

**Report from Task Force set up to review the current funding model of the M25 Consortium of Academic Libraries**

1. Background

At the M25 AGM in June, it was agreed that a new way of arriving at the subscription charge for membership of the Consortium is needed. This is because the formula used in the past few years is proving increasingly unworkable due to the changing nature of the Consortium, and a lack of statistical data returns on which to base the calculations.

A small Task Force was convened in August 2003 to advise the Steering Group on a way forward with this, with the intention that the full membership could be advised in January 2004 of their potential contributions for 2004-5. Membership of the Task Force was:

- Robert Hall (M25 Consortium Chair, University of Surrey),
- Julia Munro (University of Reading),
- Sue Price (Courtauld),
- Keith Webster (SOAS),
- Roy Williams (London Metropolitan University),
- Jean Yeoh (KCL and Chair of CPD25).

2. Current position (excluding CPD25)

Members are charged a membership subscription according to membership categories. The figures given below are for 2003/04 and Members are aware that subscription levels and the determining methodology may change over time. It should be noted that Members currently receive three invoices (for InforM25, CPD25, and for 'other' activities - or everything else) with a different calculation model used for CPD25 (see below).

a) Higher Education Institutions located in and around the M25 region (defined as London within existing regional boundaries), and who are eligible for membership of SCONUL, are charged according to a complex formula to reflect the diversity of Higher Education Institutions. This combines 3 elements:

- flat fee (£300 p.a.)
- sum derived from the size of the student population (derived from HESA statistics)
- sum derived from total learning support expenditure (derived from HESA statistics)

In 2003/4 the contribution to activities (i.e. that sum apart from the flat fee of £300) ranges from £488 to £5,012).

b) Other academic and academic related institutions in the M25 region who may be invited to join, including groups of libraries with similar interests are charged on a different financial model according to the size of their library staff population. This is banded and for 2003/04 charged as follows:

Number of staff	Subscription p.a.
1 - 99	£1,500
100 - 199	£3,000
200+	£5,000

c) Observer status members are charged a flat fee of £150 p.a. for 2003/4, subject to individual circumstances

### 3. Comparisons

NOWAL and SCONUL were contacted to see how they calculate their subscriptions. NOWAL use a similar method to the current M25 calculation and SCONUL apply a flat fee approach.

### 4. Funding methodology options

The group discussed four possible funding models:

- a. Using HESA statistics as an objective measure of activity on which to base subscriptions.
- b. Using institutional turn-over figures.
- c. Using the percentage of the each institution's budget spent on their library.
- d. Using a banding scheme based around the JISC model.

The Task Force preference was for option (d) as it has already been accepted by HEFCE funded institutions as a fair way of calculating prices of materials and there was a high level of acceptance. This approach was endorsed by the Steering Group at its meeting in October 2003.

NB: Several institutions do not appear to have a JISC band (Courtauld Institute, Heythrop College and also the Wellcome Library) and this is being investigated.

### 5. JISC bands

The JISC places all institutions eligible to access its content deals into one of ten bands for the purposes of equitable cost recovery. Further information about the rationale for using bands and the ways in which they are calculated can be found at:  
[http://www.jisc.ac.uk/index.cfm?name=collections\\_chargingexplanation](http://www.jisc.ac.uk/index.cfm?name=collections_chargingexplanation)

Using these bands, a spreadsheet was compiled to show how much each institution would be charged for standard M25 membership (i.e. InforM25 and all other services, with the exception of CPD25) based on the amount of income collected for 2003-4.

The JISC advise that for the purposes of simplicity they join bands together in many instances to give six bands (rather than ten). These figures have been shown in the attached spreadsheet for the sake of comparison and Members are invited to comment on the merits of these two options.

The Task Force favoured the model that used fewer bands.

## 6. Non-HEFCE-funded institutions

Currently the non-HEFCE institutions are divided into three bands but with some flexibility subject to individual circumstances:

<b>Number of staff</b>	<b>Subscription p.a.</b>
1 - 99	£1,500
100 - 199	£3,000
200+	£5,000

There is a clear problem with the bottom band as many non HEFCE funded Members actually have less than 50 staff and there is a undue hardship applied to them as the banding stands.

The Task Force recommends that the subscription banding is changed as follows:

<b>Number of staff</b>	<b>Subscription p.a.</b>
1 - 49	£750
40 - 99	£1500
100+	£3000

## 7. Observer members

There are currently only two Members with observer status and it is not proposed to increase the observer rate from £150 p.a. at this time.

The Task Force recommends that the subscription rate for Observers continues at the current rate.

## 8. Current position - CPD25

The subscription model for CPD25 is based on a mixed economy of

- flat fee or subscription per head (based on library staff)
- pay as you go with a set charge per event (depends on nature and scale of event)

It was designed to allow CPD25 to be financially self-supporting, and indeed it has proved to be a robust model.

CPD25 member subscriptions are used to cover Administrator salary costs and any other surplus from the programmes is ploughed back into overheads, publicity and events. Where CPD25 uses external professional trainers at commercial rates and is reliant on commercial venues surplus income is used to cross subsidise events. Financial risk management has been based on ensuring that some contingency funds are retained and in seeking external income (e.g. from LMN).

