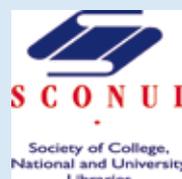# *Challenges for academic libraries in difficult economic times*

A guide for senior institutional managers and policy makers

March 2010

Acknowledgments

The focus groups which form a key base of evidence for this guidance were facilitated by Professor David Nicholas and Dr Ian Rowlands of the CIBER team at University College London, along with Dr Michael Jubb from the RIN.

The guide is available at www.rin.ac.uk/challenges-for-libraries

Hard copies can be ordered to distribute to colleagues, email catherine.gray@rin.ac.uk

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1. Summary

This document is based upon data gathered in the UK and internationally, which was considered by senior librarians in a series of focus groups held in late 2009. It explores how academic libraries are experiencing and responding to financial cuts.

There are four core messages:

1. After a decade of growth in budgets and services, librarians now expect a sustained period of cuts. Library budgets have risen over the past ten years – although not as much as overall university income and expenditure – as both the volume and range of library services have expanded. Librarians from across the higher education (HE) sector now expect budget cuts over the next three years.

2. The scale of the cuts means that libraries must rethink the kinds and levels of service they provide in support of their universities' missions. The scope for further simple efficiency savings is small, and so librarians are having to think more strategically about:

   • *the balance of expenditure on information resources on the one hand, and staffing on the other.* The balance varies significantly across the sector, and there is a close relationship between staffing and service levels

   • *whether and if so how to sustain existing kinds and levels of services while at the same time developing new services to meet new needs.* Many libraries across the sector are considering cuts in services; but they need to ensure that staff focus more on user-facing functions, and to develop a more detailed understanding of the costs of their activities

   • *the squeeze on book budgets, and how to meet the student demand for core texts.* E-books could help ease this problem, but publishers' policies on pricing and accessibility are inhibiting take-up, and

   • t*he costs and sustainability of current levels of journal provision.* Cancelling large numbers of titles or a whole big deal will give rise to considerable opposition. But librarians are looking at various options to reduce the costs of their current portfolios.

3. Library directors from across the sector are keen to use the current financial difficulties as an opportunity to rethink what the library does, and to do things differently. But they have as yet few concrete proposals that will transform services or yield large-scale savings.

- *They are seeking to develop a closer understanding of the relationships between library activities on the one hand, and learning and research outcomes on the other.* Library directors are increasingly keen to find ways to demonstrate and communicate the value of their services in achieving institutional goals.

- *They have been developing new kinds of services to support institutional missions, but lack of resources may constrain further development.* Support for open access initiatives, for data curation and preservation, and for training staff and students in a rapidly-changing information environment are all at risk.

- *They want to develop deeper co-operation with libraries across the sector.* Such cooperation is probably the only way to achieve significant cost savings while at the same time sustaining momentum in developing new services to meet the needs of their users.

4. Library directors need the support of senior managers across the HE sector, as well as from publishers and other information providers, in addressing the challenges as well as the opportunities they face. Sustaining world-class information services is of fundamental importance to UK universities and their success in teaching, learning and research. Libraries and their directors have a critical role to play, but they cannot do it all themselves. Leadership and partnership with champions from across the HE and information sectors will be critical to sustaining the outstanding position of UK universities.

2. Introduction

Libraries have for long played a central role in the lives of universities, in supporting learning, teaching and research. Since universities themselves vary considerably in the nature, range and scale of their activities, it is not surprising that their libraries too come in many different shapes and sizes. Along with the rest of the HE sector, however, all of them have experienced over the past decade a period of unprecedented change. They have transformed their operations as they have responded to the opportunities of the digital revolution, and further challenges lie ahead.

Like the rest of the sector, however, academic libraries are now facing a renewed and intensified period of financial stringency. In recent months, a number of bodies, including the Research Information Network (RIN), have been gathering evidence about the nature and scale of the financial and other challenges that libraries are facing in these new circumstances. The RIN has also organised, with the help of the Society of College, National and University Libraries (SCONUL), a series of focus groups to consider this evidence. The groups were run by experts in the field, and carefully organised so that, together with senior librarians, we could examine in detail the evidence from the latest reports and from an international survey undertaken by the CIBER team at University College London (UCL). We also took the opportunity to interrogate participants on the changes they are making to deal with these financial challenges.

We have tested our findings with other representatives of the library and information communities, and with some senior university managers; and we are confident that they are robust and authoritative. They also provide important messages for all members of those communities, and to the HE sector as a whole.

