

LIBRARY PURCHASING CONSORTIA IN THE UK:

ACTIVITY AND PRACTICE

David Ball and Jo Pye

Bournemouth University Library

Abstract

This *Briefing* is based on a survey undertaken for a BLRIC/LIC-funded research project (RIC/G/403). It describes the models of operation of purchasing consortia in four library sectors (further education, health, higher education and public libraries) and their expenditure patterns. It discusses present and future savings deriving from consortial activity and closes by predicting future activity. A list of active consortia is provided. The views expressed are those of the authors, not of BLRIC or LIC. The full report is available from CPI Ltd (e-mail enquiries@cpi.ltd.com quoting ISBN 1 898869 56 1).

1 Introduction

The information contained in this *Briefing* has been derived mainly from a survey undertaken for a BLRIC/LIC-funded research project (RIC/G/403). The consortia surveyed cover four library sectors: higher education, further education, public and health libraries. Consortia included were identified in spring 1998, and the questionnaire returns were made during September and October of the same year. Data gathered were also supplemented by seminars held for the consortia in July 1998 and March 1999.

The 21 library purchasing consortia identified comprise eight in higher education, six in the public library sector, five in the health sector and two in further education (for contact information see Appendix A). Of 21 questionnaires sent out 20 were returned, representing an excellent response rate of 95%. Library purchasing consortia surveyed were drawn from all parts of the United Kingdom: sixteen from England, three from Wales, one from Scotland and one from Northern Ireland.

Circumstances are constantly changing and the survey presents only a snapshot of activity. Nevertheless, this *Briefing* will give an outline of the main characteristics and areas of activity of library purchasing consortia in the UK.

2 Definition

We define a library purchasing consortium as 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.

It should also be noted that, generally, library purchasing consortia differ in one important respect from consortia active in other spheres: they do not buy in bulk and distribute to their members. Instead they will typically negotiate a collective framework agreement with one or more suppliers. Individual libraries, as members of the consortium, will then make bilateral arrangements with these suppliers within the terms of the general framework agreement. The result is a standard agreement that can be tailored to the needs of individual libraries.

Distribution

The distribution of library purchasing consortia across the United Kingdom is uneven and sector-dependent. Only higher education libraries show a well developed regional infrastructure of purchasing consortia covering virtually all eligible libraries. Even here there is a diversity of approach: some library consortia have set up their own frameworks; others have arisen from 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, for instance by the Central Buying Consortium (CBC), 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 Net Book Agreement (NBA) and in advance of local government reorganisation (LGR). 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, which lends itself to informal collaboration, it is perhaps surprising that libraries seem not as yet to have taken advantage of existing structures.

In the health sector 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. National initiatives are also evident: the NHS Supplies Executive has recently been out to tender for the national supply of books, periodicals and stand-alone electronic media. Networked information initiatives under way, such as NHSNet and the proposed electronic library for health, are already having a significant impact.

There is little activity amongst further education libraries, even though this fragmented sector stands to benefit greatly from the activity of strong consortia.

4 Governance

Few consortia are guided by a formal constitution or a governing board; most have either steering or user groups, or both. 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 formal structures, should activities grow or diversify. Those with formal structures tend to be sub-groups (commonly called commodity groups) of general purchasing consortia (e.g. the Southern Universities Purchasing Consortium (SUPC)).

5 Membership consultation

Higher education purchasing consortia embed regular consultation meetings firmly into their operations at all levels and involve the entire consortium. They also provide occasional updating meetings and have established new communication initiatives, such as training programmes or e-mail groups.

Public library sector purchasing consortia also provide for regular consultation meetings for their membership, these mainly of the entire consortium. In this sector the majority of consortia surveyed were stand-alone library groupings with no affiliation to consortia involving the parent authority, and so parallel consultation of this kind may be taken to represent management as well as communication.

Health library consortia tend to have occasional updating meetings for membership consultation, and to the exclusion of any other type of meeting. This presumably derives from the informal networking ethos that has fostered long-term, 'grass roots' collaboration amongst health libraries.

There is no discernible pattern amongst the further education library purchasing consortia.