As the current mixed economy model has proved robust it is proposed in the CPD25 Business Plan that this is retained for the next two years at least. However, for the reasons advanced above, it is recommended that the subscription element of the model

is changed so that it is brought in to line with the banding model suggested for the main Consortium subscription.

#### 9. Recommendations

Consortium members are invited to consider the following recommendations, any outstanding areas of concern will be further discussed by the Task Force and at the Steering Group meeting in March 2004:

- a. That the subscription model moves to a banded structure.
- b. That subscription rate for HEFCE-funded members is based on the JISC bands
- c. That there should be six bands rather than ten
- d. That there should be a change to the three bands for non-HEFCE funded members
- e. That the subscription rate for observers remains unchanged
- f. That the subscription model for CPD25 retains its mixed economy approach, but that the subscription element is based on bands rather than headcount.

Robert Hall  
Chair M25 Consortium  
January 2004

<b>M25 Subscriptions based on JISC Bands</b>						
Each Band is seen as equating with a number of 'shares' in the overall M25 funding requirement.						
The higher the Band, the greater the number of shares and the higher the subscription contribution.						
Two banding options are shown.						
			<b>6 band model</b>		<b>10 band model</b>	
	<b>Current</b>	<b>JISC</b>	<b>Shares</b>	<b>M25</b>	<b>Shares</b>	<b>M25</b>
	<b>subscription</b>	<b>band</b>	<b>(as below)</b>	<b>Subscription</b>	<b>(as below)</b>	<b>Subscription</b>
Birkbeck University of London	£1,387.00	E	4	£1,985.91	6	£1,918.39
Brunel University	£2,457.00	D	5	£2,482.39	7	£2,238.12
Buckinghamshire Chilterns UC	£1,620.00	E	4	£1,985.91	6	£1,918.39
Canterbury Christ Church UC	£1,633.00	E	4	£1,985.91	6	£1,918.39
City University	£1,890.00	E	4	£1,985.91	6	£1,918.39
Goldsmiths College	£1,417.00	E	4	£1,985.91	6	£1,918.39
Imperial College London	£3,624.00	A	6	£2,978.87	10	£3,197.32
Institute of Education	£903.00	F	3	£1,489.43	5	£1,598.66
Kings College London	£4,307.00	A	6	£2,978.87	10	£3,197.32
Kingston University	£2,786.00	D	5	£2,482.39	7	£2,238.12
London Business School	£497.00	I	1	£496.48	2	£639.46
London Metropolitan University	£4,062.00	B	6	£2,978.87	9	£2,877.59
London Institute	£2,826.00	C	5	£2,482.39	8	£2,557.86
LSE	£2,424.00	E	4	£1,985.91	6	£1,918.39
London Sch of Hyg & Trop Med	£554.00	F	3	£1,489.43	5	£1,598.66
Middlesex University	£3,529.00	C	5	£2,482.39	8	£2,557.86
Queen Mary University of London	£1,953.00	C	5	£2,482.39	8	£2,557.86
Royal College of Art	£489.00	G	2	£992.96	4	£1,278.93
Royal Holloway, Univ London	£1,437.00	E	4	£1,985.91	6	£1,918.39
Royal Veterinary College	£488.00	G	2	£992.96	4	£1,278.93
SOAS	£1,370.00	F	3	£1,489.43	5	£1,598.66
School of Pharmacy	£500.00	H	2	£992.96	3	£959.20
South Bank University	£2,871.00	C	5	£2,482.39	8	£2,557.86
St George's Hospital Med Sch	£770.00	F	3	£1,489.43	5	£1,598.66
St Mary's University College	£703.00	F	3	£1,489.43	5	£1,598.66
Thames Valley University	£2,359.00	D	5	£2,482.39	7	£2,238.12
University College London	£5,012.00	A	6	£2,978.87	10	£3,197.32
University of East London	£1,999.00	D	5	£2,482.39	7	£2,238.12
University of Greenwich	£2,520.00	C	5	£2,482.39	8	£2,557.86
University of Hertfordshire	£4,031.00	C	5	£2,482.39	8	£2,557.86

University of Kent at Canterbury	£2,063.00	E	4	£1,985.91		6	£1,918.39
University of London	£1,586.00	E	4	£1,985.91		6	£1,918.39
University of Reading	£2,256.00	C	5	£2,482.39		8	£2,557.86
University of Surrey Roehampton	£1,711.00	E	4	£1,985.91		6	£1,918.39
University of Surrey	£1,974.00	D	5	£2,482.39		7	£2,238.12
University of Sussex		D	5	£2,482.39		7	£2,238.12
University of Westminster	£2,969.00	C	5	£2,482.39		8	£2,557.86
Wellcome		D	5	£2,482.39		7	£2,238.12
<b>M25 Subscriptions based on JISC Bands</b>							
Each Band is seen as equating with a number of 'shares' in the overall M25 funding requirement.							
The higher the Band, the greater the number of shares and the higher the subscription contribution.							
		<b>Total shares</b>	161			250	
	£74,977.00	<b>Cost per share</b>	496.478261	£79,933.00		319.732	£79,933.00
		<b>Band</b>	<b>Shares</b>			<b>Band</b>	<b>Shares</b>
		A+B	6			A	10
		C+D	5			B	9
		E	4			C	8
		F	3			D	7
		G+H	2			E	6
		I+J	1			F	5
						G	4
						H	3
						I	2
						J	1