# LIBRARY PURCHASING CONSORTIA IN THE UK:

## Activity, Benefits and Good Practice

## Final Report

## of

## BLRIC Research Project RIC/G/403


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| Jo Pye | David Ball |
| Research Assistant | University Librarian |
| Bournemouth University Library | Bournemouth University |


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ACRONYMS

| | |
|---|---|
| BIC | Book Industry Communication |
| BIDS | Bath Information & Data Services |
| BLRIC | British Library Research & Innovation Centre |
| BNBRF | British National Bibliography Research Fund |
| CALIM | Consortium of Academic Libraries in Manchester |
| CBC | Central Buying Consortium |
| CHEMS | Commonwealth Higher Education Management Service |
| CHEST | Combined Higher Education Software Team |
| CHILL | Consortium of Health Independent Libraries |
| CIPFA | Chartered Institute of Public Finance & Accountancy |
| CVCP | Committee of Vice Chancellors and Principals |
| DCMS | Department for Culture, Media & Sport |
| DfEE | Department for Education and Employment |
| DNER | Distributed National Electronic Resource |
| E&T | education and training |
| EARL | Electronic Access to Resources in Libraries |
| EDI | electronic data interchange |
| e-journals | electronic journals |
| eLib | Electronic Libraries Programme |
| FE | further education |
| FEDA | Further Education Development Agency |
| FEFC | Further Education Funding Council |
| FIGIT | Follett Implementation Group for Information Technology |
| GATT | General Agreement on Tariffs and Trade |
| GDP | gross domestic product |
| GPA | general purchasing agreement |
| HE | higher education |
| HEFCs | Higher Education Funding Councils |
| HEFCE | Higher Education Funding Council for England |
| HEI | higher education institution |
| HELIN | Health Libraries and Information Network |
| HEPCW | Higher Education Purchasing Consortium in Wales |
| HEQC | Higher Education Quality Council |
| HEQC | Higher Education Quality Council |
| HTML | hypertext mark-up language |
| IM&T | Information Management and Technology |
| ICOLC | International Coalition for Library Consortia |
| ICT | information and communications technologies |
| ISBN | international standard book number |
| JANET | Joint Academic Network |
| JISC | Joint Information Systems Committee |
| LGR | local government reorganisation |
| LIC | Library and Information Commission |
| LINC | Library & Information Co-operation Council |
| LISU | Library & Information Statistics Unit, Loughborough University |
| LMS | library management system(s) |
| LSUK | Library Services U.K. |
| LUPC | London Universities Purchasing Consortium |
| MADEL | Medical and Dental Education Levy |

| | |
|---|---|
| MAN | metropolitan area network |
| MUAL | Midlands Universities Academic Libraries |
| NBA | Net Book Agreement |
| NeLH | National Electronic Library for Health |
| NESLI | National Electronic Site Licence Initiative |
| NEYAL | North East and Yorkshire Academic Libraries |
| NHS | National Health Service |
| NMET | National Medical Education and Training |
| PAMs | professions allied to medicine |
| PCFC | Polytechnics and Colleges Funding Council |
| PGMDE | Postgraduate Medical and Dental Education |
| PLNA | Public Library Networking Agency |
| PSLI | Pilot Site Licence Initiative |
| QUILT | Quality in Information and Learning Technology |
| RPI | Retail Price Index |
| SCONUL | Standing Conference of National and University Libraries |
| SCRAN | Scottish Cultural Resources Access Network |
| SIFT | Service Increment for Teaching |
| SPARC | Scholarly Publishing Academic and Research Coalition |
| SUAL | Scottish Universities’ Acquisitions Librarians |
| SUPC | Southern Universities Purchasing Consortium |
| UFC | Universities’ Funding Council |
| UKERNA | UK Education & Research Networking Association |
| UKOLN | UK Office for Library and Information Networking |
| UMIST | University of Manchester Institute of Science and Technology |
| UWCM | University of Wales College of Medicine |
| UWCN | University of Wales College Newport |
| UWIC | University of Wales Institute Cardiff |
| WAN | wide-area network |
| WLPC | Wessex Libraries Purchasing Consortium |

ABSTRACT

Following a brief introduction in Section 1, Section 2 sets out the operational context of library purchasing consortia. A range of key factors have shaped recent developments in the four LIS sectors under consideration (FE, HE, health and public libraries); some have exerted a common influence over all (e.g. information technology, European Commission purchasing directives, new central government, decline in bookfunds); some are sector-specific (e.g. purchasing arrangements, regional administrative frameworks, collaborative partnerships). The structure and markets of the book and periodical publishing industry in the UK are reviewed, with attention paid to historical as well as more recent practice that has had an impact on library supply. Although each component of the LIS purchasing consortia jigsaw displays individual characteristics that have evolved as a response to its own environment, the thread that links them together is constant change.

Section 3 presents the results of a survey of identified library purchasing consortia in the four library sectors. It treats common themes of relevance to all consortia arising from information gathered by seminar input, questionnaire and interview. These include models of consortium operation, membership and governance, 'typical' composition of consortia in each sector, and links to analogous practice in other library sectors. Common features of the tendering and contract management process are elicited and attention paid to any contribution of procurement professionals. Finally, levels of consortium expenditure and cost savings are estimated from the published statistical record, which readily demonstrate in financial terms the efficiency of the consortial purchase model for all types of library in the United Kingdom.

Section 4 presents the results of a survey of suppliers to libraries in the United Kingdom of books and periodicals, the two sectors most commonly represented in current contracts of library purchasing consortia. It sets out in some detail the operating context governing the highly segmented activities of library booksellers, as well as that pertaining to periodicals suppliers (also known as subscription agents). Detailed responses to questions on the effects of library purchasing consortia on suppliers of both materials have been gathered by questionnaire survey and selected follow-up interviews. Results are presented and analysed according to supply sector with attention given to the tendering process, current contracts under way, cross-sectoral clientele, and advantages and inhibitors of consortia supply. Further responses are reported on issues of how consortia have affected suppliers' volume of trade, operating margins and market stability as perceived in their own business, the library supply sector and the publishing industry. Finally, overall conclusions are drawn and projections made as to future implications for both types of library suppliers.

Section 5 synthesises findings, details enabling and inhibiting factors for consortia formation and models of best practice amongst consortia. The scope for cross-sectoral collaboration is discussed and found to be limited at present. Pointers are given for future activity.

# RECOMMENDATIONS

Our survey has highlighted both good practice and areas where we believe consortial activity might benefit libraries in general or individual library sectors.

The authors make the following recommendations; these are a personal view, and have not been endorsed by the British Library or the Library and Information Commission.

## General

- That any bodies investigating or fostering regional or cross-sectoral agencies should consider arrangements for procurement.
- That co-operation in procurement between the higher education and health sectors and between the public library and further education sectors be considered.
- That the consortia co-operate to establish benchmarks for quality of service from suppliers.
- That consortia consider the areas of likely future activity outlined in Section 5.

## Further Education

- That colleges be encouraged to take advantage of the financial and other benefits brought by consortia, either through establishing a regional network like that operating in higher education, or through co-operation with the public library sector.

## Higher education

- That the operating structure of the National Electronic Site Licence Initiative (NESLI) be re-examined to consider: any inherent potential conflict of interest; any potential monopoly; the importation of professional procurement expertise.

## Public Libraries

- That public libraries be encouraged to take advantage of the financial and other benefits brought by consortia, particularly through building on existing regional co-operative structures.

We also recognise the following as embodying some, but by no means all, of the examples and varieties of good practice. A full analysis is given in Section 5.3; contact details are given in Appendix B.

*Further Education* – Wessex Libraries Purchasing Consortium (WLPC).
*Health* – Health Libraries and Information Network (HELIN); NHS Supplies Executive.
*Higher Education* – Higher Education Purchasing Consortium in Wales (HEPCW); the Southern Universities Purchasing Consortium (SUPC).
*Public Libraries* – Central Buying Consortium (CBC); TALNet.
*Cross-Sectoral* – Wessex Libraries Purchasing Consortium (WLPC)

## ACKNOWLEDGEMENTS

Our grateful thanks go to all the librarians, purchasing officers and members of the participating consortia for their input into and support for this study, which have yielded essential insights into their operation and activities. The research could not have proceeded without their interest and co-operation.

We also thank those suppliers who responded so frankly by questionnaire and in interviews; their view from the other side of the supply equation was invaluable. We trust that this spirit of partnership between consortia and suppliers will continue.

The kind permission from LISU to use their statistics is largely responsible for the firm factual basis of this report.

We are also greatly indebted to those key individuals who share a mutual interest in the economics of library supply in the United Kingdom, and who have lent their advice, interest and support to the study: Dr Frank Fishwick, formerly of Cranfield University and consultant to the Publishers' Association; Ms Lindsey Muir of Liverpool John Moores University; and Mr Geoffrey Smith OBE of Capital Planning Information, amongst numerous others.

We should like to thank our Project Board members for making time to give the project the benefit of their diverse sectoral experience: Susan Wright of the Southern Universities Purchasing Consortium, Jenny Varney of the Central Buying Consortium, and Veronica Fraser of the Department of Health.

Finally and not least, our thanks are due to the British Library Research and Innovation Centre (latterly the Library and Information Commission) for their funding of this project, and to our Project Officer Isobel Thompson for her enthusiasm and many helpful suggestions during the course of the work.

We also offer heartfelt praise to Sally Grant and Ellie Graef, who have performed the miracle of making our outpourings both readable and attractive to the eye.

All gaffs, inaccuracies, infelicities and mis-representations are the sole fault of the authors.

**Joe Pye**
David Ball

# 1. INTRODUCTION

The report which follows represents the culmination of twelve months' investigation into library purchasing consortia as evidenced by four library sectors in the United Kingdom. We have charted the many disparate (and similar) factors influencing the formation of purchasing consortia in higher and further education, public and health libraries, considered their particular characteristics and achievements, and seen how changing circumstances affecting UK library suppliers at the end of the millennium have also made their presence felt amongst their library clientele. The compact nature of this study has lent itself well to its time scale and has been conducted at a pivotal time for libraries, following the publication of a number of government policy proposals concerning the future of all library services in the UK whose more detailed implementation is imminently awaited. The far-reaching changes envisaged by these documents will have many ramifications across all library sectors covered in the present research. What seems clear in the early stages is that collaborative initiatives of different types in UK libraries are being actively encouraged for a number of reasons, of which achieving greater savings and efficiencies to demonstrate a best value approach to public accountability is a primary driver. Purchasing consortia represent one effective response to the current constrained financial environment affecting libraries, and as part of an overall impetus towards pooling resources look set to become an established, not only interim, model of best practice.

In the following pages those interim summary reports already published appear in chronological sequence. **Part 2** below comprises our original report on the economic and political context governing the formation of library purchasing consortia, produced at an early stage of the research project in June 1998. Much has happened in the relevant UK library sectors since that time, most notably in collaborative purchase arrangements now negotiated at national level benefiting NHS libraries. Similarly, technology has not stood still in the time since first publication, which has seen continuing global developments in electronic publishing and associated systems, services and resources, also including such issues as copyright and licensing arrangements in an electronic environment. In UK higher education libraries these now include the NESLI as successor to the Pilot Site Licensing Initiative (PSLI), whilst again in NHS libraries the new National Electronic Library for Health (NeLH) has been launched to follow a similar model to NESLI. These and other recent events will be treated within the synthesis of findings that follows the interim reports below, which appear in their original form with the addition of graphical illustrations.

Two detailed surveys comprise **Parts 3** and **4** of this report, whose data were gathered over the period September to December 1998. They present a then-current review of activities of library purchasing consortia across the four library sectors and the consortia-related business of their suppliers of books, periodicals and electronic media. Methodology and techniques used consisted of qualitative and quantitative analysis of questionnaire responses combined with telephone and face-to-face interviews of selected consortia and library suppliers. Further important information was provided by consortia at two exchange of experience seminars, in July 1998 and March 1999, whilst attendance at relevant conferences, committees and seminars yielded additional background material in conjunction with review of current literature and other printed and electronic sources.

Communications and networking amongst consortia representatives with online access have also been facilitated by the establishment of an electronic mail and discussion list using the academic Mailbase services. The Report has also benefited from the experience of David Ball, who chairs two library purchasing consortia. All participants in the survey programme are warmly thanked for their time and most helpful co-operation, which have been indispensable towards achievement of a balanced approach. Particular appreciation is due to the library suppliers who shared potentially sensitive commercial views for the purposes of this independent review, at a time when significant consortial contracts were being lost and won. Their confidence has been respected and has formed no part of any present or future business outcomes.

While the research period of March 1998 to March 1999 has not encompassed dramatic growth in the numbers of library purchasing consortia active in the United Kingdom, it has seen important developments in the level and area of consortial activity. A significant number of the HE consortia have added new contracts for books or serials. The Higher Education Purchasing Consortium in Wales has taken the major initiative of tendering collectively for a library management system. The NHS is, at the time of writing, tendering for simultaneous national contracts for books, serials and stand-alone electronic media; this process has been informed by the Project's first exchange of experience seminar in July 1998.

Calls for establishment of regional library agencies that could eventually manage their own information environments have not advanced very far practically in the past twelve months, but the transfer of national UK library research and development from the British Library to the Library and Information Commission in April 1999 is widely anticipated to stimulate further changes. In the meantime the forthcoming devolution of national assemblies to Scotland, Wales and Northern Ireland is already making its impact felt on their libraries, particularly in Wales. The compact size of the country and its higher education institutions, historical precedents for informal co-operation and the reduction in size of public library authorities following local government re-organisation have all contributed towards a significant impetus for Welsh library collaboration across sectors. Recent evidence has been provided in District Audit Office report recommendations to achieve best value by consortial purchase in Welsh public libraries, as well as in its consortial tender and award of a library automation system contract by HEPCW, noted above. Although there is much work yet to be done, it would seem from present developments that the emergent Welsh model could be held as exemplar for future library co-operation in the English regions.

Beyond the United Kingdom there have been continuing developments in the global information economy and intellectual property right ownership and licensing arrangements, where the details of fair use and access for end-users are still under debate in the European Union. The North America-based International Coalition for Library Consortia and a consortium of Dutch and German academic libraries have both produced model guidelines for licensing principles governing global access to electronic information sources, supported by the American Association of Research Libraries and SPARC (the Scholarly Publishing Academic and Research Coalition).

The latter group is developing a new model for electronic information provision and dissemination that draws on partnerships between international academic and research bodies (including SCONUL in the UK), for direct access by their end-users without a publisher intermediary. In parallel, the development of the UK Publishers' Association/Joint Information Systems Committee model licence covering electronic resource access addresses the role of the publisher as provider of primary resources over the national higher education network. Coupled with the new roles embodied by NESLI in which a periodicals subscription agency provides a licensing gateway into primary and secondary electronic information sources, there is much differentiation in models at present affecting the future of collaborative purchase of electronic materials in the UK for both academic and health libraries. Where the outcomes of national agreements in areas such as these are underway, further individual consortial activity has been held in abeyance in some cases.

In the United Kingdom the 'best value' approach to management of public libraries is already making its presence felt in strategic terms, where the ever-present threats of library closure in certain areas are opening up radical possibilities for future service restructuring. Increasingly adoption of the purchasing consortium model is coming under detailed scrutiny by a number of authorities old and new, as a practical alternative for resource stretching and stock collection management. Much remains to be decided, but our findings and those examples of good consortial practice highlighted in **Part 5** state their own case alongside the cost savings already achieved by their libraries and their users. It is hoped that the evidence presented in this report may provide useful background, and a possible way forward, to those policymakers and libraries considering expanding collaborative activities within and beyond their own sectors to improve resources and access for their communities.

## 2. THE OPERATIONAL CONTEXT OF LIBRARY PURCHASING CONSORTIA

### 2.1 Introduction

It is said that there is nothing so constant as change, and it would be difficult to find a sector of the library and information profession in the United Kingdom that has not been forced to re-examine its priorities following major upheavals at all levels in the operating environment of the 1990s. Universal funding cutbacks, wide-scale introduction of new technologies with far-reaching implications, a new central government with attendant policy shifts, the impact of changes in European Union legislation on public administration, accountability and intellectual property: all have contributed to a fundamental re-evaluation of services across all sectors of the LIS profession. When taken together with the more targeted developments affecting each individual sector, there has been nothing less than a sea-change in public perception of libraries and information units in the late 1990s that has swept them from the sidelines to centre stage of the so-called information revolution.

The year 1997 will be remembered as the 'year of the reports' in the library profession in the United Kingdom. A number of wide-ranging government policy documents was published which affected all library sectors covered by our study. In the higher education sector, the long awaited Dearing Report did much to raise the profile of cross-sectoral collaboration, setting out a framework for co-operation between higher and further education as well as public libraries which embraced the expansion of new technologies, transfer of expertise and lifelong learning. In this sector also the PSLI evaluation studies paved the way for the establishment of networked electronic information resources as an integral part of the academic library 'portfolio'. In further education, Dearing's message was echoed by the Kennedy and Higginson reports addressing education provision through learning technology and widening participation for 'non-traditional' students.

For public and health sector libraries, the advent of the new Labour Government signalled high-level changes in public policy resulting in a number of major reports, with important implications for future LIS developments. Government Green and White Paper publication towards a more responsive NHS raised the profile of health libraries, alongside the revamping of nursing education and the establishment of Regional Health Libraries Groups around the country. It is public libraries however that have received the most attention, beginning with the then Department of National Heritage's (DNH) report *Reading the Future*, followed up by the Library and Information Commission's *New Library: the People's Network*, the National Audit Office's *Due for Renewal*, the DCMS's *National Grid for Learning*. In 1998 the Government's White Paper on Lifelong Learning was followed by its positive response to the *People's Network* report and further attention to libraries in the Comprehensive Spending Review, which was taken on further by the Library and Information Commission's *Building the New Library Network*. All have served to secure the future role of public libraries by placing them firmly into the centre of a developing national information infrastructure capable of supporting lifelong education and information delivery and much more besides, at a time when local government reorganisation had in some cases nearly threatened their existence. In Scotland, Wales and Northern Ireland, successful devolution initiatives look set to alter substantially the regional government framework which will also have an impact on library services.

It is not only libraries (and their ever shrinking resource funding) that have felt the pinch during the period that forms the basis of this study. The book industry too has gone through its own turmoil in the collapse of the once venerated NBA, which had governed its relations with libraries since the turn of the century. At the same time the integration of information technology into publishing process and practice has dramatically expanded available options for document transmission and dissemination, and made a notable impact particularly on academic journals publication. Throughout the book and periodicals supply chain, from publishers through to intermediate and specialist suppliers, subscriptions agents and eventually on to librarians and their end users, there has had to be a fundamental rethinking of long established cultures, values and roles and just how relevant these are still likely to be in even five years' time.

In such times no one can afford to cling to the familiar structures that have historically provided security, to both the organisation and the individual. One of the overarching themes of recent policy documents affecting the library and information profession enjoins librarians to look outward beyond the traditional sectoral divides, towards common solutions and shared best practice, attracting mutual cost benefits to offset restricted resources. Individual libraries in all sectors can increasingly ill afford to serve their users adequately in isolation: this is a recipe for marginalisation, as a dwindling resource base cannot long sustain the interest of disappointed library users. Resource sharing, whether of books, periodicals or electronic information over networks, is the co-operative approach to improving service provision via expanded virtual and physical collections in libraries 'without walls'. By extension, pooling resources collaboratively to stretch acquisitions budgets is achievable at an earlier stage, and this is where library purchasing consortia are now beginning to make their presence felt as more potent in partnership in negotiations with suppliers.

The complex jigsaw puzzle of purchasing consortia across library sectors has come into being for a range of reasons in the late 1990s, manifesting hybrid stages and patterns that are not exclusive to any one type of library. It would be misleading to point to one particular stimulus, as all sectors of libraries in the United Kingdom have been subject to common pressures in a greater or lesser mix. It might be argued, for instance, that local government reorganisation has been the prime mover of consortia formation in public libraries, but both further education and health libraries have also borne the effects of LGR to a lesser extent - and in Scotland reorganisation has actually *discouraged* consortia, with local authorities growing in size rather than shrinking, as elsewhere in the UK. Similarly, it was widely expected in the book industry that the demise of the NBA would radically alter the nature of library supply; but the inevitable raising of awareness amongst purchasing librarians of costs and discounts has not been accompanied by substantial shifts in the market.

One of the most pervasive influences for librarians and the publishing industry has been the rise of networking initiatives, providing a counterbalance to escalating costs and a powerful platform to improve access and stimulate varied forms of collaboration within and between library sectors. Piloted in academic libraries, networked information resources have now begun to integrate with established collection-development practice, and health libraries are rapidly following suit; further education libraries are beginning to expand their electronic information provision; and a national infrastructure to support networked information access for public libraries is no longer very far away. As models for shared access to electronic information disseminate through the library sectors, new strategies for collaboration follow: public library authorities that provide interlending facilities and mutual catalogue records systems find no difficulty in integrating acquisitions processes, with collaborative purchasing an attractive next step. It is also necessary to mark the contribution of purchasing professionals working in partnership with librarians, and especially where the impact of new European Union purchasing directives has raised awareness of the tendering process at threshold levels applicable to librarians and their book funds in all public service organisations. Taken together with established regional and co-operative purchasing cultures and frameworks already in existence throughout all library sectors under consideration, going it alone becomes increasingly less feasible for libraries in the United Kingdom as the millennium approaches.

This first section of the report 'sets the scene' by tracing the political and socio-economic context in which libraries in the United Kingdom operate, and so paints a broad-brush picture within which the subsequent more detailed studies of purchasing consortia and their suppliers fit. We aim to identify here the major factors, influences and players at present whose progress was charted throughout our research period and finally reviewed in the conclusions of the study.

## 2.2 Overall LIS Expenditure by Sector and Category

For the following statistics we are indebted to the extensive annotated compilations prepared by the Library and Information Statistics Unit (LISU) at Loughborough University. Their tables aim to be as complete, accurate and up to date as possible and cover in great detail the academic, public and health library sectors up to 1997-98. For further education college libraries limited data are available up to 1995.

Information gathered was conducted by survey questionnaire, and there are discrepancies to be noted in interpretation by respondents amongst the library sectors of categories of material beyond books and serials. In health libraries, for example, CD-ROM subscriptions are aggregated with networked online information sources but may also be included in periodicals expenditure. Despite expressed intentions by FE libraries to develop CD-ROM collections, there are no data available on this sector for comparative purposes.

## TABLE 2.1 OVERVIEW OF LIBRARY EXPENDITURE BY SECTOR*

(£ millions sterling)

| | Health libraries | Public libraries | Univ. & HE libraries | FE College libraries** |
|---|---|---|---|---|
| Staff | 13 | 437 | 184 | 44 |
| Books | 3 | 103 | 40 | 12 |
| Periodicals | 5 | 7 | 57 | 4 |
| A/V | - | 12 | 4 | - |
| Automated systems | - | 20 | 12 | - |
| Online services | 1 | - | 4 | - |
| Overheads, premises etc | - | 212 | 42 | - |
| TOTAL GROSS EXPENDITURE | 19 | 791 | 343 | 60 |

*Gross figures exclude generated income **Figures from 1994-95

Source: *LISU 1998 Library Information Statistics Tables*. (http://www.lboro.ac.uk/departments/dis/lisu/list.html)

*Figures from 1994-95

## TABLE 2.2 BOOK AND PERIODICALS EXPENDITURE BY SECTOR

| | Books (£000s) | Periodicals (£000s) | Total (£000s) |
|---|---|---|---|
| Further education* | 12,056 | 4,110 | 16,166 |
| Health Service | 3,287 | 5,064 | 8,351 |
| Higher education | 40,000 | 57,000 | 97,000 |
| Public libraries | 103,000 | 7,000 | 110,000 |
| Total | 158,343 | 73,174 | 231,517 |

*Figures from 1994/5

*Figures from 1994/5

### 2.2.1 Public library sector

Books expenditure

As is clear from the illustrative data above, not only do public libraries represent the lion's share of the library market in the four sectors but also the most significant percentage of book sales in that market. It follows therefore that altered patterns of supply and demand in the book industry after the demise of the NBA have had the greatest impact on public libraries and their suppliers, and it is book supply agreements that form the principal base for consortial activity in the public library sector. Although public library acquisitions budgets have generally risen during the ten-year period 1987-1997 covered by the LISU survey, these have not kept pace with increases in book prices, which are only partly due to inflation, and so show a decline in real book spend as well as overall stock levels. Alterations in standard accounting procedures during the latter part of the period have made it difficult to compare data gathered throughout the ten years, where substantial changes to the boundaries of local government authorities have affected returns made after 1996. Patterns of borrowing have also declined during this time, whilst populations, and their demographic mix, served by public libraries have altered with local government reorganisation, particularly in new unitary and metropolitan authorities.

Periodicals expenditure

As is apparent from the above statistics, although periodicals spend in public libraries is itemised within materials expenditure for comparative purposes with other sectors, it is not sufficiently well represented to be significant for more detailed analysis by LISU. The wide ranging recreational and reference use made of serials in public libraries differs from the more targeted resource provision, to a specialised client group, that characterises their usage in HE and health libraries.

Audio-visual expenditure

Of statistical relevance to the public library sector is the rapid growth of audio-visual materials in recent years well beyond the rate of inflation, which may or may not include a proportion of periodicals in this format as well as lending stock depending on individual authorities' returns.

Spending on video recordings shows an increase of around five times that of the book fund, from 5% of total materials expenditure in 1986 to 12.3% in 1997. The proven potential of income generation via this medium cannot be discounted in considerations of reasons behind its growth in public libraries, although there are now early signs that the market may be reaching saturation. In 1996-97 there was a reduction in audio-visual expenditure for the first time since 1986-87. For public library sector purchasing consortia audio-visual resources have yet to provide as large a stimulus for collaborative activity as book acquisitions, although they are now beginning to receive attention as consortial agreements differentiate.

**FIGURE 2.3 PUBLIC LIBRARY BOOK AND AUDIO-VISUAL PER CAPITA EXPENDITURE WITH PRICE INFLATION**

(Source: LISU Annual Library Statistics 1998)

Figure 2.3 (LISU, 1998) illustrates graphically the relationship between book and audio-visual resource acquisition in the public library sector as plotted against Retail Price Index (RPI) and *The Bookseller* price indices over the ten year period under review.

### 2.2.2 Higher education sector

#### Books expenditure

Figure 2:4 (LISU, 1998) below reveals similar trends in expenditure on books for higher education libraries as for the public sector: spending has not kept place with inflation, and in fact real book spend per capita has declined dramatically by about 40% over the ten year period surveyed. Selection policies governing acquisitions are geared towards a much different user group, with their own characteristic borrowing patterns, where peaks and troughs of demand are appreciable throughout a structured academic year. Academic libraries are therefore much more likely, compared to their public counterparts, to limit multiple copies of books within supply agreements, catering more for the site- and course-based needs of individual user groups, which also include more specialist materials and those from overseas suppliers. The demise of the NBA has had an impact on the higher education sector and has to some extent encouraged the formation of purchasing consortia, but a number of academic libraries have also remained with their known supplier after 1996. Outsourcing book servicing requirements has not been as great a factor as yet in academic library supply as for public libraries, as many higher education institutions service acquisitions in house: perceived trade-offs in suppliers' pricing between discounts and servicing might not be enough to induce academic libraries to look for higher discounts elsewhere. Availability of bought-in standard format catalogue records is likely to be as important a consideration when selecting suppliers. As with the public library sector modified structures and accounting procedures have affected the generation of statistics for academic libraries during the ten-year period under review by LISU, with the entry into the sector of 'new' universities and higher education colleges (some of which retain comparable features to further education libraries) and the introduction of new returns procedures based on SCONUL and Higher Education Statistics Agency (HESA) survey data. Recent studies by economists have noted trends towards increased book discounts available to 'new' universities with an expenditure shift towards purchasing cheaper titles, a trend which also applies to periodicals expenditure for these institutions.

#### Periodicals expenditure

In absolute terms periodicals expenditure has risen significantly during this period and now stands at 65% more than is spent on books in 'old' universities, but has been overtaken by even steeper increases in costs of periodicals as compared to books at well beyond the rate of inflation. The combination of high costs, inflation, general reduction in periodicals funds and the proliferation of electronic journals has all resulted in a massive reduction in real per capita spend in this area. This trend has been accompanied paradoxically by a greater awareness within the academic community of the value of journals as a means of scholarly communication: to boost institutional, faculty and departmental research ratings, enhance individual academic reputations and perhaps occupy a more appropriate niche for dissemination and flexible updating of research findings. If alterations in the book supply chain have generated the impetus for collaborative purchasing in the public library sector, it is periodicals and their growing importance in higher education libraries that have provided analogous encouragement towards the formation of consortial arrangements.

**FIG. 2.4 ACADEMIC LIBRARY BOOK AND**
PERIODICALS EXPENDITURE WITH USERS
Source: *LISU 1998 Library Information Statistics Tables*.
(http://www.lboro.ac.uk/departments/dis/lisu/lisuhp.html)

### *Electronic media expenditure*

Within the higher education community in the United Kingdom in the 1990s, it is impossible to overestimate the contribution made towards extending library and information resources by access to networked resources. In the 1980s, the establishment of the Combined Higher Education Software Team (CHEST) first explored the advantages of collaborative purchasing of software and electronic resources to consortia of HE institutions by managing to negotiate discounted terms with suppliers. During the same period the Joint Academic Network (JANET) began to explore the use of computer networks for large-scale data transfer between academic and research institutions. Following the rapid development in the early 1990s of worldwide electronic information gateways, networks and resources that heralded the Internet, JANET was extended to broaden access by academic sites to remote library and information datasets and hosts, again negotiated with suppliers on behalf of an expanded community of users. Compatible network standards for higher education sites soon extended access to all UK universities, whose librarians were collectively experiencing drastic increases in costs of paper based periodical subscriptions. When new electronic journals publishers first began to market test access to full-text resources over networks, a number were approached by the Higher Education Funding Councils in 1995 to enter into the PSLI and investigate associated costs, usage patterns, delivery mechanisms and legal arrangements for the UK higher education community. The concept has now evolved sufficiently for a successor programme, NESLI, to be launched in 1999, and has provided unique insights for all participants into the process, content and accessibility of academic scholarly publishing over networks. Access to electronic resources, whether as networked or stand-alone media, may not be considered in isolation from the steep rise in periodicals prices considered above, as it forms a powerful option for information delivery that has not yet replaced paper-based formats but has already substantially influenced academic libraries' collection policies. It may be argued that enhanced network connectivity has driven library collaboration in all sectors, and nowhere more strongly than in higher education libraries.

### 2.2.3 Further education sector

Books expenditure

There are a paucity of recent data in this sector: the latest LISU statistics, included for completeness across sectors, were gathered in 1994-95, and were too patchy at that time to be satisfactorily subjected to the same detailed analysis applied to public, academic and health libraries. The further education sector has always been notoriously hybrid, comprising as it does a mixture of sixth-form, tertiary, independent, general and specialist colleges, some of which have since the mid 1990s entered the higher education sector, with widely varying clientele from sixth-form level to lifelong learners. Spending on books is nevertheless fairly substantial and mirrors public libraries by exceeding that of periodicals, which reflects their users' familiarity with the medium, level of information needs matched to course provision and fledgling network access available to most FE colleges.

Periodicals expenditure

Periodicals do not represent a large share of further education college holdings and are less likely to figure prominently in library collections, although there was evidence in the latest survey to indicate that this category of materials would be increased in relation to others in the materials fund. They however occupy a greater proportion of library stock in FE colleges than in the public library sector, which perhaps reflects specialist subjects for particular course support.

Electronic media expenditure

Since the 1995 data were collected there has been a wide scale reinvention of college libraries as learning resources centres, with the implication of a broader remit to include a range of materials beyond books. The Kennedy and Higginson reports advocated strongly network connectivity for enhanced information access in 1996 and 1997, to which the Further Education Funding Council responded by establishing a pilot Internet access programme. Acquisition of CD-ROMs and other stand-alone electronic resources was quantifiable at a low level in the most recent data and looked set to hold a steady proportion within library resources budgets, but this does not necessarily reflect the same patterns of use as in higher education libraries.

**TABLE 2.3 TYPICAL CD-ROM EXPENDITURE IN COLLEGE LIBRARIES, 1993-94**

(Source: Library Association, *Resources for Learning in College Libraries*, 1995)

| Expenditure (£) | No. of Colleges | % |
|---|---|---|
| <1,000 | 82 | 55 |
| 1,000 - <2,000 | 52 | 20 |
| 2,000+ | 67 | 25 |
| Sample size | 267 | 100 |

### 2.2.4 Health libraries sector

## Books expenditure

Health libraries are at least as heterogeneous as further education libraries in terms of administrative arrangements, funding sources, materials selected, profile of users and whether they serve the public NHS or private health sectors. The data gathered by LISU date from 1996-97 and for the first time were based on actual rather than budgeted expenditure. The survey instrument used however differs significantly from those circulated to public and academic libraries, and questionnaires returned reflected an individual interpretation of requested information that mirrored the unique placement of each library service within its own health authority. The information needs of particular site libraries in the health sector are sufficiently diverse that it is unlikely at present for book acquisitions on their own to form a basis for purchasing consortia. Nevertheless it is clear from the evidence that the pattern of materials expenditure more closely resembles that of higher education libraries than the other sectors, particularly in the lower percentage of resources allocated to books than serials. LISU charts the strongly regional nature of the data and suggests that the mix of respondent libraries in each region, access to other library and information services and limited networking capabilities may be factors. With present central encouragement to both health and academic libraries to work more closely together, underpinning provision of learning resources to nurses as their training programmes move into the higher education sector with university and health trust partnerships, NHS libraries in the regions may yet find that a co-ordinated approach to acquisition of core textbooks is advantageous. The current NHS national tender for books, periodicals and stand-alone electronic media co-ordinated between NHS Supplies and the NHS Regional Librarians' Group looks set to provide such an opportunity.

## Periodicals expenditure

Users in health libraries, whether public or private sector, may include medical, clinical and non-clinical staff, nurses, medical and nursing students and their teachers, other health professionals and sometimes members of the public where limited access is available. Information needs for this hybrid group demand ready access to up-to-date resources monitoring continuing developments in a fast moving specialist area, which was in the vanguard of development of bibliographic citation databases as location aids. The paradigm shift towards evidence-based medicine has emphasised the requirement for access to recent case studies. In common with other types of special libraries, health libraries' clientele are more likely to benefit from an access than a holdings collections policy in which periodicals figure more prominently than books. As with higher education, health libraries' purchasing consortia have often formed initially to co-ordinate periodicals supply.

## Electronic media expenditure

Expenditure data gathered by LISU for electronic resources were considered underestimated and subject to inclusion under a number of different headings in the survey. There was however a number of references made to plans for implementation of electronic networks in the near future which appeared in capital expenditure details. Other clues for electronic information use appear in specific references to a steady demand for mediated searching, although this is mainly carried out in stand-alone media (e.g. CD-ROMs) rather than online and again is characterised by strong regional variation. A study by LINC of health library provision cites the distributed nature of the user group as suitable for improving network access across sites, institutions and regions, which has also been echoed by the new Labour Government in its initiatives to implement information technology on a wide scale into the NHS. Electronic media have been responsible for recent purchasing consortia formation in health service libraries. The advent of the forthcoming National Electronic Library for Health (NeLH) arising out of the *Information for Health* strategy paper will undoubtedly figure in future improved access to networked resources for NHS libraries.

**FIG. 2.5 MATERIALS BUDGET IN HEALTH SERVICE LIBRARIES**

(Source: LISU Statistics from the NHS Regional Librarians' Group 1996-97)

## 2.3 Factors affecting the main markets

### 2.3.1 The stakeholders

Librarians

The book supply chain is long and complex, within which many special interests compete to make their presence felt in the market. According to recent estimates the entire library market accounts for only 5.6% out of an annual public expenditure of about £2.5 billion: £140 million in total. With a limited market share the advantages of library purchasing consortia in aggregating bookfunds to improve market clout are clear, when set against the much more limited expenditure achievable by individual libraries.

The library market retains key characteristics that set it apart from other book consumer groups. Rather than purchase titles to cater for individuals' interests libraries have always provided stock to cater for more general tastes, whether in public, academic or health sectors. It is rare to find in libraries books of interest to few special interest users or a single academic staff member. That is not to say however that mainstream publishers or suppliers in the United Kingdom are able to provide for the needs of every library user group, as academic libraries in particular often need recourse to specialist subjects or foreign titles.

During the 94 years of the NBA the structure of library supply had remained largely stable, under whose terms 10% discount off published price of books was granted by publishers to libraries through named booksellers. The guaranteed arrangement had evolved a purchasing framework in which librarians were content with the *status quo* of price, which had come to include individually tailored servicing requirements; used to dealing with a limited number of suppliers with whom established routes existed; and not often involved in either negotiations with new suppliers or tendering for contracts procedures. Discounts available through exploring other routes and players in the book supply chain were not actively pursued whilst 10% levels were stable. With the abandonment of the NBA as a restrictive trade practice, the way was clear for libraries to take more control over their budgets and purchasing practice.

The intermediaries model developed under the NBA for library book purchase found a correspondence in library periodicals subscriptions, through the use of agents to liaise with publishers and manage ordering, processing and deliveries. In the case of higher education libraries, the large number of scholarly periodicals in specialist subject areas required by academic users could be efficiently handled by a single contact point for all subscriptions, rather than a host of individual arrangements with publishers in the UK and overseas. For public libraries, provision of a set of daily newspapers as well as general periodicals in a range of dispersed sites also made subscription agents an attractive option.

Publishers

At the top end of the supply chain, book publishers like librarians had operated under the terms of the NBA's established framework for nearly a century and had evolved various supply routes into the marketplace. Under the 'named bookseller' terms the use of intermediaries for library supply was built into the system, and there was no immediate advantage to be gained by book publishers selling direct to libraries except for hard-to-find materials not available elsewhere. Library suppliers attracted particular levels of discount from publishers distinct from those of other intermediaries. The structure of the industry continued to remain relatively stable during the period leading up to the demise of the NBA, which in the UK had seen steady growth in the number of new titles published amounting to about 100% between 1984 and 1996. Between 1975 and 1996 the market showed significant percentage increases in all published titles, with over 200% reported in a number of subject areas. The large proportion of new stock to back titles has been a source of some concern to the industry in recent years, which have also been characterised by cutbacks on new authors' and specialist titles.

Periodicals publishers have also traditionally relied on subscription agents as intermediaries in their business with libraries. As has been seen, the proportion of serials held by public libraries is very small when compared with bookstock: the main clients for journals publishers are academic and special libraries including the health sector. A number of special interest publishers including learned societies supplies this market, occasionally direct via institutional subscriptions but also through intermediaries. The recent advent of electronic publishing has substantially changed the nature and structure of periodicals supply to a greater extent than book publishing, and this will be treated in more detail in the relevant section below.

## Booksellers

Within the book publishing industry booksellers are the main intermediaries in the supply chain between publishers and libraries. The term 'booksellers' however covers many different resale arrangements in the book trade involving a heterogeneous range of outlets and services, from small independent bookshops to large organisations like W H Smith's of sufficient size to span several stages of the book supply chain including distribution as well as retailing. Each link in the chain carries with it its own perception of the supply route based on its particular market niche and those with whom it has most contact. Hence, a high street retailer may specialise in locating back titles and deal mainly with representatives of publishers; another may carry remaindered titles, buying stock mostly through wholesalers; supermarkets or do-it-yourself shops, the newest type of book retailers, would sell high volume large run popular titles bought direct from publishers. At every stage there exists a complex mix of discounts obtainable from publishers depending on where the link fits into the chain; volume of business; and administrative overheads including printing and print run charges, representatives' commissions, bibliographic data updating, stock management and storage, transport, and the significant extra requirement of maintaining returns procedures for unsold titles or those supplied in error. Across the industry there has been a trend towards lower stocks of titles held at outlets, giving rise to 'just in time' rather than 'just in case' ordering arrangements that have influenced the use of warehousing facilities further along the chain.

Amongst booksellers library suppliers have long occupied a special niche that was envisaged within the terms of the NBA. Libraries' requirements for book supply extend well beyond ordering and receipt of titles into tailored and detailed preparation of library stock for the shelves, and also include particular arrangements for viewing and prior approval of titles before order. The National Acquisitions Group's (NAG) *Standards for Book Servicing* includes pointers towards such traditional 'added-value' services by suppliers as affixing of sleeves and wallets, date labels, barcodes and spine labels, and provision of record and index cards, all to be undertaken in advance of delivery to the library. Approvals boxes and showroom access for stock picks are also typically available alongside the increasingly important provision of bibliographic data in machine-readable standard formats to assist catalogue entry. Major consumers of these services tend to be public libraries as academic libraries tend to carry out similar acquisitions-related operations in house. Although of significance to local acquisitions personnel, individual details of label design have been known to impede purchasing consortia agreements between public authorities' libraries. The demise of the NBA has had particular ramifications for library suppliers and their profit margins, which will be discussed in more detail below.

### Subscription agents

Periodicals subscription agents occupy an analogous place in the periodicals supply chain to library suppliers, offering a 'one-stop' service which provides a route through to a number of journals publishers on behalf of libraries. Like library suppliers, they provide 'consolidation' services which roll in periodicals supply with shelf-ready preparation as well as liaison with publishers when delivery problems arise. Also in common with library suppliers they have been subject to a squeeze on their discount margins from publishers in recent years, whilst as with periodicals publishers their operations and perceived value to libraries have been transformed through electronic publishing. This is particularly so in the academic sector which is well placed to take full advantage of the developing technological infrastructure, but subscriptions agents are also used by public libraries within a more traditional paper-based environment. The migration of leading periodicals subscriptions agents into electronic format supply has been one of the most significant recent stimuli for the formation of academic and health libraries' consortia.

### Wholesalers

The role of wholesalers in the book supply chain is subject to a range of interpretations by other players in the routes to market. Their perceived niche has been subject to greater pressures of change in recent years than that of other 'links' and they have responded flexibly, in some cases offering services previously associated with different sectors of the supply chain. They are substantial customers of a large number of publishers and can supply high volume orders to chain retailers as well as, at the other end of the scale, specialised individual orders to independent bookshops. Where they encompass storage and transport facilities their service mirrors that of distributors. In recent years some wholesalers have expanded their portfolio of options for direct supply to library clients to include targeted shelf-ready services alongside those available via dedicated library suppliers, a competitive move disparaged both by publishers and (some) established library outlets. Their niche in the supply chain has been freed substantially in the post-

NBA environment, as evidenced by a partnership now formed between a major wholesaler and one of the UK's largest library suppliers.