6 The role of procurement professionals

While there are clear sectoral disparities amongst the library purchasing consortia surveyed (see Fig.1 below), the size of consortium expenditure seems to determine whether procurement professionals are involved. Thus in those whose spend consistently exceeds European Commission guidelines' thresholds, the involvement of purchasing professionals is much more likely, and also crucial to the successful navigation of such procedures.

The most active and structured participation by procurement staff in library purchasing consortia occurs in higher education, where purchasing professionals are generally found within the libraries' institutions to advise as requested or needed. Even where the library consortium is constituted separately from the general institutional purchasing consortium, 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.

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 an equivalent level of 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 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.

7 Meeting individual needs

The chief mechanism for meeting the diverse needs of individual libraries within a consortium is the combination of framework and bilateral agreements noted in §2 above.

Despite the widespread use of this mechanism, 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. 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.

8 Tendering and contract management

Tendering and contract management form the heart of the procurement process. It is here that the involvement of procurement professionals is most valuable.

Fundamental to the tender is the specification of the goods and services to be provided. This specification must be as clear as possible, to ensure that suppliers know precisely what is required of them, both in terms of their response to the tender and the service eventually provided by the successful tenderers.

Evaluation of tenders once received is made according to a range of assessments by the consortium members. Different consortia apply different evaluation criteria; no two consortia reported equivalent weightings when rating an overall service standard. Our 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. In broad terms the majority of respondents reported greater importance awarded to quality and overall value of service than to 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 to identify no 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.

There was a range of responses from consortia regarding terms on offer from suppliers that were considered attractive options by consortia. Particularly in book supply contracts (which in all

cases have started since the fall of the NBA), the starting point is the list price. This figure could then be subject to specified fixed or sliding scale discounts (depending on volume of spend). Some contracts also provide for the application by booksellers of a management fee on low or no discount items. There is also currently talk of 'cost-plus' arrangements, where suppliers charge the cost to them of items from publishers or wholesalers, but add a fixed handling fee. The most helpful quotations treat servicing requirements as separately costed from supply, which facilitate contract monitoring using management information provided by suppliers. Periodicals typically attract lower discounts than 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. Consortia take great pains to arrive at true and comparable costings when evaluating tenders, by including variables such as the application of exchange rates for the supply of non-UK materials.

Once the contract is awarded, a range of practices is applied to cover its management. Evaluation and monitoring procedures are universally regarded as vital and some form of regular meetings programme with suppliers within a cycle of feedback from members is universal. Even where these meetings are infrequent only, they provide opportunities for particular problems that have arisen to be addressed with suppliers and resolved.

9 Type of commodity

Virtually all library purchasing consortia surveyed were actively involved in contract management, with one-third and one-fifth of respondents also developing specifications and progressing tenders respectively. Most reported more than a single supply contract under way for one commodity or service and the majority are managing multi-commodity programmes. Expenditure is mainly on books, periodicals, electronic journals (which may be included with periodicals subscriptions) and increasingly library management systems (LMS). Supply of audio-visual resources 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.

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 mirrored 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. Public library consortia surveyed do not have contracts for the supply of periodicals. 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 the supply of LMSs, and most of the consortia responding are keeping a watching brief on progress and evolving practice. 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 LGR. A further education library purchasing consortium was also engendered by common use of an LMS amongst institutional libraries. Up to the present HE libraries have tended to implement LMSs individually to cater for their own institutional needs, and in many cases have now progressed to second- or even third-generation systems without recourse to common specification development with other libraries. But interestingly the recent 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 is also under scrutiny by the NHS Supplies Executive.

10 Contract duration

One of the most striking features of the library purchasing consortia surveyed is how recently contracts have started 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 year, 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. 2 below). The distribution of contract duration however is much more distinctive across library sectors. 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.

Summary of characteristics

The characteristics of consortia in the four sectors 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	?

12 Consortial expenditure patterns across library sectors

12.1 Context

The following indicative expenditure statistics 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.
- b) 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.