This paper therefore seeks to alert senior managers and funders in the sector, as well as librarians and publishers, to the key findings of this work. They show that the current financial climate – arising as it does at a time when libraries are facing major changes in what they do and the skill sets they need – raises difficult issues that library directors must take the lead in addressing. But if they are to resolve the issues successfully they will need the help of other senior players in the HE and information sectors.

3. The financial position of libraries

Over the last ten years, UK universities' net expenditure on libraries has grown significantly, but not nearly as fast as universities' overall income and expenditure. SCONUL and Higher Education Statistics Agency (HESA) statistics show that expenditure on libraries has risen from a total of £322m (3.0% of total university expenditure) in 1997-98 to £550m (2.1% of total university expenditure) in 2007-08. Such figures may not show the full picture, since the structure of many university library, information and IT services have changed, with mergers and de-mergers, over the last decade. Nevertheless, it is clear that many libraries have made considerable efficiency savings even as they have expanded the volume and range of their services. For example, they have exploited the opportunities offered by the digital provision of content: the total number of serial titles subscribed to by UK university libraries nearly tripled in the decade up to 2007-08, to nearly 1.5 million. At the same time, extended opening hours – including 24 hour opening particularly at key points in the academic year – have become common.

Sustaining such levels of provision, however, comes at a cost. The 'big deals' that have brought such an expansion in the numbers of scholarly journals provided by most libraries typically have built-in price increases of 5% or more a year. Rising costs for journals has been a long-standing problem for libraries, of course: but what is new is the difficulty of making cuts in journal subscriptions within the context of the big deals. And the RIN calculated after a survey in 2009 that the fall in the value of the pound had brought for a group of universities in the Russell and 94 Groups a further increase in costs of over 15% for their current portfolio of serials.

The financial picture for libraries in the current year is mixed. When UK respondents were asked in CIBER's international survey to report on their changes to their budgets this year as compared with last in cash terms 29% stated that their universities have provided a cash increase, 36% that they had a standstill budget, while 36% reported cuts, in some cases of 10% or more. When it comes to looking forward two years hence, the picture becomes much more gloomy: 52% of UK librarians expect their budgets to fall (with most expecting cash cuts of 10% or more), and only 9% expect an increase. Our focus groups confirmed this picture, with directors from across the sector reporting that they were being asked to model cumulative cuts of between 5% and 10% a year. They were clear that they cannot achieve this simply by seeking more of the kinds of efficiency savings they have made over the past decade; there is not enough fat to cut any more. Rather, they will have to look radically at the kinds and the levels of service that they can provide in support of their universities' missions.

4. Library strategies

Alongside the profound changes affecting the HE sector as a whole, there has been a sea-change in the provision of library and information services for staff and students in UK universities over the past decade. The digital revolution means that readers now expect immediate 24/7 access to a wide range of such services. Further social, economic, educational and technological developments – including the growth of social networking, of virtual learning and research environments, of cloud computing, and of ubiquitous mobile computing – presage continuing and intensive change in the next few years. Librarians' key concerns, as they face the kinds of financial pressures outlined above, are to ensure that they sustain high levels of service to both staff and students in their host universities; and that they can continue to innovate and exploit new technologies so that their services keep in step with their competitors not only in the UK but in the rest of the world.

Looking for efficiencies

Evidence from across the sector shows that libraries have already achieved significant efficiency savings through such measures as self-service for loans. Some have undertaken fundamental business process reviews, and several members of our focus groups were planning such reviews in the next few months. They were clear, however, that the scope for achieving further efficiencies within individual institutions is limited, and that larger-scale savings must come in the form of shared services in areas such as library management systems, management of digital resources, and shared cataloguing. Perhaps the biggest savings could come in the form of sharing in the acquisition of resources, particularly those in digital form. There is widespread enthusiasm in libraries for the development of shared services of this kind, and a bid has been submitted to the Higher Education Funding Council for England (HEFCE) for the initial stages of their development. It is not yet clear whether it can or will be funded in the current climate.

The balance between content, staffing and services

The balance of expenditure varies considerably across the HE library sector, in accordance with the varying missions of their host institutions, as well as for historical reasons. SCONUL statistics indicate that the proportion of library budgets devoted to the acquisition of books, serials and other information resources averages around 36%; but there is considerable variation around that mean, from under 20% in some small institutions to over 50% in some research-intensive universities, particularly those with a heavy focus on science, technology and medicine. The other major category of expenditure is on staff, and the proportions here vary similarly, from around 30% to over 70% in some small specialist institutions.