Distributors

The position of distributors within the supply chain has been similarly subject to a state of flux in recent years. Publishers' own views of distributors vary according to the size of their own operations: a large publisher with their own sophisticated warehousing and transport infrastructure may consider them as surplus to requirements, but a smaller house may depend on their facilities as a critical pathway to their own client base. Closest to wholesalers in the niche of services that they occupy, distributors may also look to large chain retailers as customers, although it is less likely that the smaller retail outlets would benefit similarly from the economies of scale achievable. As with other players, the pressures of a changing market make most vulnerable those who are unable to broaden their range of services to respond to an increasingly heterogeneous client base.

### 2.3.2 Price trend analysis

Again we are indebted to the Library and Information Statistics Unit at Loughborough University for their indispensable compilations of data covering trends for materials in academic, public and health libraries over a ten year period, a selection of which appears below. There are a number of price indices on which the calculations are based covering general price movements against inflation (such as the Retail Price Index and Gross Domestic Product deflator), derived composites specifically for book and periodical prices (*The Bookseller* Price Index, Blackwell's Periodicals Index), and specific categories of library materials (the LISU Academic Book Price Index).

The Retail Price Index (RPI) measures a composite of average price levels of goods and services bought by a typical household. It is divided into a number of groups of commodities, which are then weighted to take account of the share of expenditure they represent within the mix according to annual survey data. The average of the relevant weighted components is then taken to derive the RPI, which is recalculated at set periods of time to take account of the action of inflation on price movements. The following table (Table 2.4) shows general price and percentage increases during the period 1986 to 1997 against which book and periodical price trends must be measured. Here the annual RPI was re-indexed in January 1987 to 100 from its previous January 1974 level (394.5).

The Gross Domestic Product (GDP) deflator is applied to measure the value of the GDP at current or constant prices. It is calculated by HM Treasury from Central Statistical Office data, based on the GDP at market prices and is recalculated on an annual basis. Projections of future trends may be extrapolated from present percentage levels.

## TABLE 2.4 THE ANNUAL RETAIL PRICE INDEX

(Source: LISU Annual Library Statistics 1998)

| | Index | % increase |
|---|---|---|
| 1986 | 97.8 | |
| 1987 | 101.9 | 4.1 |
| 1988 | 106.9 | 4.9 |
| 1989 | 115.2 | 7.8 |
| 1990 | 126.1 | 9.5 |
| 1991 | 133.5 | 5.9 |
| 1992 | 138.5 | 3.7 |
| 1993 | 140.7 | 1.6 |
| 1994 | 144.1 | 3.1 |
| 1995 | 149.1 | 3.5 |
| 1996 | 152.7 | 2.4 |
| 1997 | 157.5 | 3.1 |

Note: The monthly RPI based on 15 January 1974 which stood at 394.5 in January 1987 was re-indexed at 100 in that month.

## TABLE 2.5 GDP DEFLATOR 1986-1997 (WITH FUTURE ESTIMATES)

(Source: LISU Annual Library Statistics 1998)

| | Index | % increase |
|---|---|---|
| 1986-87 | 63.0 | 3.0 |
| 1987-88 | 66.35 | 5.3 |
| 1988-89 | 70.79 | 6.7 |
| 1989-90 | 75.73 | 7.0 |
| 1990-91 | 81.79 | 8.0 |
| 1991-92 | 87.02 | 6.4 |
| 1992-93 | 90.67 | 4.2 |
| 1993-94 | 93.30 | 2.9 |
| 1994-95 | 94.71 | 1.5 |
| 1995-96 | 97.31 | 2.7 |
| 1996-97 | 100 | 2.8 |

Note: This deflator is calculated by H M Treasury from Central Statistical Office data. It is based on Gross Domestic Product at Market Prices and is reconstructed annually.

The estimates for future years are:

| | Index | % increase |
|---|---|---|
| 1997-98 | 102.75 | 2.8 |
| 1998-99 | 105.58 | 2.8 |
| 1999-2000 | 108.22 | 2.5 |
| 2000-01 | 110.92 | 2.5 |

Although differing within a few percentage points, the broad trends in pricing concur. The closing years of the 1980s saw larger than usual price rises across commodities which peaked and then declined in the early 1990s. It is against this general backdrop that book prices are reviewed.

### 2.3.2.1 Books

*The Bookseller*'s own price indices are based on an average price of all new titles, reprints and new editions notified to Whitaker's and to which ISBNs have been assigned, regardless of category (hardback or paperback) and whether likely to be included in academic or public library bookstock. The index can however be used to derive appropriate percentage changes for each sector depending on type of material indexed, and so can be divided to include or exclude academic/professional and scientific/technical textbooks as set against adult and children's fiction and non-fiction. In the following table (Table 2.6) new titles are detailed separately and also included under all books for comparative purposes.

**TABLE 2.6 *THE BOOKSELLER* PRICE INDICES**

(Source: LISU Annual Library Statistics 1998)

| | All books | | New titles only | |
|---|---|---|---|---|
| | | (% annual increase) | | (% annual increase) |
| 1986 | 16.54 | 2.7 | 17.47 | 3.3 |
| 1987 | 16.90 | 2.2 | 17.53 | 0.3 |
| 1988 | 17.79 | 5.3 | 18.54 | 5.8 |
| 1989 | 19.15 | 7.6 | 20.04 | 8.1 |
| 1990 | 20.55 | 7.3 | 21.75 | 8.5 |
| 1991 | 20.91 | 1.8 | 21.80 | 0.2 |
| 1992 | 22.82 | 9.1 | 24.14 | 10.7 |
| 1993 | 24.60 | 7.8 | 25.91 | 7.3 |
| 1994 | 24.24 | - 1.5 | 25.29 | - 2.4 |
| 1995 | 24.12 | - 0.5 | 24.83 | - 1.8 |
| 1996 | 25.14 | 4.2 | 25.94 | 4.5 |
| 1997 | 25.42 | 1.1 | 25.95 | 0.0 |

Price trends evident in retail prices are here seen as mirrored in books: steady price rises are a general feature. The overheated 1980s had generated an upward spiral in book prices which then moderated, even showing some decreases in the 1990s.

Referral to Figure 2.3 above gives further confirmation of price trends affecting (public) library materials acquisition when compared against RPI and *The Bookseller*'s price index. During the ten year period 1986-87 to 1996-97 increases in book expenditure per capita slightly exceeded *The Bookseller*'s index up to 1991-92, when book fund cutbacks brought down levels below index and opened a widening gap. In both academic and public libraries, spending reductions have resulted in fewer new books on the shelves and a shift towards acquisition of lower priced titles where practicable. LISU, however, warns against 'facile generalisations' when considering price trends to be generally shared by all library sectors, as market segmentation between sectors is noticeable in profiles of material acquired. A more detailed analysis of trends affecting types of material applicable to the several sectors appears below.

Academic/scientific

The academic book on which the LISU Academic Book Index is based is closely defined for its target group. It includes textbooks at undergraduate and more advanced level as well as more general books, but excludes those categories of more relevance to public libraries. Like the Blackwell's Periodicals Index covered below, it is derived from bibliographic data in approvals collections supplied by Blackwell's which are specifically targeted to the higher education library market and originate in the UK. LISU cautions against making comparisons between academic texts and books classed as 'academic/professional' in public library bookstock, as these are derived from different base data utilised in *The Bookseller*'s price indices. The Academic Book Price Index uses the GDP deflator from April to March of a given year as a base for total expenditure and derives composite figures from the book price index for the academic year, taken together with periodicals figures for the previous calendar year. Detailed book price indices are calculated according to calendar and academic years and worked by half- and full-year comparisons. The calendar year example below (Table 2.7) shows book prices and percentage increases over the ten years from 1987 to 1997 and includes USA book prices for comparative purposes, based on an exchange rate of £1.00 = $1.50 (equivalent to a ratio of 67:33).

**TABLE 2.7 LISU ACADEMIC BOOK PRICE INDEX (CALENDAR YEAR)**

(Source: LISU Annual Library Statistics 1998)

| | UK books (£) | | USA books ($) | | Combined UK/USA books 67:33 (£) | |
|---|---|---|---|---|---|---|
| | | (% annual increase) | | (% annual increase) | | (% annual increase) |
| 1987 | 23.81 | 7.8 | 32.40 | 9.1 | 23.11 | 8.2 |
| 1988 | 25.44 | 6.8 | 34.56 | 6.7 | 24.67 | 6.8 |
| 1989 | 27.40 | 7.7 | 36.58 | 5.8 | 26.41 | 7.1 |
| 1990 | 29.21 | 6.6 | 36.56 | - 0.5 | 27.53 | 4.2 |
| 1991 | 32.06 | 9.8 | 40.62 | 11.1 | 30.35 | 10.2 |
| 1992 | 34.51 | 7.6 | 42.74 | 5.2 | 32.50 | 7.1 |
| 1993 | 35.39 | 2.5 | 43.07 | 0.8 | 33.16 | 2.0 |
| 1994 | 35.44 | 0.1 | 44.74 | 3.9 | 33.57 | 1.2 |
| 1995 | 36.00 | 1.6 | 45.03 | 0.7 | 34.01 | 1.3 |
| 1996 | 37.50 | 4.2 | 43.56 | - 3.3 | 34.71 | 2.1 |
| 1997 | 39.77 | 6.1 | 47.09 | 8.1 | 36.98 | 6.5 |

LISU however recommend caution in interpreting academic year price indexes as well as half-year calculations. Full year price comparisons for the academic years 1991-92 to 1996-97 are illustrated below in Table 2.8.

**TABLE 2.8 PRICE MOVEMENTS IN ACADEMIC YEARS 1991-1997**

(Source: LISU Average Prices of British Academic Books, January to June 1997)

| | |
|---|---|
| 1996/97 on 1995/96 | 7.4% |
| 1995/96 on 1994/95 | 3.3% |
| 1994/95 on 1993/94 | -1.1% |
| 1993/94 on 1992/93 | +2.3% |
| 1992/93 on 1991/92 | +3.9% |
| 1991/92 on 1990/91 | +12.3% |

Figure 2.6 below charts the cumulative percentage price increases in academic books during the ten year period 1986-87 to 1996-97 as compared with *The Bookseller* and Retail Price Indexes. The increase in academic book prices shows a steep curve in the 1980s at rates well beyond inflation, as charted by the RPI, which opens up a wider gap in the early 1990s.

**FIGURE 2.6 ACADEMIC BOOK CUMULATIVE PRICE INCREASES WITH INFLATION**

(Source: LISU Average Prices of British Academic Books, January to June 1997)

For academic books, LISU charts details of significant subject categories in which wide ranges of price variation may be expected. Table 2.9 below notes trends in subject categories in selected years of interest during 1986-87 to 1996-97 and shows percentage increases experienced during the period. It can be seen that the greatest increases have occurred in social sciences, humanities and sciences, with a significant reduction in price in computer books in recent years. The rate of change is well above the average increases shown in Fig. 2.6, especially in the period 1986-87 to 1991-92.

## TABLE 2.9 PRICE CHANGES IN SUBJECT CATEGORIES

(Source: LISU Average Prices of British Academic Books, January to June 1997)

| Category | Average Price (£) | | | | | % Change 1996/7 over | | |
|---|---|---|---|---|---|---|---|---|
| | 1986/7 | 1991/2 | 1994/5 | 1995/6 | 1996/7 | 1986/7 | 1991/2 | 1995/6 |
| All humanities | 19.58 | 28.28 | 31.31 | 32.66 | 35.66 | + 82.1 | + 26.1 | + 9.2 |
| All social sciences | 22.02 | 37.02 | 41.78 | 42.08 | 47.27 | + 114.7 | + 27.7 | + 12.3 |
| All applied social sciences | 20.02 | 31.88 | 30.36 | 34.49 | 36.25 | + 81.0 | + 13.7 | + 5.1 |
| All biological sciences | 28.71 | 39.58 | 45.26 | 43.66 | 47.80 | + 66.5 | + 20.8 | + 9.5 |
| All listed pure sciences | 33.61 | 48.76 | 50.90 | 54.28 | 59.00 | + 75.6 | + 21.0 | + 8.7 |
| Computer sciences | 22.73 | 33.33 | 35.23 | 41.10 | 34.10 | + 50.0 | + 2.3 | - 17.0 |
| All technology | 39.79 | 58.62 | 56.45 | 58.83 | 63.00 | + 58.3 | + 7.5 | + 7.1 |
| All medicine | 25.70 | 39.63 | 39.39 | 40.15 | 42.20 | + 64.2 | + 6.5 | + 5.1 |
| All books | 22.50 | 33.66 | 35.35 | 36.51 | 39.22 | + 74.3 | + 16.5 | + 7.4 |
| | | | | | | | | |
| Number of titles | 10094 | 10751 | 10920 | 11998 | 12002 | | | |

LISU also currently makes a distinction between ‘old’ and ‘new’ universities (ie those which gained university status from the polytechnic sector since 1992), for which it has charted historical differences in expenditure patterns between books and serials. Table 2.10 below (LISU, 1998) summarises recent trends in the *average* cost of books and periodicals within the unified higher education sector including colleges. It should be noted that figures include donated and free material and so show some variation from average pricing patterns.

**TABLE 2.10 AVERAGE COST OF MATERIALS IN HIGHER EDUCATION SECTOR**

(Source: LISU Annual Library Statistics 1998)

| | Old universities | | New universities | | HE colleges | | All | |
|---|---|---|---|---|---|---|---|---|
| | Books | Periodicals | Books | Periodicals | Books | Periodicals | Books | Periodicals |
| 1993-94 | 13.13 | 89.07 | 18.81 | 122.06 | 12.61 | 87.57 | 14.74 | 95.61 |
| 94-95 | 16.63 | 100.03 | 17.47 | 133.38 | 12.45 | 80.32 | 16.22 | 105.53 |
| 95-96 | 16.23 | 104.38 | 17.51 | 139.92 | 12.16 | 92.87 | 15.99 | 111.15 |
| 96-97 | 18.31 | 99.55 | 15.87 | 123.24 | 11.98 | 87.08 | 16.50 | 103.71 |
| Change % Last year | +12.8 | -4.6 | -9.4 | -11.9 | -1.5 | -6.2 | +3.2 | -6.7 |

### *Health/medical*

As has previously been noted (Figure 2.5), books account for 31% of health libraries' materials expenditure compared to 57% on periodicals. LISU notes a wide variation in size of bookstock in health libraries, depending on institutional affiliations, user base and funding mix. Respondents to their health libraries survey quote an average cost per title figure (£14.80) one third that of prices of medical books published in the UK in the 1996-97 period (£42.20 per Table 2.9 above) and somewhat below the average price of nursing books in 1995-96 (£17.87). LISU again postulates that a larger than average proportion of free and donated titles may be partially responsible for this discrepancy.

### Public library bookstock

As previously noted, *The Bookseller*'s price index is derived from all new titles published and charts price movements in relevant categories in public library bookstock. Complementary to prices of textbooks and other advanced level material already covered in the LISU Academic Book Price Index (Table 2.7 above), meaningful categories to chart in public libraries include hardbacks as well as paperbacks, adult fiction and non-fiction (including reference) and children's titles. LISU have derived their own book price index for these types of material, both new and backlist, which are based on the RPI, *The Bookseller*'s average book price and a weighted average cost of library book purchases. Their composite book price index appears in Table 2.11 below as compared with other price indices, over the ten year period 1986-87 to 1996-97.

## TABLE 2.11 INDEXES OF INFLATION 1986-87 TO 1996-97

(Source: LISU Annual Library Statistics 1998)

| United Kingdom | 1986-87 | 1987-88 | 1988-89 | 1989-90 | 1990-91 | 1991-92 | 1992-93 | 1993-94 | 1994-95 | 1995-96 | 1996-97 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Population (millions) | 56.76 | 56.92 | 57.05 | 57.23 | 57.40 | 57.64 | 57.98 | 58.16 | 58.39 | 58.59 | 58.80 |
| Indexes of Inflation (1986) | | | | | | | | | | | |
| GDP Inflator | 63.0 | 66.4 | 70.8 | 75.7 | 81.8 | 87.0 | 90.7 | 93.3 | 94.7 | 97.3 | 100 |
| RPI | 64.0 | 66.7 | 70.0 | 75.4 | 82.6 | 87.4 | 90.7 | 92.1 | 94.4 | 97.6 | 100 |
| The Bookseller average book price | 65.8 | 67.2 | 70.8 | 76.2 | 81.7 | 83.2 | 90.8 | 97.9 | 96.4 | 95.9 | 100 |
| Ave. cost of library book purchases (LISU Table 2.5) | 62.5 | 66.5 | 72.8 | 76.9 | 82.5 | 87.5 | 92.4 | 93.1 | 94.5 | 99.6 | 100 |
| Composite of last three | 64.1 | 66.8 | 71.2 | 76.2 | 82.3 | 86.0 | 91.3 | 94.4 | 95.1 | 97.7 | 100 |

LISU have applied their composite price index to derive overall average price figures for all titles, new and backlist, in fiction, non-fiction and children's categories in the period 1992-97, with 1992 indexed as the base year:

## TABLE 2.12 LISU COMPOSITE PRICE INDEX (AVERAGE ALL TITLES)

(Source: LISU Public Library Materials Fund and Budget Survey 1997-99)

| | Overall Price | % | Index |
|---|---|---|---|
| 1992 | 10.73 | - | 100.0 |
| 1993 | 11.16 | +4.0 | 104.0 |
| 1994 | 11.22 | +0.5 | 104.6 |
| 1995 | 11.28 | +0.5 | 105.1 |
| 1996 | 11.52 | +2.1 | 107.4 |
| 1997 | 11.58 | +0.5 | 107.9 |

It will be seen from the above that rapid price inflation at the start of the period was followed by a slowing of price increases, although there are early signs by the end that prices might be beginning to move again. LISU caution against too much reliance on a theoretical average price in the post-Net Book Agreement environment, wherein multiple purchase of titles by public libraries may attract greater discounts than would otherwise be the case. The implication exists that library purchasing consortia could be an additional spur to achieve economies of scale in discounts on bulk purchased bookstock (and perhaps further skew a postulated ‘average’ price). Detailed financial benefits experienced through collaborative purchasing policies are a key area for future analysis.

Table 2.13 below gives a breakdown of price movements in newly published hardbacks and paperbacks in the categories of interest from 1992 to 1997 (again with 1992 as the base year), including both new books and new editions.

## TABLE 2.13 PRICES OF NEWLY PUBLISHED HARDBACKS AND PAPERBACKS, 1992-1997

(Source: LISU Public Library Materials Fund and Budget Survey 1997-99)

| | Adult fiction | | | Adult non-fiction | | | Children’s | | |
|---|---|---|---|---|---|---|---|---|---|
| | Price | % | Index | Price | % | Index | Price | % | Index |
| 1992 | 8.63 | - | 100.0 | 18.01 | - | 100.0 | 5.29 | - | 100.0 |
| 1993 | 8.70 | + 0.8 | 100.8 | 19.06 | + 5.8 | 105.8 | 5.49 | + 3.8 | 103.8 |
| 1994 | 8.73 | + 0.3 | 101.2 | 19.27 | + 1.1 | 107.0 | 5.44 | - 0.9 | 102.8 |
| 1995 | 9.03 | + 3.4 | 104.6 | 18.88 | - 2.0 | 104.8 | 5.67 | + 4.2 | 107.2 |
| 1996 | 9.47 | + 4.9 | 109.7 | 19.68 | +4.2 | 109.3 | 5.62 | -0.9 | 106.2 |
| 1997 | 9.91 | + 4.6 | 114.8 | 19.35 | -1.7 | 107.4 | 5.87 | +4.4 | 111.0 |

Further distinctions may be made in the period 1992-97 between prices of newly published paperback titles (Table 2.14) and new hardbacks (Table 2.15). There are only limited price movements to be noted amongst adult non-fiction hardbacks, which include reference books, after the middle of the period. Adult fiction paperbacks show greater increases than hardbacks, whilst a sharp price rise in children’s books in 1995 is evident in paperbacks as well as hardbacks. The demise of the NBA weighs into price calculations from 1996 onwards.

## TABLE 2.14 NEW PAPERBACK PRICES 1992-1997

(Source: LISU Public Library Materials Fund and Budget Survey 1997-99)

| | Adult fiction | | | Adult non-fiction | | | Children’s | | |
|---|---|---|---|---|---|---|---|---|---|
| | Price | % | Index | Price | % | Index | Price | % | Index |
| 1992 | 5.36 | - | 100.0 | 11.33 | - | 100.0 | 3.47 | - | 100.0 |
| 1993 | 5.63 | + 5.0 | 105.0 | 12.25 | + 8.1 | 108.1 | 3.78 | + 8.9 | 108.9 |
| 1994 | 5.64 | + 0.2 | 105.2 | 12.78 | + 4.3 | 112.8 | 3.75 | - 0.8 | 108.1 |
| 1995 | 5.88 | + 4.3 | 109.7 | 12.30 | - | 108.6 | 4.05 | + 8.0 | 116.7 |
| | | | | | 3.8 | | | | |
| 1996 | 6.24 | +6.1 | 116.4 | 13.40 | +8.9 | 118.3 | 4.11 | +1.5 | 118.4 |
| 1997 | 6.54 | +4.8 | 122.0 | 12.61 | -6.3 | 111.3 | 4.35 | +5.8 | 125.4 |

### TABLE 2.15 NEW HARDBACK PRICES 1992-1997

(Source: LISU Public Library Materials Fund and Budget Survey 1997-99)

| | Adult fiction | | | Adult non-fiction | | | Children's | | |
|---|---|---|---|---|---|---|---|---|---|
| | Price | % | Index | Price | % | Index | Price | % | Index |
| 1992 | 12.89 | +7.1 | 100.0 | 28.68 | + 3.6 | 100.0 | 6.96 | - 1.7 | 100.0 |
| 1993 | 13.23 | + 2.6 | 102.6 | 30.49 | + 6.3 | 106.3 | 7.18 | + 3.2 | 103.2 |
| 1994 | 13.77 | + 4.1 | 106.8 | 31.08 | + 1.9 | 108.4 | 7.17 | - 0.1 | 103.0 |
| 1995 | 14.08 | + 2.3 | 109.2 | 31.12 | + 0.1 | 108.5 | 7.72 | + 7.7 | 110.9 |
| 1996 | 14.83 | +5.3 | 115.1 | 31.41 | +0.9 | 109.5 | 7.60 | -1.6 | 109.2 |
| 1997 | 15.74 | +6.1 | 122.1 | 31.84 | +1.4 | 111.0 | 7.86 | +3.4 | 112.9 |

#### 2.3.2.2 Periodicals

The main source for periodicals price information is the annual Blackwell's Periodicals Price Index, which includes a range of journals reflecting annual acquisitions patterns in academic and special libraries. The periodicals sample is selected on the basis of comprehensive subject coverage but also includes the most important periodicals in each of three categories: humanities and social sciences, science and technology, and medicine. As we have seen, the proportion of resources in public libraries represented by periodicals as compared to books is very low (6-7%) compared to academic and health libraries. They have therefore not received the same detailed price analysis for the typical range of broad interest areas to be found in public libraries, although a number of subject areas included in the Blackwell's price index may be considered indicative for public library periodicals stock (eg sports and pastimes; entertainment; general and popular; general science and technology).

The following tables have been compiled by Blackwell's on an annual basis and enhanced by LISU to provide trend details over varying periods of time, from ten year periods to recent years only. LISU's observations on periodicals acquisition patterns as compared with prices in 'old' and 'new' university libraries reveal distinct trends, as reported in the 1998 annual library statistics (LISU, 1998). In old universities, although a 1998 price increase of 5.2% over 1997 prices was calculated (Table 2.16 below), spending on periodicals did not exceed inflation in that year but still substantially outstrips book expenditure in this sector: old universities spent 67% more on periodicals than on books. In new universities, the average price paid per periodical showed a sharp decrease of almost 12% during the year to about one-third of the average periodicals price, lower than its level in 1986-87. LISU remarks that a trend for selection of lower priced periodicals has continued to characterise this sector increasingly in recent years.

## TABLE 2.16 BLACKWELL'S INTERNATIONAL PERIODICALS PRICE INDEX 1986-1998

(Source: LISU Annual Library Statistics 1998)

| | Average price (£) | Index | % increase on previous year |
|---|---|---|---|
| 1986 | 110.18 | 100 | 9.3 |
| 1987 | 123.45 | 112 | 12.0 |
| 1988 | 127.42 | 116 | 3.2 |
| 1989 | 136.99 | 124 | 7.5 |
| 1990 | 154.08 | 140 | 12.5 |
| 1991 | 167.21 | 152 | 8.5 |
| 1992 | 192.03 | 174 | 14.8 |
| 1993 | *206.35 | 187 | 7.5 |
| 1994 | *252.81 | 229 | 22.5 |
| 1995 | 277.91 | 252 | 9.9 |
| 1996 | 311.47 | 283 | 12.1 |
| 1997 | 340.30 | 309 | 9.3 |
| 1998 | 358.16 | 325 | 5.2 |

* The 1993 figure predated the devaluation of the pound in Sept. 1992. The 1994 figure incorporates the effect of devaluation.

Indicative price movements across periodicals subject areas over the last ten years are given in Table 2.17 below together with comparative statistics for country of origin. The sharp increase in periodicals prices in the United Kingdom relative to North American titles is a notable continuing trend, and one that is equally deplored on the other side of the Atlantic (cf Lynden in *Against the Grain*, February 1998).

## TABLE 2.17 PERIODICAL PRICE TRENDS 1988-1998

(Source: LISU Annual Library Statistics 1998)

| Summary | 1988 £ | 1997 £ | 1998 £ | 1 year % change | 10 year % change | Number of titles 1988 | 1997 | 1998 |
|---|---|---|---|---|---|---|---|---|
| Humanities & social sciences | 48.14 | 112.33 | 134.12 | 19.4 | 178.6 | 842 | 841 | 841 |
| Medicine | 115.73 | 306.58 | 325.00 | 6.0 | 180.8 | 203 | 203 | 203 |
| Science & technology | 199.27 | 546.49 | 560.81 | 2.6 | 181.4 | 962 | 963 | 963 |
| | | | | | | | | |
| Great Britain | 103.55 | 295.28 | 334.89 | 13.4 | 223.4 | 879 | 879 | 879 |
| USA & Canada | 136.12 | 345.73 | 366.80 | 6.1 | 177.6 | 698 | 698 | 698 |
| Other | 169.09 | 423.49 | 391.71 | -7.5 | 141.7 | 430 | 430 | 430 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| TOTAL | 127.42 | 340.30 | 358.16 | 5.2 | 181.1 | 2,007 | 2,007 | 2,007 |

Figure 2.7 plots periodicals price movements across subject areas from 1988 to 1998. It can be seen that humanities titles, although starting from a lower base, have shown less increase compared to science and technology titles, which have escalated more sharply in the mid-1990s.

**FIGURE 2.7 PERIODICAL PRICE TRENDS IN SUBJECT AREAS**
(Source: LISU Annual Library Statistics 1998)

Detailed annual price increases since 1996 across periodicals subject areas are calculated in Table 2.18 below. Blackwell's 1998 figures (as reported in the *Library Association Record*, July 1998) continue to show rises from the 1997 levels, of the order of 9.48% in humanities and social sciences journals and 2.40% for science and technology periodicals. The overall average increase over 1997 prices however was down to 3.78%. These latter percentages represent a substantial slowing in inflation within the last year, and may well indicate the initial signs of electronic journals publishers limiting the price rises for paper formats.

Periodicals represent a substantial proportion of health libraries' holdings, for which price rises for medical periodicals have been documented in recent years as at near the average for all periodicals. The 1997 percentage increases over 1996 in this area outstripped those recorded for other subject areas at 10.7%. Here also however 1998 increases over 1997 fell to 6.02% which may again signify preliminary entry of electronic format journals into this market, where dataset use is well established and network infrastructure is earmarked for early further development.

**TABLE 2.18 PERIODICALS PRICE INDEX CALCULATIONS 1996-98**

(Source: LISU Public Library Materials Fund and Budget Survey 1997-99)

| Annual prices for | 1995 (£) | 1996 (£) | Increase 96 over 95 (%) | 1997 (£) | Increase 97 over 96 (%) | Average annual increase (%) |
|---|---|---|---|---|---|---|
| Humanities & Social Studies | 94.34 | 104.81 | 11.1 | 112.33 | 7.4 | 9.2 |
| Medicine | 245.55 | 276.23 | 12.3 | 306.58 | 10.7 | 11.5 |
| Science & Technology | 445.05 | 499.37 | 13.5 | 546.49 | 9.3 | 11.4 |
| Great Britain | 236.32 | 264.21 | 11.7 | 295.28 | 11.6 | 11.6 |
| USA & Canada | 291.06 | 320.35 | 12.8 | 345.73 | 7.9 | 10.4 |
| Rest of the World | 341.59 | 393.65 | 15.4 | 423.49 | 7.3 | 11.4 |
| TOTAL | 277.91 | 311.45 | 13.1 | 340.30 | 9.1 | 11.1 |

### 2.3.2.3 Electronic media

The use of electronic media, whether stand-alone (eg CD-ROMs or floppy disk) or networked (eg datasets) full-text, abstracts, citations or other bibliographic resources, is expanding widely in all library sectors under consideration in this report. Collation and comparative analysis of statistical data to cover pricing of such resources however is as yet in its infancy and is not widely available from publishing industry sources. Survey returns may include CD-ROM format resources with other types of non-book materials, and so unfortunately a detailed analysis cannot be made. It is estimated that the higher education market alone spends about £2 million annually on CD-ROMs, although, given the range of materials available and the universal availability of desk-top hardware these will not be necessarily from the institutional libraries' materials budget.

Pricing of networked electronic information resources is at an even earlier phase of higher education market assessment and a wide range of pricing models is presently under consideration. Networked datasets were first made available under licence to the HE community in the United Kingdom by the Combined Higher Education Software Team (CHEST), and the site licence principle later applied under the PSLI. Under the terms of this interim agreement the Higher Education Funding Councils subsidised access to electronic resources by the UK higher education sector, and the impact on library budgets - let alone individual institutions - of future electronic media access via this route has not yet been costed in detail. It has however been noted by the Joint Information Systems Committee (JISC) Committee on Electronic Information's Charging Working Group that it may be more advantageous for smaller institutions' libraries to offer bibliographic resources in CD-ROM format rather than over networks, depending on site licence cost, institutional course offerings, actual and potential user base, access arrangements and academic level of use. In this respect, where smaller institutions cannot justify full subscription costs for site access, their libraries' resource choices are closer to the further education sector. Recent pricing models investigated for the NESLI, the successor programme to PSLI, addressed the concept of geographical 'clustering' of institutions to lower the costs of electronic site access, under a similar model to cross-sectoral library purchasing consortia that aggregate materials budgets within a particular region.

### 2.3.3 Effects of demise of the Net Book Agreement

We have already examined the structure of the 'steady state' book and periodicals publishing industry under the NBA from the points of view of the major stakeholders in that market. The 94-year regulated framework maintained by the NBA was lifted in September 1995, having imposed a regime characterised by the largely unchanging roles of the key players: the content producers, supply chain intermediaries and general and specialist clientele. All had traditionally functioned within a stable business environment in which expectations, demands and requirements were fixed and known, and prices for book supply were set within agreed limits seemingly independent of precise costings for goods and services they represented.

#### 2.3.3.1 Interim responses to deregulation

Initial developments after the demise of the NBA were a source of much speculation amongst the many interest groups in the book trade, each of which carried their own expectations of how forces of supply and demand would adjust to the free market. Economists considered that there were a number of likely scenarios which would act as interim responses to deregulation. Amongst the concerns anticipated were:

- Scale and frequency of discounting;
- (Consumer) price sensitivity of demand at individual outlets;
- Effects on gross retail margins;
- Returns to publishers from booksellers;
- Library supply dynamics of price vs service;
- Retail distribution;
- Supply chain channels of distribution;
- Book prices;
- Effects on publishing of new titles.

Library supply services were considered to be a critical area to be monitored in the post-NBA environment, as the market retains distinctive features setting it aside from the general consumer market. Historical features of interest, developed under the NBA and still relevant, include:

- The nature of the purchasing decision (= cost effective selection for numbers of users);
- Library Licence and servicing (absorbing substantial but hidden 'administrative' costs);
- Dedicated specialist supply sector.

Economic theory forecast four main predictions of the effects of the demise of the NBA on library supply, specifically in public libraries:

- An open price war was unlikely amongst library suppliers, as all would suffer;
- Servicing charges would increase as a trade-off against increased discount (hidden subsidies);
- Library suppliers would face lower turnover and profits.

In the interim period a number of effects have been noted which confirm predictions to a certain extent, although in one or two cases appear to contradict conventional wisdom. These include:

- An open price war amongst library suppliers, which may be reinforced by pressure on public library authorities towards competitive tendering processes as well as the threat of new entrants to the sector;
- Increased discounts (especially to public libraries), but no correlation between sizes of discount and expenditure;
- Predicted 'trade-offs' between servicing and discount charges;
- Reduction in profits to library suppliers (who have mainly absorbed reductions);
- Reduction in number of library suppliers to (some) public library authorities;
- Formation of library purchasing consortia in public and academic library sectors;
- Changes in structure of supply chain (i.e. distribution for small publishers, growth of wholesalers, decline in small independent retailers, new partnerships);
- Small decline in number of new titles published with correspondent increase in price;
- No actual change in number of titles sold, although reduced sales for paperbacks;
- Increased market share for bookshops;
- Limitations on large non-traditional retailers (i.e. supermarkets).

#### 2.3.3.2 Trend forecasting

It is difficult to make future projections based on current trends in a complex industry and supply sector whose market is changing rapidly, particularly where earlier predictions have been shown to be wide of the mark. It is clear that there will continue to be pressures on pricing and discounts for both the retail book trade and library suppliers, although these may not devolve as expected. Widespread discounting has not been as general amongst booksellers as was originally anticipated immediately after the demise of the NBA, and since that time has been concentrated amongst large retail outlets rather than in high street bookshops. Consumer demand appears to have made its own adjustments to price increases without being led by discounts and patterns in expenditure have not altered substantially amongst outlets. In library supply, significant increases in discount levels as a result of the tendering process have been partially offset by rises in servicing charges.

Although this sector of the industry has been considered to be most vulnerable to changes following the NBA, as yet the number of library suppliers that have gone into liquidation is small. Established players are still holding their own, although some restructuring is evident in the mergers and 'rebranding' of existing suppliers: the amalgamation of Library Services UK (LSUK), Morley and Greenhead Books as The Cypher Group is a case in point. Although new entrants to the market as yet have not materialised, perhaps as a result of perceived difficulties within the sector, other links in the supply chain are testing the waters of offering servicing for library stock and also electronic bibliographic record provision. Established library suppliers are also themselves investigating new partnerships with wholesalers and high street retailers.

The substantial contribution of the electronic marketplace to standardise, transform and streamline operations within the book publishing industry cannot be underestimated. The fall of the NBA pointed up sharply the fragmentation and adversarial relationships that have characterised the book trade, as all supply sectors sought to determine the extent to which their own activities were threatened by deregulation when compared with other links in the supply chain. General unease resulted in 1997 in the commissioning of KPMG by the Booksellers' and Publishers' Associations to undertake phase one of an industry-wide supply chain study, within which costs and effectiveness of the chain were quantified and recommendations made to reduce waste, duplication and lack of co-ordination. Identified savings of £150 million throughout the book industry were projected by improving stock management, returns procedures and consolidation of distribution channels. Electronic data interchange (EDI) figured largely in the recommendations as a direct means of rationalising and integrating efficient stock and supply management, transaction processes and bibliographic format standardisation, and perhaps most importantly of building trading relationships based on shared values and systems in partnership. Publication of the study resulted in a call for a more expensive phase two, which would foster practical implementation initiatives for industry-wide EDI standards in transactions, bibliographic information and electronic supply chain systems. It is unclear as yet whether there will be sufficient funding and support throughout the book industry to set these far-reaching proposals in motion, but the potential exists for a major overhaul of a sector traditionally resistant to change that could have greater long-term impact than the demise of the NBA itself.

The BA/PA/KPMG supply chain study significantly did not include the particular concerns of the library supply industry as part of its remit. As a means of addressing this supply sector, the British National Bibliography Research Fund (BNBRF) has provided grant monies to Book Industry Communication (BIC) to conduct a specific study to identify particular measures for achieving cost savings and efficiencies that would be appropriate and practical for library suppliers. The scope of the project includes public and academic libraries and looks at ways of reducing cost, increasing efficiency and improving customer services in library supply; the selection process; the acquisitions process; and the use of suppliers' value-added services. The detailed project objectives cover provision of an economic analysis of selected library suppliers' business, and identification of the economics of approvals and showroom visits, the costs and benefits of EDI, and areas of cross-subsidy of services. The research includes a review of literature and secondary source data; interviews of leading public and academic library suppliers, librarians and specialist systems suppliers, and dissemination of a questionnaire to public and academic libraries, all to result in interim and final reports by July 1999. With a complementary brief to this present project, the interested reader is directed to published results of the BIC study once available later in 1999.

#### 2.3.3.3 Stakeholders' viewpoints: the market

Librarians

Responses by librarians to changes in the book industry following the abandonment of the NBA have been closely watched by booksellers throughout the supply chain. When surveyed less than 50% of the librarians sampled thought they were better off without the NBA, despite the opportunity to press for increased discounts from suppliers. Greater awareness of the 'hidden cost' of book servicing operations has combined with lower bookfunds and widespread introduction of competitive tendering practices amongst local authorities, to make librarians much more aware of costing of goods and services within their supply sector and examine various options for streamlining their own selection, ordering and administrative procedures. Library purchasing consortia continue to establish themselves as an efficient means of aggregating bookfunds to achieve cost savings through the larger discounts available with economies of scale. Librarians are also mindful of the pressures on library suppliers, whose added-value services they have traditionally supported, to remain profitable with squeezed margins in an uncertain market: the threat of receivership can ultimately mean less choice of suppliers and lower discounts. Consortium purchasing offers an opportunity for libraries to enter into partnerships with their suppliers to gain the mutual benefits available through shared objectives.

*Academics and professionals*

The academic book market in the UK is small but highly specialised, and has been affected in recent years by declining resources to cater for the needs of growing numbers of users. The NBA has not had a significant effect on the academic users in this market, to whose research output niche scholarly publishers both in the UK and overseas are established as specialist providers. The value of the combined book, journals and electronic publishing industry to an academic market is estimated at about £115 million (£225 million with students overall), for which the major retail outlets are high street and college bookshops as well as library suppliers. For scholarly publications academic libraries represent the main distribution medium. The impact of electronic publishing on academic users is discussed in more detail below.

Students

Within the academic market students are more price conscious than staff and their contribution is valued at about £110 million. They are more likely to be aware of effects on book prices of deregulation and make heavier use of discounting and promotions available at local retail outlets.

Recent marketing campaigns by book trade retailers have cut price margins for students in a bid to retain market share, with an expectation that book-buying habits thus encouraged will affect future purchasing decisions once out of the academic environment.

General consumers

It has generally been accepted that consumers have not greatly altered their book purchasing patterns since the fall of the NBA. When surveyed respondents did not consider that there were significant differences in price across many retail outlets to affect their buying decisions. New entrants to the retail market such as supermarkets selling high-volume bestselling titles offered greater discounts to the consumer in a narrower range of provision than the high street bookshop. Where titles attracting discounts sell at a larger volume, the increase is offset by lower sales in higher priced titles. There are also signs of substititution effects of lower priced titles amongst consumers when purchasing decisions are made, and also increasingly that book sales are linked to the higher income brackets. In this group also mention should be made of early responses to Internet bookselling direct to the consumer, which have been generally favourable as to price and delivery and may well have a growing impact on their expectations and requirements for niche book supply in future.

2.3.3.4 Stakeholders' viewpoints: the suppliers

Publishers

For the most part publishers have not yet seen much change in their link in the supply chain following the NBA. Renewed negotiations of terms with booksellers have resulted in constructive discussions and joint experimentation in marketing strategies with retailers. There has been a move to press for firm sale rather than sale or return. Niche publishers have retained their markets and there is an increasing trend for sales direct to customers, including supermarkets. Publishers' distribution arrangements have come under review, and implementation of electronic ordering facilities by retailers has changed stock delivery patterns. A number of takeovers and acquisitions since the mid 1990s by publishers worldwide in different markets (cf Capitol Publishing and Waverly in the US to Wolters Kluwer (*The Bookseller*, 5 June 1998); International Thomson Publishing Europe of the Dryden Press booklist from Harcourt Brace (*The Bookseller*, 29 May 1998)) have tended to concentrate their attention on their own end of the supply chain.

Booksellers

In such a heterogeneous sector that ranges from retail outlets large and small to specialist suppliers, there has been predictably a volatile response. A number of smaller independent bookshops have gone into liquidation, others are increasingly purchasing stock from wholesalers rather than publishers, and bookshops as a whole have increased their market share since the demise of the NBA. Concurrent trends have included the holding of lower stocks and more frequent ordering procedures, alongside reviews of delivery arrangements. Supermarket book retailing initially expanded but then re-established itself at a lower level, and in common with large retail chains has continued to offer most widespread discounted prices. New modes of niche marketing have been developed by booksellers that have evolved separately from publishers' own promotions. Library suppliers have cut profit margins received from publishers in some cases radically in order to preserve market share, particularly in response to tendering for library purchasing consortia contracts.

Subscription agents

To a certain extent periodicals subscription agents have already gone through the processes associated with library supplier readjustment within the book supply chain in the post-NBA period. Fixed discount structures at 10% until about fifteen years ago were attracted by subscription agents from journals publishers, after which time reductions in discount had to be offset against the continuing requirement for consolidation (added value administrative services). Stockholding levels had already been minimised, and subscription agents were able to expand contracted out services available to libraries. These have been considerably enhanced by the development of electronic information access and delivery mechanisms to a greater extent than has yet affected the book industry. Although the infrastructure for and provision of 'one-stop' services are more advanced for journals than for book publishers, they are each competing ever more keenly for shrinking materials budgets in libraries across all sectors.

Wholesalers

The position of the wholesalers' link in the supply chain has strengthened considerably since the demise of the NBA in recognition of the free market. Increasingly smaller independent bookshops are turning to wholesalers rather than publishers as suppliers of first resort, finding their advantageous terms, selection and ordering, stock management and delivery services to be more efficient and more closely tailored to their needs. Wholesalers have trialled services to the library supply market by offering to libraries book servicing as well as provision, thus making inroads on the market of both book publishers and the 'traditional' intermediaries established under regulation. Wholesalers have also tested the waters of overseas markets, again in competition with publishers.