12.2 Consortia expenditure patterns

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

12.2.1 Higher education consortia expenditure (from SCONUL[1] statistics)

Within HE our research discovered the following eight consortia covering, geographically, the whole of the UK: CALIM (Consortium of Academic Libraries in Manchester), HEPCW (Higher Education Purchasing Consortium in Wales) Libraries Group, LUPC (London Universities Purchasing Consortium), MUAL (Midlands Universities Academic Libraries), NEYAL (North East and Yorkshire Academic Libraries), Northern Ireland Academic Libraries Consortium, SUAL (Scottish Universities' Acquisitions Librarians), SUPC (Southern Universities Purchasing

Consortium) Libraries Project Group.

Their potential expenditure is 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

12.2.2 Public library consortia expenditure (from CIPFA[2] and LISU[3] statistics)

We identified and surveyed five public library consortia: CBC (Central Buying Consortium), Foursite, NewNet, PRISM and TALNet. One further public library purchasing consortium was identified in the North East of England, but was unable to return the questionnaire.

This sector displays great diversity in size. 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. The key role of common LMSs 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 video-cassette resources.

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; the number of libraries in each consortium is given in brackets:

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

12.2.3 Health library (NHS) consortium expenditure (from LISU[4] statistics)

Six health library consortia were identified and surveyed: CHILL (Consortium for Health Independent Libraries in London), HELIN (Health Libraries and Information Network), North Thames, South Thames, Trent and West Midlands.

As noted above, the NHS Supplies Executive, which estimates an £8 million expenditure nationally amongst NHS libraries for books and periodicals, has recently concluded national agreements 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.

NHS regional 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	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 (24)	539,076	622,930	202,539	1,364,545
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

12.2.4 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 (the Midlands FE Colleges Consortium and the Wessex libraries Purchasing Consortium (WLPC)) 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.

13 Current and future levels 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 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 require single copies of specialist textbooks published throughout the world. Differential discount levels apply, and the deregulated market environment following the demise of the NBA operates on a sliding scale 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.

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 said by some in the book trade 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 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.

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 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 periodicals supply industry.

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 above for the range of materials ordered by consortia and reported expenditure patterns. 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 Expenditure	Discount	Savings
Indicative HE library consortia expenditure	£32,600,072	2%	£652,001
Indicative NHS	£1,421,065	1.5%	£21,316

library consortia				
expenditure				
		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 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.

14 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. This represents 1.2% of the total annual HE expenditure on libraries, including staffing, of £343m. 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 LMSs. 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, or 0.4% of the total public library expenditure of £791m. 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 an LMS, 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 LMSs. 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 LMS. As we have seen, some consortia actually came into being around shared systems. But, more importantly, HEPCW has successfully tendered for a single LMS for all Welsh HE libraries. 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.

ACRONYMS

CHEST	Combined Higher Education Software Team	
CIPFA	Chartered Institute of Public Finance & Accountancy	
FE	further education	
HE	higher education	
LGR	local government reorganisation	
LISU	Library & Information Statistics Unit, Loughborough	
	University	
LMS	library management system(s)	
NBA	Net Book Agreement	
NESLI	National Electronic Site Licence Initiative	
NGCPAL	National Group on Consortium Purchasing for Academic	
	Libraries	
SCONUL	Standing Conference of National and University Libraries	

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 Shorley	Library	Northern Ireland Universities Consortium	University of Ulster at Jordanstown	Shore Road	Newtownabbey	CO ANTRIM Northern Ir
Mr John Whitter	Assistant Director of Education (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	CHICHESTER West Sussex
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	Manager	TALNet	Caernarfon	Pavilion Hill	CAERNARFON	Gwynedd

