

## M25 Consortium: proposed subscriptions for 2004/05

This paper explains the method of calculation used to derive the proposed subscriptions for 2004/05, which are set out in a separate spreadsheet. **Members are asked to approve these proposed subscriptions so that invoices can be sent out as early as possible in the new financial year.**

The spreadsheet contains the proposed subscriptions for 2004/05 for the three distinct business activities of the Consortium i.e.

- The general activities of the Consortium – as set out in the proposed Consortium budget for 2004/05.
- The InforM25 service and related IT activities, managed by the M25 Systems Team.
- CPD25 staff development activities, which are funded partly by subscription (for HEFCE members) and partly through charges for individual events.

These activities are administered independently and members will receive separate invoices in each case. However, for convenience, they have been brought together into a single document and a comparison made with last year's subscriptions.

The method of calculating subscriptions was agreed at the January 2004 general meeting (agenda item 7.3):

*Members approved the following recommendations:*

- a. That the subscription model moves to an un-weighted banded structure.*
- b. That subscription rate for HEFCE-funded members is based on the JISC bands which relate to institutional income.*
- c. That there should be 10 bands (or whatever number JISC operated in future).*
- d. That there should be a change to the structure of the three bands for non-HEFCE funded members.*
- e. That the subscription rate for observers should remain unchanged for 2004/5 but should be subject to increase linked to inflation in future.*
- f. That the subscription model for CPD25 remains its mixed economy approach, but that the subscription element is based on the new banded structure applied to the general Consortium subscription. The subscription element will therefore be based on 10 JISC bands rather than headcount.*

The bands for libraries not included in the JISC banding scheme were agreed as follows:

- 1-49 staff                      £750 p.a.
- 50-99 staff                     £1,500 p.a.
- Over 100 staff                £3,000 p.a.

These cover both general Consortium activities and the work of the Systems Team, but not CPD25. Only HEFCE-funded members of the Consortium pay a subscription to CPD25 – non-HEFCE members and observers do not, but they pay at a higher rate for events attended by their staff.

Observers are charged a flat fee of £150 p.a. for 2004/05.

The total budgets for the different areas of activity are as follows:

- The general Consortium budget is set out in a separate paper.
- The M25 Systems Team budget was agreed at the January Consortium meeting –
  - 7.2.1 That there should be continuing financial support for the M25 Systems Team for a period of two years (2004/5 and 2005/6) to give stability and continuity for the team staffing levels. This will include an element for inflation at, say, 3% p.a.*
- All institutions make a contribution to the work of the Systems Team with the exception of the British Library as all members (except BL) are included in one or more elements of InforM25 (catalogue search, find a library etc).
- The CPD25 budget represents the estimated cost of the administrator (last year's figure plus 4%).

As the costs of the non-JISC institutions are fixed, these are calculated first and deducted from the agreed budgets. The outstanding budgets are then divided among institutions according to their JISC band which is converted into a number (A=10, B=9 etc). In a few cases adjustments have to be made e.g. OU is JISC Band A, but only the OU in London is a member of the Consortium so this has been reduced to Band C.

Overall, the tables show a 3.89% reduction in subscriptions (albeit that this is based on full subscriptions for the year for new members rather than actual payments reflecting e.g. half-yearly membership). It will be noted that, as anticipated at the January meeting, the changes in methodology have produced some significant variations from the previous year. The percentage changes shown here will also reflect the change in the CPD25 funding methodology. Members may have differing views on the final results, but the current methodology does have the virtues of simplicity and transparency by using an external indicator to differentiate between institutions according to size.

*Nick Bevan, Treasurer  
May 24 2004*

*[after consultation with Jean Yeoh (CPD25) and John Gilby (M25 Systems Team)]*