Distributors

The role of distributors has not altered materially since the end of the NBA although publishers have been actively reviewing their distribution network, particularly since the market entry of large retailers such as supermarkets. Existing distributors have also received direct business from larger retailers. The effects of electronic ordering systems on stock holding systems and shifts towards just in time supply are beginning to make their effects felt in the supply chain, where distribution has come under review as a key area for integrated service development.

### 2.3.4 Electronic publishing

#### 2.3.4.1 Technological issues

Within the United Kingdom the technological infrastructure supporting wide-area network (WAN) access is mainly restricted to higher education and health sector libraries, which represent a niche market to publishers seeking to expand electronic format content and delivery. The UK Higher Education Funding Councils have channelled grant monies through the Joint Information Systems Committee to develop SuperJANET network access amongst all UK higher education institutions. Although the value of utilising information and communications technologies (ICT) to access electronic information resources in libraries is increasingly well established, neither further education nor public libraries have as yet received dedicated funding to enable them to upgrade their own connectivity. Recent review reports which have pointed up the importance of resource access for lifelong learning look set to prepare the way for targeted funding initiatives in each of these sectors that should redress the balance in the medium term, although much feasibility work remains to be done.

It is universally recognised by mainstream publishers that electronic publishing is in its infancy and not likely to replace print-based formats in the foreseeable future. As we have seen, book publishers are undergoing their own technological revolution in the introduction of electronic systems into ordering, stock management and delivery procedures, and in common with many other businesses are establishing a presence on the Internet. They are therefore upgrading their own computing facilities, capabilities, staff resources and technical infrastructure to a level where more advanced information hosting and delivery applications should eventually become possible. Periodicals publishers however have already entered the market for electronic media, as an extension of the hosted citation index databases that have provided an academic and research resource for literature searches for twenty years. Originally conceived as stand-alone or heavily passworded systems over restricted networks, negotiations between database and software providers and UK higher education institutions resulted in wider access to electronic information resources being achieved for UK academic users by the early 1990s. Hosted datasets began to include more descriptive information on content than the summary bibliographical details previously available, and to incorporate features which made access more straightforward to end users. The inclusion of abstracts eventually became supplemented by a limited number of full-text articles available through a handful of publishers, which development was hastened by the widespread introduction of Internet access provision by the mid-1990s.

By 1995 several publishers had taken the innovative step of providing electronic access on their own servers to a selection of full-text articles from their journals, thus also encompassing article delivery to the end user via downloading or electronic reproduction. Although the Internet had made such access possible with added hyperlink functionality, HTML coded documents for the Web at that time lacked the refinements of style and format normally associated with the scholarly electronic publishing process. Subsequent software developments of such desktop publishing tools as Adobe Acrobat raised standards to include more sophisticated layout, pagination and text features and brought the output closer to its scholarly printed equivalent. At the same time as publishers were beginning to use the Web as well as hosted network gateways to provide limited access to their periodicals, subscription agents which had already evolved a sophisticated electronic interface for their services as intermediaries between publishers and libraries were also developing access routes through to periodicals in electronic formats (or e-journals). Academic libraries were now in the position of being faced with steeply escalating costs from publishers or their agents for traditional paper based journal subscriptions. At the same time, technology was available to access the electronic versions of those journals within an as yet undifferentiated framework of multiple interfaces and questionable electronic subscription charges, intellectual property ownership and document distribution rights. Into this undeveloped market the Higher Education Funding Councils (HEFCs) introduced the PSLI in 1995 and its successor programme NESLI in 1999, in a preliminary bid to regulate a technologically advanced but fragmented scholarly publishing environment.

#### 2.3.4.2 Legal issues

The twin issues of escalating costs in academic journal subscriptions and ownership of copyright of journals content by publishers stimulated the launch of the PSLI by the Higher Education Funding Councils. Its innovative brief was to explore the site licence concept for access to journals of a small group of scholarly publishers that had previously been available to UK higher education institutions (HEIs) only on a subscription basis. Its five objectives were to test whether:

- the site licence model could deliver material widely to the academic community;
- the model could allow more flexibility in the use of material;
- the model could adapt to a variety of formats;
- legal arrangements could be established to regulate information access and transfer, and;
- increased value for money could be achieved amongst participating higher education institutions.

A significant aspect of the site licence model shifted the emphasis from specific HEIs entering into individual subscription agreements with commercial providers of information resources towards collective negotiation by a central body on behalf of a number of sites. Collaborative purchase of site licences for software previously had been pioneered successfully within HEIs by the Combined Higher Education Software Team (CHEST) at the University of Bath, under which scheme:

- the supplier either sells a national licence to CHEST for transmitting to the individual HEIs, or;
- CHEST sells licences to HEIs and collects fees for software suppliers.

The group access model had not been applied before at national level to traditional paper-based resources. Under the PSLI arrangement, agreements with publishers were entered into and managed by the Higher Education Funding Councils on behalf of all UK HEIs, some of whom had site licences already operating with particular publishers. The critical issue in site licensing relates to transfer of access rights to *content* from publishers to end users, in this case HEIs. The publisher is acknowledged as the intellectual property owner, who permits the licence holders to store and reproduce information for academic and research purposes to users at the named site. Eventually two licensing arrangements were set up under the terms of the PSLI:

- the publisher granted a national site licence to the HEFCs, who in turn sub-licensed individual HEIs, or;
- HEFCs contracted with the publishers who licensed HEIs directly themselves.

Although publications in paper format and their cost had originally sparked off negotiations, advances in technology eventually extended the remit of the scheme to include electronic versions of the periodicals under licence. Willingness by publishers to embrace the impact of technology on pricing and delivery issues in both formats was a key factor in selecting four, who already offered a proportion of their journals in electronic versions. Participating publishers varied in the technical routes chosen for delivery of electronic journals and their relationship with print-based subscriptions. Complementary in time and objectives with the PSLI and also funded by the HEFCs was the Electronic Libraries (eLib) Programme, which included several projects dealing with various aspects of electronic access and delivery that explored further aspects of usage and copyright management. Further evaluation and consultation under the PSLI drew in the views of existing electronic and paper document delivery service providers who also provided real or virtual gateways into journals. Towards the end of the PSLI in 1997, sufficient success in achieving the objectives had validated the site licensing concept as an appropriate model for electronic information delivery in the UK and had gathered in extensive feedback to inform preferred options for a successor programme.

The NESLI aims to extend existing participation in a UK site licensing scheme to a larger number of HEIs and publishers. Exclusively addressing access to electronic journals without the benefit of subsidy, the programme is jointly managed by a partnership representing both the academic and private sectors, in the form of a higher education dataset host and large periodicals subscriptions agent. Each brings to the scheme relevant technical expertise and experience in providing dataset access within an electronic network environment. As managing agents NESLI negotiate with publishers, manage electronic information delivery and oversee operations of the scheme to ensure cost effectiveness (see also p124). Additional issues under exploration include unified interface, authentication, archiving and the provision of catalogue records.

In the United States, parallel collaborative purchasing initiatives of long standing have brought together academic libraries to achieve economies in resource acquisition. The numbers of purchasing consortia have grown in direct proportion to electronic resource availability and provision in the late 1990s, and examined not only cost models and delivery issues but also international intellectual property rights. Electronic publishing is more widespread in the US, and paradigms for copyright ownership have been put to the test within an academic and research community under constant pressure to publish its findings. Models for access and dissemination of information have moved in step with clarification of its ‘ownership’ at the several stages of the transfer process, and usage patterns have demonstrated to whom and for what the revenue is paid. Licensing considerations of relevance to the global academic community include, but are not limited to:

- definitions: ‘site’, ‘user’, ‘fair use’;
- paper and/or electronic formats;
- what the vendor owns: content/distribution rights;
- guarantees of continuing access to ‘obsolete’ material;
- limited rights for downloading/copying/printing;
- access to whole or part of a data collection.

The consultation process between information vendors and users will continue as an integral part of future initiatives worldwide, to clarify the position of electronic information ‘ownership’ alongside traditional formats within a developing technological infrastructure.

2.3.4.3 Cost issues

Parallel in time with the PSLI programme, JISC’s Committee on Electronic Information set up a Charging Working Group to examine costing issues arising from HEI access to, and provision of, material extracted from dataset resources. A number of alternative charging policies were proposed, including block institutional subscriptions for unrestricted resource usage within a fixed time period; sliding scales attracting discounts depending on size of institution, levels of usage and anticipated server demand; and more flexible pay-per-use agreements for non-subscribing sites. It is clear that the site licence concept is amenable to a variety of costing models: although early feedback is unable to quantify precisely cost-per-use and material benefits gained, it has been estimated that an average of nearly £12,000 has been saved on periodicals subscriptions within the annual library expenditure of each participating institution.

Another area with far reaching implications for the electronic publishing industry is stock duplication in paper and electronic formats. Under the pilot PSLI programme electronic versions of journal articles provided by the majority of participating publishers were free to print subscribers. Phase I of the PSLI evaluation study (conducted by the Commonwealth Higher Education Management Service (CHEMS)) identified five options offered by participating publishers with varying combinations of electronic and print access. Currently electronic resources incur Value Added Tax at the standard rate (currently 17.5%) in the UK while the printed version is zero-rated, and so subscriptions based on hard copy which include electronic formats may carry the benefit of reduced costs. From the points of view of publishers, academic librarians and their users, it would seem unlikely that electronic versions could replace printed materials within the foreseeable future:

- *Publishers* maintain that their costs to carry journals through the editorial process are equivalent for printed and electronic versions;
- *Librarians* are reluctant to abandon complete runs of printed archives in favour of more

ephemeral storage;

- *Academics* wish their research to be published in the printed scholarly record to ensure its permanent contribution to the literature;
- *Students* are more comfortable accessing library resources in material form.

JISC's five-year strategy document beyond the millennium year looks to the higher education sector to lead the establishment of a national information resource base for all UK academic institutions. National plans encourage further collaboration between academic and private sector partners in the shape of Project Heron, which will develop a national repository of copyright-cleared material in electronic form under a consortium of universities and Blackwell's publishing divisions. Development of a Distributed National Electronic Resource (DNER) is also underway. JISC recognises the need for higher education to foster co-operation with less well resourced public agencies and institutions, including museums as well as public libraries. Whilst most of the activity described above resides within the academic sector, which already benefits from a developed technological infrastructure, dedicated systems and equipment access, extending analogous systems and services into the public sector will initially carry an enormous burden of cost. Budgeting provisions made within recent Government reports will be treated in more detail below and acknowledge the vast national investment that would be necessary to establish comparable services in public libraries, including:

- emplacing a UK-wide information infrastructure;
- guaranteeing widespread local connectivity;
- acquiring, configuring, maintaining and upgrading hardware, software and facilities at a grass roots level.

It is hoped that, by the time such a network is in place, the electronic publishing industry will have matured sufficiently to have developed models of good practice of universal application to LIS collection management policies.

2.3.4.4 User issues

There are other implications affecting take-up of electronic information resources as compared with traditional printed materials. Within academic, research and health libraries *mediated* as opposed to *direct* end-user resource access has been a long- running concern. Originally electronic information was mainly available from pay-as-you-go services requiring knowledge and experience of database content and delivery formats by intermediaries, usually librarians. As higher education end-users grew in computer familiarity and expertise, so did educational software developers refine their database interfaces to permit more intuitive navigation at point-of-use. With the widespread advent of the Internet into this sector also, searching and downloading techniques which were once solely the province of librarians have reinforced the capabilities of end-users to cater for their own information needs in the electronic environment. There will however always be those academic users who require more intensive support from information staff, whether due to inability to come to grips with software and/or hardware, or lack of experience in particular subject resources or lack of confidence in devising their own search strategies. It would seem that, for these users, electronic publishing presents a continuing challenge that will require at least a basic level of computer literacy from librarians in all sectors to guarantee service levels.

The training needs of public library staff and users have also been earmarked for financial support in recent Government reports addressing future widescale introduction of information technology into public libraries. With general moves to encourage and promote lifelong learning within the UK, the potential of both public and further education libraries to become key access providers has given an important boost to policy initiatives which are envisaged to lead on to availability of funding streams. It is recognised that public library users are a much more heterogeneous group than the academic library users cited above, especially where information literacy is concerned. They are therefore anticipated to make more significant demands on library staff from a lower skills base when accessing electronic information resources. Health libraries are also currently receiving dedicated funding to upgrade their own connectivity to a developing information infrastructure within their sector, with important implications for the training of medical staff to utilise new technologies for enhanced communication and dissemination of good practice. It is clear that training for electronic information literacy in all types of library will need to encompass continual upgrading of skills for staff and users to keep pace with the developing technical environment.

## 2.4 Political and economic factors affecting the sectors

### 2.4.1 Public libraries sector

Although every UK library sector has to a certain extent undergone changes since May 1997 with the advent of a new Labour government, it is the public libraries sector that has most experienced a sea change in the shifting of attitudes and policy frameworks. The previous Conservative government acknowledged the important present role of public libraries in provision of information to communities and hinted at long term plans to implement information technology networks that would secure their continuation. Under the Conservatives also the Library and Information Commission (LIC) was set up to promote the interests of the library and information profession within the UK. Since the advent of the Labour government, however, public libraries have received a great deal more attention in a succession of policy and consultation documents issued by government departments as well as special-interest groups. These reports and papers have treated several common themes highlighting the contribution of libraries as existing resource providers to a great many public and business groups in their local communities and as centres for education of all ages, with a particular affinity for lifelong learning. Most significantly the reports have focused on the enhancement of access to resources for the public that would follow on from wider implementation of information and communications technology (ICT) networks for libraries.

The Conservative government's *Reading the Future* report did not encompass a practical programme for a national ICT infrastructure nor public library connectivity to it, but by commissioning a detailed proposal from LIC paved the way for clearer recommendations developed by and for the information profession and its clientele. The resulting document was *New Library: the People's Network*, which was hailed both within and outside the profession for its clarity and breadth of vision in defining a much expanded information landscape for the millennium and beyond. The report specifically called for the creation of a public library counterpart to the SuperJANET network currently serving higher education institutions and of a Public Library Networking Agency, which would act as a focus and co-ordinating body for networking initiatives in this sector. The proposed agency would collaborate with public and private sector partners to emplace a technical infrastructure, undertake connectivity and develop content, resources and services as well as a training strategy to update the ICT skills of library staff. Support for consortial purchasing at local, regional and national levels was also specifically recommended in the report. Early reactions from the Government were favourable, as evinced in their complementary *Connecting the Learning Society: the National Grid for Learning* document which followed shortly afterwards, with its concept of a national information infrastructure to which public sector institutions could link: schools, museums and libraries. By spring 1998 the Government's official response to the *New Library* report had fully endorsed its approach, and begun to flesh out financial mechanisms and partnership proposals for a practical implementation programme in its own recommendations for which LIC was again given a central role. LIC's more detailed implementation plans and timetable for the New Library infrastructure were published in *Building the New Library Network* later in 1998, which has clarified technical points for the forward programme, whose initial recruitment is underway as of spring 1999.

Within the profession, LIC continued to lead the way in defining the role of libraries within the new information society, by publishing their invited recommendations on a co-ordinated UK national strategy for library research in *Prospects: a Strategy for Action*. Reinforcing their stated position, the consultation paper focused on the core themes of connectivity, content and competences, to be linked with further research on the impact and role, and economics, of library and information services respectively, which the British Library Research and Innovation Centre (BLRIC) addressed in their 1998 funded programmes. Outside the LIS community however others were not so favourable: the Audit Commission's *Due for Renewal* report, also published in November 1997, pointed up inefficiencies, poor strategic planning, increased costs, duplication in services and unco-ordinated stock management in public sector libraries. Recommendations to remedy the latter included the fostering of centralised purchasing procedures, with particular ramifications for the formation of library purchasing consortia, whilst information technology was yet again cited as a means of streamlining operations as a management tool and learning resource. By early 1998 the Government had responded further with *Our Information Age*, which set an agenda for a national ICT infrastructure beyond the millennium year that highlighted libraries as lifelong learning providers. Following the Audit Commission's *Due for Renewal*, District Audit Office reviews of value-for-money initiatives in individual library authorities throughout the UK have been conducted in 1998, whose findings are currently being collated. Early feedback confirms those of the parallel *Appraisal of Public Library Plans* undertaken for the DCMS in 1998 of a fragmented picture amongst local authorities' libraries, which as yet have much ground to make up to show evidence of awarenesss of 'best value', 'social inclusion', 'lifelong learning', and the New Library that have figured prominently in the DCMS' policy proposals for rebranding UK libraries. It remains to be seen how libraries respond as a sector to these leads.

The EARL (Electronic Access to Resources in Libraries) Consortium for Public Library Networking is one of the longest established national programmes to pursue activities in this area, and has been rapidly developing networked resources on the Internet for ready access by libraries already connected, including new and existing local authorities who have joined its membership of over 150 libraries. With a number of other national library organisations as associate partners, including the British Library, the Library Association, the Department for Culture, Media and Sport, the Department for Education and Employment and the UK Office for Library Networking, EARL is one of the largest and more influential bodies to be active in this area. Other networking programmes and initiatives underway in public library and other sectors include national and regional level projects like SCRAN (for Scotland), Futures Together, and Northern Informatics, some funded regionally as cross-sectoral partnerships and others funded by national agencies. Still other examples of local level networking are beginning to grow up in the wake of local government reorganisation. The JISC-funded eLib programme deserves a special mention, not only for its relevant projects in this area, but for the future key role it is likely to play in developing networking partnerships between higher education and public libraries.

At a grass-roots level, local government reorganisation has been exercising local authorities and delivery of their public services throughout the decade. First set in motion in the shire counties of the United Kingdom after the establishment of the Local Government Commission in 1992, the reorganisation initiated a shift towards single-tier or unitary authorities from the older two-tier system of local government. Sweeping changes affected many of the earlier metropolitan bodies and reinstated county boundaries previously lost in the last major reorganisation in 1974. The review was phased in throughout the period 1996 to 1998 and has impeded the collection and comparison of public library statistical returns to the National Audit Office and other bodies. In public library terms it has had the effect of fragmenting strategic planning processes at local and regional levels as well as existing access to resources and services; some authorities have been left without centralised reference collections with no visible means, such as increased bookfund, to make up the deficit. It is notable that, of the public authorities that moved earliest to the unitary system in spring 1996 (eg Somerset, Hull, metropolitan districts in the North East of England) there have been significant moves towards consortial purchasing in libraries in an apparent bid to retain familiar alliances, structures and continuity of services and resources. Another interesting development has concerned the outcome of the review in those separate countries within the UK that are now embracing the devolution process. In Wales, completion of local government reorganisation has resulted in *smaller* authorities, whereas in Scotland *larger* authorities have emerged. A correlation exists here between size of authority and library purchasing co-operation: in Wales new public sector library consortia have been formed in response to the fragmented service infrastructure, whilst in Scotland no such moves have taken place. It is too early to predict at this juncture the effects that devolution itself will have on public library services to and by the regions and the advantages to be gained by collaboration.

The European Community Directives for public sector procurement, which govern works, supplies and services, have prompted the adoption of contractual and co-operative purchasing arrangements in all library sectors under consideration. The supplies directive came into force in 1994 and has set designated threshold value levels for purchasing contracts in all public sector bodies in the UK, including local government, higher and further education and the NHS. The directives guide public authorities through a structured but transparent tendering process in which intention to award contracts, and invitations to tender, are publicly advertised; potential suppliers are evaluated; award of contract is made and outcomes of the tendering made known, all within agreed time limits. Where compliance with the directive by public agencies is seen to achieve savings efficiencies through aggregated purchasing, library purchasing consortia have emerged throughout the United Kingdom. The directive has also had the effect of creating a culture of best practice in purchasing, in which consultation over expenditure threshold levels have encouraged purchasing and library professionals to share expertise. The compulsory competitive tendering for libraries that was mooted under the Conservative government was never implemented, but has been supplanted under Labour by the ‘best value’ scheme currently being piloted amongst seven library authorities: to demonstrate how to deliver measurable improvements in providing value for money services, and to establish local models of good practice.

Finally, it is important not to underestimate the effects of existing consortial purchasing arrangements generally in public authorities and particularly on potential collaborative activities. Where there is a strong and existing framework with established supply routes in other commodities, pathways and success stories are already in place for libraries to follow when evaluating sourcing and tendering for book and other materials expenditure. Here also partnerships with other local authorities can play a powerful role in stimulating purchasing co-operation with a demonstrable multiplier effect across potentially large geographical areas up to regional level. The effects of recombination of unitary authorities into partnerships replicating former single authorities have already been noted, and there are early signs to indicate that information technology networks are also acting at grass-roots level to foster technological co-operation. Where libraries have previously shared a computerised union catalogue and now find themselves in separate authorities, a ready-made framework for continued collaboration is in place to secure interlending facilities within a region. As many of the systems also include acquisitions modules, the technology exists also to encourage collaborative acquisitions, and it is only a short step to co-operative purchase of materials.

### 2.4.2 Higher education libraries

Libraries in the higher education sector have not received as much national attention in recent Government policy papers as public libraries, nor apparently been as close to major shifts in the rationale behind public institutions. Higher education in the UK operates in a relatively closed community, which dictates its own agenda and timescale to a greater extent than local government. Although the change in government will undoubtedly exert a significant influence in the longer term, of more immediate impact on the sector in the last five years have been two far reaching policy documents commissioned under the Conservative government and based on the views of academics and other higher education specialists collated and analysed over a period of time: the Follett and Dearing Reports. Each has had lasting repercussions on funding and management rationales and initiatives within the sector:

- the Follett Report played a major part in establishing information technology in its present central position in higher education, setting out policy strategies, funding and management structures and network implementation initiatives, which eventually transformed electronic access for institutions and users;
- the Dearing Report built on and extended existing programmes to tie in with funding streams, teaching and research, lifelong learning, course and accreditation frameworks, staff development and cross-sectoral collaboration, particularly with further education and private sector partners.

The establishment of the Joint Information Systems Committee (JISC) under the Information Systems Committee of the Universities' Funding Council (UFC) in early 1993 had heralded the message of the Follett Report. Following the Report's publication the JISC's role was significantly enhanced; it subsequently funded the Electronic Libraries (eLib) Programme, which was a direct outcome of the Follett Report. Follett also covered provision of training for users to access electronic information resources over networks through the activities of a successor body, the Follett Implementation Group for Information Technology (FIGIT). Dearing endorsed JISC's role in overseeing, guaranteeing and extending academic network access beyond higher education and research institutions into the further education sector (and, as we have already seen, through UKOLN into the public library sector). Development of an ICT strategy was first proposed by Follett and was considered by Dearing as central to higher education provision in the new millennium, including and especially its take-up by teachers as part of their own accreditation and continuing professional development. Dearing also proposes the establishment of a new Institute for Learning and Teaching in Higher Education to oversee teacher training programmes, undertake research and development of learning and teaching practices and stimulate innovation, with a particular remit to develop educational technology and computer-based training programmes. In these latter recommendations the Report takes full account of what is considered within the academic community a 'paradigm shift' from teaching to learning, from class-centred practice to a more interactive self-regulated learning process that focuses on the needs and modes of the individual student, and makes more use of the educational potential of electronic resources and novel applications of technology.

We have reviewed above the contribution of JISC, funded centrally by the UK Higher Education Funding Councils, in managing the SuperJANET higher education network, operational responsibility for which is devolved to UKERNA (the UK Education & Research Networking Association). The higher education community in the UK is now arguably amongst the world leaders in network access and services, with long established purchasing initiatives for electronic resources (eg CHEST and BIDS) that have provided a model for other countries to follow. The PSLI and Electronic Libraries (eLib) Programme have also led the way in establishing model technical and legal criteria for developing access to resources through a national network infrastructure: complementary initiatives and projects have been successfully demonstrated within defined scales of time and funding. The compact, readily identifiable nature of the UK academic community lends itself well to large scale digitisation projects such as Heron previously mentioned, where a databank of copyright-cleared electronic resources can be accessed for downloading on demand, thus building on pilot electronic rights management systems already investigated by several eLib projects. JISC's future role and technical capabilities as a provider of access to a national network infrastructure for higher education and research carries implications for the planned development of regional networking initiatives, that extend wide area network access over SuperJANET to other higher education providers within a defined geographical area. JISC supports developing metropolitan area networks (MANs) in urban centres as well as distributed networks in rural communities, such as those successful in the Highlands and Islands as well as in South West England.

Although higher education and its libraries have not undergone the (in some cases) drastic restructuring associated with local government reorganisation, they have undergone significant changes in recent years, which have affected funding arrangements. One of the more major events was the substantial expansion of the HE university sector in 1992 that incorporated existing polytechnic institutions as ‘new’ universities, removing statutory local education authority support and governance, and placing heavier demands on per capita student funding and the resources required by students. Entry of the ‘new’ universities enriched the sector by bringing in regional collaborative structures that were already well established and balancing the ‘ivory tower’ culture that had traditionally set ‘old’ universities apart from their communities. Although ‘new’ university libraries had maintained hybrid patterns of materials expenditure that displayed characteristics of both HE and FE sectors, they like their established HE counterparts were soon subject to severe cutbacks in student funding at national level, where burgeoning numbers rapidly outstripped local resource budgets (cf Figure 2.4 above).

The Dearing recommendations were eagerly awaited as a signal to reinstate government support and enable the sector again to grow through central funding. Financial support was confirmed immediately for sub-degree places and within the short term for full degree students. New individual funding arrangements were also recommended to take account of the change in student demographics, to encourage widening participation amongst groups previously classed as ‘non-traditional’ students, perhaps for reasons of age (with 50% of students now considered ‘mature’), low income or physical restriction. Funding source reviews were suggested, which included changes to the social security system enabling income dependent restoration of student benefits and other financial inducements to part time students, expansion of access funding for disadvantaged groups and, perhaps more contentiously, for lifelong learners, contributions by graduate students in work towards average tuition costs nationally. To a certain extent the Report also recommended changes in course mix and provision to reflect a perceived need for expansion in sub-degree courses, where some overlap is acknowledged and anticipated in offerings between higher and further education providers. Suggested eventual market segmentation within the FE sector of course delivery of this type was not wholly endorsed by the Committee of Vice Chancellors and Principals in their response to the Dearing Report. Although it was generally well received and regarded for its breadth of vision, at one year after its publication it is unlikely that most of the Report’s recommendations will be implemented.

As mentioned above, the European Commission’s purchasing directives apply equally to higher education institutions as to other public bodies, and have had a measurable effect on purchasing practice within the academic sector. Arguably however the sector has benefited from co-ordinated adoption of European guidelines by a well established regional purchasing structure, for which a Central Purchasing Co-ordinator was appointed in 1992 to monitor a huge total higher education expenditure of several billion pounds. A substantial amount of purchasing business within the sector has been monitored for a number of years by seven regional consortia, each of which operates a number of specialist commodity groups where contracts with suppliers are placed through the competitive tendering process. It may be assumed therefore that the culture of best practice in purchasing in higher education did not require substantial adjustments to incorporate European practice. Within academic purchasing consortia library materials commodity groupings are relatively new and are more frequently represented by periodicals supply contracts than by books, a mirror image of their public library equivalents. This feature appears to be a function of their high proportion of periodicals spend and in-house book servicing departments, which reduce the need for contracted-out servicing to the levels that are advantageous to public libraries. Although the existence of other local and regional collaborative purchasing frameworks also influence to a small extent the adoption of purchasing consortia in academic libraries, amongst the more traditional universities at least these partnerships are not as significant as existing purchasing structures within the higher education sector. At present there is imminently awaited an Audit Commission report on UK higher education which is expected to make its own recommendations for 'best value' initiatives in this sector.

### 2.4.3 Further education libraries

The remit of further education libraries reflects the combined (and sometimes competing) interests of a characteristically hybrid sector with great range in size and mission of institution, in which the clear-cut boundaries delimiting other types of library under consideration are increasingly blurred. Further education provision in the UK includes institutions of mixed provenance and affiliation: from sixth form or tertiary colleges under the stewardship of further education corporations, taking over from local education authorities, to independent or specialist colleges with regional or cross-sectoral links. Many colleges offer franchised courses in partnership with higher education providers. As for the other library sectors in this study, recent years have seen sea changes in central government policy which have acknowledged the need for overarching transformation in further education philosophy, funding, administration, course delivery framework, technical infrastructure, staff development and most significantly provision for altered student mix. Each area has evolved independent practice for historical reasons that are no longer seen as viable in the current and future educational market place. Each has also been subject to detailed scrutiny in a succession of recently published policy documents aiming to integrate further education into complementary provision in the new millennium.

As already mentioned, the Dearing Report, so influential in proposed new directions for higher education libraries, also contained a number of recommendations relevant to further education. The Report recognised the distinctiveness of further education provision and sought to establish the principle that sub-degree education should be concentrated in these institutions, with an implicit but defined progression route into higher education. Widening of participation to encourage lifelong learning is as, if not more, critical in FE as in HE, since the sector has traditionally catered for a mixture of full- and part-time students of all age groups and backgrounds including ethnic minorities, the low-waged, disabled and those with special needs. The proposed establishment of a new Institute for Learning and Teaching is also relevant to FE, as it fosters the development of best practice in the teaching profession, which chimes in with FE's own concerns about uneven quality in its teaching programmes. Emergent models for integration of information and educational technology in teaching are also acknowledged in the Report, which have implications for future management as well as skills and resource development in further education. The Report calls specifically for improved liaison between the HE and FE sectors to ensure a more co-ordinated regional approach to educational delivery, together with HE involvement in local FE management structures.

The Conservative government's ideas for modernisation of further education were published by the Further Education Funding Council in 1996 as the Higginson report, within which were reported the findings of the Learning and Technology Committee. As its name implies, the Committee addressed proposed wide-scale introduction of technology into further education and associated issues of staff development, learning resources and partnership proposals. Of especial significance were recommendations for dedicated network start-up and access for the sector including tendering, implementation and management considerations. Practical initiatives arising from the Higginson Report encompass the Further Education Funding Council's QUILT programme (Quality in Information and Learning Technology), with a specific remit for staff development, projects demonstrating best practice, and feasibility studies for FE network implementation. Since the publication of the Government's plans for a National Grid for Learning, which extend access to further education institutions, QUILT outcomes have become more focused on improving the information and learning technology skills of teachers and developing electronic learning materials. Support for the initiative will be provided by the Further Education Development Agency (FEDA) in an Internet-based resource that includes materials, examples of good practice, network access information and research. A flagship consortium of sixteen institutions based at Gateshead, the Northern Colleges' Network, is already a practical demonstrator for networked resources and services access for education and training in the further education sector. Technological partnership with higher education institutions by the expansion of the SuperJANET network into colleges with HEFCE funding is also strongly supported for early development in recent proposals.

Following the advent of the new Labour government, the *Learning Works* or Kennedy Report was published with inclusive recommendations on widening participation in further education for the post-16s, targeting those members of the community who had not traditionally been able to extend their learning. The Kennedy vision embraced themes on extending qualifications and funding provision, linked quality assessments, student support for disadvantaged learners, training collaboration with employers and regional partnership proposals for 'learning regeneration'. Acknowledging that competition rather than collaboration had become endemic in the sector, the report looked ahead to the proposed Regional Development Agencies, which would encourage co-operation in lifelong learning and training between the FE sector and higher education providers, local authorities and Training Enterprise Councils to guarantee a well balanced regional approach. FEDA also encompasses within its own structure a strong regional network based on responsive relationships with local providers. The new University for Industry initiative was conceived to link individuals with training through staff development programmes in the work place, with full union support. The complementary contribution of local education authorities to improve access to courses was seen as another important component of adult education provision. Whilst the continuation of independent funding status of the FE sector was recommended in the report, the need for updating funding arrangements for student financial support was also proposed alongside improved accountability measures to increase efficiencies and co-ordination. Stimulation of student demand by means of information and communications technology, the media and a national credit framework, was seen as key to determining and enhancing future prospects for further education. The themes contained in the Kennedy report were further reinforced by the publication of the *Learning for the 21st Century* or Fryer Report in early 1998, with recommendations for lifelong learning, funding changes, widening participation, partnerships and a new national credit scheme.

Like higher education, FE has seen funding and student numbers restricted by central government. The migration of polytechnics into the university sector in the early 1990s was followed by a shift towards HE by degree-awarding colleges, which were at least partly supported by the HEFCs, reducing the number of further education colleges that were able to offer advanced qualifications. Many of those that did so had entered into franchising partnerships with universities, some of which have been criticised in recent reports for the uneven quality of their provision. More recently, Government cutbacks of specific elements of funding by the Further Education Funding Council have increased savings but had a negative impact on the budgets of learning resource centres, some of which have extended their opening hours to cope with increased demands by students during periods without classroom contact. The sector has however benefited by interim additional funding awarded to the FEFC, as well as through social needs grants for non-traditional students in low income groups. Although FEFC data are incomplete with virtually no up-to-date statistical returns nor details of learning resource centre budgets and user profiles, most enrolled students in the 1996-97 academic year were FEFC-funded and 80% were regarded as ‘mature’ and attending primarily on a part-time basis. The courses for which they enrolled ranged from a mixture of G/NVQs, GCSE and A/AS levels to HNC/HNDs and access to higher education, with substantial percentages of all age groups attending A/AS level.

It remains to be seen how proposed partnerships between further education providers and external bodies will evolve in practice. Preserving the distinctiveness of the sector by limiting its course offerings to sub-degree level attracts some support, but also restricts future options for FE colleges and regional opportunities for formal partnerships with HE providers. Certainly the greatest opportunities for expansion of network access and development of learning technologies are available through overall sectoral collaboration with higher education and its more mature network infrastructure, which will in due course have set standards for good practice in site licensing and electronic resource access and dissemination. Other possibilities for collaboration reside with the local authority sector, where traditional alliances with local government administrations, their education authorities (including schools) and other public agencies and service bodies have resulted in practical co-operative agreements of some long standing. These have also included local purchasing consortia, where local authority sector groupings have informally offered the benefits of their own supplier relationships to local publicly funded institutions. Here the effects of local government reorganisation have had secondary implications for extending partnership agreements in the short term, but scope for collaboration improves as the completed review reshapes the management of public services and possibilities for new cross-sectoral regional alliances emerge. Devolution to the countries of the United Kingdom also will open up options for innovative frameworks for co-operation, within which the future role of further education colleges is already under active review by their nascent national assemblies. Although library purchasing consortia are not well developed in such a heterogeneous sector, there are early signs that the rising profile of colleges’ learning resources centres will quickly attract the attention needed to encourage more active collaboration, in which demonstrated cost savings models will justify their own case alongside the ever present EC purchasing directives.

### 2.4.4 Health Libraries

In the health sector, the new Labour Government has published Green (*Our Healthier Nation*) and White (*Service With Ambitions*) Papers in the last twelve months that have charted a new way forward for the NHS, together with *The New NHS - Modern and Dependable*, which sets out standards of quality for the sector. Although such policy documents provide useful frameworks in which to view such factors influencing the profession as clinical governance, lifelong learning and professional self regulation, health libraries do not figure as prominently in future plans as those of other sectors. Of more immediate significance to health libraries in 1997 were seminal reports and guidelines based on input from the libraries themselves, including the new Health Service Guideline HSG(97)47 on Library and Information Services (requiring NHS Trusts and health authorities to produce library strategies for multidisciplinary provision), the Library and Information Co-operation Council's (LINC) Health Panel survey report *Library and Information Services for the Nursing Profession: Methods of Funding and Delivery,* and developments arising from the national NHS Research & Development Strategy. Parallel developments within the health regions included the appointment of NHS regional library advisors to carry forward and co-ordinate health library provision within their areas, building on the work of the NHS Regional Librarians' Group. Since these policy papers there have been significant moves towards raising the profile of electronic information resources and delivery in the *Information for Health* document, which has itself given rise to plans for a new National Electronic Library for Health, with key input by the NHS Regional Librarians' Group.

The last major reorganisation of the NHS began in 1989 with the creation of an internal market for health care, which incorporated a purchaser-provider model, already established at international level by the European Union. Under the revamped structure regional health authorities would become the customers, or purchasers, of services provided and managed by the new NHS Trusts. Library services had been operated at local level by district health authorities within their remit to deliver healthcare, but now were consolidated under health service trusts, whilst other service provision was made at medical schools and nursing colleges. A significant programme of health authority mergers was set in motion, which substantially reduced their number and upgraded the status of the amalgamated units. Under the new leaner structure, related developments in nursing education merged smaller colleges of nursing and eventually integrated them with higher education partners, a process that culminated in the inclusion of nursing degrees into HE provision. Degree status confers with it the increased requirement for access to library and information services, and with many of the smaller college libraries now closed, the extension to existing library provision at the remaining larger sites became a powerful spur to raising the profile of health libraries within their authorities.

Arrangements governing the management of health libraries are as individual as the diverse groups of potential users they might serve: nurses at all stages and levels of the profession (students, hospital, community and primary care nurses, private), GPs, student and practising doctors, hospital-based professional and technical staff, PAMs (professions allied to medicine: e.g. physiotherapists, speech and occupational therapists, psychologists, radiologists, pharmacists, chiropodists) and community health workers. The PGMDE (Postgraduate Medical and Dental Education) programme is a significant source of funding for libraries, many of which were based originally at postgraduate medical schools and whose collections reflect that location. Recent developments in broadening their user base have led a number of health libraries to adopt a more multi-disciplinary approach to collection management, in a bid to provide a wider core of basic resources of relevance to several groups. The establishment of partnerships with universities has engendered a heterogeneous mix of individual agreements for health library services affecting a range of issues, including management, resource and service provision, and siting of the library. Nursing education falls under the remit of regional education purchasing consortia, wherein universities are often the providers of LIS under contract or service level agreement, with complementary provision by hospital and health trust libraries. Management and operational responsibility for the service might reside with higher education institutions, health authorities or in combination, depending partly on historical practice, user-base, and the all-important sources of funding. These are also varied, where library services might draw on teaching or research funds at local, regional or national level, such as SIFT (Service Increment for Teaching), local health authority budgets or other regional funding. The LINC Health Panel report identified parallel library provision on teaching and non-teaching sites, where both university- and NHS hospital-managed sites of both types included hospital based nursing and multidisciplinary libraries, and university-managed sites included campus-based facilities. The various LIS providers involved include regional and PGMDE librarians, regional health authority LIS staff, colleges of nursing and HEI librarians, health authority and public librarians, each with overlapping remits. With such a range of stakeholders, the LINC report placed inter-sectoral communication high on its list of recommendations to ensure adequacy of co-ordination and complementarity of library services in partnership.

Alongside the changes in nursing education, there have been a number of significant policy shifts within the nursing profession that have also stimulated initiatives to widen access to library resources. Since 1996 the implementation of the NHS R&D Levy within regional health authorities raised the national profile of research and development in health care according to a centrally formulated strategy and set up a regional infrastructure to ensure its funded activity at more local levels. The R&D strategy contains as a core theme the effective use and exchange of research information, which has made both access to information services and information handling skills indispensable to nursing and other medical staff. Important models for responsive service delivery, such as evidence-based health care, clinical effectiveness and problem-based learning, have been put into practice throughout the NHS as a direct consequence of enhanced information availability as a principal support to the research process. The growing need for remote staff and students to overcome barriers of distance in information resource access, particularly since the incorporation of nursing education into the academic sector and consequent closure of facilities, has focused the attention of the NHS on developing an appropriate national network infrastructure to deliver electronic information services. The experience of student nurses on university sites connected to the JANET network has created a culture of expectation in which networked access to medical databases, the Internet and electronic mail is regarded as an essential feature of a future education and training environment. Current moves within the NHS are fostering the establishment of a complementary NHSNet to service the information needs of the sector. Further networking initiatives within regional and local health authorities and trusts are also already underway in certain locations across the UK, which have greatly increased the range of information provision available to staff and students in their area, and which in some cases have led to co-operative acquisition of electronic resources.

The purchasing ethos of the NHS was firmly established with the internal market, reinforced by the European Union supplies directive and underlined by the cost-saving constraints applied to the health sector to ensure accountability, efficiency in public spending and good purchasing practice. The existence of consortia with a specific remit for purchasing according to tendering guidelines is well embedded in many different areas of health care service provision, and is usual for nursing education contracts where regional consortia act on behalf of groups of trusts as purchasers of services. Although research is considered to be a growth area for future funding, universities as education service providers are uncertain about the adequacy of short-term NHS contracts to cater for the continuing needs of an increasingly diverse intake of students. Development and dissemination of flexible learning materials to cater for distance modes of education are recognised as important to both purchasers and providers, and the progress of regional networking initiatives within the health trusts has enabled the formation of health library purchasing consortia in some areas for on-subscription electronic information resources. Beyond the NHS in the independent health sector, similar projects are also underway, which give a virtual dimension to long-established co-operative networks for such practitioners as allied health service providers and private sector health library groups. Procurement professionals in NHS Supplies together with the NHS Regional Librarians' Group are now set to transform NHS library resource purchasing initiatives by collaboration in a national tender for books, periodicals and stand-alone electronic resources, whose contracts are expected to begin June 1999.

## 2.5. The regulatory and advisory frameworks governing the sectors

### 2.5.1 European Union and beyond

Under the terms of the General Agreement on Tariffs and Trade (GATT), originally negotiated following the Second World War in 1947, subscribing nations have endorsed a general reduction in trade tariffs and outlawed what they have agreed to be certain restraints on world trade. Terms of the treaty and related legislation have been subject to a continual process of review and amendment in the light of changing international circumstances, and in 1997 the European Council of Members adopted part of the World Trade Organisation's General Purchasing Agreement (GPA), which will affect local authorities and education providers from mid-1998 onwards. We have already noted the effects of European Union legislation in its application to public authority directives on purchasing, works and services: these changes will effect alterations in timescale to the tendering process, and also take account of electronic document delivery procedures as an alternative means of submitting tendering proposals. The GPA also affects supplies contracts at a lower threshold value operated by different public sector organisations and government authorities, with specific reference to NHS authorities. The application of GATT principles to lift what were perceived within the United Kingdom as unfair trading restrictions may also be noted in the Restrictive Practices Court actions that removed the NBA from the statute books.

Emerging European Union policy and directives on the status of electronic copyright, intellectual property ownership and databases also have UK ramifications for future electronic licensing agreements, particularly those involving ‘unique’ collections of data. Following the 1995 EU Green Paper on Copyright and the 1996 Database Directive, the World Intellectual Property Organisation Copyright Treaty seeks to amend the Berne Convention. Under the new terms, including separate submissions by the European Union and the United States, compilations of information are subject to the same legal protection as created works, with implications for the status of electronic reproduction and dissemination to licensed users. Present provision to cover temporary reproduction for enabling use without economic impact needs clarification, and may have an impact on national interpretations of ‘fair dealing’ as applied to libraries and their users. The directives are of equal concern to such bodies as the Publishers’ Association in their overall treatment of digital information and the rights and remunerations anticipated by their members.