LIST OF CONSORTIA CONTACTED APPENDIX

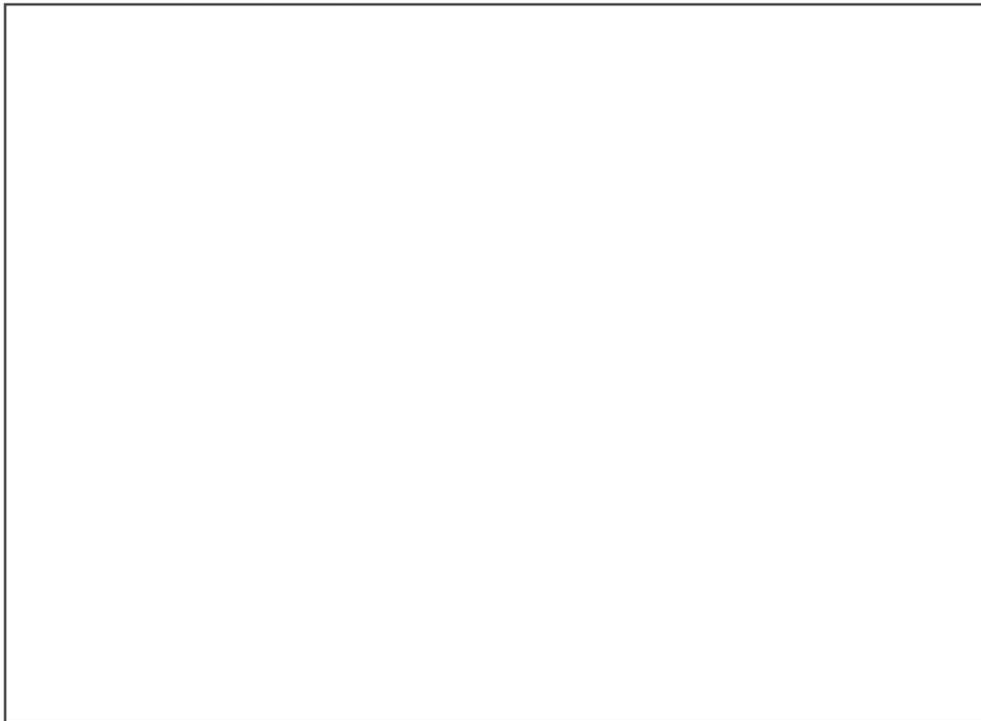
Pritchard				Library			
Mr Laurence Rawsthorne	Head of Libraries	NEWNet	Flintshire Library Headquarters	County Hall	MOLD	Flintshire	
Ms Louise Jones	Chair	Regional Libraries Group Purchasing Panel	Clinical Sciences Library	University of Leicester	Leicester Royal Infirmary	P O Box 65 LEICESTER	
Dr Judy 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 Director	HELIN	Anglia and Oxford Regional Health Authority	Oxford Radcliffe Hospital	The John Radcliffe	OXFORD	
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 Centre	33 Millman St	LONDON	
Mr Michael Carmel	Librarian	South Thames Consortium	South Thames Regional Library Unit	Kent and Sussex Hospital Library	TUNBRIDGE WELLS	Royal Surrey County Hospital	GUILDFORD
Ms Jennifer Blackburn	Librarian	South Thames Consortium	West Midlands Regional Health Authority Library	EMU (Evidence Supported Medical Union)	Public Health Building	University Birmingham	
Ms Pam Prior	Librarian	Electronic Information Consortium	British Institute of Radiology	36 Portland Place	LONDON	W1N 4AT	
Ms Kate Sanders	Chair	CHILL	Royal Society of Medicine Library	1 Wimpole St	LONDON	W1M 8AE	
Mr David Stewart	Librarian	CHILL	Kings Fund Centre Library	Cavendish Square	LONDON		
Ms Linette Cawthra	Librarian	Warwickshire Colleges Consortium	Stratford upon Avon College	The Willows North	Alcester Road	STRATFORD U AVON	
Ms Jacquie Davies	Librarian	WLPC	Bournemouth University	Dorset House Library	Fern Barrow	POOLE	
Mr David Ball	Librarian		NHS Purchasing Division	80 Lightfoot St	CHESTER	CH2 3AD	
Mr David Nixon	Senior Buyer - Office Services						

[1] Standing Conference of National and University Libraries, *SCONUL annual library statistics 1996-97*, (London: SCONUL, 1998).

[2] The Chartered Institute of Public Finance and Accountancy Statistical Information Service, *Public library statistics: 1995-96 actuals*, (London: CIPFA, 1997).

[3] Library & Information Statistics Unit, *Public library materials fund and budget survey 1996-98*, compiled by G. Cox and D. Spiller, (Loughborough: Department of Information and Library Studies, Loughborough University, 1997).

[4] Library & Information Statistics Unit, *Statistics from the NHS Regional Librarians' Group 1996-97*, (Loughborough: Department of Information and Library Studies, Loughborough University, 1998).



LIST OF CONSORTIA CONTACTED APPENDIX