Staffing levels are of course closely related to the kinds and levels of services that libraries provide. We found a widespread view that in libraries where staff represent a relatively high proportion of

total expenditure, that proportion will have to fall. But some members of our focus groups also pointed to the need for an appropriate balance between content and services. For unless they have staff with the skills necessary to deliver the kinds of services that students and academics require, libraries will be unable to provide effective support for institutional missions. And as libraries face the need to develop new skills, the demand for old skills does not go away.

Books

At some universities, there have been policies to protect the budgets for information resources above all else, partly in order to sustain and improve the student experience. SCONUL statistics show that book budgets have come under increasing pressure across the sector, however, as expenditure on journals has risen; and there are concerns across the world about the future for monographs. It may be that e-books will ease the problems that libraries face here, particularly for text-books and course readers; and important experiments are under way in the form of the Joint Information Systems Committee (JISC)-funded e-books observatory. But both in our focus groups and more widely, librarians express frustration that publishers' policies on pricing and accessibility are inhibiting take-up. Hence there is a widespread view that libraries need to work together with publishers to promote innovative thinking on new models and routes to content.

These are critical issues for students, because they want ready access to core texts that appear on reading lists. The National Student Survey (NSS) has already provided students with a powerful consumer voice, and the Government's proposals to give them and their parents more information about provision at different universities will strengthen that voice further. Library provision features strongly in students' perceptions of the value of what they receive at university; and what students say that they want above all is more of the books and other resources they need to support their studies, and 24/7 access to them. The evidence from the NSS and other surveys suggests that such issues will feature ever-more strongly in student demands, from postgraduates as well as undergraduates.

Scholarly journals

Serial subscriptions account for up to 70% or more of library expenditure on information resources, in the Russell and 94 Groups in particular. The big deals which provide access to the whole of a publisher's portfolio of journals have increased enormously the range of titles available to members of universities in all parts of the sector. But they take up increasing proportions of total library budgets – again, especially in research-intensive universities – and leave little margin for anything else. Readers, academics in particular, now expect to have immediate access to most of the journals in their specialist area, and libraries find that nearly all of the titles to which they now subscribe are read, even if only by small groups of readers. Any suggestion of major cuts in the portfolios of journals to which libraries subscribe thus gives rise to vocal hostility.

Nevertheless, we found a widespread belief that current levels of journal provision may well be unsustainable, especially for some smaller institutions and those which are teaching-led. Responses to surveys and our focus groups indicate that there is intense pressure across the sector to reduce costs by abandoning print copies of journals, and cancelling subscriptions to lowly-used titles. Libraries are thus looking intensely at usage data before making decisions on renewals; and in some less-well-funded institutions especially, the prospect is that some big deals will be cancelled. Our focus groups confirm the evidence from surveys, that librarians across the sector are looking very closely at the costs of the big deals and how they might be reduced. For they view the seemingly-inexorable increases in the prices charged by publishers as unsustainable. Most of the deals with the larger publishers are negotiated through regional consortia or centrally through JISC, under its National Electronic Site Licensing initiative (NESLi2). Individual libraries then decide whether or not to subscribe to the deal. Although the negotiations are conducted by professionals, some members of our focus groups – especially those from teaching-led universities – are concerned that the deals do not represent good value for them, and are considering the possibility of negotiating individually with publishers on their own account.

But our focus groups also expressed concerns about the confidentiality clauses that seek to prevent universities from sharing with each other information about the costs of the deals they reach. Many library directors consider themselves involved in a war of attrition with publishers; and we found some talking about the possibility of concerted action to tackle the lack of transparency about the terms of big deals. Nevertheless, they are aware of the risks if they try to break ranks, not least because the UK is a relatively small part of the global market for publishers; and in other parts of the world, especially China and India, publishers are experiencing strong growth in their markets.

Hence only by acting in concert with others in the UK, and perhaps overseas, do libraries see much chance of achieving significant savings in their deals with publishers. Thus we found, in our focus groups and more widely, increasing interest in the possibility of national site licences covering the whole HE sector, and especially in the pilot initiative to that end in Scotland (SHEDL). It is clear to us, however, that the way to achieving such deals across the sector as a whole will not be straightforward, especially in a financial climate which is likely to intensify opposition from senior managers in universities towards top-slicing. Thus the diverse positions and financial prospects of different universities may make it more difficult for the sector as a whole to work together towards common goals; and students and staff in smaller or less-well-resourced institutions may find that they have access to a reduced range of journals. Nevertheless, we believe it is important that libraries should work together with JISC, with funders, and with publishers to find ways of reducing the costs of licence deals, and the restrictions on access often associated with them.