### 2.5.2 National frameworks

#### 2.5.2.1 Public library sector

Under the terms of the Public Libraries and Museums Act 1964, the relevant Secretary of State with a remit for libraries (now the DCMS) has a statutory responsibility to ‘superintend, and promote the improvement of, the public library service provided by local authorities’. To this end central government devised a Standard Spending Assessment for individual local authorities, which includes a grant for libraries. In information policy matters the DCMS is advised by the Library and Information Commission, which provides a national focus for LIS issues across all sectors, and has also had the benefit of public library sector guidance from the Advisory Council for Libraries. The National Audit Office conducts periodic reviews of libraries within its remit to oversee public expenditure performance of various agencies, for which statistical returns for public libraries are gathered and collated by the Statistical Information Service of the Chartered Institute of Public Finance and Accountancy.

#### 2.5.2.2 Higher education sector

The Department for Education and Employment (DfEE), under the overall responsibility of the

Secretary of State for Education, channels funds for higher education through the appropriate designated body: the Higher Education Funding Council for England. The DfEE's counterpart agencies at the Welsh and Scottish Offices manage the Higher Education Funding Council for Wales and the Scottish Higher Education Funding Council respectively, whilst the Department for Education in Northern Ireland finances higher education (with other sectors) directly. The Further and Higher Education Act 1992 removed the distinction between the degree-awarding polytechnics (previously funded through the Polytechnics and Colleges Funding Council or PCFC) and universities (previously funded through the Universities Funding Council) to create a new expanded and unified higher education sector in the United Kingdom under the several Higher Education Funding Councils (HEFCs). The HEFCs advise the Government departments, ultimately responsible for higher education, on relevant matters and receive block grants which are allocated to individual institutions. The Higher Education Quality Council, funded by individual institutions, is responsible for advising the Secretary of State on standards for degree-awarding applications within higher education.

2.5.2.3 Further education sector

The Education Reform Act of 1988 defines further education as all provision outside schools to the post-16 age group, up to and including A-level standard and equivalent. In the United Kingdom the bodies responsible for ensuring further education within their regions are the Further Education Funding Council for England, the Further Education Funding Council for Wales, the Scottish Office Education Department and the Education and Library Boards in Northern Ireland. In this sector, the Further and Higher Education Act of 1992 removed FE colleges from local education authority control and placed them directly under the FEFCs and equivalents as channels of funding. Quality monitoring is undertaken by FEFC inspectorates on behalf of central government. The Association of Colleges and Further Education Development Agency advise the DfEE on matters relating to existing and future policy for the sector.

2.5.2.4 Health sector

The NHS Act 1946 placed a duty on the relevant Secretaries of State for England, Wales, Scotland and Northern Ireland respectively to promote the establishment of a comprehensive health service in the United Kingdom, to secure improvement in the health of the general public together with prevention, diagnosis and treatment of illness. It is centrally financed by taxation revenues and other public monies approved by Parliament, with the Department of Health responsible for its administration as well as ambulance and emergency first aid services. Policy is formulated by the NHS Policy Board and carried out at national level by the NHS Executive, which contains within its structure a number of Directorates responsible for different areas of activity, including a central agency for purchasing (NHS Supplies) and a national Research and Development Directorate. The NHS and Community Care Act 1990 set in motion a series of reforms affecting management and patient care with a view towards a more efficient delivery framework at regional and local levels, which is outlined below.

### 2.5.3 Regional and local frameworks

#### 2.5.3.1 Public library sector

Under the Public Libraries and Museums Act 1964, local authorities have a statutory requirement to provide a comprehensive and efficient public library service. Grant monies for libraries are made available by central government through the Other Services Block of the Standard Spending Assessment allocated to each authority, which determine the final proportion available for local library services. Authorities exercise statutory rights and responsibilities through powers granted by Acts of Parliament, including public general and local legislation that has been put forward as private bills by authorities. Revenues are typically funded by four sources: council tax, non-domestic rates, government grants and income from charged services. Within authorities there is great variation in local practice, but policy matters are usually dealt with in full council, administrative services are progressed in committee and individual officers assigned to oversee day-to-day operations and activities. The position of public libraries amongst other services is decided by the authority and may be included within departments of education, arts and museums, or leisure and tourism depending on the prevailing philosophy. The Local Government Act 1992 set up the Local Government Commission with a specific remit to review the structure of local government, with a view to establishing unitary authority structures deriving from the original two tier system emplaced in 1974. The reorganisation process took place in the two-year period from April 1996 to April 1998 and created a tranche of unitary authorities, restored other former boundaries or retained the two tier structure. It has had far-reaching implications for the planning, administration and implementation of public library delivery strategies, which have influenced the formation of consortia in a number of authorities.

#### 2.5.3.2 Higher education sector

At local level, the pre-1992 universities continue their traditional pattern of administration, which amongst most is jointly managed by a senate of elected members to consider academic matters, alongside a council of nominated representatives which oversees staffing and is responsible for financial allocations. The post-1992 universities that entered higher education from the polytechnic sector, had developed local business alliances whose influence is still evident in the higher education corporations that manage their activities. These are the responsibility of boards of governors who appoint their own members mainly from industry, business, commerce and the professions. Building stronger alliances with the private sector and with other local education providers is a significant strategic target for all institutions within the sector.

#### 2.5.3.3 Further education sector

Further education colleges are managed at local level by independent FE corporations, which again draw in a substantial element of involvement by business and industry. The inclusion of private sector assets facilitates self-financing arrangements, whereby staffing is supported within an individual business framework. Funding levels are partly linked to number of students recruited for courses, which are characteristically mixed offerings in terms of type and level of qualification and institutional context for provision. The wide range of post-16, technical, commercial, vocational, professional and specialist courses included in the further education sector may be provided by ‘new’ universities, specialist colleges, colleges of further education, tertiary and sixth form colleges. Progression routes through to degree courses or various intermediate qualifications are under active development within a sector with a large proportion of lifelong learners. In Scotland, funding of this sector is drawn from central government.

### 2.5.3.4 Health sector

The NHS and Community Care Act of 1990 restructured and streamlined regional and district health authorities as well as family health services authorities, and significantly established NHS Trusts to act as self-governing health care providers. The Act has been instrumental in creating the purchaser-provider model of health care provision through a system of NHS contracts, in which health authorities are purchasers and trusts providers. Recent reorganisation of the health sector has concentrated on transferring into the regions and local health authorities much operational responsibility for health care delivery that had previously resided with the NHS Executive, now represented in eight regional offices, which have replaced the earlier health authorities at regional level. Their brief is to promote national policies, plan regional implementation and allocate resources to district-based health authorities as well as fundholding GPs. Directly responsible to the Secretary of State for Health, they act as the primary communications channel between the NHS Executive and local agencies. The regional offices have also replicated into the regions a number of strategic development areas within the national NHS Executive to benefit from more local representation, such as Research & Development and Education & Training.

Under the new system, the resources of the district health authorities are allocated by the regional health authorities to which they are responsible. The remit for district-level agencies is to purchase and provide health care for residents, manage local health services on an operational basis and plan activities within frameworks set by regional and national policymakers. Following reorganisation in some authorities, district health authorities have amalgamated to increase their purchasing capabilities and utilise economies of scale for better resource allocation. Local hospital-based provision is the ultimate responsibility of the Secretary of State for Health rather than the NHS; although still accountable to central government, under the terms of the 1990 Act, hospitals and other health services providers may choose to become independent of local health authorities as separate NHS trusts governed by their own boards of directors. Under this arrangement hospitals are contracted, and receive income, as health care providers to both NHS purchasing authorities, fund-holding GPs and private health care purchasers. Local- and regional-level provision may also benefit from a variety of further funding from public and private agencies, depending on the institutional mission and purpose: regional education and training budgets that support library resources for teaching purposes may benefit, for instance, from both SIFT (Service Increment for Teaching) and R&D training allocations.

## 2.6 Conclusion

The changes that have impinged on the four types of library reviewed are not necessarily sudden nor short-lived. The long timescale required to phase in local government and NHS reorganisation, for example, was planned within a structured framework which included consultation with key stakeholders. One difficulty facing all types of library however is that their input is often not sought early enough to permit them to influence planning procedures, which limits their fuller involvement to control their own changing circumstances. Another problem with far-reaching policy implementation programmes, however well-founded, relates to the unanticipated effects they may produce at different levels several stages on in the process. Libraries have not traditionally been central to policymakers' considerations, but there are welcome signs that perception of their potential wider role in society may be changing as the UK Government embraces the information age. The message that is now coming through for LIS staff is much more positive, as the recent succession of top-level reports affecting all library sectors attests.

# 3. ACTIVITY AND PRACTICE OF PURCHASING CONSORTIA

## 3.1 Introduction

The information contained in this section has been derived mainly from a survey of library purchasing consortia across four library sectors in the United Kingdom: higher education, further education, public and health libraries. Consortia included were identified during the early stages of this research project in Spring 1998, and the questionnaire returns were made during September and October of the same year. Data gathered were also most usefully supplemented by a seminar held at the University of Birmingham in July 1998, which representatives of sixteen consortia drawn from the four library sectors attended. Discussions held were invaluable in informing survey instrument development and ensuring that the questions selected were of equal relevance to all consortia. A second seminar was held at Merton College, Oxford, in March 1999; twelve consortia were represented. Information gathered in the survey has been updated in the light of this seminar.

The target group of 21 library purchasing consortia consists of eight in the higher education sector, six in the public library sector, five in the health sector (including four NHS and one independent libraries' consortium; a further NHS library consortium has since come to light) and two in the further education sector. Of 21 questionnaires sent out 20 were returned, representing an excellent response rate of 95%. Library purchasing consortia surveyed were drawn from all corners of the United Kingdom: sixteen from England, three from Wales, one from Scotland and one from Northern Ireland. Initial identification was made through contact referrals and telephone introductions, followed up by the seminar meeting, the subsequent launch of a closed electronic mail list via Mailbase, and the questionnaire sent by post in September. Follow-up surveys were conducted by telephone in a limited number of cases and two visits made to consortia who had not attended the seminar. The questionnaire appears as Appendix A and the list of consortia contacted as Appendix B.

That circumstances are constantly changing underpins the timeliness of the present research, during which period consortia continue to form, tenders are progressed, and supply contracts for a range of resources and services conclude and commence. Rapid proliferation of library consortia in a number of areas is now a worldwide phenomenon, and whilst those here surveyed have been set in motion by a variety of individual or sectoral reasons, all are looking to extend library resources that have been subjected to universal cutbacks.

## 3.2 Definitions

We define a library purchasing consortium as follows:

> An association of independent organisations that act in concert to procure for themselves goods and/or services specific to libraries.

Two things should be noted about this definition. Firstly, it includes both consortia that comprise only libraries and consortia that comprise libraries' parent organisations. Secondly, it excludes organisations such as CHEST and NESLI. The latter may be similar to consortia in their effect, but are not answerable to constituent members. In fact, they act as the *agent* of one or more bodies.

## 3.3 Models of operation

### 3.3.1 Institutional or library membership

A key consideration of the governance of the surveyed library purchasing consortia was the nature of the consortium infrastructure available to them, especially the established patterns of collaborative purchasing within their library sector as well as in individual institutions or authorities. Although there is a direct correlation that fosters the formation of consortia this is not necessarily always present, and in a number of cases libraries have combined their resource budgets independently of any external inducement to do so (see Fig. 3.1 below).

Higher Education

It is in the higher education (HE) sector that inter-institutional and regional level purchasing consortia are best developed for a wide range of commodities, within which library resources have only recently entered the frame. Certain higher education consortia have been formally constituted for over twenty years and unofficially operating for longer; in at least one instance however co-operation between their institutional libraries predated consortium formation.

In 1992 the Committee of Vice-Chancellors and Principals (CVCP) appointed a Central Purchasing Co-ordinator to promote 'the process of integration and aggregation of purchasing interests at institutional, regional and national levels'[1] and to encourage best practice in purchasing. The CVCP recognises that devolved purchasing through to departmental level is the norm in many of the institutions in the HE sector, and that this approach could lead to a fragmented and inefficient spend of the more than £2 billion on goods and services recently estimated to represent the annual HE market. In 1994 the Higher Education Funding Council for England published purchasing guidelines[2] and the National Audit Office published its own assessment of HE purchasing practice which, coinciding in time with the European Commission's purchasing directives on supplies, goods and services[3], have all combined to instil a strong collaborative purchasing culture within higher education.

It is not surprising therefore that half of the HE library purchasing consortia are constituted as commodity groups within large established consortia with institutional level membership, typically covering many different goods for purchasing and with substantial spending power. The other half however took their own initiative to collaborate in purchasing as a result of perceived common needs in resources and services of institutional libraries, and here library level membership applies. In these cases the library consortium co-exists alongside those already established for other commodities within an HE regional framework. In several instances however neither the geographical boundaries nor the library membership are precisely congruent with the pre-established general purchasing consortium. The advice of purchasing professionals at institutional level is generally available to negotiating libraries whether on an *ad hoc* or more formal basis.

Public Libraries

Purchasing consortia in the public library sector however present a very different picture. Although if anything more influenced by the European Commission's purchasing guidelines, the initial effects of local government reorganisation have in most of the consortia surveyed militated against sustained collaboration initiatives at *authority* level. The largest library purchasing consortium is an exception to the rule by drawing in member authorities with a well developed structure of commodity group purchasing as with HE general purchasing consortia, but is also unusual for the wide geographical distribution of its members. One may surmise that there are many other public authority purchasing consortia around the country whose activities do not include library resources or services. The other public library sector consortia surveyed have been much smaller groupings that have arisen in the wake of, and apparently in response to, local government reorganisation. Here it is fair to say that a culture of teamwork already existed in the larger authorities prior to reorganisation, which promoted subsequent collaboration. In one or two cases their combinedexpenditure is considered too small to fall within the EC purchasing guidelines. Each of these consortia draws on library level membership.

Health

Health libraries' purchasing consortia manifest hybrid features of HE and public library groupings above. It is paradoxical that NHS libraries fall within more standardised national purchasing guidelines than either grouping, but changing conditions have led to a highly variable transitional period currently under way. Together with higher education the cultures of collaborative purchasing as well as a strong regional infrastructure are deeply embedded in the NHS, as evinced by purchasing of health care and services through regional Trusts. Up until recently however NHS library services have not traditionally enjoyed a sufficiently high profile to be addressed by either national level or regional agreements. Co-operative arrangements have been set up at local level by the libraries themselves as a 'grass-roots' response to the very individual mix of funding streams available within each NHS region, participating institutions and their libraries.

Since 1997 however, with the incorporation of nursing education into the HE sector and the advent of the evidence-based practice paradigm, within the NHS there has been a critical raising of awareness of the role of their libraries. Education and training (E&T) consortia have been set up throughout the NHS regions with a remit to ensure quality delivery of nursing training both to degree level and for continuing development, supported and underpinned by guaranteed standards of library services. There has been a perceptible shift towards regional level responsibility for NHS libraries, which has coincided with increased attention at national level to the potential role of computer networks for health information delivery (IM&T) and collaborative purchase of electronic resources. As far as the NHS is concerned, there are therefore a number of possible interpretations of the term library purchasing consortia, and those consortia surveyed represent a heterogeneous sample whose level of membership depends on when the grouping became active. The longest established consortia attract library level membership; those more recent, dual library and E&T membership; whilst the most recent report E&T level members only: an apparent ‘halfway house’ between local libraries and regional health authorities.

At the time of writing, (March 1999), there is a new, ground-breaking development. Following attendance at our seminar for consortia in 1998, the NHS Supplies Executive is out to tender nationally for books, periodicals and stand-alone electronic resources. As far as we are aware, this is both the first national tender, and the first to cover three types of resources.

Meanwhile, beyond the NHS in the independent health sector, informal collaboration and networking amongst libraries have been under way for a number of years and the purchasing consortium surveyed displays library level membership.

Further Education

The two further education (FE) library purchasing consortia covered in our study represent too small a sample to generalise about sectoral features. These are highly individual groupings that have been drawn into collaboration by specific combinations of circumstances. One has been constituted as a cross-sectoral consortium according to geographical location and reflects regional library interest in health and further education libraries as well as the higher education sector; the other was originally constituted by institutions running a common library automation system that expanded its operations into collaborative purchasing of resources. The former displays library level membership whilst the latter is based on institutional membership.

### 3.3.2 Governance procedures

Whilst there may be some correlations to be made in terms of level of membership with size, sector served or longevity of operation of library purchasing consortia, no such patterns pertain when investigating methods of governance. Although virtually all consortia respond that there are procedures in place, these vary according to degree of formality and do not necessarily follow any parent consortium practice.

The consortia surveyed were asked to indicate whether they encompassed a constitution or group responsible for operations as a governing board, steering or user group. The perceptions of the individual respondent will to some extent dictate how such a group is designated in the survey return in the absence of an official working title. Few consortia were guided by a formal constitution or a governing board; responses were more evenly divided between steering and user groups, with the latter the preferred choice. Several consortia acknowledged the contribution of more than one type of group in their management. It is perhaps significant that a number of consortia are in early or transitional stages of development and so the current picture may not represent the eventual need for formalising governance structures, should activities grow or diversify.

### 3.3.3 Membership consultation

A clearer picture emerges of varying practice in library purchasing consortia across sectors from responses to queries regarding frequency and type of membership consultation meetings. This question expanded on the governance framework responses elicited above by covering all instances of membership consultation, whether for overall management purposes or for more informal feedback on progress of a contract.

#### Higher Education

By comparison with other library sectors, higher education purchasing consortia embed regular consultation meetings more firmly into their operations at all levels and involve the entire consortium, steering group and individual commodity group. They also provide occasional updating meetings and actively seek out other means of establishing new communication initiatives, such as training programmes or creation of electronic mail networks. As HE library consortia benefit from the longest established collaborative purchasing structures across many commodities, it might be assumed that transfer of best practice from the parent institutions has generated analogous frameworks for institutional libraries' co-operation. Models may have been derived under direction or advice by parent institutions and/or their purchasing departments, or otherwise under the libraries' own perceptions of advantageous procedures. Although not all HE library consortia occupy the niche of a commodity group alongside others in a larger grouping, open communication channels with relevant individuals and departments foster an environment of cohesion and mutual awareness of collaborative activities at institutional level.

#### Public Libraries

Public library sector purchasing consortia also provide for regular consultation meetings for their membership, these mainly of the entire consortium as well as the steering group. In this sector the majority of consortia surveyed were stand-alone library groupings with no affiliation to consortia involving their parent authority, and so parallel consultation of this kind may be taken to represent management as well as communication in progress. Here again it is plausible that a regular consultation programme follows existing practice amongst public authorities, but with the upheavals accompanying local government reorganisation so recently in memory, the meetings may also provide a much needed structured forum for discussion. The importance of a regular programme is perhaps also indicated by the lack of affirmative responses amongst public libraries to holding occasional updating meetings.

Health

Health library consortia, by contrast, unanimously responded to the provision of occasional updating meetings for membership consultation and to the exclusion of any other type of meeting. Two health libraries are also involved in other communication initiatives. The surprising uniformity of response in such a heterogeneous sector bears out the informal networking ethos that has fostered long-term, ‘grass roots’ collaboration amongst health libraries, traditionally acting independently of national and regional health authorities to cater for their own perceived needs at local level.

Further Education

There is no discernible pattern amongst the further education library purchasing consortia. The larger has adopted regular meetings of the entire consortium for full membership consultation and so follows the practice of its local HE counterpart. The smaller holds occasional updating meetings, which it is assumed operate at institutional library level as consortium membership is held by parent institutions.

### 3.3.4 The role of procurement professionals

Again we find clear sectoral disparities amongst the library purchasing consortia surveyed (see Fig. 3.2 below). It is not surprising that size of consortium expenditure is the determining factor here, as for those whose spend consistently falls within European Commission guidelines thresholds the involvement of purchasing professionals becomes much more likely.

The most active and structured participation by procurement staff in library purchasing consortia devolves within the higher education sector, where dedicated departmental personnel are generally available within the libraries’ institutions to advise as requested or needed. Even where the library consortium is constituted separately from the general institutional purchasing consortium covering each HE region, the contribution of procurement professionals to library working groups is reported unanimously by all respondents within the sector. Further, although not all HE consortia involve procurement staff in their contract negotiation process, each reported instance shows negotiation in tandem with librarians as a true partnership. Significant contributions have been made specifically in such procedures as evaluation of suppliers, where purchasing professionals have provided input in the form of standardised grids addressing points of clarification to be sought on visits to suppliers. Such readily transferable models of good practice within the sector have already proved most useful to more than one higher education library purchasing consortium.

Considering the prevalence of purchasing departments in local government and health authorities also, it is perhaps surprising that only the largest public library sector consortium reports equivalent level involvement of purchasing professionals who handle negotiations with suppliers on behalf of the librarians. All other public library respondents however note purchasing input, whether as a working group member, giving informal advice, or in unspecified other areas. Only two health library consortia involve procurement staff: one in negotiations (not in partnership) and one informally, whilst the further education consortia report involvement in negotiations (in partnership with librarians, following the larger HE sister) and one in other activities. The significant recent partnerships between the NHS Supplies Executive and the NHS Regional Librarians' Group look set to transform materials procurement procedures for NHS libraries, following the tendering and award of national contracts for supply of books, periodicals and stand-alone electronic media for this sector mentioned above.

## 3.4 Sectoral and library diversity

### 3.4.1 Membership composition

The membership composition of surveyed consortia reflects a typical range of parent institutions within their affiliated sector and a number respond that eligibility for membership devolves along sectoral lines. In many cases however geographical restrictions of membership are also cited, and this actually appears slightly more frequently amongst respondents and often alongside sectoral factors as twin limiting contexts. It may be hoped that the potential for geographically based alliances will be taken into account more fully in future should expansion into cross-sectoral activity become possible for consortia.

#### Higher Education

Higher education consortia demonstrate the strong allegiance to sector and locality that is expected from well established groupings of some years' standing. Their mixture of composition is characterised by the inclusion of old and new universities within their respective regions, together with higher education colleges where these have entered the university sector. It is only recently that HE library purchasing consortia have extended their activities geographically to cover all regions throughout the UK (unlike the general commodity HE purchasing consortia that encompass their parent institutions) and so several geographical anomalies exist at present.

#### Public Libraries

Like HE library purchasing consortia, public libraries devolve along strong sectoral lines and manifest only local government authority membership. The largest and longest established draws in members from shire counties, metropolitan borough councils and new unitaries. The smaller consortia have been operating generally only since the completion of local government reorganisation (LGR) in their locality, and include new unitary authorities that were formed in the aftermath of LGR which reduced their historical resource base. In both England and Wales public library purchasing consortia regrouped into their pre-LGR units: co-operation was further encouraged by an existing common library automation system in almost all cases.

Health

Health library purchasing consortia display different characteristics and levels of membership depending on the length of time they have been active, reflecting the significant administrative restructuring that has affected the sector in recent years. The newest is comprised exclusively of E&T consortia level members, which are under present circumstances largely responsible for quality and delivery of library services supporting training within their region. The more usual composition of health library consortia consists of a mixture of NHS Trust and regional health authority libraries. There is a hybrid consortium which manifests layers of both levels of membership, whose involvement is clearly linked in time to recent developments in education and training initiatives. In the case of independent health libraries whose all-London provenance had helped to stimulate co-operation, members represent a mixture of colleges and research institutes serving pre- and post-qualification users in professions allied to medicine (PAMs).

Further Education

The greatest heterogeneity in membership is demonstrated by further education library purchasing consortia. Although the sample is too small for purposes of generalisation, the FE sector appears to be most willing to follow the examples of other sectors. The larger of the FE consortia surveyed contains a membership list of institutional libraries representing all library sectors in our study except for public libraries. The smaller was originally formed (like most of the public library respondents) by institutions using a common library automation system and draws on members from all areas of further education provision, from sixth form to higher education colleges.

### 3.4.2 Cross-sectoral involvement

With one or two notable exceptions, there is little evidence of cross-sectoral activity in the membership composition of the library purchasing consortia surveyed.

Higher Education

Exceptional responses from the HE sector were received from the consortia covering London, Wales and Scotland which all demonstrate a limited degree of cross-sectoral involvement along geographical lines, drawing in research institutes and health libraries, health libraries and a national library respectively.

Public Libraries

There was no cross-sectoral activity amongst responding public library consortia.

Health

Health library purchasing consortia interestingly manifested an ‘open door’ policy for potential members where little sectoral restriction was cited, perhaps a legacy of their independent origins.

The largest and longest active of the health library consortia also displayed the only evidence of cross-sectoral involvement, in a region where higher education links had always exercised a strong influence on their activities.

Further Education

The most significant model of cross-sectoral membership was encountered as mentioned in the further education sector, where the larger consortium responding draws in a complete range of institutions based in the geographical region of South West England including higher and further education, health (NHS and independent) and special libraries. There are two participating members in this consortium which also retain separate memberships with their ‘own’ library sector’s consortia.

### 3.4.3 Meeting individual needs

A library purchasing consortium can meet the needs of its individual members in a number of ways. The agreement itself might be flexible in its terms of payment required to join, services covered or ability to participate or withdraw from contractual arrangements. By identifying or guaranteeing particular savings to members, the consortium can add to the financial security of the participating libraries or their credibility within their parent institution. All benefits reflect striking a satisfactory balance between the collective needs of the group and the individual requirements of the member libraries, whilst ensuring sufficient flexibility is available to suit each contract as well as changing circumstances.

Amongst the surveyed libraries there are significant sectoral differences in provisions made for individual members, which are to some extent historical, practical, or attributable to established practice within the parent institutions or authorities. Almost all the higher education and public library consortia levy a charge to participate in consortial purchasing arrangements, although this is variously administered as a subscription or as a proportional contribution in the respective sectors. By contrast, nearly all health libraries and one FE consortium charge no fee for involvement, which in the case of health libraries again appears to reflect the more informal basis on which they were constituted. There is a less clear distinction between types of library when considering their expectations for cost savings, which are anticipated in most of the libraries surveyed but not necessarily forthcoming as part of the agreement.

It has been suggested by several (mainly public) libraries that have elected not to join consortia that they do not wish to be ‘locked in’ to arrangements not of their choosing. Neither do they want to see their individual identities, often as expressed in the details of servicing requirements, subsumed in the trend towards standardisation that accompanies the contract specification and development process. It is notable that of the consortia surveyed, almost all the member libraries stating a preference for standardised book servicing arrangements were in the public library sector, in the company of a single health library consortium (see Fig. 3.3 below). Those consortia opting for individual servicing requirements comprised overwhelmingly higher and further education and health libraries, reflecting a wider range of members' needs that were thought to be beyond the scope of a standard framework. To some extent this diversity can also be explained by the prevalence of in-house servicing departments in higher education libraries especially, where member libraries tend to cater for their own requirements without recourse to external shelf-ready arrangements. Health library consortia tend to follow more the HE model with their tradition of local level co-operation as well as the nature of their major resource provision, in journals and electronic information.

Finally, considerations of flexibility in opting out of consortial or contractual agreements also tend to devolve evenly amongst library sectors surveyed (see Fig. 3.4 below). Almost all the respondents permit member libraries to withdraw from the consortium, whilst the majority of higher education and public libraries also allow members to decline participation in particular contracts.

## 3.5. Consortia agreements

### 3.5.1 Tendering and contract management

It is not within the scope of this report to provide fine details of the many individual tendering and contract management arrangements that pertain amongst the number of library purchasing consortia surveyed. Although certain broad trends may be detected, for the most part it is impossible to generalise concerning sectoral issues. There are nevertheless aspects of tendering and contract management that apply generally to most if not all of the consortia responding to the questionnaire, which also in this area generated individualised responses based on subjective interpretation of data requested. Further information was provided during seminar discussions, which were most useful in expanding on summary details given.

There was a range of responses regarding terms on offer from suppliers that were considered attractive options by consortia. Particularly in book supply contracts (which in all cases have commenced since the fall of the NBA), it was considered advantageous to have costed in figures for basic supply by publishers to booksellers. The threshold figure could then be subject to specified fixed or sliding scale discounts (depending on volume of spend) or application of a management fee by booksellers on a 'cost-plus' arrangement. The most helpful quotations treated servicing requirements as separately costed from supply, which facilitated contract monitoring using management information provided by suppliers. In some tenders however suppliers of books and periodicals provide quotations derived from options for extra services (such as licence brokering or electronic data interchange) which although useful as options may not compare readily with other submissions. Periodicals supply typically attracts lower discounts than for books within an economic environment that has not been so recently deregulated, although in this supply sector too a 'benchmark' discount was traditionally applied in recent years that could also cover costs associated with consolidation services.

Amongst the larger consortia and within the HE sector particularly there is a perceived responsibility not to overuse certain suppliers, where excessive order volume (typically over 20%) awarded could not only cause problems with over-extension of suppliers' capacity but also unduly influence the market. Such quandaries of course are the province of those groupings whose annual expenditures are substantial enough to warrant compliance with European Commission purchasing guidelines; not all the consortia surveyed can sustain threshold spending levels of this magnitude. Those that do comply are enjoined to develop transparent tendering procedures, whereby supplier selection criteria are known by all parties from the outset of negotiations, and at least indicative levels of spend are provided to suppliers to facilitate adequate budgeting and pricing on their part. For the smaller consortia with more limited ordering volumes, additional flexibility in discounts and servicing levels can be more closely linked with types of stock and supplier selection tailored accordingly. The smaller public and health library consortia are typical cases in point.

Evaluation of tenders once received is made according to a range of assessments by the consortium members. Aspects of importance in determining supplier selection are widely varied in their prioritisation by survey respondents, with no two consortia reporting equivalent weightings when rating an overall service standard. The questionnaire elicited responses along a scale of measures including (but not limited to) service quality, level of discount, speed of service and value for money. Some of these criteria have also been surveyed in a public library context elsewhere[4]. In broad terms the majority of respondents reported greater importance awarded to quality and overall value of service than cheapness or discount structures, amongst a sample of mainly higher and further education and health libraries. Most of the public library consortia placed more emphasis on cost of supply when evaluating tenders received, although the ratings given across all measures are sufficiently well balanced so as not to identify a strong preference in any one sector. This is an area that may well begin to benefit from more standardised practice in future at least within sectors, as evidenced by growing dissemination of evaluation criteria frameworks for suppliers between higher education library purchasing consortia.

Once the contract is awarded, a range of practices are applied to cover its management amongst respondents, including monitoring levels that are of necessity linked with availability of staffing resources. Awareness in partnership of a contract cycle that feeds back consortium members' experiences into post-contract evaluation and future tenders is an indispensable asset for libraries that work closely with procurement departments. For other consortia who manage their own contracts independently, evaluation and monitoring procedures are still universally regarded as of value and some form of regular meetings programme with suppliers is almost everywhere present. Even where these are infrequent only, they provide opportunities for particular problems that have arisen to be addressed with suppliers and resolved.

### 3.5.2 Type of commodity

Virtually all library purchasing consortia surveyed are actively involved in contract management, with one-third and one-fifth of respondents also developing specifications and progressing tenders respectively. Most report more than a single supply contract under way for one commodity or service and the majority are managing multi-commodity programmes. Types of expenditure devolve mainly between books, periodicals, electronic journals (which may be included with periodicals subscriptions) and increasingly library management systems, although there are other commodities under contract to fewer consortia. Supply of audio-visual resources for instance is the subject of consortial agreements by two public library consortia, whilst CD-ROM materials are supplied to one HE grouping. Two current binding services contracts are also reported, one of very long standing, to public as well as HE libraries; another binding contract (to the HE library consortium in Northern Ireland) was in place in recent years.

Book supply contracts are operated by nearly all HE and public library purchasing consortia and both FE groupings. In the higher education libraries these agreements are usually partnered by periodicals contracts, but rapid advances in electronic publishing, full-text journal availability and networked subscriptions access initiatives in this sector have caused more than one HE consortium to await further developments before renewing periodicals arrangements. The distribution of periodicals supply agreements is entirely absent from public library consortia surveyed, as are book supply contracts from almost all health libraries. The health sector maintains an even-handed participation in agreements covering electronic media as well as periodicals, where the technical distinctions between stand-alone and networked resources (as well as issues of duplicated local resource access) are significant in their contract allocation.

One of the most interesting areas for future contract development is for supply of LMSs, and most of the consortia responding are keeping a watching brief on progress and evolving practice in their own and other sectors. In terms of collaborative purchase it is currently the newer, smaller public library consortia that have the majority of contracts under way, which formed a powerful stimulus to their recent formation in the wake of local government reorganisation. A further education library purchasing consortium was also engendered by common use of an LMS amongst institutional libraries. Perhaps because LMS have been active in higher education libraries for the longest period amongst sectors responding, they have not been in the forefront of development of this commodity area. Up to the present HE libraries have tended to implement LMS individually to cater for their own institutional needs, and in many cases have now progressed on to second- or even third-generation systems without necessary recourse to common specification development with other libraries. Rarely have a number of institutional libraries coincided in their own timing for a system upgrade, but interestingly the present withdrawal from the market of an established academic library LMS supplier has sparked off a collaborative specification and tendering exercise for one library grouping of long standing. It remains to be seen how the outcome of this particular contract influences the future market for LMS supply. For NHS library purchasing consortia, initiatives to improve dissemination and delivery pathways for electronic information resources at regional level also have a national counterpart in the developing NHSNet and National Electronic Library for Health. The potential for networked electronic information delivery as distinct from stand-alone electronic resources are also under scrutiny by the NHS Supplies Executive.

3.5.3 Contract duration

One of the most striking features of the library purchasing consortia surveyed is how recently contracts have commenced across all sectors, reflecting a rapid growth in purchasing consortia activities in libraries worldwide. The majority of consortia (60%) in all sectors responding have become active within the last three years, with most of these reporting contracts under way only since 1998. Even the larger and longer established consortia that have been formed in the past three to five years (four in higher education, two in health and one in public libraries) have significantly expanded their activities in the last six months, and several of these have undergone substantial reconstitution or restructuring since 1996.

As mentioned above, just over half the consortia responding are operating several contracts concurrently in a range of areas. There is no sectoral bias evident between multi-contract and single-contract consortia (see Fig. 3.5 below). The distribution of contract duration however is much more distinctive across library sectors (see Fig. 3.6 below). All higher education consortia report a basic contract period of three years, most with options of renewal for a further two years. One public library and one further education consortium also operate three-year contracts. Amongst health libraries by contrast annual contracts prevail in the majority of consortia, although one reports a five-year contract in company with two public library consortia. Two other public libraries report contracts of one and two years' duration respectively, with renewal options also present in the sector.

### 3.5.4 Suppliers

Suppliers of books and periodicals form a small and closely defined sector of the library supply industry in which all stakeholders are well known. Suppliers to library purchasing consortia comprise a particular subset of the industry with relevant experience and the capacity to handle large volumes of business. It is therefore not surprising that the same companies appear when considering details of contracts under way, some of whom may offer specialist expertise in sourcing according to geographic distribution or type of materials and all of whom offer shelf-ready services where required. Although certain suppliers may segment the market in providing publications tailored to the needs of a particular library sector, most cannot afford to specialise too closely and must retain sufficient flexibility to handle cross-sector business. Insofar as networking between and beyond members is an implicit advantage of participation in library purchasing consortia, suppliers are aware that the implications of continuing contract monitoring and review benefits libraries with a cross-check on suppliers' service provision.

There is an interesting spread of library sectoral practice when considering the use of more than one supplier to fulfil a particular commodity contract (see Fig. 3.7 below). Amongst higher education library purchasing consortia the majority favour two suppliers per commodity, whilst public library consortia will often select three or more. Health libraries by contrast in almost all cases operate sole suppliers for commodity contracts; one uses three or more. Here again the advice of procurement professionals during the tendering and selection process would provide additional expertise in the extra contract management required with multiple suppliers. Health library consortia, which have traditionally acted more independently without dedicated staff or support, may be reluctant to take on further agreements when their own resources are limited for existing contracts.

## 3.6. Consortial expenditure patterns across library sectors

### 3.6.1 Context

Data on library spending across the sectors are given at the start of Section 2.2 above. These, and the indicative expenditure statistics that follow on public and health library consortia, are based on the extensive data gathered and analysed by the Library & Information Statistics Unit (LISU) at Loughborough University. Additional statistics for the higher education library consortia have been provided by the SCONUL, and for public libraries by the Chartered Institute of Public Finance & Accountancy (CIPFA). We are indebted to all bodies for the comprehensive and up-to-date expenditure data supplied, which are based on 1996-97 actuals (HE and health libraries) and provisional estimates (public libraries).

Despite the provenance, the statistics carry the following health warnings:

a) It must be emphasised that the figures used do not denote actual expenditure through consortium agreements (that information is rightly regarded as confidential by both consortia and, generally, suppliers); they represent *indicative* levels only, drawn from information in the public domain. They are aggregated from published statistics submitted by individual consortium members to external bodies and have not been offered by the consortia themselves. Not all consortium members are included in the totals given and so the figures are, in this sense, of necessity underestimates; members that do contribute statistics are listed. It should also be noted that not all institutional library resource expenditure is necessarily channelled through purchasing consortia agreements; in this sense the totals may represent potential rather than actual spending. Health library expenditure is based on reporting NHS library regions whose boundaries are approximately equivalent to an existing known or surveyed consortium within that region.

b) LISU note discrepancies in interpretation by their own survey respondents amongst the library sectors of categories of material beyond books and serials. For the purposes of the present report (as for the first interim publication), SCONUL and LISU practice is followed by using 'electronic media' in HE and health library expenditure to denote networked as well as stand-alone non-print materials. SCONUL in addition itemises electronic media as 'remote' and 'local', which are aggregated here. In public libraries electronic media do not generally as yet represent significant expenditure when compared to combined audio and visual resources, and so expenditure headings have been suitably interchanged.

c) Not all consortia surveyed are included in the following expenditure allocations. Notable exceptions are the independent health sector library purchasing consortium CHILL (Consortium of Health Independent Libraries in London) and the two FE consortia, WLPC (Wessex Libraries Purchasing Consortium) and the Warwick-based consortium.

### 3.6.2 Consortia expenditure patterns

In this section the following convention is adopted**: expenditure by members covered by consortium agreements is printed in bold**.

3.6.2.1 Higher education consortia expenditure (from SCONUL**[5] statistics)**

Indicative expenditure available within each library consortium for books, periodicals and electronic media (covering online and stand-alone resources) is provided by the majority of consortium members. Where separate service contracts are under negotiation or under way these are itemised separately. Participating institutional libraries reporting to SCONUL are listed under each consortium below. All expenditure is in pounds sterling (£).

