to make a little go a long way were the underlying themes of the 2004 SCONUL Autumn Conference. The conference organisers, with admirable perspicacity, arranged for Dr Ian Gibson, MP, Chairman of the House of Commons Science and Technology Committee to be a keynote speaker on the very day that the S&T Committee asked the Government to 'reconsider its position' on scientific publications after it released an obstructive Response to the much waited Committee Report published in July 2004. In a combative performance, Dr Gibson offered a wide ranging critique of the Government's response, correcting many of the 'official' objections to the report's recommendations and indicating that the battle was far from over to change government perspectives on VAT on e-journals, open access, institutional repositories and the current economic basis of journal publishing.

Dr Gibson was particularly scathing about the attitude of the Department of Trade and Industry, which he felt was unbalanced and unhelpful. He believed their input to be a poor example of evidence-based decision-making and he disapproved strongly of what he saw as attempts by the Government to dilute the input from the Joint

Information Systems Committee (JISC) which was supportive of the Committee's recommendations.

### A way forward?

Dr Gibson was adamant that the Science and Technology Committee would continue the battle. In particular he foresaw the following developments:

- The Wellcome Trust's 'funderpays' model would be a major influence on other major research funders
- UK/US collaboration especially with the extension of BioMed Central to Europe
- An impending European Commission enquiry into scientific publications in which the UK should both lead and have a major input
- Further S & T Committee action and deeper collaboration with JISC
- Further develop and promote the success of institutional repositories to rebut unfounded criticism.

Dr Gibson's session concluded with a lively question and answer session in which he challenged librarians to provoke wider discussion about scientific publishing, disseminate information to MPs, widen the debate within universities and challenge the status quo.

After Dr Gibson's brainstorming performance, the second speaker, Sir Ron Cook, Chair of JISC, had the difficult task of responding to his previous comments, identifying areas where JISC and the Science and Technology Committee agree, supporting the need for JISC to interact closely with the S & T Committee and to reinforce the JISC's contribution to interoperability, security, discoverability and accessibility

In a wide ranging and informative overview of actual and proposed JISC activities, Sir Ron began with the Follett Report's vision of the 'library of the future' and indicated that via metadata services, middleware accessibility protocols, portal developments, digital curation and open archives initiatives, JISC had made the Follett 'future' happen in reality and via present and planned activities aimed to provide world class leadership and innovation in the use of ICT in further and higher education and research. As part of JISC 'future proofing' SCONUL were invited

(or challenged) to devise an annual list of priorities for JISC

The third of the morning's sessions speakers was Caroline Pung, head of strategy and planning at the British Library. She gave a fascinating although sometimes technical account of how the BL set out to measure the economic impact of the institution. The answer (after a lot of economics!) is that for every £1 of public funding received by the BL, some £4.40 is generated for the British economy via a multiplier effect. Caroline's presentation served to remind the audience that impact factors do have an economic resonance, that the 'value' of a library isn't merely the service it provides but also its existence, the added institutional value and the potential of such impact studies as the BL's as a contribution to evidence based policy.

An admirably short but stimulating business meeting chaired by Suzanne Enright concluded the morning session.

In the afternoon sessions, chaired by John Hall, the focus shifted from strategic issues to an emphasis on the practical aspects of finance. Steve Egan, HEFCE's director of finance, opened with a high level introduction of HEFCE's current five year plan, which has strategic aims with underlying themes:

#### Strategic aims

- o Widening participation
- o Excellence in learning and teaching
- o Enhancing excellence in research
- o Enhancing the contribution of higher education to economy and society

#### Themes

- o Building on institution strengths
- o Developing leadership, governance and management
- o Excellence in delivery: organisational development within higher education

He then outlined the various funding streams available to support the strategy, including SRIF (the Science Research and Investment Fund); Centres for Excellence in Teaching (CETL); the Science and Innovation Framework and the Third Stream. Uncertainty in funding surrounds how much growth there will be in student numbers, and what type of students we will be teaching once tuition fees are introduced. On the demand side, it

was difficult to predict the numbers of part-time vs. full-time, undergraduate to postgraduate ratio, breakdown by social group, or what the effect of bursaries will be on student decision-making to attend university and in which mode. On the supply side, universities were now waking up to the need to position their brand in the student market, to look at differential costs (particularly in regard to salary costs), and to use bursaries to gain competitive edge. Universities also have to look wider than the UK competition to ensure that globally they can compete in the overseas student market; and they have to pay attention to European initiatives on credit accumulation and transfer and to the proposal for a European Research Council.

The last three sessions were all presentations by practitioners. Rebecca Williams, director of development at Kings College London, gave a fascinating insight into the £44M KCL capital campaign, which included fundraising for the purchase and refurbishment of the former Public Record Office in Chancery Lane for a new university library. Overall the cost was £35M, funded with £10M from KCL, £5M from HEFCE and £10M from the sale of other sites and reclaimed VAT, and with the remainder from fundraising. The new site offered several naming opportunities, and crucial to the process was the recruitment of a Library Appeal Board chaired by Tim Waterstone. The board had ten members including media and city people and a lawyer, and they were tasked with finding and introducing prospects. The main aim was major donors, but alumni were also contacted for smaller gifts, and the vice-chancellor directed all untied legacies received during the campaign to the library fundraising.

In all £8.6M was raised against an initial target of £7M. Fifty percent of the monies were from alumni, with other gifts alumni-led. Eighty percent of income was from new donors, including one new foundation. The giving profile will be of interest to others engaged in this process:

>£1M – 3    >£500k – 2    >£100k – 4  
>£30k – 5    >£10k – 3    <£10k – 42

Sheila Cannell, director of library services at Edinburgh University, followed with a study of the developing cross-sectoral library partnership in Scotland. This began in 1998 with the joint procurement of a new library management system with the National Library of Scotland. When Endeavor was chosen by both institutions,

Edinburgh UL and NLS decided to embark on a partnership to run it jointly. This phase lasted from 1999 to 2002, when other Scottish libraries started to ask to join. Now there are six members, and the consortium is moving on to form Consortium Plus 2004, which will widen the scope of the co-operative to look first at purchasing some Digital Object Management software, and then at image management, and possibly a supra-institutional repository.

Practically, the consortium consists of one full time member of staff and a contract for facilities management with Edinburgh University Computing Services. The full time staff member is vital to ensure that the different needs of consortium members are fully considered. The members have widely differing cultures, mission and strategies. Even differing term dates and loan period regimes can lead to problems unless recognised early and thought through. Overall though, there are both financial and non-financial benefits to the project, and Sheila remains a strong advocate for this approach to service delivery.

The final session – on VAT – might have promised to send people scurrying off for trains or falling asleep, had it not been delivered by Pat Noon, Librarian of Coventry University. Officially called ‘Library companies and VAT’, Pat subtitled it as ‘Just be Grateful I don’t Take it All’. The plot was based on building a new library, and forming a library company to run it. The major activity of universities is education, which is exempt from VAT. This reduces the amount of VAT that can be reclaimed from HM Customs & Excise. However, even allowing for the fact that books and periodicals are zero-rated, if you can supply library services independently from education, then you can reclaim the VAT on the building. Is it worth it? – well Coventry reclaimed £1.8M. The downside is that the company must remain in existence for ten years - and the library has to maintain two sets of accounts, business plans and annual reports, and three budget monitoring frameworks. It also, as Pat put it, is a drama with a cast of thousands, including legal and tax advisers. Is it still worth it? – well you decide.