Staffing

HESA and SCONUL statistics show that over the past decade, the total staffing of UK academic libraries has risen by about 15%, while overall university staff and student numbers have risen by nearly twice as much; and in 2007-08 the numbers of designated library staff actually started to fall. In a context where the demands placed upon them have increased, members of our focus groups believe that their staffing levels have already been pared down. But they also recognise that in the current financial climate, academics as well as senior managers see scope for further cuts in the numbers of library staff; and evidence from the global survey conducted by the CIBER team shows that UK library directors are more likely than their US colleagues to contemplate cuts in staffing.

If what library directors tell us about seeking to do more with fewer staff is to come to pass, however, it will be critically-important to ensure that they focus their resources relentlessly on those areas that have the biggest impact: speedy delivery of the information and services that accurately meets the needs of students and academics. Reductions in library staffing levels must therefore be based on increased understanding of the relationships between activities, costs and

impact; and combined with more effective performance management. Our focus groups indicate that many library directors are already thinking in terms of restructuring and re-engineering.

Both survey responses and our focus groups also indicate agreement across the sector that libraries need more detailed and effective understanding of their costs, and that cost-consciousness needs to be embedded in library cultures to help drive process improvements, perhaps by adopting activity-based costing. There is also widespread agreement on the need for library staff to have a clear understanding of their roles and of what is expected of them; and a willingness to develop new skills and take on new roles.

Libraries are familiar with the experience of restructuring, for example in merging and/or de-merging with IT services. Our focus groups, however, spoke of tensions between the desire for fully-thought-through restructuring and re-engineering to deliver more effective and efficient performance on the one hand, and the need to reduce staff numbers rapidly in response to budget cuts on the other. We conclude that there is an urgent need to share experience and good practice in managing restructuring processes.

Services

Librarians are of course reluctant to cut services to staff and students. But survey responses and focus group discussions show that library directors across the sector believe that budget cuts at the levels they are being asked to consider cannot be achieved without a significant impact on services. Reductions in opening hours, particularly at weekends and during vacations, are options being considered by many libraries; and some directors wonder whether they can sustain the 24-hour opening that has become common, especially during the exam season. Some libraries are already reducing opening hours, even though this is unwelcome to many students.

Other options being considered include reductions in subject support for academic staff and students, and in information skills training, in addition to cuts in the purchase of books and of journals. And budget cuts many make it difficult to sustain newer developments such as support for the information gathering required for the Research Assessment Exercise (RAE) and the Research Excellence Framework (REF).

New areas and activities

Academic libraries in all parts of the sector have developed in the past decade new kinds of activities in supporting research, teaching and learning. And senior librarians are very much aware of the need to sustain the momentum of innovation in developing new approaches and new

services to support changes in institutional missions and in the workflows of both students and staff. It is clear from survey responses and focus group discussions, however, that there is a risk that the scope for doing so may become increasingly constrained by financial cuts and loss of key staff. We conclude that sustaining momentum will depend increasingly on cooperation across the sector. Many libraries have played a leading role in promoting open access initiatives, through the establishment of institutional repositories and of arrangements for the payment of open access publication fees. In the very long term, it is possible that open access may help in reducing the pressure on library budgets. But it is clear to us that for the next three to five years at least, open access initiatives will continue to represent additional burdens on libraries. For the costs of running repositories and promoting their use, or of paying publication fees, are not being offset by any significant reductions in subscription costs for scholarly journals.

Libraries are increasingly being asked to play an important role in the development of more effective arrangements for managing, curating, sharing and preserving data created or gathered by researchers. Such a role requires libraries to develop new skills and services, and their ability to do that is increasingly constrained in the current financial climate.

Libraries have also been active in addressing the increasing concerns about lack of understanding and skills among academics as well as students in handling an ever-more complex information environment. But there is a risk that further development of the work that libraries have been doing to support e-learning, and in fostering information literacy skills, will be stalled unless it is adequately supported financially.

Income generation

Libraries generate income under a number of heads. These include, from internal sources, photocopying fees, room hire, and fines for late returns; and from external sources, research and project grants, and donations. Taken together, these various sources of income account, across the sector, for more than 10% of library income (the main source being the money allocated from central university funds each year to support the library and its services).