*CALIM (Consortium of Academic Libraries in Manchester)*

CALIM is one of the smaller HE library purchasing consortia in membership and geographical region, stands alone from its parent institutions' consortium and is one of the longest active, with interests also in cost-effective management and staff training. It currently has contracts under way for books and periodicals. Members reporting to SCONUL are HE libraries in and around Manchester and comprise: the University of Salford, the University of Manchester, Manchester Metropolitan University, Manchester Business School and UMIST, with a college of music as associate member.

| Books | Periodicals | E-media | Binding | Total |
|---|---|---|---|---|
| 2,304,947 | 2,624,395 | 792,135 | 171,579 | 5,893,056 |

*HEPCW (Higher Education Purchasing Consortium in Wales) Libraries Group*

The HEPCW Libraries Group is the longest established and one of the most active library consortia surveyed, with current contracts under way for books and binding (the latter of ten years' duration), an earlier periodicals contract and, significantly, a library management system contract about to be awarded. Interestingly, the contracts are between the supplier and individual institutions: the result will be several separate systems, not a unified LMS for all Welsh HE. It is, however envisaged that the arrangement will stimulate collaboration across a variety of areas (e.g. sharing borrower data, training) throughout the higher education community in Wales. Comprised of the federal institutions of the University of Wales with a selection of affiliated HE colleges and a college of medicine, members reporting to SCONUL include: Cardiff University, University of Glamorgan, University of Wales Institute Cardiff (UWIC), University of Wales College Newport (UWCN), University of Wales College of Medicine (UWCM), University of Wales Swansea, University of Wales Lampeter, University of Wales Aberystwyth, Swansea Institute of Higher Education and Trinity College Carmarthen.

| Books | Periodicals | E-media | Binding | Total |
|---|---|---|---|---|
| 1,305,309 | 2,489,073 | 482,377 | 245,884 | 4,522,643 |

### *LUPC (London Universities Purchasing Consortium)*

The LUPC Library Commodity Group is the most recent to become active amongst HE library purchasing consortia and is a constituent group of its parent institutions' consortium. It covers a large number of member colleges of the University of London as well as other universities, research institutes, HE and medical colleges. There is a book contract recently under way. Members reporting to SCONUL represent a minority of the entire grouping and comprise: Birkbeck College, Goldsmiths College, Imperial College of Science Technology & Medicine, Institute of Education, King's College London, London Business School, London Guildhall University, London Institute, London School of Economics and Political Science, Queen Mary & Westfield College, Royal Holloway & Bedford New College, School of Oriental & African Studies, South Bank University, University College London, University of London, University of East London, University of North London, and University of Westminster and Wye College.

| Books | Periodicals | E-media | Binding | Total |
|---|---|---|---|---|
| 3,883,424 | 5,341,198 | 923,729 | 308,022 | 10,456,373 |

### *MUAL (Midlands Universities Academic Libraries)*

MUAL is one of the more recently established and smaller of the HE library purchasing consortia and forms part of its parent consortium of Midlands universities. It currently has a books contract operating. Members comprise universities old and new and HE colleges, and those reporting to SCONUL are: University of Birmingham, Aston University, Anglia Polytechnic University, Coventry University, Derby University, De Montfort University, Newman College of Higher Education, University College Nene, Nottingham Trent University, University of Central England and Wolverhampton University.

| Books | Periodicals | E-media | Binding | Total |
|---|---|---|---|---|
| 3,450,989 | 4,005,818 | 910,413 | 254,347 | 8,621,567 |

### *NEYAL (North East and Yorkshire Academic Libraries)*

The NEYAL library consortium is one of the longest under way in the HE sector and is a grouping in its own right, beyond its parent institutions' own consortium. It covers a wide geographical area across the north of England and as far south as several Midlands universities. Its membership comprises several HE colleges as well as old and new universities throughout the region, and is now considered to be at optimum size. There are books and periodicals contracts current. Members reporting to SCONUL include: University of Bradford, University of Derby, University of Durham, University of Huddersfield, University of Hull, University of Leeds, Leeds Metropolitan University, University of Leicester, University of Lincolnshire and Humberside, University of Loughborough, University of Newcastle upon Tyne, University of Northumbria, University of Nottingham, Nottingham Trent University, Sheffield Hallam University, University of Sheffield, Sunderland University and the University of York.

| Books | Periodicals | E-media | Binding | Total |
|---|---|---|---|---|
| 6,689,956 | 8,081,392 | 1,662,063 | 891,052 | 17,324,463 |

### *Northern Ireland Academic Libraries Consortium*

Northern Ireland's university libraries have collaborated informally within the last five years to negotiate joint supply of periodicals and binding services. Reporting to SCONUL are: Queens University Belfast and the University of Ulster.

| Books | Periodicals | E-media | Binding | Total |
|---|---|---|---|---|
| 387,908 | 628,685 | 36,000 | 105,413 | 1,158,006 |

### *SUAL (Scottish Universities' Acquisitions Librarians)*

The Scottish higher education library purchasing consortium is recently active and reports to the Scottish Consortium of University and Research Libraries (SCURL), as a separate entity to its parent institutions' purchasing consortium. In addition to all Scottish universities it also includes the National Library of Scotland, and may expand in future to include all higher education institutions in Scotland. There is currently a periodicals contract under way and a books contract is shortly to be awarded. Members reporting to SCONUL comprise: University of Aberdeen, University of Abertay Dundee, University of Dundee, University of Edinburgh, Glasgow Caledonian University, University of Glasgow, Heriot-Watt University, Napier University, University of Paisley, The Robert Gordon University, University of St Andrews, University of Stirling and the University of Strathclyde.

| Books | Periodicals | E-media | Binding | Total |
|---|---|---|---|---|
| 3,904,799 | 6,305,900 | 1,030,019 | 469,136 | 11,709,854 |

### *SUPC (Southern Universities Purchasing Consortium) Libraries Project Group*

The SUPC Libraries Group is perhaps the largest in membership and also covers a wide geographical area, including old and new universities and HE colleges throughout the South of England. The Group was formed several years ago and is an active part of one of the longest standing HE purchasing consortia in the country. It has contracts under way covering books, periodicals, and electronic media (CD-ROMs only). Its many members reporting to SCONUL comprise: University of Bath, Bournemouth University, University of Brighton, University of Bristol, Brunel University, Buckinghamshire College of Higher Education, University of Cambridge, Canterbury Christ Church College, Cheltenham & Gloucester College, City University, Cranfield University, University of East Anglia, University of Essex, University of Exeter, University of Hertfordshire, University of Kent at Canterbury, University of Luton, Middlesex University, University of Oxford, Oxford Brookes University, University of Plymouth, University of Portsmouth, University of Reading, University of Southampton, Southampton Institute of Higher Education, University of Surrey, University of Sussex, Thames Valley University, University of Warwick and the University of the West of England.

| Books | Periodicals | E-media | Binding | Total |
|---|---|---|---|---|
| 9,585,560 | 12,470,627 | 2,697,865 | 1,150,538 | 25,904,590 |

### *Summary*

Higher education library purchasing consortia expenditure can be summarised as follows (the number of libraries in each consortium is given in brackets):

| Consortium | Books | Periodicals | E-media | Binding | Total |
|---|---|---|---|---|---|
| CALIM (10) | 2,304,947 | 2,624,395 | 792,135 | 171,579 | 5,893,056 |
| HEPCW (10) | 1,305,309 | 2,489,073 | 482,377 | 245,884 | 4,522,643 |
| LUPC (32) | 3,883,424 | 5,341,198 | 923,729 | 308,022 | 10,456,373 |
| MUAL (11) | 3,450,989 | 4,005,818 | 910,413 | 254,347 | 8,621,567 |
| NEYAL (21) | 6,689,956 | 8,081,392 | 1,662,063 | 891,052 | 17,324,463 |
| NI (2) | 387,908 | 628,685 | 36,000 | 105,413 | 1,158,006 |
| Scottish (16) | 3,904,799 | 6,305,900 | 1,030,019 | 469,136 | 11,709,854 |
| SUPC (37) | 9,585,560 | 12,470,627 | 2,697,865 | 1,150,538 | 25,904,590 |
| | | | | | |
| Totals | | | | | |
| All Exp. | 31,512,892 | 41,947,088 | 8,534,601 | 3,595,971 | 85,590,552 |
| | | | | | |
| Contract Exp. | 31,124,984 | 32,600,072 | 2,697,865 | 351,297 | 66,774,218 |

#### 3.6.2.2 Public library consortia expenditure (from CIPFA[6] and LISU[7] statistics)

Public library authority statistical returns have been affected in the period surveyed by local government reorganisation (LGR), but nevertheless present a nearly complete picture of expenditure by authorities participating in library purchasing consortia. This sector displays great diversity in size, which is apparent from the number of reporting authorities below. The smaller consortia have been constituted in the recent period following LGR and have largely formed due to its adverse impact on their materials budgets. However, in Scotland LGR acted to enlarge authorities, and Scottish public library purchasing consortia have not as yet been identified in this present study. The key role of common library management systems in stimulating collaboration is not apparent from the statistics below, and expenditure in this area is not identified separately in the LISU or CIPFA statistics. Audio-visual resources have been aggregated from separate itemisations for audio (records/cassettes/CDs) and videocassette resources. One further public library purchasing consortium was identified in the North East but was unable to return the questionnaire.

CBC (Central Buying Consortium)

The Central Buying Consortium is by far the largest in the sector and was formed in the period prior to LGR shortly after the demise of the NBA. It consists of public libraries of member parent authorities large and small, of recent and established provenance, including shire counties, metropolitan and borough districts and unitary its demonstrable success and experience have made it the focus of approaches authorities covering a wide geographical spread of the Midlands and South of England by interested non-member library authorities for whom provision of consortium benefits may be available through existing CBC Library Group members, as size limitations may now preclude further growth of the parent consortium. It is currently operating contracts for books, audiovisual resources and binding services. Current members of the CBC Library Group reporting to LISU do not include all member authorities and comprise: Buckinghamshire, Hampshire, Hertfordshire, Kent, Oxfordshire, Suffolk, West Sussex, Milton Keynes, and Portsmouth, not all of whom subscribe to each contract.

| Books | Periodicals | Audio-Visual | Binding | Total |
|---|---|---|---|---|
| 12,174,271 | 673,033 | 1,555,102 | 557,969 | 14,960,375 |

*Foursite*

FOURSITE was also constituted recently in the period following LGR, as a means of extending resources within a substantially restructured library environment. It comprises one shire county and three new unitaries. Here too formation was stimulated by a common LMS and the complete acquisitions process updated. The current books and systems contracts will be augmented by a new audio-visual resources agreement in the near future. Members reporting to LISU are:

Somerset, Bath & North East Somerset, North Somerset and South Gloucestershire.

| Books | Periodicals | Audio-Visual | Binding | Total |
|---|---|---|---|---|
| 978,835 | 44,130 | 126,433 | 73,230 | 1,149,398 |

### *NewNet*

In North Wales following LGR, NewNet has recently been constituted from two library authorities that were originally one administrative entity, with membership at library level. It has a contract for a shared library management system and acquisitions/cataloguing unit, although book and supplier selection are managed individually. Members reporting to LISU include Denbighshire and Flintshire County Councils.

| Books | Periodicals | Audio-Visual | Binding | Total |
|---|---|---|---|---|
| 172,000 | 20,000 | 4,000 | 21,000 | 196,000 |

### PRISM

PRISM was formed following LGR and reconstituted several new unitary authorities who had previously been within one boundary. They already shared a common library management system and culture and found no difficulties in the transition to a complete collaborative acquisitions process, including selection, cataloguing, delivery and inter-library loans as well as purchasing. Current contracts include books and audio-visual resources. Members reporting to LISU comprise: the East Riding of Yorkshire, Kingston upon Hull, North Lincolnshire and North East Lincolnshire.

| Books | Periodicals | Audio-Visual | Binding | Total |
|---|---|---|---|---|
| 1,022,491 | 152,547 | 88,232 | 70,675 | 1,263,270 |

### *TALNet*

Local government reorganisation in Wales severely affected the Welsh public library authorities by fragmenting small scale services still further. TALNet was formed of three authorities that had originally comprised a single unit and, as with its English unitary counterparts above, grew out of a shared library management system. Books and audio-visual contracts have recently commenced. In common with other Welsh public library authorities TALNet has now undergone a review by the District Audit Office following recommendations made by the Audit Commission, and commended as a model of best practice within Wales. Members reporting to LISU are: Isle of Anglesey, Conwy County Borough Council and Gwynedd Council.

| Books | Periodicals | Audio-Visual | Binding | Total |
|---|---|---|---|---|
| 391,713 | 15,133 | 22,607 | 15,185 | 429,453 |

*Summary*

Public library purchasing consortia expenditure is by no means insignificant, even with patchy coverage nationally when compared with higher education libraries. Surveyed consortia expenditure can be summarised as follows:

| Consortium | Books | Periodicals | Audio-Visual | Binding | Total |
|---|---|---|---|---|---|
| CBC (17) | 12,174,271 | 673,033 | 1,555,102 | 557,969 | 14,960,375 |
| FOURSITE (4) | 978,835 | 44,130 | 126,433 | 73,230 | 1,222,628 |
| NewNet (2) | 172,000 | 20,000 | 4,000 | - | 196,000 |
| PRISM (4) | 1,022,491 | 152,547 | 88,232 | 70,675 | 1,333,945 |
| TALNet (3) | 391,713 | 15,133 | 22,607 | 15,185 | 444,638 |
| Totals | | | | | |
| All Exp. | 14,739,310 | 904,843 | 1,796,374 | 717,059 | 18,157,586 |
| Contract Exp. | 14,567,310 | 0 | 1,792,374 | 557,969 | 16,917,653 |

### 3.6.2.3 Health library (NHS) consortium expenditure (from LISU[8] statistics)

Health libraries within the NHS have been subject to a range of sweeping administrative developments of their own within recent years that have raised the profile of regional library services at national level. Those library purchasing consortia that have been pre-established informally within a NHS region are in some cases feeling the effects of shifts in long-standing funding channels at local level; others will soon be experiencing another round of regional boundary changes, whilst all will benefit from national networking initiatives such as NHSNet and the proposed national electronic library for health. Medium-term planning is proving difficult in conjunction with short-term change, where informal arrangements are being overtaken by new recommendations devolved into the regions from national level. As noted above, the NHS Supplies Executive, which estimates an £8 million expenditure nationally amongst NHS libraries for books and periodicals, is currently out to tender for books, periodicals and stand-alone electronic resources. As with HE library consortia, periodicals and electronic media represent more significant expenditure than audio-visual resources. A further independent health library consortium was surveyed but expenditure statistics were unavailable for inclusion.

CHILL (Consortium for Health Independent Libraries in London)

The CHILL consortium consists of up to thirty independent health library members in London, large and small, many of which cover specialist institutes for medical practitioners as well as health professions allied to medicine. It is non-NHS and non-HE, although member libraries retain links with NHS colleagues. Membership is at library level and purchasing officers conduct the main negotiations with suppliers. CHILL currently operates a periodicals contract and is investigating collaborative purchase of electronic media. No published expenditure statistics are available for CHILL member libraries, which include: the Royal College of Surgeons of England, the British Institute of Radiology, the Health Education Authority, the Imperial Cancer Research Fund, the King's Fund, the Royal College of Obstetricians and Gynaecologists, the Royal College of Physicians, The Royal College of Psychiatrists, the Wellcome Institute for Medical Science/History of Medicine, the Royal College of Veterinary Surgeons, the Royal Society of Medicine and the Royal Pharmaceutical Society.

### HELIN *(Health Libraries and Information Network)*

The HELIN consortium is the largest, longest-established and most active in the sector and includes 70 NHS Trust and health authority libraries in the Anglia and Oxford regions. Collaboration in purchasing is part of a long-standing partnership culture led by HELIN across many initiatives within the region. Membership from the HE sector is represented by the University of Oxford, associated medical institutions' libraries and a research institute, and operates at library level. The region is significantly affected by NHS boundary reorganisation from April 1999 which will split and recombine its western half into the South Thames region. Current contracts include a long-standing periodicals agreement and one more recent for stand-alone and networked electronic resources. The latest LISU data aggregates Anglia with Oxford for reporting purposes. HELIN also uses the WLPC book contract (see under Further Education below).

| Books | Periodicals | E-media | | Total |
|---|---|---|---|---|
| 183,608 | 373,725 | 124,088 | | 681,421 |

### *North Thames*

The North Thames library purchasing consortium is another of the longest established in the sector and is multi-layered. The longer established strand of its membership includes NHS Trust and health authority libraries, who have collaborated at library level to achieve a long-standing discount on standalone library management software and electronic datasets on CD-ROM. More recently activities have been augmented by an education and training consortium of six NHS Trust and health authority libraries involved in a collaborative pilot contract purchasing access to networked resources, under the NMET (National Medical Education and Training) levy. The following combined expenditure represents reporting to LISU of the North East and North West Thames regions' library resources, which are approximately contiguous with the consortium's geographical boundaries.

| Books | Periodicals | E-media | | Total |
|---|---|---|---|---|
| 183,117 | 498,157 | 128,347 | | 809,621 |

### *South Thames*

The South Thames library purchasing consortium includes 24 libraries in South Thames NHS Trusts who collaborate at library level. The current contract covers periodicals supply. The region's expenditure below represents the aggregated resources of South East and South West Thames as reported to LISU and again approximates to consortium boundaries. The region will be enlarged by redrawn boundaries in April 1999 to include existing library purchasing consortia activity in neighbouring NHS Trusts as below.

| Books | Periodicals | E-media | | Total |
|---|---|---|---|---|
| 539,076 | 622,930 | 202,539 | | 1,364,545 |

### *Trent*

The Trent library purchasing consortium has been recently formed to include 27 NHS Trust and three HE institutional libraries. It is supported by the MADEL (medical and dental education levy) funding stream through the Trent PGMDE (postgraduate medical and dental education) structure and offers members access to networked datasets purchased through the CHEST national biomedical data service.

| Books | Periodicals | E-media | | Total |
|---|---|---|---|---|
| 240,176 | 367,697 | 53,610 | | 661,483 |

### *West Midlands*

The West Midlands library purchasing consortium has been recently constituted according to the 'new' model for NHS library service delivery, in which regional E&T consortia assume increasing responsibility for health libraries supporting their activities within their locality. As such membership operates at neither parent institution nor library level and includes five E&T consortia throughout the West Midlands. A periodicals contract is in place which also covers networked datasets.

| Books | Periodicals | E-media | | Total |
|---|---|---|---|---|
| 190,661 | 424,410 | 70,852 | | 685,923 |

### *Summary*

NHS regional library purchasing consortia expenditure can be summarised as follows:

| Consortium | Books | Periodicals | E-media | Total |
|---|---|---|---|---|
| CHILL (30) | ? | ? | ? | ? |
| Oxford and East Anglia (69) | 183,608 | 373,725 | 124,088 | 681,421 |
| North Thames (53) | 183,117 | 498,157 | 128,347 | 809,621 |
| South Thames | 539,076 | 622,930 | 202,539 | 1,364,545 |

| | | | | |
|---|---|---|---|---|
| (24) | | | | |
| Trent (30) | 240,176 | 367,697 | 53,610 | 661,483 |
| West Midlands (5) | 190,661 | 424,410 | 70,852 | 685,923 |
| | | | | |
| Totals All Exp. | 1,336,638 | 2,286,919 | 579,436 | 4,202,993 |
| | | | | |
| Contract Exp. | 183,608 | 1,421,065 | 376,897 | 1,981,570 |

### 3.6.2.4 Further education library consortium expenditure

Unfortunately there are not sufficient expenditure data in this sector available from existing consortia to enable a comparison to be made. The two FE library consortia surveyed reflect varying geographical spreads of membership and have become active for different reasons. Both however currently are operating books contracts, which demonstrates agreements in materials needs within FE libraries regardless of the original stimulus towards joint activities and size of consortium.

Midlands FE Colleges Consortium

This consortium provides another example of how library management system acquisition has provided a powerful spur to collaboration between libraries in all sectors surveyed. Originally formed post-NBA by a number of Midlands colleges running a common system, their activities have recently expanded into collaborative purchase of books with standardised servicing. Membership is open to parent institutions. In further education terms their heterogeneous membership ranges from sixth form to higher education colleges. Members comprise: Basford Hall College, North Lincolnshire College, Tresham Institute of Further and Higher Education, Henley College, Bournville College, Newham Sixth Form College and Charles Keene College of Further Education.

WLPC (Wessex Libraries Purchasing Consortium)

WLPC have been in operation since the demise of the NBA and are truly cross-sectoral in their membership, consisting of a range of health and special libraries as well as FE colleges and one HE institution, distributed throughout South West England. At least two members also belong to another library purchasing consortium within their own sector, and one health library participating in the books contract benefits from a complementary agreement to that covering periodicals and electronic media in its main consortium. Members comprise: the Anglo-European College of Chiropractic, Bournemouth & Poole College of Art & Design, Bournemouth & Poole College of Further Education, Bournemouth University, Bridgwater College, Brockenhurst College, Dorset College of Agriculture, Dorset County Hospital, Fareham College, Filton College, Highbury College, the Isle of Wight College, Merck Limited, Poole Hospital (NHS Trust), Procord Limited, Salisbury College, Southampton City College, Swindon College, Portsmouth Healthcare Trust, Portsmouth Hospitals NHS Trust, St Mary’s Hospital Postgraduate Centre, Trowbridge College, Weymouth College and Yeovil College.

### 3.7 Current and future level of savings

Savings on expenditure made possible by consortial agreements differ according to the markets represented by the four library sectors included in this study. The individual nature of their resource needs is masked by the application of levels of discount based on type of material covered by consortium agreement. The product mix of books and periodicals required varies between library sectors: thus the large volume mass market paperbacks offered by UK publishers whose multiple purchase might be attractive to public library consortia would not be suitable for academic libraries, whose readers might require single copies of specialist textbooks published overseas. Differential discount levels apply, and the deregulated market environment following the demise of the NBA operates on a sliding scale basis depending on the needs of library clientele.

The universal application to libraries of 10% discount that operated under the NBA established a base figure below which book suppliers to libraries in all sectors could not drop. Their pricing structure has had to resolve at a level that is market competitive to attract custom without reducing their own profit margins below a sustainable balance. The economies of scale achievable through consortium purchase have produced a significant gain in discounts over and above NBA levels generally. Multiple orders can be reflected in levels of discount offered which is apparent in the public library sector particularly. Most library consortia across surveyed sectors seem to command a minimum 20% discount on UK published books, resulting in an actual saving of 11% of the NBA price.

As we have seen, public libraries are well placed in the type of materials required to benefit from the cost savings involved in domestically produced, mass market high print run titles. The extra purchasing clout attainable by collaborative book acquisition through consortia has yielded discounts of 30% by book suppliers to selected consortia, a level considered by the book industry to be dangerously close to unviable. An additional consideration in pricing to public libraries particularly, which were used to all-inclusive un-itemised servicing charges under the NBA, is that these discounts also cover labour and materials costs associated with ‘shelf-ready’ services. Increasingly consortia agreements are now being drawn up to identify the hidden costs of these services to ensure that future contracts can benefit from a more standardised and accountable framework.

Amongst higher education library consortia however the wider range of titles acquired from UK sources has resulted in a spread of discounts according to origin of books and periodicals. For overseas book material, applicable base discounts might be at levels as low as 9% (on the domestic price) for North American titles and 15% for those published in the rest of the world. For this type of material academic library consortia purchase can generate additional savings of 5-11% up to the region of 20% discounts deducted from publishers’ list price. The individual nature of each library’s requirements would militate against bulk discount levels on offer even through consortia, whilst many HE libraries also maintain their own in-house technical services departments which would obviate the need for servicing requirements to be built into suppliers’ pricing structures.

Periodicals supply also operates according to established discount patterns, which also tended to settle at about 10% until recent years and again included shelf-ready services. Without the constraints of a deregulated environment however higher discounts have never been an option, and pressures on periodicals suppliers have substantially reduced levels on offer to libraries. Here again there is a strong market segmentation, with periodicals expenditure noticeably not included in existing public library consortium contracts where this type of material does not attract the same volume of expenditure as books and audio-visual resources. Typical discount levels lie in the region of 1-1½% to both public and health library consortia. Although the latter sector makes greater use of periodicals, order volumes are not as great as in higher education libraries. In some ways the mirror image of public library purchasing consortia, those active in the HE and health sectors show a larger proportion of periodicals supply contracts amongst their agreements which is reflected in their higher profile in materials expenditure patterns. Even with more active periodicals contracts however the top discount achieved through academic library consortia is only of the order of 2% off publisher's list price, emphasising the marginal nature of profits available in the library supply industry. As with books, certain HE consortia devolve periodicals contracts into geographical provenance.

Details of individual consortial contracts and their discounts achieved are outside the scope of this report. Certain estimates of savings in books and periodicals may however be made, based on the levels cited for the range of materials ordered by surveyed consortia across library sectors and reported expenditure patterns above. For the purposes of these (conservative) estimates, account has been taken of the different types and provenance of monograph material to arrive at the indicative across-the-board discounts below.

| Library sector | Books Expenditure | Discount on NBA Price | Savings |
|---|---|---|---|
| Indicative HE library consortia expenditure | £31,124,984 | 9% | £2,801,249 |
| Indicative public library consortium expenditure | £14,567,310 | 17% | £2,476,442 |
| | | Total | £5,277,691 |
| Library sector | Periodicals | Discount | Savings |
| Indicative HE library consortia expenditure | £32,600,072 | 2% | £652,001 |
| Indicative NHS library consortia expenditure | £1,421,065 | 1.5% | £21,316 |
| | | Total | £673,317 |

It is apparent that it is still early days when considering additional savings to library materials expenditure that are available to consortia members. The figures included above offer a good deal of scope for further improvement should agreements be extended to cover other areas of expenditure for resources and services. There is much that can yet be achieved by existing purchasing consortia in all library sectors.

The following table illustrates the ‘market penetration’ by consortia, based on fairly rough estimates of gross expenditure in each sector (see Table 2.2 above) for books and serials.

| | HE | Public | Health | FE |
|---|---|---|---|---|
| Books | | | | |
| Sector Spend | £40m | £103m | £3.2m | £12m |
| Consortia Spend | £31.1m | £14.6m | £0.2m | ? |
| Consortia as % of Sector | 78% | 14% | 6% | ? |
| | | | | |
| Periodicals | | | | |
| Sector Spend | £57m | £7m | £5m | £4m |
| Consortia Spend | £32.6m | 0 | £1.4m | 0 |
| Consortia as % of Sector | 57% | 0 | 28% | 0 |

Market penetration is highest in the HE sector for books. It is safe to assume that more consortia will negotiate agreements for periodicals in the coming years, as the provision and impact of NESLI become clearer. Other tenders for books are envisaged. One can therefore foresee a not too distant future when all book and periodicals expenditure in the sector will fall within the scope of consortial agreements.

Much the same is true for the health sector, through the current activities of the NHS Supplies Executive.

The FE sector shows very little activity: this is not surprising, given its relatively fragmented nature. Quite large sums are spent in aggregate on library materials, and it can be argued that it is precisely such fragmented large spends that stand to benefit most from the activities of purchasing consortia.

Most surprising, unless there are more consortia that our research has not discovered, is the lack of activity in public libraries. Given the present culture of Best Value and the added fragmentation, in England, of LGR, more consortial activity would be expected.

## 3.8 Conclusions

The characteristics of consortia in the four sectors discussed in Sections 3.3 – 3.5 above are summarised in the following table:

| | HE | Public | Health | FE |
|---|---|---|---|---|
| Institution/Library | I/L | L | L/I | L/I |
| Procurement Prof. | Y | N | N | Y |
| Cross-sectoral | N | N | N | Y |
| Fee | Y | Y | N | N |
| Duration | 3+2 | ? | 1 | ? |
| Suppliers | 2 | 3+ | 1 | ? |

As has been seen by the survey evidence presented above, the distribution of library purchasing consortia across the United Kingdom is uneven and very much sector-dependent. It is only higher education libraries that can boast a sufficiently well developed regional infrastructure to enjoy the proven financial benefits associated with collaborative purchase of resources throughout their sector. Even here there is a diversity of approach in terms of institutional or library consortium membership: where a coherent purchasing policy nationally in the academic sector has led the way in establishing collaborative regional structures, library consortia may set up their own frameworks or go in with existing institutional commodity group arrangements. What is clear is that academic libraries are able to take advantage of formal or informal advice by procurement professionals and demonstrate improved accountability, negotiating skills and management credibility by doing so.

Public library purchasing consortia exhibit much diversity in size and coverage throughout the United Kingdom. The cost savings achieved at the largest end of the scale are impressive and include a cross-section of libraries with a broad geographical spread. The heterogeneous nature of the member authorities is significant, as this particular consortium was formed in response to the end of the NBA and in advance of local government reorganisation. The after-effects of LGR on public libraries throughout the country are likely to make their presence felt for some while yet, and not only on the new smaller unitaries for some of whom LGR has acted as a direct stimulus to collaborative purchasing. Although there is a well developed purchasing framework within public authorities in all UK regions that lends itself to informal collaboration, it is perhaps surprising that libraries have not as yet sought to take advantage of existing structures. With recent changes in government policy however there are encouraging moves towards devolving library services to regional level administration that should be more appropriate to developing consortial purchasing agreements, although exhortations to authorities to produce library and information plans have yet to be taken up on a wide scale. It also remains to be seen in Scotland, Wales and Northern Ireland how devolution will affect their own library services, but here again signs are positive that co-operation in purchasing will be fostered.

Health libraries have also been struggling under a weight of administrative restructuring within the NHS that looks set to continue for some while yet. In this sector however there is a strong culture of informal networking as well as purchasing of services that has achieved a good measure of collaboration at local level, and current fast-moving developments are acting to emplace a stronger regional infrastructure as well as a national purchasing policy that should include library resources. Networked information initiatives under way, such as NHSNet and the proposed electronic library for health, are already having a significant impact within the sector in advance of full deployment. Although the geographical coverage of NHS library purchasing consortia is as yet dispersed, indications are that the strong regional lead to improve library services supporting education and training consortia will act to raise the profile of libraries and further encourage collaboration between Trusts and health authorities in library resource acquisition.

There is unfortunately little to report of further education library purchasing consortia surveyed except to say that they are moving in the right direction. The cross-sectoral membership and broad geographical coverage of the larger and more active consortium are encouraging signs that productive collaboration can transcend traditional boundaries between types of library, that are increasingly counterproductive when maintaining services with a dwindling resource budget. Similarly it is good to see in the smaller FE consortium another example of stimulus towards collaboration arising from common library management systems, which may be taken as a widespread factor again independent of sectoral divides. With emergent models of best practice and advantages gained appearing to endorse the formation of library purchasing consortia in every type of library, there is every indication that collaborative activities of this nature will continue to grow in future.

Although detailed analysis of the JISC-funded research council libraries sector is strictly beyond the scope of our study, as a final footnote, we can report long-established library purchasing consortia activity amongst the seven research councils. Originated over twelve years ago and led by the Biotechnology and Biological Sciences Research Council, the BRISC2000 consortium now comprises eighteen member libraries, which operate contracts for periodicals and electronic media, with tendering procedures for a books contract underway. As might be expected, the consortium exhibits a mixture of characteristics of those of other sectors. Serials-only agreements including servicing (up to the present), library-level membership and limited participation by purchasing professionals, place it somewhat closer to the earlier model of NHD consortia, despite its sharing of complementary funding streams with higher education groupings. The distinctive nature of research libraries, with their distributed user base, does not however preclude scope for cross-sectoral collaboration, particularly where specialist medical resource collections and enhanced institutional co-operation with academic libraries make a strong case for reciprocal arrangements. Long experience of consortial purchasing amongst research council libraries has evolved mature models of best practice whose transfer could only benefit other sectors. Let us hope that increasing openness and exchange amongst the separate bodies funding all library services will in time provide such opportunities.

# 4 VIEWS OF SUPPLIERS

## 4.1 Introduction

The survey discussed in this section aims to report the views of library suppliers providing books and periodicals to library purchasing consortia in the four library sectors (higher and further education, public and health) throughout the United Kingdom. The majority of suppliers participating in the study are themselves based in the UK with one or two significant exceptions. Firms targeted for the survey (Appendix E) were selected to represent a diverse group of suppliers whose interests range from academic, campus-based and specialist services to children's and general interest publications, and not all are in the private sector. They were identified via special interest member groupings represented in The Booksellers' Association and the National Acquisitions Group, for whose assistance we are grateful.

The survey was conducted by questionnaire (Appendix C) whose content was derived from issues and viewpoints regarding consortia and related matters (such as the demise of the NBA[9] and the recent supply chain study (KPMG/PA) as reported by economists and suppliers in the trade press, professional literature and in discussions with the author. Further useful background has been provided by the researcher's inclusion on the steering group of the Book Industry Communication library supply chain study, which has been helpful in identifying additional points of concern. Timely attendance at the National Acquisitions Group annual conference also gave insights, as well as opportunities to open dialogues with suppliers. Questionnaires received were followed up by a series of semi-structured interviews, by telephone and during visits to selected suppliers across the UK (Appendix D).

It is predictable that a study in an admittedly sensitive area and time for the library supply industry should attract an uncertain response. Of 50 questionnaires sent out only 20 were returned, yielding a response rate of 40%. Nevertheless coverage across divergent markets for book library supply has been achieved, including four responses per sector from generalist, academic, campus and specialist suppliers. None of these categories should be regarded as an exclusive market for an individual firm, as most span more than one. Four periodicals and electronic information suppliers are also included separately in the sample, making up a proportion of 20% of replies received and representing an entirely different outlook on library purchasing consortia as would be expected. We also include responses from suppliers that do not for various reasons work with consortia at present and whose views are as informative to the research as the high percentage of questionnaires outstanding. Commercial confidentiality is observed throughout this Report, and individual suppliers' responses remain unattributed.

We are grateful to all participating suppliers for their input, openness and willingness to contribute. All have given valuable feedback at a difficult time for their industry, when continuing instability following the demise of the NBA has led to radical restructuring and (in some cases) apparently unsustainable discount levels. We trust that this study will go some way towards identifying issues of concern that can then positively be addressed to mutual benefit: for the library suppliers, their consortia clients and the member libraries and their users that they represent.

The reader is, however, urged to treat the results of the survey and the reported views of the suppliers with some caution. Some suppliers may have viewed this survey, particularly because of its authors, as a means of sending particular messages to the market place in general and to leaders of consortia in particular.

## 4.2 Structural implications of the library supply market

### 4.2.1 Library book supply

As has been discussed in Section 2 above, the book supply market is large and complex, within which library supply represents only a small share of the UK market: 5.6% according to recent estimates. This particular supply sector is compact (in 1995 five public library suppliers accounted for 80% of the market and as such is highly visible, the subject of much reporting in the trade press and a small field in which all players are well known to each other and keep mutually in contact with market developments.

Despite presenting a gentlemanly consensus of views to the outside world the competition between library suppliers has become fierce. The demise of the NBA has arguably affected this supply sector more than most, formally ending a historical ‘special relationship’ with their library clients that was initiated more than a century ago. Such longevity of practice does not disappear overnight, and the culture and values traditionally upheld during the NBA are still firmly retained by the established library suppliers and their clients. Thus the advent of reduced materials funds, tighter costing practices and increased accountability demanded from libraries by central government[3] and their host institutions has yet to be fully acknowledged even in recent supply agreements.

A brief review of the roles played by those stakeholders comprising the main links in the book supply chain has been already given in Section 2 above. Library book supply however is itself a microcosm, deserving more detailed analysis, as the needs of each of the several markets it serves are subtly different and respond in various ways to dynamic circumstances. Each gives rise to individual perceptions of their roles amongst suppliers, depending on market forces – which may or may not be the same as the functions they perform in the supply chain. The delicate balance between roles and functions as to what has been historically successful and what may be possible in future is one of the continuing tensions affecting UK library supply as we approach the millennium.

The influence of exporting activities on library suppliers is not generally visible to UK-based library clients but makes its presence felt in their operations. Expansion into overseas markets is a way of securing a firm’s continuation of supply through broadening demand for their services, although it opens up their business to the vagaries of the international financial markets, whose influence is presently dominated throughout the European Union by the introduction of the European monetary unit (euro) on a wide scale.

### 4.2.1.1 Key players

#### General suppliers

Within this grouping are included mainly suppliers to public libraries: although their activities may not be confined to this sector, this is where their predominant business lies. Library suppliers in this area include those who have conceded the greatest level of discounts to library consortia and so have been in the front line of the 'price war', with arguably the most reason to feel insecure about future prospects. They will often be well established companies with a long tradition of dealing with libraries under the NBA, although significantly they may have undergone internal restructuring within the last few years. They offer the full range of value-added services and maintain an intact culture as 'insiders' in dealings with library clients, when compared to newer players such as wholesalers. They tend to be substantial stockholders to cater for clients' expectations in availability of such services as showroom visits for stock picks, and may even enter into additional stock access arrangements with large retail booksellers. Although they may not be subject to the vagaries of purchasing patterns tied to the academic year, they also experience peaks and troughs of demand according to local authority budgeting constraints for their libraries.

#### Academic suppliers

Although academic library suppliers also supply to other types of library, there is a marked difference in the nature and purchasing patterns of their client group from those prevailing in public libraries. Academic libraries tend to order single titles, which require individual orders to be raised when needed to a wide range of publishers worldwide, rather than multiple copies of one title for several branch libraries within an authority, which can be sourced and delivered as available from one UK publisher. To a certain extent the necessity for bulk stockholding can also be reduced, as stock picks for generalist users are not as important for academic library clients. There is however a compensating demand for other services, such as supply of bibliographic data for catalogue record import, which may then require further input from a library's in-house technical services department. The presence of such dedicated departments in academic libraries, which undertake value-added services in- house, makes them less of a bargaining point in academic supply contracts. Supply patterns are likely to exhibit peaks in demand at the start of the academic year although 'just-in-time' ordering is a constant feature throughout term-time. Academic library suppliers do not generally offer the same level of discounts as public library suppliers, which reflects both the wider nature of their publisher portfolio and single-copy ordering.

#### Campus-based suppliers

Although also academic booksellers, and so subject to a similar supply pattern, campus-based library suppliers comprise a distinct group, which reflects the retail nature of their business, their closeness to end-user clients and their individual relationship with the host institution and its academic staff as well as its library. Campus-based suppliers are more likely to hold titles in stock that are linked to particular course requirements but also to bear the brunt of falling student spend on books, caused by changing student demographics in recent years as well as introduction of fees and student loans. Other recent factors affecting their business are single-term modular courses that discourage investment in textbooks but encourage requirements for course packs available ‘on demand’, short-loan materials and electronic resources. In addition their overheads for a campus location are constrained by the host institution, resulting in individual arrangements for leasing of premises that often influence the levels of discount (if any) they can offer. On the positive side they may often command from the home academic library a market share of business as part of their agreement, which does influence the activities of academic library purchasing consortia and their selected suppliers within the region.

Specialist suppliers

As might be expected, these comprise a hybrid group whose client base is more likely to straddle public, academic and health libraries, and whose supply patterns reflect features of each. Our survey respondents are drawn from established children’s, professional and overseas title specialists, whose market is linked to public, public/academic/health, and (mainly) academic libraries respectively. Of these the general impression is that to a certain extent they are protected by their niche supply, although discounts received from publishers and passed on to clients are generally low, and no library supplier in uncertain times can afford to become complacent. The specialist nature of their stock facilitates such marketing initiatives as partnership promotions with clients. Although perhaps slightly more secure in their position, specialists tend not to be the automatic choice of source for library purchasing consortia, which are more interested in higher discounts and a range of capabilities amongst their suppliers.

#### 4.2.1.2 Administrative considerations

Under the terms of the NBA library booksellers were able to develop a complete package of discounted supply and services to a niche market, which lent itself to a tailored approach geared to individual library needs. The all-inclusive service within a customised framework meant that overall costs presented to library clients were not usually itemised further: associated activities (or ‘value-added services’) to prepare a book for library shelves were not distinguishable from the price of the item supplied to the library. Both librarians and their suppliers continued with this arrangement for nearly a century, during which time visible costings of the trade-off in discount between supply and services were not required for accounting purposes. Suppliers were asked to provide a ‘cradle-to-grave’ service in which long-running special relationships were forged with library clients, who could feel secure that books would be supplied on a continuing basis to their particular specification.

In library terms suppliers offer similar services to their own ‘back-of-house’ technical services departments. These days it is more usual to find such dedicated staff in large academic libraries, which would not always find it advantageous to outsource their value-added services to suppliers, although there are signs that this practice may be changing. It is perhaps significant in the post-NBA period that higher education libraries do not generally command similar levels of discount to public libraries even in their consortial purchasing. Value-added services to public libraries appear to be the battleground where the confirmed price war between suppliers at unsustainably high discounts is being waged. Balance sheet evidence is stark: declining staffing levels, bookstock reduction, lower operating profits and ongoing restructuring all indicate marginal conditions at best. Library suppliers are squeezed by lower discounts from publishers as well as higher percentages to clients, who seek a continuation of a long-established portfolio of supply at existing levels upwards from a dwindling supplier resource base.

Value-added services continue to come under scrutiny by a number of interest groups amongst booksellers and their library clients. At present a study, funded by the British National Bibliography Research Fund (BNBRF), draws together Book Industry Communication and the National Acquisitions Group (NAG) to look into various aspects of and costings for book selection, acquisition and value-added services to librarians and suppliers. The research builds upon previous studies conducted by Capital Planning Information[10] and subsequently NAG[11] that confirmed the importance of continuation of value-added services and attempted to quantify and prioritise their relative importance to libraries. Relevant services under investigation include a range of information to support and facilitate selection, including pre- and publication information which may be profiled, approvals and returns; provision of bibliographic and cataloguing data; ordering, invoicing and delivery; and especially shelf-ready preparation including supply, generation and application of customised materials (or ‘lick and stick’) and binding where applicable. It is anticipated that more detailed financial analysis of selected suppliers’ accounts will be included in the BNBRF Library Supply Chain Steering Group final report (expected June 1999), to which the reader is referred for further information.

Although the product mix varies, library suppliers marketing to general as well as to academic/specialist clients display broadly similar characteristics in their business management. Book library supply is a high-margin industry compared to serials with additional elements of marketing and stock control that set it aside from other sectors of the book supply chain, such as wholesalers. Marginal costs relate to the volume of business transacted as intermediary between publishers and client libraries, which are often borne for long periods of time: returns are awaited from approvals under evaluation by libraries as well as incorrect orders from publishers, who are becoming less willing to take stock back. Publishers also are less happy to deal with the increased administration costs resulting from small orders and are passing a larger number of these on to suppliers.

Library suppliers agree that there is no profit to be made in providing value-added services, as well as that consortial purchase does not contribute to economies of scale. There is a perception that costs attached to value-added services cover the extra materials required but not the labour. Libraries' servicing requirements are very individual and as customers they are unlikely to accept replacement services: consortia do not necessarily act as a stimulus to standardise their options. In public library consortia, single authorities are unifying individual branch libraries' servicing requirements. Following local government reorganisation (LGR), libraries of the new unitary authorities appear to be following similar practice to their original organisation in terms of servicing, apparently unwilling to allow their new status to affect traditional expectations.

Academic library suppliers include those maintaining substantial premises and bookstock similar to those providing services to public libraries above, specialist suppliers (to both sectors) and campus booksellers with a retail base. Differences appear in purchasing practice by and sources for orders from academic libraries, which typically require suppliers to order single titles from a much wider spread of publishers worldwide than the multiple copies of domestic publishers' titles often preferred by public libraries. Administrative operations are therefore more likely to include a larger proportion of staff dedicated to liaison with individual publishers, whose associated activities may involve trans-border financial arrangements, international currency equivalents and provision for VAT variation. With the added capacity for tied-up capital in overseas transactions in progress as well as dealing with the patchwork mix of book discounts available from global publishers reflecting their own national frameworks, it is no surprise that academic library suppliers command lower discounts than their more generalist colleagues.

As mentioned above, although value-added services and stockholding do not play as great a part in academic as in public libraries, there is still a continuing demand for services to be kept on offer by suppliers to this sector. In academic library consortia even the individual site libraries of a multi-site institution may require customised servicing, and suppliers are concerned that under the constraints of consortial agreements they may not be able to target adequately specific clients' needs. Profiling to individual libraries' subject requirements is also more relevant to academic as well as specialist clients. The retail nature of campus and (some) specialist booksellers encompasses a further shift towards 'just in time' rather than 'just in case' supply and away from warehousing premises with heavy bookstock investment, although high street location leasing agreements may be an additional cost constraint. As with other retail suppliers, these market to a broader user base that is not restricted to librarians and so they are less likely to be in a position to invest in the additional staffing or equipment required to provide value-added services to libraries. Levels of discount available to (even home campus) libraries may be very low or non-existent.

#### 4.2.1.3 Technical aspects

The issue of electronic data interchange or EDI is one that has been vexing the entire book supply chain including library suppliers throughout the past decade. The PA/KPMG study conducted in spring 1998 uncovered extremely uneven development of electronic services throughout the supply chain, within which library suppliers were more advanced than other sectors and notably the publishers themselves. The BNBRF-funded Book Industry Communication research under way is also presently addressing factors affecting variable EDI implementation in more detail, and the reader is again referred to their findings in due course.

Amongst the value-added services that library suppliers offer to all clients is provision of catalogue records in electronic format. Those taking up this option are not only public as well as academic libraries but also dedicated bibliographic data suppliers. Uses for the data extend well beyond the stock control functions of administrative utility for stockholding booksellers. When supplied with orders to libraries, accompanying bibliographic information in a preselected format should require little amendment by library staff to integrate it into their own (now almost invariably) online catalogues. There is typically some variation in the comprehensiveness and quality of the suppliers' own databases, which also reflects market segmentation in usage patterns depending on the type of library requiring the information. Bibliographic data provision by library suppliers nevertheless is well represented in value-added services to academic libraries.

Beyond cataloguing functions, electronic information also plays a part in the selection process in provision of publication and ordering details using multimedia formats. CD-ROM title selection is now an established aid in many libraries across sectors which find the enhanced features available better suited to convey the 'look and feel' of a prospective purchase. Such additional details as coverage of publications can be usefully included in browsable tables of contents. There are opportunities also to extend their use into supply of pre-publication information, possibly in partnership with publishers. At this stage a further iteration of electronic stock details, into management information report provision for libraries, is anticipated but not yet widely available amongst suppliers. In conjunction with data provision there is increasing interest amongst library suppliers in the expanding sector of library systems provision, in which issues of compliance to derived specifications and common standards for data interchange will drive development of EDI amongst library suppliers in future. Insofar as the introduction of common library automation systems into member libraries is also of increasing interest to library purchasing consortia across library sectors, there are indications that this field will provide another opportunity for partnership initiatives in the not too distant future.

### 4.2.2 Library periodicals supply

#### 4.2.2.1 Key players

Periodicals suppliers (or subscription agents) to libraries present a much more homogeneous picture than their book supplier counterparts. This supply sector has not undergone the same recent regulatory upheavals proceeding from the demise of the NBA as that for books, although analogous agreements on a more informal basis were in place some years ago but have since been eroded. Periodicals suppliers occupy a complementary niche to book suppliers in management of library subscriptions to journals and newspapers, providing a single point of access for multiple orders which are then sourced on the libraries' behalf from publishers. They also provide consolidation or aggregation services in which periodicals are supplied shelf-ready to library specifications. Of the responding suppliers of consortia, it is perhaps significant to note that two are part of conglomerates that include major book suppliers to consortia.

A major difference between subscription agents and booksellers to libraries, particularly insofar as their consortial purchase is concerned, is that periodical supply agreements are largely unrepresented in public sector libraries (see Section 3.6.2.2. above). Although many public libraries do take newspaper and magazine subscriptions, these tend to be on an individual basis that does not command the same order of expenditure as for academic and health libraries and so are generally not included amongst inter-authority consortial arrangements. One is more likely to find subscription agents supplying material in CD-ROM format to public libraries as part of consortium agreements. Amongst higher education and health libraries however periodicals subscriptions, particularly in scientific, technical and medical fields, are often the core collection of library holdings, easily attract a greater share of the annual budget than books[12] and also have been subject to substantial annual increases in costs in recent years. Higher costs and larger proportion of expenditure makes them the prime candidate for consortial purchase agreements of first resort in these library sectors, as is reflected in their universal distribution amongst consortia serving them. In a number of cases in the longer established academic library consortia, periodicals supply contracts are now coming up for a second round of tendering while books supply contracts are still not in place. The central interest of periodicals to all health libraries has made the case for new collaborative purchase arrangements for periodicals and electronic media to be set in motion at national level for the NHS. CD-ROM resources are included in consortial contracts in both sectors, and indeed were a stimulus to collaboration in the health sector prior to the advent of wide-scale networked environments.

The structure of the library periodicals supply sector is not segmented as for books, where each type of supplier can concentrate on a specific target group and tailor their services to suit. There are only a few major players in this sector who all are developing formidable technical capabilities that can be 'mixed-and-matched' to meet the needs of several library sectors, although they are attempting to differentiate themselves significantly to their client base. Each retains substantial overseas interests and also markets to libraries abroad, notably in the United States and Europe. Although their international clientele do not necessarily provide entirely transferable experience into a UK context, they help to extend their vision into services likely to be of interest to UK libraries depending on national regulatory frameworks. In today's global marketplace for electronic information particularly, being able to place their services into an international context can only serve to expand the appeal of their portfolio to a larger number of library clients.

Academic libraries throughout the UK now have available the new NESLI agreement to facilitate full-text access to periodicals in electronic form. Whereas under PSLI the initial agreement involved publishers of journals within a subsidised framework, NESLI brings together as managing agents a major higher education dataset provider and a subscription agent without subsidy. These are clear signs of the increasing commercial importance assigned to electronic versions of journals in the worldwide higher education community, as well as acknowledgement of the technical expertise and understanding by subscription agents of a dynamic multimedia publishing environment. The longer- term effects on the market of such alternative provision of access, delivery and licensing of electronic information remains to be seen. More than one academic library purchasing consortium is delaying renewal of its periodicals contract while the NESLI service market tests, areas of duplicated services are identified and relative costs emerge. Apparent in both models are the financial savings confirmed by the collaborative approach to purchasing journals in either electronic or paper form.

4.2.2.2 Administrative considerations

Journals discounts are typically lower than those for books, while their costs continue to escalate more steeply annually in the UK than elsewhere in the world[13]. Subscription agents also require a significant investment in technical infrastructure as part of overhead costs including staffing, although the size of and demand for their stockholding facilities would be closer to those of their academic than their general bookselling colleagues. In common with the former they disseminate orders to publishers worldwide with whom they provide generally closer client liaison, and offer library customers the option of acting as an initial delivery point for journals whose check-in can be done on site before onward despatch. They also bear associated costs tied up in overseas currency transactions, for which they are able to receive beneficial rates of exchange, and claims for incorrect or incomplete orders, which are more likely to need active progressing during the lifetime of a standing subscription than for the single order provided by booksellers. As agents usually encompass overseas offices, they are also able to provide additional savings to libraries by offering domestic prices on journals and offering savings to be made in exchange rates. Flexible payment schemes include ‘one-line’ invoicing procedures, which are linked to annual periodicals budgets, can be deposited with suppliers to earn interest during the course of the financial year and subsequently deducted to reflect account activity at its close.

The capability for shelf-ready consolidation or value-added services for paper journals is generally offered as an option to library clients whether or not matched by demand, which typically includes affixing of machine-readable bibliographic data in barcode form, insertion of security labels and production of circulation slips. The versatility of technical handling of data facilitates provision of reports to libraries in a variety of formats for delivery of management information, usage statistics and financial analysis. Subject profiling is also of importance to higher education and health libraries and is facilitated by agents’ more sophisticated electronic systems. Other computer-based development services for clients such as database interfaces and network access are treated in more detail below, and might require in turn employment of contract staff to cover necessary programming and systems modification.

Of note are the services offered by subscription agents to their publisher clients, which are an extension of those provided by library booksellers, which are mainly transaction-based. Periodicals suppliers have recognised that their sector’s publishers are increasingly looking to update and computerise existing sales systems as well as enhance their marketing activities, and to meet the demand have pro-actively widened their portfolio of promotional and development services for print-based as well as electronic journals. These now include mailings, catalogue advertising, newsletter production and enhanced access to publications via the Internet, where in electronic terms indexing, abstracting and document supply of publishers' stock have moved on exponentially in recent years. Periodicals suppliers have been well placed in the vanguard of such activities, to advise and provide services needed by small specialist publishers, who may be unable to afford the investment in capital and staff development required, and thereby justify their own expenditure in these areas. Increasingly they are also becoming well versed in the licensing issues that are inextricably linked to electronic information access and provision and of key significance in their relations with publisher clients.

#### 4.2.2.3 Technical aspects

The rapid proliferation of electronic information systems, content and delivery options for periodicals in parallel with print-based media in the past fifteen years has transformed library collections as well as the services offered by their subscription agents. Influential partnerships have been forged by suppliers not only with publishers of traditional paper format periodicals, but also with those who offer electronic journals, bibliographic information, document delivery services, server gateways into non-print media, and with network access providers and computer hardware and software systems suppliers and developers. Periodicals suppliers make a distinction between *primary* and *secondary* information providers, which illustrates the complex nature of their own activities, primary providers being those that publish material in original form (whether in paper or electronic formats or both) and secondary being those that provide summary details of publications in whatever format.

It is perhaps useful at this stage to chronicle the transition from printed periodicals into the dual formats now available with electronic media, as this has been the dominant influence in recent years on services offered by periodical suppliers[14]. The initial push on their services development stemmed from traditional paper-based secondary sources that would typically take the form of citation indexes and abstracts, both well established bibliographic tools for librarians and end-users in tracing materials of interest. These resources were to lead the way in the introduction of parallel electronic database products, which eventually transformed the global information marketplace, augmented by powerful search and retrieval capabilities. Flexible identification of relevant sources utilising wider ranges of parameters and formats were now possible, over early networks that themselves attracted subscription and usage charges. With the release on to the infant market in the 1980s of CD-ROMs containing bibliographic details segmented into subject databases in electronic form, librarians and end-users grew more accustomed to a variety of proprietary interfaces offered by secondary information providers. These stand-alone media now became available via periodical suppliers in their role as intermediaries. Traditional paper-based full-text document supply was still the main route towards individual article acquisition, although novel licensing arrangements to permit user access to resources in electronic form were beginning to emerge also. Periodicals suppliers in the meantime continued to develop their own in-house computerised databases and records systems, which became a means of streamlining their efficiency in servicing the individual needs of library clientele: a key difference from their book supplier colleagues.

Alongside the increasing sophistication afforded by information technology in internal operations as well as in bibliographic resources, libraries too were beginning to enter the computer age in the advent of first generation local library automation systems in the 1970s. Initially in higher education and later in public libraries, library catalogue databases using a range of text-based interfaces were introduced with capabilities for library management functions as well as end-user access. By the early 1990s technical infrastructures had developed sufficiently to enable delivery of electronic information over wide area networks, which extended the range of options for access to digital resources that could now be mounted individually, over local networks or even on remote hosts. The interactive capabilities of network access for information delivery tailored to a much larger body of individual users, mainly in higher education institutions and their libraries, were rapidly followed by the general introduction in universities of the Internet and the World Wide Web shortly thereafter. The vast range of formats and interfaces began to unify and electronic full-text delivery of journal articles became possible.

Subscription agents were poised to exploit the new possibilities inherent in technology advances and now began to develop services that acknowledged the role of other intermediaries in electronic information delivery. As technical standards and library and user preferences were defined, it became increasingly possible to collaborate with access providers elsewhere in the market to create common interfaces that would transfer readily between systems, whether local or remote. The increasing capacity (and decreasing cost) of servers to store huge databanks of hosted resources worldwide led to the implementation of electronic gateways to full-text content by periodicals agents in collaboration with secondary information providers and publishers, a computerised equivalent of their original functions in the paper information chain. These and related developments have ever more closely matched the perceived needs of academic and specialist librarians around the world, who have closely co-operated with suppliers to ensure that emergent technology and services are tailored appropriately.

The services offered by periodicals suppliers today are becoming ever more sophisticated but still recognisable alongside their paper-based counterparts. The burgeoning demand to access electronic full-text resources continues in parallel with summary details of publications in the form of abstracts, reference citations and tables of contents. Profiling capabilities generated from client records add value in available options for current awareness, alerting and selective dissemination of information. Search and retrieval, browsing and linking features (following Web models) in proprietary suppliers' databases are augmented by increased compatibility with evolving standards in libraries' own catalogues, themselves increasingly Web-based. Networked gateways can claim to be 'one-stop shops,' which simplify access to a host of additional systems and resources offered by periodicals agents and their partner organisations that previously required separate access arrangements. Also importantly to their library clientele, they provide increasingly seamless access to computerised acquisitions functions for ordering, claiming, invoicing and management data tailored to libraries' requirements, whether as consortia or individually, and are in a position to advise on licensing arrangements. For periodicals agents, the worldwide electronic marketplace has irrevocably changed the face of library supply as it moves into the 21st century.

## 4.3. Impact of library purchasing consortia on suppliers

### 4.3.1 Book suppliers' experiences

As can be seen from the foregoing, library book supply is characterised by a fair degree of sectoral segmentation according to the requirements of the several target markets. Although these differences are reflected in responses to the questionnaire (Appendix C) there are certain broad themes that underlie all sectors surveyed. The following sections treat respondents on a sector-by-sector basis to emphasise how individual perceptions of library purchasing consortia by a particular part of the market generate varying feedback, despite broadly similar circumstances.

#### 4.3.1.1 The tendering process

Questions regarding tendering were deliberately constructed to encompass the complete tendering process undergone by suppliers and not only that portion relating to library purchasing consortia. Since the advent of the European Commission's purchasing directives for supply to public sector organisations, there has been an expected increase generally in tendering activity by book suppliers, not all of whom would be in a position to bid for consortium contracts. The survey included questions relating to suppliers' overall experience of tendering as well as tendering within a consortium context.

General suppliers

Those larger firms (three of the four respondents) that specifically designated themselves as public library suppliers are operating a substantial number of library contracts achieved through tendering: typically between sixty and ninety. Of this sample each has won consortial contracts through the tendering process, although numbers of these varied significantly. The smaller firm had not tendered for consortium contracts. Of those currently operating contracts, two have begun tendering for consortia business within the last two years.

Academic suppliers

The sample included four booksellers, two very large and two somewhat smaller. As expected the number of successful tenders was again linked to size, but generally on a much more limited basis than for public library suppliers: typically less than twenty except for the largest firm. As would be expected for a library sector as well served by consortia as higher education, there is a substantially higher proportion of successful consortium contracts amongst the tenders won. The larger firms have been tendering steadily for consortia business for over three years, whilst the smaller ones have responded unsuccessfully to consortium tenders during the past two years.

Campus-based suppliers

These may be considered a specialist sub-set of academic booksellers with retail premises, often operating within terms and conditions dictated by their home university, where to some extent they supply to a captive market. Respondents unanimously have no current tenders operating, although informal approaches to libraries might be made. Two have however responded to tenders for consortium business within the last five years, of which one tender was successful but now expired. As mentioned earlier, they may be subject to individual agreements with their institutional library that guarantee them a certain share of business.

Specialist suppliers

The mixed nature of this group does not lend itself easily to overall characterisation, since as suppliers with niche markets they do not compete on a level playing field with other booksellers. Two respondents however both supply overseas publications into the UK; one has tendered successfully for consortium business and the other has yet to become established in this country although it has consortium experience in the US. Another respondent has a successful record of tendering to UK public libraries and falls within the range of tenders (and consortial contracts) reported by larger general suppliers. The smallest specialist operates a non-tendering policy.

4.3.1.2 Current consortia contracts

The survey included questions relating to extent, type of supply, servicing and duration covered by current contracts with consortia; experiences of tendering and supply to consortia during and after the demise of the NBA; and level at which consortial business is addressed within the suppliers' organisation. Clarification was sought as to length of experience in winning tenders, and how perceptions of consortia by suppliers and tendering policy may have changed in the post-NBA period.

General suppliers

Each of the three larger respondents has won consortial contracts for book supply, including servicing, within recent years. Details given of contracts ranged from one to five or more, which had all started since 1997 and were in progress up to 2001. Of these two have been successful since the end of the NBA, whilst the third has been tendering to consortia for longer. The supplier with the greatest number of contracts has undergone recent restructuring. Liaison with consortia by each is handled beyond departmental level as 'other', which in one case is specified as 'director.' The fourth and smallest supplier does not operate consortium contracts.

Academic suppliers

The two larger suppliers currently operate between two and six consortium contracts respectively for which they have been tendering since before the end of the NBA, one with longer successful experience. One operates a contract each for books and grey literature to separate consortia and the other for books only with servicing, with an indication of more than one contract per consortium supplied. Both provide consortia liaison at or within departmental level, whilst the two smaller respondents, which do not have current consortial contracts, interface with consortia at director level.

Campus-based suppliers

None of this group operates current contracts with consortia as such, although two have had experience in tendering to consortia within the last five years. The respondent that had successfully tendered had liaison with consortia beyond departmental level.

Within this group supply to individual consortium *members* may occur outside the terms of existing contracts, as their home academic library market may provide book orders independent of consortial transactions under either formal or informal local agreements.

Specialist suppliers

Two of the larger suppliers presently supply to a single consortium each, one to academic and one to public libraries. Contracts cover supply of separate types of material (e.g. books, audio/video-cassettes, microforms and grey literature) and books only respectively, all including servicing. Each has tendered successfully within the last two years. Liaison with the consortium occurs at senior staff level in the academic consortium supplier. Of the two respondents that do not currently operate contracts, the newer entrant has extensive consortial experience overseas.

4.3.1.3 Cross-sectoral library clients

Information elicited was designed to address the suppliers' perception of their library client base and not the actual take-up of their services by a cross-section of library clients. Suppliers may offer a wide-ranging portfolio of materials and services, or be more or less actively exploring different markets that are as yet too immature to launch full tendering to consortia. It is not necessarily anticipated that suppliers would be able to tender equally successfully to library consortia in different sectors.

General suppliers

Those responding variously described themselves as 'public', 'not specialist', 'public and schools' and 'public, schools, higher/further education'. Those larger firms with current consortia contracts specified public libraries within their remit. The largest supplier provides the broadest description of its target markets and has operated both public and higher education library consortia contracts.

Academic suppliers

There was a fair degree of agreement amongst suppliers' own designations in this sector: three out of the four described themselves as 'public, special/corporate and higher/further education' suppliers, of whom the two largest currently operate consortia contracts. The fourth, smallest respondent with no contracts refers to its market as 'higher/further education'. Agreement in responses appears to cover type of material supplied to academic/specialist library clients within the academic supply pattern referred to above.

Campus-based suppliers

Three of the four respondents described their market as 'higher/further education', whilst the fourth also included 'schools, special/corporate' amongst its target group. This may indicate an expansion of marketing strategy for this supplier that markets actively to its home institutional library outside the scope of consortium agreements, as well as via individual approaches to other libraries.

Specialist suppliers

The two suppliers of overseas material in this specialist group have referred to their target markets as 'higher/further education, public, special/corporate', with the academic library consortium supplier also targeting 'health' libraries. The public library consortium supplier designates its market as 'children's' only. The supplier of specialist subject materials that does not tender for consortium business describes its market as 'higher/further education, public, health' libraries. 'Specialist' here clearly refers to type of materials rather than market segmentation.

4.3.1.4 Advantages and inhibitors

The survey here took on a slightly different format, presenting a range of questions that invited more than one response. Responses were requested relating to individual suppliers' own circumstances. Questions were divided into three groups geared towards advantages for those currently supplying to consortia (see Fig. 4.1), present conditions inhibiting those that did not supply (see Fig. 4.2) and projections as to future changes in circumstance that could make consortial supply possible (see Fig. 4.3). It was assumed that those suppliers in existing contracts saw advantages as outweighing disadvantages but they were free to comment if this was not the case.

General suppliers

Of the three presently operating consortial contracts the two most active cited 'volume of trade' and 'long-range capacity planning' as advantages, to which one also added 'stable discount framework', 'transparent costing structures', 'streamlined administration' and 'wider range of client services'. In a follow-up interview this supplier further noted that consortia had generally worsened relations with clients, and that there were in effect fewer clients for more business, which could lead to economies of scale. The third consortia supplier noted that there were no benefits to the process and cited 'unsustainable discounts' as an inhibitor, suggesting that 'modified terms and conditions' and a 'streamlined tendering process' could change circumstances for the better in future. The fourth respondent, who does not currently supply to consortia, commented that availability of business within their geographical locality could contribute to future activity.

Academic suppliers

Responses from this sector displayed a degree of uniformity in concerns, partly dependent on whether suppliers were involved in consortial contracts. Of the two currently supplying, one initially cited no advantages but in discussions noted a trend towards standardisation in tendering and stabilisation in discount levels, which could act to steady the market for up to five years. The other cited and qualified 'volume of trade' as not guaranteed, a 'stable discount framework' that was possibly uneconomic and 'long-range capacity planning' for the *duration* of contracts only. Those that did not supply unanimously cited 'unsuccessful tenders' and 'unsustainable discounts' as reasons, each reporting the undesirable impact of discount levels on lowering the quality of services available. One noted that its size could be viewed by potential consortia clientele as being inadequate to support the level of business.

Campus-based suppliers

As none of the respondents presently supply to consortia their responses cover disincentives and future changes that could act to encourage business, and reflect the retail end of the academic market that they represent. One supplier cited 'unsustainable discounts' only as an inhibitor; two referred to 'lack of physical facilities and requisite technology', of which one further cited 'unsustainable discounts' and one 'excessive volume of trade'. The fourth supplier declined to comment in all areas. Regarding future conducive circumstances, two each reported 'company expansion or restructuring', 'modified terms and conditions' and a 'streamlined tendering process'; one each cited 'development of new business areas', 'disposition of staff', 'better quality of communication with consortium clients' and 'more transparent negotiations'.

Specialist suppliers

This sector again split responses according to whether they currently supply to consortia. Discount levels remained a strong theme, with the additional comment from those presently involved with consortia that advantages would have come about regardless of contracts. With that proviso, these active suppliers each cited 'stable discount framework', 'transparent costing structures' and 'long range capacity planning' as benefits. One respondent also reported a 'wider range of client services' and the other cited additionally 'volume of trade' and 'improved communications with clients', as well as 'improved terms from suppliers' who are mainly based overseas. Of those two suppliers with no present consortia contracts, one cited 'unsustainable discounts' only as a present and future inhibitor. The other respondent, a new entrant to the market with overseas consortia experience, stated generally that disadvantages outweigh advantages of consortia but added that 'long-range capacity planning' had improved as well as their own technological processes. They look forward to being included in future consortium tenders in due course.

### 4.3.2 Periodicals suppliers' experiences

Periodicals suppliers represent a distinct group whose experiences of and attitudes towards consortial supply are quite different from those of their book supply counterparts. They are much more homogeneous in size and their target library markets and to a certain extent lead potential clients in available technology for service support and delivery. They have a longer history of supplying library consortia in the academic and health sectors than their bookselling counterparts and have been unaffected in recent years by the NBA. Technological developments in the global electronic information marketplace have been a powerful driving influence in this sector, in which specific conditions affecting UK library supply are not critical to their future market share. The four periodicals suppliers responding constitute the key players in this sector active in the UK.

#### 4.3.2.1 The tendering process

The influence of the European Commission's procurement directives on wide adoption of the tendering process is also acknowledged in this supply sector, which reflects the more active awareness of European issues expected from suppliers with overseas bases and markets. Most of the respondents indicate a large number of library contracts in progress following successful tenders, generally over sixty but more often approaching or beyond one hundred. Each has had long-standing experience of tendering for consortial business within the last five years of which all have been successful. All have consortial contracts presently underway.

#### 4.3.2.2 Current consortia contracts

All respondents are currently managing at least four library purchasing consortia contracts, with six cited in one instance. In this sector the availability of electronic information in a variety of formats extends the portfolio of resources open to consortial agreements far beyond paper-based periodicals. Two suppliers report contracts covering stand-alone and networked electronic resources as well as one for microforms, which may or may not be rolled in with existing periodicals agreements. Although it is generally regarded that value-added services are not as important to the client group of (mainly) academic and health library consortia, servicing is cited as included within existing contracts to a variable extent by all respondents. Also mixed are responses on contract duration, which ranges from one to three years to three years upwards, with one-year extensions possible thereafter to a maximum of five years. Two suppliers report consortial agreements active since 1994/1995 of which the longest in progress will extend to the year 2001. An interesting variation from book suppliers' responses occurs in the level within the organisation at which liaison with consortia is managed, as this is unanimously reported as through 'account managers'; two suppliers also cite 'departmental managers' as involved. The assumption may be drawn that procedures for managing consortial business are more integrated generally throughout the suppliers' establishment and not exclusively the province of senior personnel.

#### 4.3.2.3 Cross-sectoral library clients

There is almost unanimous agreement as to target markets in library sectors, which reflects at least partially the progress of technological advancement in types of library cited. Three out of four respondents described themselves as suppliers to ‘higher/further education’, ‘health’, ‘special/corporate’ and ‘public’ libraries; the fourth supplier did not specify ‘public’ libraries but is very actively engaged with national networking developments for UK higher education institutions. There are indications (with the current mix of technology available to library sectors in the UK) that existing ‘special/corporate’ and ‘public’ markets are more geared towards overseas libraries. It may be assumed from our previous consortia survey, although unconfirmed by suppliers in the questionnaire, that consortia contracts underway in the UK cover mainly higher education and health libraries.

#### 4.3.2.4 Advantages and inhibitors

All suppliers cited ‘volume of trade’ as an advantage gained from consortial contracts and restricted their comments to the section addressing benefits from existing agreements (see Fig. 4.4 below). Two respondents each noted ‘improved communications with clients’, ‘long-range capacity planning’ and ‘stable discount framework’, although one with the proviso that the latter included volume guarantees. One supplier in addition to all those above cited ‘transparent costing structures’. In follow-up interviews a supplier made the general comment that periodicals agents see consortia as the future of library supply to the extent that they were favouring consortial tenders over individual accounts, although evidence is that these continue to produce a steady stream of business also. Interviews also confirmed that periodicals suppliers view consortia contracts as contributing positively towards *medium-* rather than long-range capacity planning after which time the client base is more volatile than ever. This shift in perception amongst suppliers has exchanged what used to be regarded as guaranteed customer loyalty for an indefinite period for a more short-term contract servicing approach. As with book suppliers, the perceptions of benefits gained from periodicals supply to consortia are that these are embedded in their current business practice in any case.

## 4.4. Effects of library purchasing consortia on the markets

### 4.4.1 Book suppliers’ responses

This section of the survey was designed to be discursive in approach and to encourage more unstructured feedback and comment from suppliers. Questions regarding the effects of consortia on suppliers were targeted at three levels: the supplier’s own business, the library supply sector and the publishing industry which comprises the sector's own suppliers. They treated the general themes of consortial influence on volume of trade, operating margins and stability of the client base. It was not anticipated necessarily that qualitative responses would be as amenable to sectoral analysis as those in the preceding sections of the questionnaire, but in fact there was much broad agreement that lends itself to a thematic approach.

4.4.1.1 Volume of trade: suppliers' own business

General suppliers

In the front line of the library supply price war, general suppliers responding to the survey had many relevant views to contribute to the study. Those three out of four currently operating consortial contracts were prepared to expand on their position and circumstances in follow-up interviews, in which most helpful extra clarification was imparted in a constructive atmosphere of open and frank exchange. The time given and interest shown by these suppliers are much appreciated for the many extra insights shared and commercial confidentiality is respected here. The fourth supplier with no contracts in progress declined to comment throughout this section.

All interviewed suppliers were careful to make a distinction between aspects of their non-consortial library business and those conditions that attached specifically to consortia. There had been no overall growth of trade, but a change in mix of supply was generally noted in which suppliers were concerned to retain existing clients on at least as favourable terms as had prevailed prior to the advent of consortia into the market. It was noted by one supplier that business might have been won from individual authorities regardless of consortial bids. Extra volume, turnover and throughput were acknowledged as emanating from consortial contracts that had increased discounts on offer to all member libraries. These benefits however also contributed to an already volatile situation when contracts were lost mid-term, demanding of suppliers that they absorb lost profits that could comprise a substantial amount of turnover.

Academic suppliers

We are also grateful to the two large academic suppliers who kindly consented to be interviewed and were able to expand at more length as to the effects of their own consortial contracts on their business. As mentioned above, the greater proportion of purchasing consortia amongst higher education libraries has established the practice more firmly within this market and suppliers' views have shifted accordingly. Mixed responses are reported: one supplier acknowledged an increase in volume of trade with consortia libraries, but, as with the general suppliers above, also cautioned that not all business had migrated in this way and that the full potential of expenditure had not been achieved. The other supplier noted that there had been no effect on the volume of trade anticipated from academic consortia, as under the terms of agreements there were no written penalties, nor guaranteed levels of business. They added that consortia provided an actual disincentive to investment with the 'all or nothing' aspects of contracts; there was little lead-time available in which to gear up for servicing extra volumes of business once won, but no use for spare capacity if bids were unsuccessful. They made the further point that for higher education libraries bookfunds were no longer the primary materials expenditure with extra demands on the budget from other media.

The two suppliers that do not currently operate consortial contracts each reported a small loss of turnover from client libraries that had become consortial members. In one supplier to an extent this had been recovered from subsequent orders placed with them on an individual basis. More than one respondent confirmed that academic booksellers were in a more analogous position to periodicals agents than to general suppliers in terms of the international nature of their clientele, and that they were not wholly dependent on UK libraries for their volume of trade.

Campus-based suppliers

No suppliers in this group are involved in consortial contracts, although they generally have a ‘special relationship’ with their home institution’s library. Most respondents report a reduction in their volume of trade. One supplier noted the loss of a potential client, whilst another had seen a decrease in retail business, which had moved to consortia suppliers.

Specialist suppliers

The two suppliers currently holding consortial contracts, one of which gave much valuable information in a follow-up interview, reported respectively that there had been no effect on the volume of trade and that it was stable. Of the other two not supplying to consortia, one noted no effect on turnover, the other a dramatic increase from its overseas consortial business.

4.4.1.2 Operating margins: suppliers’ own business

The precarious balance between the tighter operating margins reported by every supply sector, and the increased discounts negotiated by all types of library purchasing consortia, forms the central concern regarding consortia for library suppliers and the touchstone for the current ‘price war’. The fullest responses below, on the increasingly competitive marketplace, emanate from general suppliers, and to a lesser extent from academic suppliers.

General suppliers

Despite reports to the contrary in the trade press, uneconomic levels of discount awarded by suppliers to public library consortia in the post-NBA period have not constituted the invariable practice amongst all respondents in this sector. There is no doubt that unsustainable discounts to buy market share have been offered that did come to inflict increased pressures on certain suppliers, but most are presently still trading although the structure of their company or its agreements may not be the same.
In the end it is the supplier’s own decision as to what costs it can bear for the prices charged and how alterations in business mix may affect its long-term viability, despite what the market may be perceived to demand.

Of the three consortia suppliers responding one reports no effect on its cost margins as it declines to bid for unprofitable business, whilst two more have absorbed reduced profit margins on terms offered to clients. One of these has had its own experience of medium-term effects of unsustainable discounts in the loss of consortium business, although not in this library sector. This respondent acknowledges the role of consortia in reducing suppliers' margins and that public libraries have generally gained more benefits than if they had not collaborated in the purchasing process. Once new levels have been established, however, it is the smaller authorities that have significantly improved their terms but these contribute less to the suppliers' turnover. The supplier sees an undesirable cycle being generated in which unrealistic discounts are initially given to secure a consortium contract, after which time operational adjustments do not produce the envisaged efficiency; when the contract comes up for re-tender the supplier cannot afford to lose it and so tightens margins even further. Where contracts are sensibly priced the margins should be adequate to support the lifetime of the contract, by which time competition for the next tender might have been reduced and discounts could be set more profitably.

Academic suppliers

The two respondents supplying consortia agree that their costs have increased as a legacy of the end of the NBA. One noted that academic library consortia do not provide benefits to suppliers' margins, as their improved purchasing power does not lead to economies of scale for suppliers, although the size of the consortium is important. Evaluation of contracts is conducted with overall price as the main consideration, whereas if a wider view were taken consortia could play a more active part in stimulating change and efficiency throughout the market. The other supplier, as well as a non-supplier, indicated that acquisitions librarians' own reactions to consortial purchase were not wholly enthusiastic, as often higher prices and less responsiveness to individual client's needs resulted for the library. One respondent commented that consortia tend to fix market levels for up to five years. Three of the four suppliers gave views on the partnership of purchasing professionals with library consortia: they were more in touch with commercial pressures and could work positively with suppliers, but also had a vested interest in claiming more benefits for the arrangement. The two suppliers that do not operate consortium contracts reported that they had no effect on their business.

Campus-based suppliers

Of this group of suppliers with no existing consortium contracts, two did not report an effect on their cost margins. The other two respondents noted reduced margins, of which one further commented that they had increased their discounts with a positive impact on their home institutional library business. The supplier also commented on a time delay between the abandonment of the NBA and effects on their own margins, which were caused indirectly by steep rises in discounts available to clients through other library supply sectors that they were unable to match within their more retail setting. Another supplier added that they were bound to concede higher discounts to consortia member libraries that were not ordering through their mainstream channel, although they had initially declined to tender for an unknown amount of business.

Specialist suppliers

Both the respondents supplying consortia and the other with overseas contracts reported that margins had tightened; the one with no contracts noted no effect. One consortium supplier confirmed that as specialists there were not the same margins available to them for the type of material, but that nevertheless they had had to improve terms and increase discounts to potential clients in order to accommodate a shrinking market.

4.4.1.3 Stability of market: suppliers' own business

The rise of library purchasing consortia has been generally perceived by suppliers to have contributed to a de-stabilisation of their client base, which is confirmed by respondents from all sectors. Details of consortial agreements are reported as imposing fewer restrictions on member libraries than on suppliers: where contracts permit books to be ordered from those other than the mainstream consortium supplier, target levels of business may be undermined with an unsettling effect on the supplier's operating costs and estimated market share. Suppliers generally agree that the presence of medium-term stability is offset by increased insecurity at the end of a contract.

General suppliers

Two of the three consortium suppliers in this sector note that their client base has not greatly altered, one describing a nominal stability at present and the other reporting retention of business by member libraries within consortia, although their purchasing profiles had somewhat changed. The third cited 'cherry-picking' by consortium members as a key factor in de-stabilising market share, where some libraries placed only those orders with the mainstream supplier that would be undiscounted from sources outside the consortium contract which handled the bulk of their business. The loss of a consortium contract mid-term meant a significant reduction in client base, which otherwise would maintain stability for the life of a contract but be highly vulnerable when re-tendering.

Academic suppliers

Both the consortia suppliers to higher education libraries confirmed the general medium-term stability of the client base, although not unreservedly. One responded that security of business improved as a contract progressed, but that consortia were considered as an 'all-or-nothing' proposition for levels of trade. The other remarked that insecure clients create an unstable marketplace. Of the two respondents not supplying consortia, one noted marginal stability amongst clients and the other reported little impact on its own customer base, which comprised a mixture of overseas libraries and UK library sectors that as yet were unaffected by consortial agreements.

Campus-based suppliers

Of these non-consortial suppliers, two declined to comment. The other two respectively confirmed de-stabilisation and a return to a secure client base after a period of uncertainty.

Specialist suppliers

One respondent of the specialist suppliers to consortia in the UK noted a balancing effect of medium-term stability with fluctuations in the customer base. The other reported a shrinking market in which more business had been lost than gained, but the specialist nature of its provision had retained a clientele of individual libraries that had made a case to continue existing supply routes. The supplier to overseas consortia responded that its client base was now stabilising, and the non-consortia supplier cited no effect on stability.

4.4.1.4 Volume of trade: the library supply sector

There was some agreement amongst all supply sectors as to how the advent of library purchasing consortia had affected their own link in the book supply chain. For the most part consortia business was not perceived as having substantially altered the size of the library market: fluctuations were more likely to take place at individual supplier level.

General suppliers

Two of the three public library consortium suppliers reported no obvious increase or decrease in overall library trade, whilst the third indicated an increase in volume in line with its own local experience. It added the proviso however that the continuing decline of bookfunds would have the effect of cancelling out any growth in volume. The fourth respondent, with no consortium contracts, attributed to consortia the effects of short-termism, market instability and a resulting price war affecting all aspects of the library supply sector.

Academic suppliers

The two suppliers to academic library consortia variously responded that consortia should have the overall effect within the sector of increasing the volume of trade by reducing prices, and that the market share remained the same with no effect on the volume of trade. Of the non-suppliers, there was no perception of a change in volume by one respondent and the other declined to comment.

Campus-based suppliers

There was a fair degree of unanimity amongst these non-consortial suppliers: three responded that consortia had reduced the volume of trade within their own supply sector and one declined to comment.

Specialist suppliers

One of the two consortia suppliers noted that specialists' volume of trade could actually improve in a niche market as long as consortia member libraries were not obliged to order through one mainstream supplier; the other declined to comment. The UK non-suppliers noted no change in volume of trade as a result of consortia.

### 4.4.1.5 Operating margins: the library supply sector

Suppliers responding universally regarded operating margins as having tightened through the effects of consortia.

General suppliers

All consortia suppliers to public libraries reported reduced margins, one referring to increasing pressure by consortia on discount levels offered by suppliers that gave no reciprocal benefits through streamlining of servicing requirements. Another cited a general rise in discount levels following the NBA that was then amplified further by consortia.

Academic suppliers

Three of the four suppliers, including both with consortia contracts, were unanimous in referring to a devastating impact by consortia on operating margins within their supply sector, of which one stated that the face of library supply in the UK would change irrevocably within the next five years. One of the non-consortium suppliers cited a stark choice by suppliers with pre-existing academic or public market share to lose turnover or profit margin, or set margins at unrealistic levels to retain existing market share. This respondent targeted medium-sized companies as especially vulnerable, whilst large suppliers had had to reduce service quality or fail to complete a contract as specified. Public library suppliers previously secure under the NBA were now seriously de-stabilised whilst it was only overseas business that was sustaining academic suppliers. The fourth supplier declined to comment.

Campus-based suppliers

Three of the four respondents referred to reduced profit margins in their sector; one supplier further noted the indirect effects of increasing discounts also for non-consortium libraries. The fourth declined to comment.

Specialist suppliers

The two UK consortium suppliers specifically cited an over-emphasis on unrealistic discounts as having tightened margins for this sector whilst the overseas consortium supplier also reported reduced margins. The non-consortium supplier saw no effect of consortia on this sector.

### 4.4.1.6 Stability of market: the library supply sector

A representative cross-section of suppliers responding from all sectors extrapolated from their own local circumstances to confirm fluctuations in library supply sector overall business.

General suppliers

All three consortium suppliers confirmed effects of a fluctuating market within their supply sector attributable to consortia. To one respondent the effects mirrored those at local level by exchanging short-term stability with increased volatility between contracts. Another cited consortia as responsible for polarisation in types of stock purchased in public libraries depending on discount levels.

Academic suppliers

Within their library supply sector, those two supplying consortia saw little overall effect on customer business, although when fluctuations did occur they were more intense. The respondent not currently supplying consortia, by contrast, reported substantial movements of clients that had negatively affected all suppliers and most libraries.

Campus-based suppliers

The three respondents held varying views as to effects by consortia on business stability within their sector. One considered that there were no serious effects on a base that would normally fluctuate, another referred to greater instability in client base whilst a third saw a return to a more secure position after a period of uncertainty.

Specialist suppliers

The responding consortium supplier expressed concern as to potential fluctuations in their niche market if they were restricted to UK business. One non-consortium supplier saw no effect on their customer base. Two suppliers declined to comment.

4.4.1.7 Volume of trade: the publishing industry

Few of the suppliers responding across sectors were able to offer insights into the effect of library purchasing consortia on the business of book publishers, who were their own suppliers, although their own discount terms attracted comment.

General suppliers

There was some variance amongst consortium suppliers of the influence of consortia on volume of publishers' business. One had noted no effects, but two respondents had experienced at least a short-term increase in volume of libraries' orders to publishers as a result of discounts offered by suppliers. A further comment was made that the library supply sector made up a very small proportion of publishers' business. The non-consortium supplier referred to minimal involvement in consortial library supply by publishers as long as the overall market value remained stable.

Academic suppliers

One consortial supplier responded that there had been a possible increase of volume of trade to publishers, but again fluctuations could be more intense. The non-consortium supplier had not noticed a change and the other two declined to comment.

Campus-based suppliers

Two of the three respondents were unable to comment whilst the third reported minimal if any change.

Specialist suppliers

All respondents had insufficient information to be able to comment.

4.4.1.8 Operating margins: the publishing industry

There is an underlying assumption by publishers that the uniqueness of their product does not require provision of discounts to suppliers.

General suppliers

Two of the consortia suppliers see no effects by consortia on publishers' margins. The third respondent reports minimal increases in discount by publishers to suppliers that have generally caused margins to decline, as suppliers' discounts to consortia are not being matched by publishers. Consortia's own expectations however are that increased volumes of business to publishers should generate higher discounts throughout. This supplier made the important point that this was unlikely, as publishers vary discounts depending on where its client is located in the book supply chain (rather than on the client's turnover) and suppliers approach an enormous range of publishers in the course of their contracts. The non-consortium respondent added that publishers would not improve discounts to suppliers if all that is achieved will be a transfer in market share between suppliers; a growth in value is initially required.

Academic suppliers

The two consortia suppliers report lack of discounts from publishers in their supply sector. One noted that suppliers could enter into more of a partnership with publishers, whilst the other confirmed that significant amounts of business are moved around suppliers, which might have a negative impact on terms and conditions available. Resulting increased direct costs could adversely affect publishers' margins. For the overall library supply market, when the number of channels of supply are reduced, so is publishers' ability to negotiate improved terms, again with negative effect on publishers. The non-consortium respondent postulated that successful consortia suppliers would be able to apply pressure towards discount from publishers.

Campus-based suppliers

Of the three respondents, two suppliers reported the effects of consortia on publishers' margins as unchanged and one as not applicable.

Specialist suppliers

All suppliers in this sector reported consortial effects on publishers' margins as unknown. One respondent however noted that certain consortia suppliers win consortia business with additional discounts in order to raise their own order volume and terms from publishers. This would in turn expand activities of a few suppliers to the detriment of market competition, which would eventually lead to a decline in discounts available to library consortia.

4.4.1.9 Stability of market: the publishing industry

General suppliers

Two of the three responding consortia suppliers saw no influence by consortia on publishers' market demand, whilst the third noted an increase in publishers' business through a perceived rise in volume of consortia trade.

Academic suppliers

One consortium and one non-consortium supplier cited a neutral effect on publishers' demand, and the third referred the question on to publishers.

Campus-based suppliers

Two of the three respondents replied variously that effects were unchanged and not applicable and the third was unable to comment.

Specialist suppliers

None of the specialist suppliers was able to comment on effects of consortia on publishers' market demand.

### 4.4.2 Periodicals suppliers' responses

This compact group of four respondents displays relative homogeneity in terms of existing library purchasing consortia contracts, available technology, client base and commercial pressures on business activities. Although a certain amount of agreement in questionnaire responses, detailed below, would be expected there is also a surprising amount of variance in the replies given. Three of the four suppliers kindly consented to be interviewed and provided most useful additional information.

#### 4.4.2.1 Volume of trade: suppliers' own business

Three of the respondents indicated that purchasing consortia had increased their volume of trade, whilst the fourth reported that volume had remained the same. The latter supplier also noted (in general agreement with other consortium suppliers) that there were no economies of scale achievable in supplying to consortia: increased volume meant increased costs.

#### 4.4.2.2 Operating margins: suppliers' own business

Respondents split evenly on this point: two reported that consortial contracts had produced no change and two noted that their margins had decreased. Of these latter one added that the decrease had been due to the twin factors of improved terms to consortia and reduced discounts from publishers.

#### 4.4.2.3 Stability of market: suppliers' own business

There was universal agreement amongst respondents regarding the mixed impact of consortia on stability of their client base, which was characterised as providing short-term security for the duration of a contract with much greater instability at contract end. This is seen by one supplier as generating the potential for major shifts in business within the periodicals supply sector which could lead to a 'domino effect' within the industry. Another respondent agreed, referring to the 'huge implications' attendant on loss of contract. In a follow-up interview a third supplier noted a shift in perception amongst periodicals suppliers towards short-termism in contract servicing, having moved on from the previous expectations of indefinite periods of customer loyalty. This change in attitudes appears to be a general theme amongst library book as well as periodicals suppliers.

#### 4.4.2.4 Volume of trade: the library supply sector

Two of the four respondents reported consortia as having produced an overall increase in the volume of trade accruing to the periodicals supply sector, one noted a stable state and the fourth that the sector's turnover had decreased.