Our focus groups told us that some libraries secure significant funding in the form of internal charges for specific services such as information literacy training. Others, however, gain no benefit from the income they generate from internal sources, which is all returned to central university funds. And both our survey and the focus groups indicate that librarians see relatively little scope in the current climate for increasing their income from either internal or external sources. Unlike their US colleagues, UK librarians see little scope for increasing user charges, and they are aware that fines are unpopular with students. As for external sources, project income from sources such as JISC is likely to be increasingly constrained; and external fundraising has to be carefully co-ordinated with the institution.

Nevertheless, our respondents indicated that UK librarians are interested in working with their host universities on fundraising initiatives, though to a lesser extent than their colleagues in the US. And focus group members were interested in such initiatives not simply as a way of helping to balance the books, but as a way of marketing the library and its value. If they are to be successful, however, there is a need for more sharing of information on examples of successful initiatives in this area.

5. The value of libraries

Our focus groups showed that there is a strong feeling among senior librarians that they have failed effectively to communicate the value of their services to those who fund and use them. They believe that many senior managers in universities, as well as academics and students, have outdated views and expectations about the services that libraries now provide. And it is true that there is an increasing risk that much of what libraries actually do may be invisible in a virtual environment. This may leave libraries especially vulnerable when institutions have to take difficult financial decisions, with cuts targeted at specific departments or areas of activity. Moreover, while the student voice in support of libraries may be particularly powerful, it tends to be focused on a rather narrow set of issues relating to ready access to course texts and the need for extended opening hours.

In current circumstances we believe it is particularly important that libraries should be able to show not only that they are operating efficiently, but that they provide services with demonstrable links to success in achieving institutional goals. Return on investment is thus an increasingly important issue. Libraries therefore need to be more proactive in seeking to understand user behaviour and workflows; and in rigorously analysing and demonstrating the value of their activities in improving students' experience and in supporting teaching, learning and research. The focus of performance indicators up to now has tended to be on inputs and outputs that are relatively straightforward to measure, rather than addressing the much harder issues relating to impact and value. Nevertheless, we believe it is essential that more is done to analyse the relationships between library activities on the one hand, and learning and research outcomes on the other.

6. Conclusion

Academic libraries have demonstrated their ability to lead and to adapt their roles in response to changing circumstances. They play a crucial role in supporting the teaching, learning and research missions of their universities. The quality of libraries and their services is an especially-important part of the student experience, and students are increasingly vocal about any perceived shortcomings.

Responses to the surveys and the focus groups show that librarians across the sector recognise that they must respond to the pressures of a new period of financial stringency; and that they must demonstrate that their services are both efficient and effective in delivering value to the staff and students in their universities. All our focus group members agreed that they must find ways of doing things differently; and many saw budget cuts as an opportunity to re-think what the library does and what it means. But they have as yet few concrete proposals that will transform services or yield large-scale efficiency savings, at least within the bounds of individual universities.

In these circumstances, we conclude that it is important for libraries to share ideas and experiences, and to test what works and what does not. There is a risk that the increasing diversity of the HE sector may inhibit working together to achieve common goals. But we believe it is crucial for libraries to exploit the potential for co-operation in developing a range of shared services in order to enhance efficiency, as well as the scope and quality of what they provide to both academic staff and students.

Libraries need to do all this not least in order to sustain a momentum in the development of new services that meet the changing needs of users and the missions and strategies of their host universities. Co-operation and partnership – with other libraries; with other information service providers; and with the staff, students and senior managers of their host universities – will be watchwords for libraries as they develop their strategies for the future. Working closely together with, and influencing, partners across the university sector will be essential if libraries are to exploit the current financial difficulties as an opportunity for change.

Further information and resources

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RIN (2008). *E-journals: their use, value and impact*
www.rin.ac.uk/ejournals-use-impact

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www.rin.ac.uk/ensuring-bright-future-libraries

RIN (2009). *Overcoming barriers: access to research information content*
www.rin.ac.uk/overcoming-barriers

About the Research Information Network

The Research Information Network has been established by the higher education funding councils, the research councils, and the UK national libraries. We investigate how efficient and effective the information services provided for the UK research community are, how they are changing, and how they might be improved for the future. We help to ensure that researchers in the UK benefit from world-leading information services, so that they can sustain their position as among the most successful and productive researchers in the world. All our publications are available on our website at www.rin.ac.uk