4.4.2.5 Operating margins: the library supply sector

All respondents reported a sectoral decrease in operating margins resulting from consortia in the periodicals supply industry, of which one considered that the effect was slight.

4.4.2.6 Stability of market: the library supply sector

Two suppliers noted that the overall market for periodicals supply had not altered in size, although one referred to increased movements of clients between suppliers. The other two considered that the sectoral situation reflected that pertaining within their own business with short-term stability holding for the duration of supply agreements, which then became much more volatile at re-tender with increased potential for negative implications.

4.4.2.7 Volume of trade: the publishing industry

As has been discussed above, periodicals suppliers maintain a different relationship with publishers from their bookselling colleagues, which fosters an atmosphere of partnership. Publishers, in their role as suppliers to periodicals agents, are seen as providers of primary content to be made accessible via subscription agents' gateways, as well as potential clients for marketing and promotional activities. There are also areas where technologically rich publishers might offer services in competition with subscription agents and provide direct access to their resources for libraries and consortia. It is not necessarily anticipated by periodicals suppliers that provision of value-added services to library clients would present a competitive edge.

Two of the three respondents perceived that purchasing consortia had reduced to some extent publishers' volume of trade whilst the third reported no change. One explanation could be the successful implementation by periodicals suppliers of 'one-stop' electronic information gateways to provide a unified interface to a variety of journals by different publishers, which would otherwise require individual access arrangements for consortium member libraries.

4.4.2.8 Operating margins: the publishing industry

Three respondents noted that publishers' operating margins had remained the same, of which one reported that prices had increased. The fourth supplier declined to comment.

4.4.2.9 Stability of market: the publishing industry

All three suppliers responding reported that publishers' market demand had remained unchanged.

## 4.5. Conclusions

From the foregoing survey it is clear that there are enormous changes in many areas presently affecting suppliers of books and periodicals to libraries. Whether one directly ascribes to library purchasing consortia a significant influence in stimulating change, depends on relative perspective on the library supply industry from a vantage point in the marketplace. While the increase of consortial activities across library sectors has coincided in time with structural upheavals for suppliers, it is questionable whether purchasing consortia have been more influential than, for instance, the demise of the NBA, the general introduction of EC procurement directives, local government reorganisation, restricted library budgets or the global advent of broadband network technology. Each has contributed in its own way to destabilising existing circumstances that in many areas have represented a long history of practice and informal agreement within the library supply industry. It is difficult to unpick the complex interactions of factors to arrive at a definitive statement of cause and effect, particularly as it could be argued that reciprocal and combined influences are as powerful as single ones and there is every chance that change would have happened in any case.

Book and periodicals suppliers to libraries operate in very different environments and their relations with library purchasing consortia reflect their separate circumstances. Each sector has reacted differently to the involvement of consortia in the marketplace, which for library booksellers presents a patchwork of very individual concerns depending on target market, niche provision and nature of business. The larger periodicals agents sampled, by contrast, operate under a much more uniform framework; even so, their responses are not as unanimous as circumstances might suggest. Nevertheless, for all library suppliers there are common views regarding the influence of library purchasing consortia on the market that emerge from survey responses by both sectors.

The following positive benefits are seen by suppliers to derive from tendering successfully for library purchasing consortia business, at least in the medium term:

- working partnership to an agreed specification that takes account of partners' needs;
- steady volume of trade as long as service levels are maintained;
- more transparent costings for duration of contract;
- capacity planning benefits;
- opportunity to streamline business practice;
- ability to introduce new services.

Shared concerns amongst all suppliers include the following:

- discount levels to consortia may be set at unsustainable levels that will eventually alter the marketplace;
- market share to suppliers has become more volatile in the medium term;

- insufficient standardisation amongst consortial members' requirements to achieve economies of scale;
- consortia agreements too restrictive on suppliers and not restrictive enough for member libraries;
- quality of service provided by suppliers will inevitably decline as margins are reduced;
- concessions from publishers to consortia suppliers are likely to remain low or non-existent;
- the 'all or nothing' nature of consortia contracts has operational implications for suppliers.

### 4.5.1 Implications for the book supply sector

There is no doubt that the library book supply sector is in disarray. Although this report has focused specifically on those factors affecting the library supply market, there have been a number of significant recent developments throughout the book supply chain that bear repercussions for library suppliers. As this study draws to a close we are beginning to see the formation of ground-breaking partnerships between previously disparate links in the chain that could in time have far-reaching consequences on the overall structure of the industry. These include new agreements between large library suppliers and leading general retailers and even the merger of a library supplier and an independent wholesaler. Effects anticipated from such moves include a breaking down of traditional differential levels of discount set to reflect the bookseller's position in the supply chain by both publishers and wholesalers, all of whom will find it increasingly difficult to justify historical practice based on what is now an outmoded market model.

The wide-scale introduction of technology also is serving to shatter established assumptions about what has up to now been an inward-looking industry. Although Internet bookshops are as yet new to the UK compared to their market penetration in the US, librarians in the UK may be beginning to take advantage of the favourable terms on offer for overseas materials that ostensibly include rapid delivery at lower cost. As an increasing number of UK booksellers are also beginning to set up Web-based interfaces to capitalise on the growing trend for public online ordering facilities, it is possible that the face of UK book supply will look very different even within the next twelve months. It is clear that those UK library suppliers whose operations are not fully computerised are already operating at a competitive disadvantage. Other library suppliers see in technology future potential for partnerships to form, as developments in machine-readable bibliographic data gather pace with active input by librarians and automated systems suppliers. As a stimulus to electronic data interchange, the move towards unified interfaces to facilitate data and library management processes are seen as a positive outgrowth of the activities of library purchasing consortia.

### 4.5.2 Implications for the periodicals supply sector

Compared with library book suppliers, the widespread introduction of technology on a global scale has already served to transform the face of library periodicals supply. Without the recent after-effects of the lifting of long-standing national trading restrictions as for booksellers, periodicals agents have been well placed to capitalise on earlier technological investment and take advantage of developing conditions and infrastructure worldwide. Parallel advances in their client base have meant that innovative systems and services could be implemented that were tailored to fit the needs of their market, justify development costs and extend the scope and demand for future business. As subscription agents' services are also targeted to respond to multiple institutional clients, they see library purchasing consortia as representing the future direction of library supply for their sector which is a trend amply confirmed by international experience.

Future concerns and opportunities for this more stable library supply sector are likely to centre round global intellectual property rights, copyright agreements, digitisation and archiving initiatives, site licensing considerations and establishment of appropriate models to take account of these factors in facilitating access to electronic information, alongside continuing technological expansion. The ongoing debate regarding parallel publication of electronic and printed media will continue to involve suppliers in issues such as widening access to full-text sources through partnerships with primary and secondary publishers. Technological capability will not be sufficient on its own to guarantee commercial security, however: content provision will become ever more key in a marketplace that has traditionally acted as an intermediary. It remains to be seen whether advantageous positioning as well as flexibility will see periodicals suppliers through indefinitely, but to this sector to date consortial supply represents more of an opportunity than a threat.

# 5. SYNTHESIS OF FINDINGS

## 5.1 Enabling factors for consortia formation

The findings presented above emphasise the wide range of factors acting to facilitate the formation of library purchasing consortia, whether political or economic, public or private sector, affecting several types of library or supplier or one only. Summary details of those more important follow, loosely grouped according to preceding report section, although parallel themes may be addressed collectively. The dynamic nature of the circumstances reiterates that the relative importance of catalysts for change may vary over time: some of those pinpointed as likely agents at an early stage of the research have since been supplanted by others whose influence has grown in the meantime. Similarly, some factors may act both as enablers and as inhibitors for library purchasing consortia formation, depending on stakeholders' points of view and attitudes prevalent in the marketplace. These are presented in both this and the following section.

### 5.1.1 Political and economic factors

Expenditure levels across all library sectors

There are no library sectors in this study whose expenditure has kept pace with increases in prices for library materials. Although acquisitions budgets have risen in public libraries, they display lower overall stock levels and reduced real book spend (calculated at 11% on books bought between 1995 and 1998) when set against price rises and inflation. Higher education libraries also show a decline in real book spend per capita of over 40% over the surveyed ten year period during which their number of users has sharply increased. Data are more incomplete for health and further education libraries, but it may be inferred also from their stock acquisition patterns that their users have not benefited from enhanced bookstock at a time when their presence has expanded and diversified.

Periodicals expenditure represents a significantly greater proportion of the materials budget in higher education and health libraries than in public and further education libraries, and has grown substantially in the past ten years. Here too, however, real spending levels per capita have declined badly when set against increasing numbers and types of users, steeply escalating prices, inflation, and expansion in volume and range of titles available.

Of central importance within these sectors has been the higher percentage of spend on journals available in electronic formats, via stand-alone or networked access arrangements that may extend or replace existing subscriptions for printed media. However, expenditure on electronic resources available via CD-ROMs or networked services extends beyond periodicals to include datasets, bibliographic and abstracting subscriptions, software, and multimedia. Additional dedicated bandwidth for UK universities provides Internet access via the SuperJANET network, broadening resource availability to the higher education community nationally together with potential or actual expenditure at library or institutional level. Variations in site licensing policies under the NESLI and CHEST initiatives result in a range of alternative models of payments and subscriptions for accessible services, all of which may have an effect on academic libraries' materials budgets alongside allocations for books and periodicals.

In public libraries, spending on non-print materials, such as audio- and video- cassettes, represents an increasing part of the resources budget. Within the ten-year period under review spending on video recordings in public libraries increased at about five times the rate of the book fund, and was quantifiable at a limited level in the most recent published survey of further education libraries. It is significant that collaborative purchase of audio-visual resources within the public library consortia surveyed shows almost complete contract coverage for this sector at comparable levels to books.

Factors affecting the main markets

Book prices surveyed at the start of the ten-year period followed similar overall patterns to the Retail Price Index, but by the beginning of the 1990s prices began to rise sharply at a higher rate than inflation and then declined until the latter years of the decade. The greater proportion of published new titles to backlist shows a comparable trend, but new book prices remain slightly ahead of existing lists and well beyond the rate of inflation. By the early 1990s book price increases could be shown to have restricted acquisition levels in both public and academic libraries, chartable separately in the types of materials of interest to each sector: hardback, paperback, fiction, non-fiction, children's, adult and reference books for public libraries and academic subject titles for higher education and health libraries. In recent years there has been a greater proportion of new adult fiction titles released in hardback than in paperback formats, although numbers are down. Hardback adult non-fiction including reference has not been subject to much price change. Children's paperbacks have shown a sharp price rise. For higher education and health libraries, the price of academic books in the United Kingdom has consistently outperformed the Retail Price Index as well as *The Bookseller's* new book price index. The greatest increases have been seen in social sciences, humanities and sciences subjects published in the UK, where comparable titles originating from the USA by contrast show a decline. Here again moderate price rises up to the mid-1990s are beginning to increase more rapidly towards the end of the decade. For books of interest to health libraries, medical books display only limited price movements although biological sciences continue to rise more quickly.

As previously noted, periodicals prices are of most concern to academic and health libraries for which they comprise the major budget allocation. International price comparisons indicate substantial increases throughout the middle years of the 1990s beyond the rate of inflation. Further country analysis reveals much larger price rises in recent years amongst scholarly journals published in the United Kingdom than those in North America. In line with the subject categories above, additional detailed trends are available for humanities and social sciences, science and technology and medical journals. All areas show price increases, of which the greatest sustained trend occurs in medical and science and technology periodicals emanating from the UK. A slight reduction in percentage growth in 1998 may possibly be attributable to an expansion of electronic format journals into the paper-based market for both library sectors.

## Electronic publishing

The growing importance of electronic publishing to all libraries, users, and information providers has become a key factor for purchasing consortia worldwide. By widening access to a rapidly increasing range of full-text resources with often little or no cost implication to the end-user, the global nature of electronic information delivery encourages libraries to extend their collection management frameworks beyond their institutional boundaries. The concept of resource sharing in the electronic medium has enabled libraries to take advantage of cost savings achieved by the negotiation of licences to cover multiple institutions as well as their sites, at their most extensive giving rise to access and licensing agreements at national level. In the UK such an approach to electronic information provision is more advanced within higher education and health libraries as indicated by their greater proportion of expenditure for this type of resource, although public and further education libraries should gain the connectivity in the medium term as heralded by such initiatives as the EARL consortium for public libraries.

For higher education libraries across the United Kingdom the PSLI has now been superseded by NESLI, with a central objective of increasing the take-up of electronic full-text journals amongst academic institutions. As we have seen, it was the Combined Higher Education Software Team (CHEST) that first pioneered national level negotiation of site licences for the academic community in the late 1980s and thereby established a future model for electronic information purchasing. Neither CHEST nor NESLI is a consortium: they both act as official **agents** for the HE sector as a whole, but have no membership. Nevertheless, their operation is an important adjunct to the activity of consortia.

NESLI is presently the recipient of pump-priming monies provided by the Joint Information Systems Committee (JISC) as part of their centrally funded Distributed National Electronic Resource (DNER) development programme. NESLI is progressing issues flagged up by the PSLI for interim consideration including model licensing frameworks, provision of accessible archive materials (in conjunction with the JSTOR electronic journal archive mirrored through MIDAS), levels of institutional access subscriptions, unified gateway interface and the application of VAT at the full rate. The scheme is also deriving working definitions for concepts with international implications including fair use, authorised users, inter-library lending, reproduction, access versus ownership and security arrangements via the implementation of the JISC/UK Publishers' Association model licence. It remains to be seen whether NESLI will be able to become self-sustaining as it aspires by the year 2001, and to what extent it influences existing higher education library purchasing consortia agreements for electronic media during this period.

Some disquiet is currently being expressed, not only in the HE sector, but also by representatives of subscription agents and publishers, at the way the present NESLI model is structured. As NESLI becomes self-financing, the position of the managing agent will entail a major conflict of interest: the agent will negotiate licence terms with publishers on behalf of libraries; however, it will be paid, like any serials agent, out of commission from the publishers. It must be stressed that these are criticisms of the NESLI **model**, not of the activities or intent of any involved in its implementation.

Taking the lead from higher education libraries, UK NHS libraries are also looking towards electronic information resources and services to provide collectively for their own needs, and the period of this study has seen significant advances for this sector. As this report goes to press the new National Electronic Library for Health (NeLH) will imminently be launched as a direct outcome of the Department of Health's information strategy paper (*Information for Health*, 1998). The NeLH will extend to national level consortial purchase arrangements previously negotiated individually by NHS Trusts and education and training consortia, to cover the electronic information needs of their own regions, health authorities, libraries and constituencies. It aims to provide universal access to a knowledge platform containing core electronic resources for access by a wide range of users, envisaged to establish a library development programme as well as virtual branch libraries for sets of competences themselves supporting NHS national service frameworks. Its remit will cover public health bodies, hospitals and primary care groups, as well as developing actual and virtual links beyond the sector to include local authorities, environmental health agencies and the National Grid for Learning. Once a body of core resources has been identified and details of the infrastructure for delivery finalised, it is anticipated that negotiations will proceed with publishers for collective access to expanded resources on behalf of NHS Trust libraries along the lines of the NESLI framework. The NHSNet initiative under way in parallel is also expected to take its lead from the academic community's SuperJANET network infrastructure, to extend electronic information provision to a much wider group of health practitioners and users.

Outside the UK, consortia purchase agreements to enhance library access to electronic information continue to proliferate. Mention should be been made of the International Coalition for Library Consortia (ICOLC) and the global nature of its consortia membership, most of which comprise regional groupings in North America of academic, research and some public libraries although participating bodies also are drawn from Australia, the Far East and Europe. The dramatic growth of newly formed consortia amongst ICOLC membership in the past eighteen months graphically illustrates the suitability of co-operative purchase for electronic information access and provision. Other pilot initiatives based in the US offering collaborative agreements to cover electronic journals include the JSTOR archive mirrored by MIDAS and also the Scholarly Publishing Academic and Research Coalition (SPARC), actively negotiating licensing agreements with publishers to permit direct end-user access via participating academic institutions worldwide. In Europe, the Finnish government is aiming to set up a consortial national licence for electronic information provision including archiving under the FINeLib programme, along similar lines to NESLI. Although there is evidence also for transnational library co-operation elsewhere in Europe as with the Dutch-German libraries model licence, there is much harmonisation as yet required between European states' treatment of such matters as copyright restrictions before a true pan-European approach to electronic information access could be developed.

Political and regulatory frameworks

As this report is prepared, in academic and research libraries across the European Union there are current very real concerns about the forthcoming definitive interpretation and implementation of the European Copyright Directive as it affects access to and reproduction of electronic information. Parallel in time with scrutiny of related issues in the United States, restrictions on European access to materials for educational use look set to be tightened beyond those existing at present. Already more stringent than legislation in the UK, which provides limited reproduction rights for academic users, new proposals seek to create a Europe-wide mandatory framework of payment to rights-holders for copying of digital resources for any purposes and by any means, including photocopying and recording on to floppy disk. Digital resources in this case refers to all original formats including compiled resources such as databases, and copying includes new regulations covering tampering or manipulation of original works. There is already a wide variance in practice between individual member states' interpretations of what constitutes fair use for exemption purposes, but all states would be required to standardise frameworks according to European Union dictates. It remains to be seen whether the passage of the Directive in its present form would stimulate the formation still further of library purchasing consortia within national boundaries: collective licensing agreements negotiated at whatever level could come to look even more attractive if avoiding a hornet's nest of individual institutional restrictions.

We have already marked the widespread influence of the European Commission's purchasing directives covering works, goods and services in publicly funded bodies, in stimulating the growth of library purchasing consortia in the United Kingdom in all sectors of our study. Detailed guidance on best practice procedures applying at all stages of the tendering process, from invitation to bid to award of contract and beyond, has combined with greater awareness of threshold contract values and inaugurated continuing successful partnerships between purchasing professionals and librarians. Also affecting all types of library under investigation has been the new Labour government, with a raft of fresh policies and programmes targeted at various modifications to public sector spending allocations. Libraries amongst other public institutions have received uncharacteristic attention in the planning of infrastructure and content for a National Grid for Learning, a People's Network and an NHSNet. Such Government initiatives as 'best value' have focused the energies of public authorities on management modifications in their areas of responsibility including libraries, which will foster efficiencies and achieve cost savings. Elevating the planning vision nationally to address the concept of libraries within regional, rather than local, frameworks has created opportunities for cross-sectoral partnerships, which could provide more cohesive geographical frameworks to foster the formation of library purchasing consortia.

Publication of the Audit Commission's *Due for Renewal* report, with its recommendations for improvements in stock management policies and processes, has more recently led to a series of District Audit Office reviews of public library services serving the UK regions. Proposals for achieving best value have included establishment of library purchasing consortia, particularly within distinctive political entities such as Wales, whose libraries' bookfunds have been restricted in the aftermath of local government reorganisation. Further opportunities for progressing such initiatives will be addressed by the forthcoming Welsh National Assembly. Following reports and consultations stemming from the *New Library* and National Grid for Learning policy papers, the

Library and Information Commission is about to take over responsibility from the British Library Research & Innovation Centre for national library research funding programmes, as well as detailed implementation of the People's Network. Partnerships between library sectors and regions as the infrastructure is designed and emplaced will offer additional scope for collaborative purchasing. At local level, public library authorities have now begun to adjust to administrative changes arising from local government reorganisation, which has already given rise to purchasing consortia in those areas where the process was completed earliest. It remains to be seen how many authorities will follow their lead, when faced with the stark choice, as in some metropolitan areas, of either taking radical efficiency measures or closing branch libraries.

For higher and further education libraries the period post-Dearing has not been characterised by significant structural or policy changes. The established role of regional purchasing consortia in managing academic sector expenditure has continued to expand activities into new library resources contracts. Recent continuing developments of the national networking infrastructure have streamlined Internet access for the academic community, and launched several centrally funded initiatives described earlier for improving collective higher education access to scholarly electronic publications. The thrust of best value in these sectors has to date been focused on achieving quality, consistency and accountability in teaching, learning and research, where academic library resources underpin successful teaching quality and research assessment exercises. Publication of an Audit Commission report examining best value in higher education is imminently awaited. Although further education libraries are not as far forward in consortia purchase as other sectors, partnership opportunities arising through lifelong learning, the University for Industry, collaborative technology and resource development, workplace training programmes and regional development agencies will all help to disseminate into further education co-operative models of best practice found to work elsewhere.

Much has happened in NHS libraries since the start of our research period that will foster library purchasing consortia. Interest expressed by the NHS Executive in negotiating national level contracts for NHS libraries was further stimulated by the present project, resulting in a tendering exercise for books, periodicals and stand-alone electronic media to supply all NHS libraries. Shortly to be completed and evaluated following this report's deposit, it is envisaged that national contracts will be awarded by June 1999. These will be voluntary agreements that will complement existing initiatives, deliberately formulated to exclude the networked resources that will form the core material for the National Electronic Library for Health and to be operational independently in time scale from the developing NHSNet. The tender evaluation will coincide with the redrawing of NHS regional boundaries, which is anticipated to affect inter-Trust collaboration that has formed the basis for established independent models of purchasing consortia within NHS libraries. It may be assumed that this trend for centrally harmonising earlier unco-ordinated local initiatives will continue in the NHS's own bid for best value, installing overall flexible frameworks that will be amenable to regional adaptation to suit local trust needs.

Finally, no mention of regulatory frameworks and their impact on library purchasing consortia formation could be complete without a reference to the demise of the NBA. Its passage has done much to remove a culture of restrictive practice that had characterised library relations with their book suppliers throughout this century, and has helped to instil in libraries a more market-driven approach that seeks to establish true cost of goods and services. With book discounts now open to negotiation at a time when librarians are under increased pressure from authorities to justify expenditure and demonstrate best value, purchasing consortia are a positive response that promote independently established guidelines for good practice in partnership with purchasing professionals and suppliers. Although the NBA and its ramifications have had widest implications for public libraries and their suppliers, all sectors have benefited from the opportunities presented by its removal: to evaluate their collection policies with a fresh view and gain service improvements as well as cost savings.

### 5.1.2 Consortia survey results

#### Models of operation

There are a number of positive indicators for successful purchasing consortia activities in all libraries surveyed. Two of the most key characteristics are the prevalence of the consortial purchase model in each library sector as well as within the individual institutions or authorities from which membership is drawn, and the active participation of purchasing professionals throughout the tendering process. Higher education libraries are most likely to benefit from these circumstances, with their well established regional consortia structure covering many commodities to which consortium member institutions may recourse. Similarly, the presence and advice of purchasing officers with long experience of tendering and collaborative agreements is most uniformly reported by academic library consortia, which are able to draw on their involvement and expertise at all stages of contract award and management. Public libraries, too, often have a collaborative purchasing framework in place through their home authority, although this is not necessarily seen as a development opportunity for library materials within this sector. Purchasing professionals again are available for consultation, with evidence that their active participation can make a vital difference to levels of consortial activity, economies of scale and savings achieved by member libraries. NHS libraries also now demonstrate the powerful effects of purchasing officers’ involvement within a structured purchaser-provider culture, having elevated collaborative library purchase of materials from local to national level under the leadership of the NHS Supplies Executive. The importance of a programme of meetings to guarantee continuing levels of membership consultation was also reported by each of these three library sectors, where the regularity and structure of the meetings varied according to established practice in member institutions. When consortial purchasing procedures, including active involvement of purchasing professionals, are actively in progress, it is more likely that consultation meetings for management and communication will follow a preferred structure. Smaller, more informal groupings often involving librarians only also rely on meetings as a continuing part of their activity, but these are likely to be held occasionally for updating purposes.

#### Membership and contract management

The flexibility of membership arrangements is an important consideration for libraries when deciding whether to enter into consortial purchasing agreements. These may be reflected in provision for members' contributions, guarantees of benefits, retaining individual servicing profiles or the ability to opt out of particular contracts or consortia activities themselves. Subscription charges apply to the majority of higher education and public library consortia responding, which may be a feature of collaborative purchasing arrangements generally in these sectors. Although there is a greater expectation that public libraries would favour tailored servicing as part of their book supply agreements, amongst surveyed consortia those in the public sector were more likely to report standardised requirements than in higher education and health libraries. The majority of consortia responding permitted withdrawal from the framework to at least some degree.

In contract management, the need for transparency at all stages of tendering, contract award and post-award management was emphasised by most consortia surveyed. The majority expressed preferences for detailed costings by suppliers that included their own price from publisher, discount levels and separate itemisations of supply and servicing. The benefits of a standardised processing specification (such as the NAG standard) that could be tailored to suit individual consortial needs were noted across library sectors. The European Commission's procurement directives provide good practice even for those smaller consortia whose expenditure does not meet threshold levels. Supplier selection criteria need to strike a balance agreed between individual members and the collective values of the consortium, which may typically display variable levels of weighting between cost of item, speed of supply and quality of service. Post-award monitoring with regular supplier input is regarded by all as an important activity to ensure contracts are kept on track for their duration. There are differences in length of contract according to size of consortium surveyed, the larger groupings typically operating three-year contracts with a two-year extension available, whilst those smaller run annual contracts. Sectoral differences were apparent in numbers of suppliers chosen per contract, which appears to reflect procurement advice available.

Consortial expenditure and savings

The greatest inducement and enabler for a library to enter into consortial purchase agreements is, of course, the level of savings to be made on library expenditure. The consortia survey report includes consortia spending estimates aggregated from separate published accounts contributed by individual member libraries, which show predictably a range of market penetration per library sector in terms of existing and potential commodity contracts. The widest distribution of consortia contracts across library sectors predictably is demonstrated by books contracts, represented in all types of library surveyed. Our estimates indicate general savings achievable on books through consortial discounts available to respective sectors of the order of £2.8 million on higher education and £2.47 million on public library expenditure. In percentage terms consortia books contracts cover approximately 75% of higher education library bookspend, 13% of public library bookspend, and 6% of NHS library bookspend. Periodicals and their appropriate consortial discounts to library sectors generate indicative savings of the order of £652k for higher education and £21.3k for NHS library expenditure. Here, where no periodical contracts are active in public and further education libraries, estimated proportions of spend are 53% consortium coverage for higher education libraries and 16% for NHS libraries. Some electronic media may be included in the latter percentage, but for itemised electronic media expenditure existing higher education consortia contracts cover 32% of overall consortia spend and NHS contracts cover about 66%. In more limited commodity areas, binding contracts in higher education and public sector consortia cover approximately 9% and 76% of consortia spend respectively, whilst audio-visual public library consortia contracts cover 98% of reported consortia spend in that sector.

Another area of growing cross-sectoral interest is in library management systems, whose impact is as yet too early to generate figures for comparative purposes. Clearly there is much scope yet for consortial savings on contracts even within those consortia already active, let alone in collaboration not yet underway.

### 5.1.3 Suppliers' survey results

#### Impact of library purchasing consortia on their suppliers

How library suppliers perceive library purchasing consortia clients depends on their particular niche of supply of books or periodicals, and whether they currently operate consortia contracts. Past experiences of (un)successful consortia contracts as well as future potential for supply also act to colour their points of view, which reflect individual circumstances set within overall market conditions. Library book and periodicals supply are distinct in their attitudes towards consortia, and the highly fragmented nature of book supply particularly does not readily lend itself to generalities. Survey questions asked of suppliers were designed to determine their views of enabling and inhibiting effects of consortia on their business as well as wider implications for the library supply sector and the publishers that are their suppliers. A number of potentially positive influences of consortia on supplier business were grouped according to the presence or absence of current contracts and future possibilities for their development. The majority of booksellers with present consortia clients cited advantages in volume of trade, long-range capacity planning, stable discount framework and transparent costing structures, whilst several noted that a wider range of services and more efficient business practices could be made available to clients. Independent analyses confirm the positive impact of library purchasing consortia on efficiencies in suppliers' warehousing organisation, whilst increasing interest is also evident in introduction of suppliers' book selection services. Several respondents qualified the above benefits however by noting that the volume of trade was not guaranteed, capacity planning was only tenable for the duration of contracts and that discounts may have stabilised at uneconomic levels. Periodicals suppliers to consortia concurred that volume of trade, *medium-range* capacity planning and stable discount frameworks were benefits from the process, although the inclusion of volume guarantees would be preferable. As providers of primary and secondary electronic information resources to libraries, there is a view that periodicals suppliers see consortia as the future of library supply.

#### Effects of library purchasing consortia on the supply chain

Suppliers were also asked to comment on whether consortia had affected volumes of trade, operating margins and stability of client base or market: on their own business, the library supply sector and the publishing industry. Increased volumes of trade to individual book suppliers had resulted in a change in mix of supply with additional pressures for consortia client retention, although individual members' ability to opt out of contracts meant that consortium potential was not being achieved. Continuing book supply to overseas clients and of specialist materials not available elsewhere also made up for increased volatility in the UK library market. The general effect of exchange of short-term stability for greater uncertainty at the end of contracts was also seen as an influence at supply sector level. Periodicals suppliers noted a growth in volume of trade by consortia to their own business, although there are no economies of scale to be achieved: increased volume means increased costs. Unlike with books, for suppliers of electronic information multiple institutional clients are a norm and represent less of a cultural shift from established patterns. As partners with publishers in providing electronic gateways for their primary content, there was a view amongst agents that many publishers had lost volume through agents' access and licensing arrangements, although some publishers of electronic primary content also offer direct access in parallel. Partnerships with consortia can have potentially positive effects especially where suppliers can work with them to mutual benefit, to develop improvements in data transfer and management processes in book supply and innovative systems and services for electronic information provision.

## 5.2 Inhibiting factors for consortia formation

### 5.2.1 Political and economic factors

Stakeholders and their cultures

By far the greatest barrier to widespread change in library purchasing practice in the United Kingdom is the structure of the traditional library supply market, entrenched for nearly a century under the NBA. The cultures of all stakeholders have been affected by the roles and functions embedded in an established economic environment, in which potential changes and expectations are limited by a well defined framework 'that has always worked in the past'. Publishers, booksellers and librarians alike have yet to make significant shifts in their practice that would take fuller advantage of the recently deregulated marketplace to respond to dynamic market forces. Publishers continue to set discounts to booksellers according to the position they occupy in the supply chain; suppliers still provide a tailored service geared to the needs of individual library clients; libraries themselves justifiably place value on their particular collection requirements, but sometimes to the detriment of savings on collaborative bookstock purchase that would conserve resources for their patrons. All are following best precepts whose original premise is no longer a driving force, but interim responses to deregulation are still to yield longer-term solutions that can demonstrate comparable success over time.

The library supply market

Since the demise of the NBA library suppliers, retail booksellers, the supply chain and new title publication have all figured closely in predicted short-term outcomes. Economists foresaw a destabilisation of the market as library supplier profits fell, a result of increased discounts partly subsidised by higher servicing charges. The open price war drastically reducing library suppliers' margins was not anticipated, although it has as yet caused few casualties. The introduction of library purchasing consortia into the unstable supply market however has placed ever more pressure on discount levels during an already unsettled period, and raised the stakes for booksellers that can increasingly ill afford to lose substantial blocks of business. New challenges arise elsewhere, with diversification by wholesalers that already command higher discounts from publishers, entry into retail sales by large non-traditional players such as supermarkets, and the recent growth of online bookselling direct to consumers. Where some intermediaries are extending their traditional roles, there are signs that library book suppliers too are beginning to investigate partnerships with other links in the supply chain with whom they may establish complementary rather than adversarial relationships.

### 5.2.2 Consortia survey results

#### Sectoral and library diversity

Each of the library sectors surveyed retains a distinct culture of its own, which characterises its purchasing consortia activities, and acts as an inhibitor to possible cross-sectoral collaboration. Although exceptions occur in one further education consortium, whose membership devolves along geographical lines and limited informal co-operation in distinctive regions, there is little evidence of joint purchasing initiatives that are seen as meeting the needs of more than one type of library. It is possible that development of public-higher education sector area networking programmes may in time encourage future collaboration across sectors. Libraries may themselves be willing to set up formal or informal links, but the separate central funding streams from which their resources and services derive are targeted towards defined user populations and are likely to remain so for the foreseeable future. At a time when library materials budgets are coming under increased scrutiny and restriction in all sectors, there is a perceived need to serve the core groups forming part of the institutional or sectoral remit and dispense with other non-essential service areas. This is particularly the case in new unitary authority public libraries recently created by local government reorganisation, which are under severe pressure, with more limited resources, to retain service levels to a fragmented user base. Following the Government's call for libraries to become involved in regional development plans and recent District Audit Office reviews, it is hoped that dedicated funding may be allocated to promote and encourage the economic benefits to libraries attendant on cross-sectoral co-operation.

#### Type of contract

Other demotivators to libraries collaborating in purchasing within their own sectors include the retention of perceived individual library cultures and values. Where single commodity purchasing agreements exist tailored to the independent specifications of one unit (as has been long and widespread practice under the NBA), a common library misconception is to assume that only that arrangement will guarantee their needs. It is surprisingly rare to find libraries that seek out others with which they may share common ground on which to base a commodity contract. In addition there are clear signs that commodities devolve along sectoral lines in terms of resources of interest to particular types of library, particularly when evaluating the absence of collaborative periodicals contracts in public libraries that are central to higher education library consortia, and the comparative rarity of books contracts up to now in NHS libraries. Durations of contracts also manifest clear sectoral divides reflecting separate funding regimes, and the suppliers with whom agreements are made themselves occupy different niches according to type of library client: we have seen that books purchased by public libraries display very different characteristics and patterns of acquisition to those of interest to academic libraries. Future resources and services considered for collaborative purchase by libraries, such as library management systems and bibliographic data, may be of more general interest to all sectors and present wider opportunities for partnerships.

### 5.2.3 Suppliers' survey results

#### The nature of library supply

As with their diverse range of clients and the supply industry in which they fit, suppliers of books and periodicals to libraries are a heterogeneous sector whose views are highly dependent on their particular niche of the market. There is a marked divide of culture between book and periodicals suppliers that has grown out of their separate experiences during the period of the (de-)regulated environment, and further fragmentation in library book supply according to the target client group. Our survey covered general, academic, campus-based and specialist book suppliers selling to mainly public and higher education libraries. We have noted above the advantages of library purchasing consortia to suppliers, as evidenced mainly from those presently involved in consortia contracts. Identified inhibiting factors for consortia supply however are not necessarily linked to present contracts, as negative responses have been received from virtually all book suppliers surveyed whilst periodicals suppliers tend to be more positive. Nevertheless there was a fair degree of unanimity expressed by all suppliers in the following inhibitors to consortium supply:

- Unsustainable discount levels that will ultimately alter the marketplace;
- A more volatile market share in the medium term;
- Insufficient standardisation in consortium member requirements to achieve economies of scale;
- Excessively restrictive agreements for suppliers that are too flexible for consortium members;
- Declining quality of service as margins are reduced;
- Inadequate concessions from publishers;
- The operational implications of 'all or nothing' contracts.

In addition to these, further concerns were reported regarding unrealistic terms and conditions, cumbersome tendering processes, and restrictions of size, facilities, capabilities or geographical location. Periodicals suppliers are a more homogeneous group of whom all responding successfully operate consortia contracts at present, although perceiving a shift from long-term customer loyalty to a more short-term contract-driven approach with greater uncertainties attendant.

Market pressures

The greater market pressures impinging on book suppliers to libraries are at least partly due to their limited presence: only 5.6% of the overall domestic market, although overseas business acts to compensate for the more volatile conditions in the UK. The after-effects of the NBA demise have created a dynamic tension between customers' expectations for a continuation of high-quality supply and service provided within the recent constraints of much-reduced operating margins. The upheaval and fight for market share that have ensued have not necessarily been due to wide-scale entry of library purchasing consortia into the marketplace, as more attractive discounts to potential clients were a viable supply option regardless. Consortia however have introduced considerations of higher volume of trade into tenders that have placed increasing pressure on suppliers to offer unrealistic discount levels, which have led the market and raised expectations of individual libraries as well as collaborators. The lack of restrictions on member libraries that gives them scope to use suppliers other than those selected by consortia works both to enable and inhibit supply, depending on whether a bookseller offers targeted material or services that would not be readily available in general contracts. Operating margins have been adversely affected amongst all library suppliers responding, with negative cycles noted whereby contracts won under marginal conditions could be tightened to uneconomic levels in a bid to retain business. Suppliers' own market share has been destabilised to a certain extent depending on their niche, but not as seriously as predicted. Consortia, by their very nature as large-scale co-operative organisations aggregating individual purchasing power, tend to award contracts to large-scale suppliers: they need the confidence, implied by size, that potential suppliers can cope with the demand. The smaller suppliers may therefore find it difficult to win contracts from consortia (although there is evidence of some recent awards going to relatively small-scale suppliers), and may continue only as niche suppliers. Conditions may be generally extrapolated upwards from suppliers' own business experiences to those affecting the overall library supply sector: there has been no increase in volume of trade; operating margins have been drastically reduced; and market stability has not been greatly affected. There was generally regarded to have been little impact by consortia on the publishing industry. Periodicals suppliers by contrast report effects by consortia of an increased volume of trade, some decrease in operating margins and greater potential for client movements between suppliers at contract end, which conditions apply also to their supply sector. As might be expected from their differing relationship with publishers, periodicals agents note some decline in publishers' volume of trade as a result of consortia, which may be due to direct content provision via subscription agents' gateways to consortia clients.

New technology

The challenges presented to library suppliers by new technology again vary widely depending on whether they are booksellers or periodicals agents. There is a much wider range of capabilities amongst book suppliers to libraries, which again reflects expectations for services tailored to different types of libraries developed under the NBA. The book supply and publishing industries generally are becoming more aware of the potential of electronic stock control and data interchange systems to streamline their services, particularly since the publication of the PA/KPMG book supply chain study highlighting uneven practice throughout all sectors. Further research into library suppliers by Book Industry Communication is expected to make a number of recommendations later this year regarding improved efficiencies and cost savings in a range of suppliers' services to libraries. With growing interest across all types of library in computerised bibliographic data provision, consortial purchase adds potential for applications development that will derive a common technical platform for stock management to benefit their member libraries. Library book suppliers that are not geared up to respond to the demands of the electronic marketplace will slow sectoral progress and reduce their ability to meet consortial specifications. For periodicals suppliers again in contrast, early adoption of information and communications technologies has placed them in the vanguard of consortial agreements and enabled them to lead the market in innovative service provision to clients.

## 5.3 Models of best practice

The selected consortia that follow do not necessarily include those with the largest resource base, highest discounts, greatest expenditure through consortium contracts, range of activity in contract areas nor those that have been longest established, although several do meet those criteria. Rather they are those that set an example for others to follow through general good practice, management procedures, appropriate systems and contract initiatives, as well as adhering to a transferable model that can readily foster successful collaboration elsewhere. Conversely, omission from those consortia below is in no way intended to diminish the positive contributions and practices of others.

It is interesting to note that following recent District Audit Office reviews of public libraries' best value initiatives, both public library consortia below were formally recognised independently as models of good practice; nearly all surveyed consortia in this sector are also informally approached for advice by other libraries. Amongst most surveyed respondents in all sectors there are views that their experience of purchasing collaboration is becoming more mature as they move from the tendering to the contract management phase of their activities, having now 'cut their teeth' on earlier contracts and established and stabilised discount levels within their sector. Consortia below are listed according to library sector.

### 5.3.1 Public library purchasing consortia

#### Central Buying Consortium (CBC)

The success of CBC is such that its name has become almost synonymous with library purchasing consortia in the UK. It is easily the largest of the public sector groupings and came into existence prior to local government reorganisation, although its original predominantly shire county membership has since been augmented by new unitary authorities. The CBC Library Group was formed as one of fourteen commodity areas that have been the subject of collaborative purchasing agreements of long standing amongst seventeen participating authorities. It is spearheaded by experienced purchasing professionals in full partnership with librarians who have negotiated ground-breaking discounts in book agreements with suppliers. Full contract management procedures include regular consultation with selected suppliers post-award and continuing mutual monitoring of their service levels. Membership is unrestricted geographically and in contract participation, so that not all members of the Library Group are involved in each contract. CBC is constantly seeking new areas of activity to achieve cost savings for its library members.

#### TALNet

TALNet is one of the smallest of the younger public library consortia to have emerged amongst new unitary authorities in the wake of local government reorganisation (LGR). It is based in North Wales, and like its English counterparts has been formed from several authorities that were once a single entity and is spearheaded by librarians rather than purchasing professionals. Public libraries in Wales, already restricted in bookfund compared to elsewhere in the UK, were even more seriously affected by LGR, which reduced resources still further. Aggregation of purchasing potential to improve negotiating capabilities with suppliers is an effective response to stabilise budget levels, particularly where a tradition of co-operation pre-exists in participating authorities. Again similar to English examples, the common library management system shared by the new unitaries generated further collaboration in purchasing materials. TALNet employs dedicated staff and runs its own transport scheme for stock delivery to its branch libraries. Like CBC it fosters an atmosphere of constructive partnership with its suppliers. Member authorities' expenditure thresholds are not technically of a magnitude to apply European Commission's purchasing directives. TALNet is the first of its sector to become established in Wales and predated a recent District Audit Office best value report specifically recommending collaborative purchase for Welsh public libraries. As the new Welsh National Assembly considers its library service provision, it is models like TALNet's that it will look to maximise national resources.

### 5.3.2 Higher education library purchasing consortia

#### Southern Universities Purchasing Consortium (SUPC) Libraries Project Group

The SUPC has been in existence for 25 years and like CBC has established a number of commodity groups, of which the Libraries Project Group is amongst the most recent. It is not the earliest to become active in this sector but has been running successful contracts in parallel for several years. The largest higher education consortium, SUPC includes in membership higher education institutions from a huge swathe of southern England, roughly bounded by Cornwall, East Anglia and Gloucestershire. Combined expenditure for its books, periodicals and electronic media (stand-alone) contracts make it the market leader amongst higher education library consortia. SUPC was amongst the first to negotiate periodicals agreements and broke ground with its books contracts, which invited separate tenders according to geographical origin of materials to link discounts more realistically with type of resource. It includes dedicated purchasing professionals within its staff who monitor contracts closely at all stages of operation, and regularly liaise with suppliers and members to guarantee communication and feedback. SUPC also seeks new initiatives in partnership with suppliers to improve services on offer to members.

#### Higher Education Purchasing Consortium in Wales (HEPCW)

The cohesive nature of the higher education community in Wales facilitated informal networking and collaboration amongst its libraries long before library purchasing consortia became known in the UK. Changes in structure and amalgamation of certain constituents of the University of Wales by 1990 generated a more unified framework, whose libraries had by then already seen the start of an early collaborative agreement for binding services. Periodicals and then books contracts followed, and HEPCW have recently concluded an innovative collaborative tender for a new library management system for five institutional members: the first of its kind in the higher education sector. Again spearheaded by purchasing professionals, HEPCW conducts regular consultation meetings of its various library contract groups alongside management of a range of other commodities. There is no doubt that the tight-knit framework of its parent body has helped to foster an atmosphere of partnership and co-operation amongst member institutions, who are able to view each other as part of a whole rather than as independent bodies. It remains to be seen whether the successful HEPCW library management system tender can be replicated elsewhere in a looser framework of members, but this key area is of great interest to all library consortia in our study and provides much potential for cross-sectoral collaboration.

### 5.3.3 Further education library purchasing consortia

#### Wessex Libraries Purchasing Consortium (WLPC)

WLPC is that rarest of consortia with a truly cross-sectoral membership devolving along geographical lines covering a large region in south west England. Members include further education and specialist colleges, NHS Trust and special libraries as well as two higher education institutions. WLPC was conceived to be wide-ranging in membership from its inception following the end of the NBA, and to offer the benefit of consortium discounts for a books contract to institutions that would otherwise have no routes available for their libraries. Other participants support the consortial purchasing model to the extent that they also belong to those within their own library sector and allocate a proportion of spend for each. WLPC demonstrates the potential for a library commodity of common interest to draw libraries together within a regional framework, highlighting the budgetary advantages of collaboration over the disparities between individual libraries' collection policies. Contract management and consultation meetings are not progressed as frequently as in other library consortia although monitoring activities are a continuing practice, but advice of purchasing professionals is available as and when required.

### 5.3.4 NHS library purchasing consortia

The exciting developments at national level within the past twelve months for NHS libraries have given rise to two models of best practice, representing old and new frameworks characteristic of this sector.

#### Health Libraries and Information Network (HELIN)

HELIN is the largest and longest established of NHS library purchasing consortia of the older type. It grew out of informal local collaboration amongst a wide range of NHS Trust, postgraduate medical centre and higher education libraries in the Anglia and Oxford region, in the period before sweeping changes in nursing education and training and research and development funding created a more strategic role for NHS libraries. HELIN spearheaded a pioneering early periodicals contract with a major subscriptions agent partner based locally, which was later augmented by contracts for networked and stand-alone electronic resources. A separate books contract for member libraries with WLPC has remained the only NHS consortium agreement for this commodity to the present. With the benefit of continuing strong support from senior medical staff at institutional level, HELIN has maintained an innovative approach to library resource and training provision that actively seeks new opportunities for networking and partnership, within the higher profile for NHS library services following recent national reviews.

NHS Supplies

Since this study started, our first seminar for representatives of library purchasing consortia attracted attendance from the NHS Supplies Executive to consider the feasibility of a national contract for resources for NHS libraries. A subsequent questionnaire survey derived and conducted with the NHS Regional Libraries' Group targeted 400 libraries in late 1998 and elicited overwhelming support for the joint purchasing approach, of 92% of respondents. A comprehensive specification and tendering exercise were derived by NHS Supplies and the Regional Librarians' Group based on their own experience in good procurement practice, compliant with European Commission's directives and influencing a combined annual NHS expenditure of £2.4 billion. Contract management procedures include negotiations with 25,000 suppliers of which 98% have resulted in service level agreements. Cost reductions, value for money, performance reviews and promotion of strategic market reviews are all embedded in contracts awarded. The current tendering process includes supply to all NHS libraries of books, periodicals and stand-alone electronic media, as separate initiatives to the developing National Electronic Library for Health and NHSNet, which are envisaged to cover networked resources. According to the envisaged timetable, tenders are due back at present (March 1999 as of writing) for supplier selection to be made in mid-April and contracts to commence in June 1999. Although final details of contract management and monitoring are yet to be decided, it is anticipated that individual NHS libraries will be able to opt out of national agreements as long as they undergo procurement procedures at local level.

## 5.4 Scope for cross-sectoral collaboration

### 5.4.1 Higher education and health libraries

On the face of it, it would seem that these two library sectors have much in common that could encourage and promote cross-sectoral collaboration, particularly in terms of the type of library resources that have to date attracted interest in consortia agreements. Higher education and health libraries both make increasing use of both networked and stand-alone electronic resources for which their purchasing consortia approach the same suppliers, whilst acquisition of specialist materials in printed formats also displays similar ordering patterns from common suppliers, some based overseas. The two sectors however are at varying stages of development in their national networking infrastructure: for higher education, the SuperJANET network, Combined Higher Education Software Team (CHEST) and PSLI/NESLI have become well established nationally throughout the 1990s with a strong core of resource provision to users. NHS libraries will soon have the benefit of the National Electronic Library for Health (NeLH) and NHSNet, but the infrastructure, services and content that will become available are still at stages of negotiation at the time of writing. Although there is much expertise and successful models in networking and electronic information provision that higher education can transfer to the NHS, the funding streams and traditional stakeholders are quite distinct and so there is only limited practical support that can be made available as matters stand. Higher education funding bodies are wary of cross-subsidy to other sectors, although issues of library access to health professionals and students based within academic institutions are acknowledged as deserving of basic support services. The nature of the user base is sufficiently diverse between the two sectors to engender differing patterns of use, although the common needs of both are acknowledged to develop services to distant users that are not restricted to geographical location. Licensing considerations and experience gained within multi-site academic institutions form a key area for transfer of experience between the sectors. Library suppliers too are aware of sectoral differences between higher education and NHS libraries and are imposing separate terms and conditions in purchasing agreements; the traditionally small, independent and distributed NHS libraries contrast with the established sites and collections centrally based at universities. The recent *Information for Health* strategy document is seen as potentially influencing future collaboration by smoothing incompatible practices between academic and NHS libraries, particularly in cultures and technological infrastructures. Following the current NHS national tender for library resources, there may be experience gained in sector-wide periodicals supply contracts that could also be of interest to the higher education community.

### 5.4.2 Public and further education libraries

In these sectors too it would appear that there is much in common on which to base future collaboration. The breakdown of materials acquisition in public and further education libraries are quite similar in terms of relative proportions of traditional and electronic formats in their collections, and their networking infrastructures generally acknowledged as being less far advanced than in higher education and NHS libraries. Historically too they have been supported by local authority funding streams, which helped to instil comparable cultures with access to similar overall management structures. In recent times, such national policies as the encouragement of lifelong learning highlight a common educational mission for libraries to widen access to users in both sectors. More than one of the public library consortia surveyed report approaches or existing non-library collaborative purchasing agreements with local further education colleges. Once a detailed analysis of materials budgets is carried out, however, it becomes clearer that the patterns of acquisition and categories of commodities are distinct between sectors. Public libraries, for instance, are much more likely to buy high-volume mass market adult fiction than further education libraries supporting varied course provision, which in turn influences a differing choice of suppliers that can target the needs of each set of users. There have been recent policy papers too, such as Dearing's, that have recommended closer co-operation between higher and further education institutions, as learning resources in the latter become more technologically developed, to the extent that central bodies dispensing funding, such as the Joint Information Systems Committee (JISC), are prepared to extend particular initiatives towards the further education sector. It remains to be seen how future cross-sectoral collaboration may devolve between the two, as there is much as yet remains to be done towards network implementation for both.

### 5.4.3 Emerging national and regional models

The forthcoming devolution of Welsh and Scottish governments to their new national assemblies presents many opportunities for developments of cross-sectoral initiatives for their libraries. The presence of the legal deposit national libraries of Scotland and Wales is helping to raise an awareness of the identity and distinctiveness of their library collections, which in itself is driving a more collaborative approach amongst their authorities. There are many decisions yet to be taken regarding policy formulation and its detailed implementation in due course particularly as regards key areas of interlending and networking infrastructure, but recent best value reviews by district auditors have specifically recommended collaborative purchasing as a solution to fragmented library services and resources post-LGR. In other regions of the UK there are also emergent models for cross-sectoral library co-operation, in this period running up to the establishment of the New Library Network, which will place public libraries firmly in the content provision framework of the National Grid for Learning. Metropolitan area networks are already in place, which are beginning to investigate practical partnerships between higher education and public libraries in major population centres such as London, Birmingham, Newcastle and the East Midlands, that build on the SuperJANET infrastructure. Following specific recommendations for building regional partnerships between library sectors in the *New Library* report, organisations such as the national cross-sectoral Library and Information Co-operation Council (LINC) are specifically advocating the Regional Library System approach to underpin the envisaged new Regional Development Agencies for economic policy co-ordination. Further support for library regionalisation appears in the Department of Culture, Media and Sport’s Comprehensive Spending Review of 1998. There are many new initiatives under way with positive implications for extension of the library purchasing consortia model into a cross-sectoral regional framework.

## 5.5 Initiatives

### 5.5.1 National initiatives

The raft of policy papers proposing changes in the public library system that were released by the new Labour government around the start of our research period have in this past twelve months been undergoing a process of broad consultation, addressing specifically the issues of how to transform central government policies into regional and local frameworks and initiatives. The Comprehensive Spending Review, the Library and Information Commission’s *Building the New Library Network* and the Department of Culture, Media and Sport’s appraisal of annual library plans inaugurated in late 1998 following the *Reading the Future* report, all made recommendations for increased co-operation between library sectors and a stronger regional role for public libraries. There has been continual funding support from central government for the envisaged New Library Network to be completed by 2002 in co-ordination with development of the National Grid for Learning, which has opened up monies from the National Lottery's New Opportunities Fund to ensure no shortfall in technological infrastructure development. The Audit Commission's *Due for Renewal* report was followed up by District Audit Office value for money library reviews covering most library authorities throughout England and Wales, which addressed concerns of service planning, costing, stock management and training. The overall conclusion is of unprecedented levels of funding support from a central government, that seems determined to embed libraries, information and communications technologies (ICT) and their infrastructure into the heart of education and lifelong learning provision for the 21st century. A tight timetable for implementation however is likely to outstrip the majority of corresponding initiatives at regional and local level to take advantage of developing network and content. It is hoped that national groups such as the EARL Consortium and the envisaged Public Library Networking Agency will be able to generate matching enthusiasms and practical applications amongst their membership within the medium term that will see network implementation. Within the public library sector, under current conditions there is little likelihood for national level consortium library purchasing contracts, which will in time be devolved to the regions; future patterns of co-operation at this level are likely to centre around ICT applications, but these should still form new models for future partnerships.

### 5.5.2 Regional initiatives

We have noted above a strong trend towards regionalisation in the public library service in the UK that has been a common theme in recent central government policy documents, and been echoed by libraries' own cross-sectoral bodies such as LINC, with its advocacy of regional Library and Information Plans. The recent appraisal of public library plans conducted by the Institute of Public Finance on behalf of the DCMS to monitor local authorities' responses to the DCMS' guidelines reported a wide disparity in services planning amongst the local authorities surveyed, in which there was little evidence of co-operation between authorities, clear support of libraries by their home authorities and as yet slow response to policies for best value, social inclusion and New Library Network planning. A fragmented and 'insular' attitude towards stock management is reinforced by muddy reporting structures within authorities, in which libraries across the UK may fall within a wide range of departments in their parent organisations. Specification of service levels and good practice delivery guidelines are seen as key outcomes of the appraisal: patchy stock management and general lack of purchasing consortial initiatives outside home authorities receive attention, particularly following the end of the NBA. On the face of it there would appear to be little likelihood of sufficient cohesiveness of vision at regional level to drive purchasing consortia formation on its own in the medium term, although here again regional networking initiatives such as those already under development in the metropolitan areas will in time act as a stimulus towards new regional partnerships.

### 5.5.3 Sectoral initiatives

### 5.5.3.1 Public libraries

It is clear from the national and regional settings outlined above that public libraries at local authority level are at a crossroads, at the centre of ambitious government plans for their development but as yet unclear about the support and management structures available for their services at the grass roots. The emergent pattern of recent purchasing consortia formation amongst new unitaries in the period following local government reorganisation suggests that libraries in enabling authorities are able to take the initiative in their purchasing practices, giving them a considerable lead over other services perhaps not able to adapt as readily to new circumstances. Common library management systems within previously unified authorities are a notable driver towards collaboration, which facilitates its extension into areas of co-operative stock management policies. In the present transitional environment, where the implementation of a national networking infrastructure for public libraries is under development but still in the future in operational terms, it behoves libraries to investigate more local options for the improved efficiencies and cost savings that collaborative stock acquisition can provide. With best value now entering many areas of local authority services delivery, it is likely that increased opportunities will present themselves to public libraries to pilot innovative stock acquisition programmes that will include an increase of small-scale consortia in the medium term.

### 5.5.3.2 Higher education libraries

The well established structure of regional purchasing consortia in higher education institutions has amply demonstrated the success of the model to its libraries, which have benefited from a proven framework for cost savings that includes available recourse to substantial purchasing experience. Whilst recent central government policy documents have been more focused on public libraries, the lead of the academic sector in networking technology is acknowledged as a model for national infrastructure development for other sectors to follow. The contributions of such centrally funded programmes as CHEST, the Electronic Libraries Programme, SuperJANET and the National Electronic Site Licencing Initiative have all addressed collaborative access for electronic information provision within a networked environment, which provides essential guidelines for future good practice elsewhere. Although well served in the range and scope of their consortial purchasing contracts, which are mainly in periodicals and electronic media, there is still potential for higher education libraries to diversify activities. Book tenders are actively under negotiation in several consortia, and the emergent interest in collaborative purchase of library management systems is set to grow in importance in higher education as well as in public libraries, particularly after a recent successful exercise in this sector. We are unlikely to see dramatic change in academic library purchasing consortia in the medium term but a steady expansion of activities can be anticipated.

### 5.5.3.3 Further education libraries

The overall absence of purchasing consortia amongst further education libraries is characteristic of a highly heterogeneous sector with diverse funding streams, lack of cohesive policies at national and regional levels and a mixed institutional setting for libraries with a disparate user base. Collaborative purchasing however is one of many models of interest for transfer from the higher education sector, with which further education libraries are being encouraged to work ever more closely. Recent policy documents covering learning resource provision through college libraries for lifelong learners, widening access through a developing network infrastructure and upgrading quality frameworks to ensure consistency of standards are beginning to be implemented at local level. Partnerships with public as well as academic libraries are seen to promote a best value approach, and where collaborative purchasing is becoming established in these sectors there is growing interest amongst further education libraries in joining consortia especially where alliances already exist with local authorities and universities. National feasibility studies of a dedicated further education network progress in tandem with input into the National Grid For Learning, whilst the creation of the University for Industry and Regional Development Agencies will provide further opportunities for training partnerships, which will have an impact on their libraries. The increasing interest in collaborative tendering for library management systems is also represented by a pioneering consortium in this sector, which reinforces their widespread market potential, alongside examples of innovative networking collaboration amongst further education institutions. Although it is unlikely in the medium term that single-sector purchasing consortia will develop significantly in these libraries, opportunities for cross-sectoral partnerships and emerging standards of good practice will continue to expand that in time will reap the benefits proven by matured frameworks elsewhere.

5.5.3.4 Health libraries

It is in health libraries that the most significant developments have occurred in consortial purchasing since the start of our research. Parallel in time with policy papers affecting public library services detailed above, a series of government Green and White Papers on the NHS in 1997 and 1998 have had direct implications for NHS libraries. The *Information for Health* document published the new information strategy for the NHS, which has influenced planning for the forthcoming National Electronic Library for Health (NeLH), in conjunction with significant expansion of NHS Research and Development Programmes and the Centre for Health Information Quality. NeLH is envisaged to take on a role similar to NESLI in the higher education sector in providing access to networked electronic resources for NHS libraries, including plans for implementation of consortial purchase of electronic media at national level. At the time of writing the NHS Regional Librarians' Group are imminently due to report on findings of a scoping study they have undertaken to determine future directions for development of the NeLH based on existing examples of good practice, a number of which have been identified in higher education. As the Regional Librarians' Group has also been instrumental in driving forward the national collaborative tender of books, periodicals and stand-alone electronic media with the NHS Supplies Executive, it can be seen that there has been a transformation in purchasing policies for this sector's libraries within our reporting period that has stemmed from an increasing strategic role for libraries and the use of successful models from other sectors. Although the older model of NHS library purchasing consortia had been set in motion by their libraries with grass roots initiatives, here again it is the involvement and support of purchasing professionals that has elevated fragmented local agreements into a comprehensive unified framework. Alongside parallel advances in infrastructure development by the NHSNet that will become a health counterpart to SuperJANET, health libraries are set to become themselves a model of good practice in consortial purchasing for a wide range of library resources that have learned and integrated lessons learned by others and will continue to demonstrate their broad applicability.

### 5.5.4 Market initiatives

Our research has pointed up significant disparities in attitudes towards library purchasing consortia by their suppliers of books and periodicals. There is no doubt that in conjunction with other influences on the library supply market such as the demise of the NBA, local government reorganisation and expansion of electronic technology, the advent of consortia has helped to raise awareness of the dynamic conditions affecting a marketplace in transition. Each of the supply sectors surveyed is responding to the challenges according to its own perceptions of what will benefit its particular business, services and clientele. For library book suppliers attention has been focused in this last year on streamlining the structure of their own supply chain, where characteristics and roles established under the constraints of a pre-existing framework no longer fit the demands of the market and available enabling technology. The entry of non-traditional channels into book supply, such as supermarkets and online booksellers, has opened up new opportunities for diversification of business whose full potential is still at very early days. The rationale for efficiency is identifying potential improvements to embedded procedures and practices in order to shake waste out of the supply chain and foster cultures based on partnership rather than conflicting interests. Analysis is under way, by such bodies as Book Industry Communication supported by the British National Bibliography Research Fund, of the cost savings implications to libraries of standardisation in stock servicing requirements, selection processes such as approvals and showroom visits, and the impact of widespread electronic dissemination of information. The widespread applications of, and library markets for, bibliographic data are also attracting attention, providing extended opportunities for standardisation and introduction of innovative services and management information for both libraries and suppliers. Developments such as these are all contributing to targeting suppliers' systems and resources on the requirements of library purchasing consortia and the contracting process, which will ultimately provide positive benefits for them and the continuing client base of individual libraries. By contrast, periodicals suppliers leading initiatives in networked electronic information provision have and are continuing to meet the challenges of new technology, both for themselves and their clients. With advanced infrastructures available to subscription agents and academic libraries alike, innovative opportunities for introducing targeted systems and resources offer partnerships that are being successfully replicated in consortia agreements worldwide. In the UK the NESLI initiative is contributing to global experience in defining licensing and access procedures for electronic materials under evolving frameworks for copyright and content provision, which look set to engage periodicals suppliers and library consortia internationally for the medium term. Other issues under active collaboration include digitisation and archiving of electronic resources, together with developments in collection management in parallel of print and electronic media. Periodical suppliers' increasing expertise in technology linked with evolving client specifications already matches the needs of library purchasing consortia, and there is every expectation that these trends will continue to consolidate their success in future.

5.6. Future activity

The past four years have seen a burgeoning of consortial activity, a response in part to the demise of the NBA. This period has served to acquaint both librarians and suppliers with the new animals in the library forest. Many, on both sides, have felt themselves bounced into new relationships, which are only now settling into the familiar.

Suppliers have felt that consortia, of all their offerings, like only unpalatably high discounts. Concentration on discounts was however inevitable in this initial period: new parameters had to be set following the collapse of the NBA. Also, across-the-board discounts are easy to offer, to understand, to measure, to monitor, and to report on. It must also be remembered that consortia have not set the discount levels: despite their moans, suppliers themselves have offered the discounts and used them as an instrument of competition.

Price will always remain an issue: the consortia surveyed represent, after all, custodians and disbursers of public money; a primary duty is to achieve value for that money, and consortia have been very successful here. In the HE sector, where consortia have achieved the highest market penetration, we have calculated that savings from consortium activity may amount to £4.1m per annum (Section 3.7 above). This represents 1.2% of the total annual HE expenditure on libraries, including staffing, of £343m (Section 2.2 above). We expect this level of direct cost savings to increase, as more agreements come into force, and as consortia turn their attention to other areas of expenditure, such as library management systems. There are also hidden savings, which could not be readily calculated, for instance of staff time through tendering collectively rather than as individual institutions. The future should also see further hidden savings, as more and more agreements export work from libraries to suppliers, for instance in the requirement for shelf-ready books.

Turning to the other sectors, we expect health libraries to enjoy a similar level of savings across the whole of the NHS as the national agreements come into force.

There is disappointingly little penetration by consortia of the public library sector: consortia account directly for savings of only £3.2m per annum (Section 3.7), or 0.4% of the total public library expenditure of £791m (Section 2.2). On the positive side, however, the public library consortia have been instrumental in pushing up the level of discounts on books enjoyed by the sector as a whole. However, their relative scarcity means that public libraries are not well positioned to reap the additional benefits, in terms for instance of the hidden and future savings, that their HE counterparts will enjoy. Nor do the procurement structures exist to negotiate with providers of electronic resources, a new area of activity for public libraries that will assume increasing importance as network connectivity grows.

More disappointing still is the FE sector. It may be argued that these libraries stand in greatest need of the consortial approach: they tend to be small (anyway in comparison to their HE and public counterparts), with little or no individual purchasing muscle and no staff time available to conduct tendering exercises; the sector is fragmented, compared to HE and health, so there is relatively little co-operative activity; there is probably little procurement support within institutions to compensate; anecdotally, budgets are under continuing pressure. FE librarians, and their colleges, therefore stand to benefit directly from basic consortial activity, particularly in terms of savings on book budgets and through active contract management. If consortial structures were formed at the regional level, their existence and operation could have the added tangential benefit of fostering co-operation and resource-sharing: if libraries are specifying in common a library management system, the next logical step is to administer it through some form of common services agency.

Consortia are also becoming increasingly interested in the other costs in the supply chain between the original request and material becoming available to the user. The recent monographs contract let by the SUPC, for instance, stipulated that suppliers must offer a full shelf-ready books service: libraries will therefore have the choice of either cataloguing and classifying in-house, or of outsourcing the task to suppliers at a set fee. Groupings such as NGCPAL have started to compile statistical data on supply times. This process will lead to the establishment of benchmarks, which will inform the future tendering and contract management processes. Taking time, as well as cost, out of the supply chain will have several beneficial effects. Most obviously it benefits the end-user directly, ensuring that resources are available in the shortest possible time. It also eliminates some at least of the time and cost, to libraries, intermediaries and publishers, of querying and chasing, enabling all parties to function with smaller staffs.

We also foresee consortia playing a major role in improving the quality of service from suppliers, working in partnership with suppliers to develop new services, and fostering the integration of systems and services. This is already evident in the shelf-ready books developments outlined above. This service requires a great degree of integration between the systems of book suppliers and those used by libraries. The books suppliers are required to supply this service to any library requiring it, and hence to interface with all the major library management systems. Consortia will be prepared not only to broker discussions between suppliers of different commodities; they will also write into specifications for such commodities requirements on suppliers for integration and co-operation.

Attention has hitherto been concentrated on the intermediaries: book suppliers and serials agents.

Consortia may well also, in partnership with these intermediaries, start to negotiate directly with individual publishers or their representative organisations. The procurement expertise available in the consortia could well be seen as a valuable adjunct to the existing expertise and knowledge of the intermediaries. Such moves may be fostered by any co-operation that develops within the NESLI structure between consortium representatives and the managing agent.

It is our prediction that consortia will also start turning their attention to other areas of major expenditure. Most obvious among these is the library management system. As we have seen, some consortia actually came into being around shared systems. But, more importantly, HEPCW has successfully tendered for a single library management system for its members. Such co-operation between libraries in the procurement of systems may well have interesting effects. Firstly, as with books and periodicals, it will give libraries greater influence, through the tendering and contract-management process, on the development of systems and services by suppliers. Despite the existence of long-standing user groups, it has been notoriously difficult for individual libraries to exert such influence. Secondly, it may well foster joint arrangements for systems management and other technical functions, reducing the overhead costs of individual institutions.

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# APPENDIX A

## LIBRARY PURCHASING CONSORTIA QUESTIONNAIRE

**Part A: The Consortium**
*Please take a few minutes to answer questions about your consortium.*

A.1 Which institutions belong to your consortium? *Please list:*

A.2 Is membership by:
( annual subscription ( proportional contribution ( free ( other

A.3 Is membership (*please tick all that apply*):
( open to all
( restricted, according to reasons that are:
( technical ( geographical
( administrative ( sectoral
( financial ( other

A.4 Is membership open to:
( libraries ( parent institutions

A.5 Is there a purchasing policy within your sector that encourages collaboration at:
( national level ( regional level ( local level

A.6 Are there dedicated staff of the consortium?
( yes ( no

A.7 Does the library consortium encompass a:
( constitution ( steering group
( governing board or committee ( user group

A.8 How long has the library purchasing or commodity group been operating?

( More than 5 years ( 3-5 years ( 1-3 years

( Less than one year

A.9 How is membership consultation carried out? Are there meetings of (*please tick all that apply*):

( the entire consortium on a regular basis
( the individual commodity groups on a regular basis
( steering or user groups as a continuing programme
( only when tendering or contract management is underway
( occasionally as updates to keep members informed
( other communication initiatives

**Part B: Suppliers and contracts**

*Please give us some brief details about your relationships with suppliers and your contracts presently underway.*

B.1 Are you at the moment:
( preparing a specification ( selecting suppliers
( going out to tender ( managing contracts

B.2 How often do you meet with suppliers during the course of a contract?
( monthly ( quarterly ( six-monthly ( annually

B.3 Who handles the main negotiations with suppliers? Are they:
( librarians ( purchasing officers

B.4 Are there guaranteed amounts or proportions of spend under the contract?
( yes ( no

B.5 Have specific savings or discounts to members been:
( identified ( guaranteed

B.6 Typically how many suppliers are selected for a contract?
( one ( two ( three or more

B.7 Are members' servicing requirements:
( standardised ( individual

B.8 Do you monitor suppliers':
( performance ( discounts
( delivery ( responsiveness
( handling of missing or incorrect orders ( servicing standards

B.9 How are suppliers evaluated before selection? By:

( visits ( recommendations

( company information ( presentations

( financial audits

B.10 What are the most important criteria for supplier selection? Are they (*please rank in order of preference*, ***1*** *being the most preferable*):
( speed of service
( range of provision
( quality of service
( best value for money
( cheapest
( responsiveness to individual libraries' needs
( discounts available

B.11 Can members opt out of:
( contracts ( consortium

B.12 Do purchasing officers advise with tenders/contract management?
( informally ( other basis
( as a working group member

B.13 Please tell us about the *materials* currently covered by collaborative purchasing agreements within your consortium:

| | Contract start date | Contract end date | Servicing included (Y/N) |
|---|---|---|---|
| Books | | | |
| Periodicals | | | |
| Electronic Resources: | | | |
| Stand-alone | | | |
| Networked | | | |
| Audio-visual | | | |
| Specialist materials | | | |
| Non-book material | | | |
| Equipment | | | |
| Supplies and stationery | | | |
| Other | | | |

B.14 Please tell us about the *services* (if any) currently covered by collaborative purchasing agreements within your consortium:

| | Contract start date | Contract end date |
|---|---|---|
| Library automation system | | |
| Shared acquisitions | | |
| Cataloguing | | |
| Binding | | |
| Stock selection | | |
| Approvals | | |

| | | | |
|---|---|---|---|
| Delivery services | | | |
| Other | | | |

B.15 Are materials aggregated for discounting purposes according to:
( geographic origin ( subject area ( type

B.16 Are differential levels of discount applied according to:
( individual consortium members ( threshold value levels

B.17 Have you future collaborative plans for (*please tick all that apply*):
( joint promotional/training initiatives with suppliers
( upgrading library automation systems
( equipment installation/upgrade on large scale
o implementing wide area network access
o (new areas for tender

B.18 Please add any comments.

**MANY THANKS FOR YOUR HELP!**

PLEASE PUT ONE LAST TICK *HERE* ( IF WE MAY COME BACK TO YOU FOR FURTHER DETAILS ON ANY ASPECTS OF THE ABOVE.

Please return the completed questionnaire, by Friday 2 October 1998, to:

Ms Jo Pye
c/o CSM Associates Limited
Rosemanowes
Herniss

PENRYN
Cornwall
TR10 9DU

Tel: 01209-860141x245 Fax: 01209-861013 E-mail: jpye@ex.ac.uk

# APPENDIX B

| Contact | Title | Consortium | Institute/Org. | Add1 | Add2 | Add3 |
|---|---|---|---|---|---|---|
| Mr Ken Roberts | Librarian | HEPCW | University of Wales College of Cardiff | P O Box 405 | Park Place | CARDIFF |
| Mr Norman Coulbeck | Purchasing Manager | HEPCW | University of Wales College of Cardiff | Edward VII Avenue | Cathays Park | CARDIFF |
| Mr Michael Day | Librarian | CALIM | UMIST | P O Box 88 | MANCHESTER | M60 1QD |
| Mr John Blunden-Ellis | | CALIM | Manchester Metropolitan University | All Saints | MANCHESTER | M15 6BH |
| Ms Jill Taylor-Roe | Sub Librarian | NEYAL | University of Newcastle upon Tyne | 6 Kensington Terrace | NEWCASTLE UPON TYNE | |
| Mr David Welding | Technical Services Librarian | NEYAL | Leicester University | P O Box 248 | University Rd | LEICESTER |
| Mr Tom Chadwick | Purchasing Director | Scottish | University of Edinburgh | Old College | South Bridge | EDINBURGH |
| Mr Tony Kidd | Acquisitions Librarian | Scottish | University of Glasgow | Hillhead St | GLASGOW | G12 8QE |
| Mr Graeme Forbes | Head of Acquisitions | Scottish | Napier University Library | Sighthill Court | EDINBURGH | EH1 4BN |
| Mr John Ritchie | Director | LUPC | Senate House | Malet St | LONDON | WC1E 7HU |
| Mr Gordon Samet | Library Commodity Group Manager | LUPC | Senate House | Malet St | LONDON | WC1E 7HU |
| Mr Barry Higgins | Purchasing Advisor | MUAL | University of Birmingham | Edgbaston | BIRMINGHAM | B15 2TT |
| Mr David Ball | Head of Library & Information Services | SUPC | Bournemouth University | Talbot Campus | Fern Barrow | POOLE |
| Ms Susan Wright | Regional Purchasing Coordinator | SUPC | University of Reading | London Road | READING | RG1 5AQ |
| Ms Debby | Library | Northern | University of | Shore Road | Newtownabbe | CO ANTRIM |

| | | | | | | |
|---|---|---|---|---|---|---|
| Shorley | | Ireland Universities Consortium | Ulster at Jordanstown | | y | Northern Ireland |
| Mr John Whitter | Assistant Director of Edcuation (Lifelong Learning) | CBC | Buckinghamshire County Council | County Hall | Walton St | AYLESBURY |
| Mr James Sheppard | Chairman | CBC Library Books Group | Central Contract Services | The Tannery | Westgate | CHICHESTE West Suss |
| Ms Jenny Varney | Head of Support Services | CBC | Buckinghamshire County Library | County Library HQ | Walton St | AYLESBURY |
| Mr Mike Biddulph | Press Officer | CBC | Oxfordshire County Council | County Hall | OXFORD | OX1 1ND |
| Mr Cliff Appleby | Purchasing Officer | NEPO | Stonehills | Pelew | GATESHEAD | |
| Ms Rachel Boyd | Deputy Country Librarian | FOURSITE | Somerset County Library HQ | Mount St | BRIDGWATER | Somerset |
| Ms Liz Holgate | Principal Librarian | PRISM | St Andrews | Baker St | HULL | HU2 8HQ |
| Mr Rhion Pritchard | Manager | TALNet | Caernarfon Library | Pavilion Hill | CAERNARFON | Gwynedd |
| Mr Laurence Rawsthorne | Head of Libraries | NEWNet | Flintshire Library Headquarters | County Hall | MOLD | Flintshir |
| Ms Louise Jones | Chair | Regional Libraries Group Purchasing Panel | Clinical Sciences Library | University of Leicester | Leicester Royal Infirmary | P O Box 6 LEICESTER |
| Dr Judy Palmer | Health Care Libraries Unit Director | HELIN | Anglia and Oxford Regional Health Authority | Oxford Radcliffe Hospital | The John Radcliffe | OXFORD |
| Ms Anne Brice | Health Care Libraries Unit Deputy | HELIN | Anglia and Oxford Regional Health Authority | Oxford Radcliffe Hospital | The John Radcliffe | OXFORD |

| | | | | | | |
|---|---|---|---|---|---|---|
| | Director | | | | | |
| Ms Shane Godbolt | North Thames Regional Library Director | Inner London Consortium | Thames Postgraduate Medical & Dental Education | 33 Millman St | LONDON | WC1N 3EJ |
| Ms Ruth Fosker | Marketing Manager | Inner London Consortium | North Thames Regional Library Unit | Thames Postgraduate Medical & Dental Education | 33 Millman St | LONDON |
| Mr Michael Carmel | Librarian | South Thames Consortium | South Thames Regional Library Unit | Education Centre | Royal Surrey County Hospital | GUILDFORD |
| Ms Jennifer Blackburn | Librarian | South Thames Consortium | Kent and Sussex Hospital Library | TUNBRIDGE WELLS | | |
| Ms Pam Prior | Librarian | Electronic Information Consortium | West Midlands Regional Health Authority Library | EMU (Evidence Supported Medical Union) | Public Health Building | Universit Birmingha |
| Ms Kate Sanders | Chair | CHILL | British Institute of Radiology | 36 Portland Place | LONDON | W1N 4AT |
| Mr David Stewart | Librarian | CHILL | Royal Society of Medicine Library | 1 Wimpole St | LONDON | W1M 8AE |
| Ms Linette Cawthra | Librarian | CHILL | Kings Fund Centre Library | Cavendish Square | LONDON | |
| Ms Jacquie Davies | Librarian | Warwickshire Colleges Consortium | Stratford upon Avon College | The Willows North | Alcester Road | STRATFORD UPON AVON |
| Mr David Ball | Librarian | WLPC | Bournemouth University | Dorset House Library | Fern Barrow | POOLE |
| Mr David Nixon | Senior Buyer - Office Services | | NHS Purchasing Division | 80 Lightfoot St | CHESTER | CH2 3AD |

# APPENDIX C

## LIBRARY SUPPLIERS' QUESTIONNAIRE

*Please take a few minutes to complete this questionnaire, which forms an important part of our British Library Research & Innovation Centre funded study into library purchasing consortia. We define these as cooperative groupings of libraries (ie public authorities, universities, colleges, NHS Trusts) which combine their resources budgets to achieve economies of scale through collaborative purchase. The four library sectors presently under investigation are higher education, further education, public and health libraries.*

In this survey Part A consists of general questions about library purchasing consortia that are applicable to most library suppliers of books and periodicals, whilst Part B asks for more specific feedback on your views regarding library purchasing consortia as regards your business, your supply sector and the industry generally.

**Name of company:**

Part A: Supply to library purchasing consortia

A.1 How many libraries do you supply as a result of a tender?

A.2 Do you consider yourselves to be specialist suppliers to the following library sectors:
? Higher/further education ? Public ? Health ? Schools ? Special/corporate ? Not specialist

A.3 How many library consortia do you supply under *current* contracts:
? None ? One ? Two to four ? Five or more

A.4 Have you supplied to library consortia during the past
? One to two years ? Three to five years

A.5 Have you responded to a tender for supply to library consortia during the past
? One to two years ? Three to five years

A.6 Who handles the main liaison with library consortia? Are they:
( account managers ( departmental managers ( other

A.7 Please tell us about *resources* you offer that are currently covered by library purchasing consortia contracts:

| | Number of contracts | Contract dates (mo/yr-mo/yr) | Servicing included (Y/N) |
|---|---|---|---|
| Books | | | |

| | | | | |
|---|---|---|---|---|
| Periodicals | | | | |
| Stand-alone electronic | | | | |
| resources | | | | |
| Networked electronic | | | | |
| resources | | | | |
| Audio/videocassettes | | | | |
| Microforms | | | | |
| Grey/specialist literature | | | | |

A.8 If you do supply to library purchasing consortia at the moment, what advantages do you gain from the process (please tick all that apply)?:

? Volume of trade
? Stable discount framework
? Transparent costing structures
? Long range capacity planning
? Improved communications with clients
? Improved terms from suppliers
? Streamlined administration
? Wider range of client services
? Other (please specify)

A.9 If you do not supply to library purchasing consortia at the moment, is it due to (please tick all that apply):

? Unsuccessful tenders
? Excessive volume of trade
? Unsustainable discounts
? Insufficient staffing levels
? Lack of physical facilities
? Lack of requisite technology
? Present supply constraints
? Other (please specify)

A.10 If you do not at present supply to library purchasing consortia, how could this become feasible in future? Through (please tick all that apply):

? Company expansion or restructuring
? Modified terms and conditions
? Downsizing of other supply contracts
? More transparent negotiations
? Streamlined tendering process
? Better quality of communication with consortium clients
? Disposition of staff
? Expansion of supply routes

? Development of new business areas
? Other (please specify)

**Part B: Effects of library purchasing consortia**

B.1 How have library purchasing consortia affected your business to date in terms of:

a) Volume of trade?

b) Cost margins?

c) Stability of client base?

B.2 How do you perceive library purchasing consortia having affected your library supply sector in terms of:

a) Volume of trade?

b) Profit margins?

c) Fluctuations in customer business?

B.3 How do you perceive library purchasing consortia having affected the publishing industry in terms of:

a) Volume of trade?

b) Price margins?

c) Market demand?

B.4 Please add any comments (on a separate sheet if necessary).

MANY THANKS FOR YOUR HELP!

PLEASE PUT ONE LAST TICK *HERE* ( IF WE MAY COME BACK TO YOU FOR FURTHER DETAILS ON ANY ASPECTS OF THE ABOVE.

Please return the completed questionnaire, **by Monday 7 December 1998**, to:

Ms Jo Pye
c/o CSM Associates Limited
Rosemanowes

Herniss
PENRYN
Cornwall
TR10 9DU

Tel: 01209-860141x245 Fax: 01209-861013 E-mail: jpye@ex.ac.uk

# APPENDIX D

PARTICIPATING LIBRARY SUPPLIERS APPENDIX D

| Name | Title | Add1 | Add2 | Add3 | Add4 |
|---|---|---|---|---|---|
| Mr Chris Tyzack | Blackwell's Books | P O Box 40 | Hythe Bridge St | OXFORD | Oxford |
| Mr David Lindley | Books for Students | Bird Rd | Heathcote | WARWICK | Warwic |
| Mr John Cropley | James Askew & Son Ltd | 218-222 North Rd | PRESTON | Lancashire | PR1 1S |
| Mr J G Waring | Coutts Library Services (UK) | Mobbs Miller House | Ardington Rd | NORTHAMPTON | Northa e |
| Mr Nigel Lancaster | Cypher Group Ltd | Elmfield Rd | Morley | LEEDS | West Y |
| Mr F M Cunningham | Dawson (UK) Ltd | Crane Close | Dennington Rd | WELLINGBOROUGH | Northa e |
| Mrs B Sandford Smith | Lambs Legal and Medical Bookshop | 21 Store St | LONDON | WC1E 7DH | |
| Mr Colin Marshall | Leicester University Book Shop | University Rd | LEICESTER | Leicestershire | LE1 7R |
| Mr Peter Sheldon | J S Peters & Son Ltd | 120 Bromsgrove St | BIRMINGHAM | West Midlands | B5 6SL |
| Mr K J Berggreen | Sussex University Bookshop | University of Sussex | Falmer | BRIGHTON | East S |
| Mr Adrian Penhallow | UCE Books | Kenrick Building | University of Central England | Franchise St | BIRMIN |
| Ms Yvonne Alexander | Warwick University Bookshop | The University of Warwick | COVENTRY | CV4 7AL | |
| Managing Director | Thomas Slatner | 2 Weldfield Av | LONDON | N10 2EA | |
| Ms Mary Nettlefold | Cawdor Book Services Ltd | 96 Dykehead St | Queenslie | GLASGOW | G33 4A |
| Mr Norman Williams | Yankee Book Peddler Library Services | 8 Swanwick Business Centre | Bridge Road | Lower Swanwick | SOUTHA |
| Mr Colin Harrison | Everetts | Sullivan Rd | LONDON | SW6 3DU | |
| Mr Paul Harwood | Swets (UK) Ltd | 32 Blacklands Way | Abingdon Business Park | ABINGDON | Oxford |
| Mr Bernard Pope | Dawson (UK) Ltd | Cannon House | FOLKESTONE | Kent | CT19 5 |
| Ms Suzanne Wilson Higgins | Blackwell's Information Services | P O Box 40 | Hythe Bridge St | OXFORD | Oxford |
| Mr Ian Middleton | EBSCO Information Services | 1 Mill St | LONDON | SE1 2DF | |

# APPENDIX E

| Name | Title | Add1 | Add2 | Add3 | Add4 |
|---|---|---|---|---|---|
| Ms S Murray | Blackwell’s Books | 48-51 Broad St | OXFORD | Oxfordshire | OX1 3B |
| Mr David Lindley | Books for Students | Bird Rd | Heathcote | WARWICK | Warwic |
| Ms E Gregory | James Askew & Son Ltd | 218-222 North Rd | PRESTON | Lancashire | PR1 1S |
| Mrs O Hughes | Bookland & Company | 1 Stanley St | CHESTER | Cheshire | CH1 2N |
| Mr T Judge | Browns Books | 22-28 George St | HULL | HU1 3AP | |
| Mrs Rosalind Ephraim | Burway Books | 10 Beaumont Rd | CHURCH STRETTON | Shropshire | SY6 6B |
| Mr J G Waring | Coutts Library Services (UK) | Mobbs Miller House | Ardington Rd | NORTHAMPTON | Northa e |
| Mr Chris Watkins | Cypher Group Ltd | Elmfield Rd | Morley | LEEDS | West Y |
| Mr F M Cunningham | Dawson (UK) Ltd | Crane Close | Dennington Rd | WELLINGBOROUGH | Northa e |
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| Mr Jeremy Bowes | Wisepress Ltd | The Old Lamp Works | 25 High Path | Merton Abbey | LONDON |
| Mr Rupert Gather | Zwemmer Holdings Co Ltd | 24 Litchfield St | LONDON | WC2H 9NJ | |
| Mr James Gray | Business & Medical Book Centre | 9 Headlands Business Park | Salisbury Rd | RINGWOOD | Hampsh |
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| Mr N Atkinson | Cambridge University Press | 1 Trinity St | CAMBRIDGE | CB2 1SZ | |
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| | Services | | | | |
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| Middleton | Information | | | | |
| | Services | | | | |

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PARTICIPATING LIBRARY SUPPLIERS APPENDIX D

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