

Better Stock, Better Libraries

Fact Sheet

The background

On 14 August 2006 the Museums, Libraries and Archives Council (MLA) published a report of a stock procurement model for public libraries. This is part of the Framework for the Future programme, the government's vision for improving public library services in England.

Public library improvement is based on libraries getting closer to the people who use them and also better understanding the needs of their local communities. This principle drives the review of book procurement – it is about local libraries understanding local needs and ensuring people get the right stock at the right time and in the right way.

Currently, 149 library authorities in England (around 3,500 libraries) buy 80-90% the same type of books and other material. There is considerable duplication of effort.

The MLA wished to reduce substantially the cost of buying books and other stock and see as much of that saving as possible re-invested in things that improve the customer experience, including books and other stock, opening hours and public access ICT (Information Communications Technology) and more staff helping customers.

The MLA believes these proposals will put libraries and their customers in a stronger position to influence the book supply market. This will ensure they have the best choice of books and other stock at the best prices, delivered in the most efficient and speedy ways.

Better stock, better libraries provides a roadmap for transformation and a business case for change. The report also demonstrates how the adoption of better practice by all libraries, the introduction of innovation and joint working will enable libraries to increase efficiency and create savings for reinvestment in a better library service.

Summary of benefits

The project will support **better library services** in three ways:

- **Better availability and more efficient management of stock**, with flexibility to meet local needs
- **Freeing up library staff time and resources** from 'back-room' work to provide additional services to customers
- Creating the opportunity for **reinvesting the savings made by efficiency improvements** so libraries can provide the best possible service to their communities

Key questions:**What impact would the system have on local choice?**

Specific local needs can still be met locally by libraries buying their own materials directly. Each library will decide the sort of books bought and the amount bought, to make sure they best meet local needs. The proposal is to aggregate the process of buying, using these profiles and detailed local information - not to remove all choice from local libraries. Some libraries already operate this sort of system by working with suppliers to select stock, and this has resulted in a choice of books that is as good as, or better, than what they had before.

For example, Leeds City Council currently commissions Holt Jackson to select books on its behalf. The Council produces a community profile that is used to form the basis of a detailed specification of what is required for its library customers. This is done annually and allows an annual stock cycle to take place. Holt Jackson has the flexibility to select book categories according to the Council's specification through an online management system. This simplified selection process has led to savings of more than £100k being accrued to date, with a further £45k profiled for the coming year.

Is this a nationalised library service?

No. This project is founded on the principle that the responsibility for library services remains with local authorities, as set out by the Public Libraries and Museums Act 1964. It is also clear that if each local authority, and library service, feels that local needs are being met effectively, they will not choose to opt in to any new offering. However, as is being demonstrated in many other local government services, there are opportunities to improve services and to increase efficiency by local authorities working together in areas where this makes sense and where this reduces unnecessary duplication of activity. Local authorities, as commissioners, will retain control and local influence over governance and ensure accountability is maintained.

What will the impact be on the number and range of books?

By improving how library books are chosen and by improving the efficiency of book supply, the MLA hopes that libraries will be able to buy more books for their money. We will be making the case for investing the money that will be saved on back-room costs in improving frontline customer services, including books.

Will the project mean that all public libraries will have the same books?

Evidence collected during this study suggests that many libraries currently purchase very similar stock. Evidence collected during this study demonstrates that selection of stock by third parties, such as suppliers, actually contributes to a greater range of stock that meets a wider range of customer needs, as well as efficiency improvements.

What are the financial implications?

This is about reducing the cost of processes which do not add value to the customer experience, in order to maximise investment and the quality of frontline customer services. We estimate that £35m currently spent to buy

books and other materials can be reduced and that an efficiency gain of over £20m can be achieved.

Does the project only apply to books?

Books are the largest area of spending on public library stock. The 149 library authorities in England spend approximately £85m a year on book stock out of £136m spent on all materials. However, the changes proposed will also enable other resources, including audio visual and electronic subscriptions, to be bought more efficiently. The recent MLA-led initiative to buy electronic subscriptions for libraries nationally has resulted in more libraries providing access to resources at a lower cost than before, for instance, by securing a 50% discount on a package of Oxford University Press' online reference resources.

Does the project only apply to public libraries?

Yes, at least initially. There is potential in the longer term for the proposals to meet the needs of other types of library or institution that wish to buy books more efficiently. We have already begun information discussions with other public sector library services about the potential for them to participate in the future.

Will it mean one supplier has a monopoly on the current public library book supply market?

No. The proposals are designed to attract new entrants to the market in addition to existing providers, to increase competition and widen choice for library services and their customers.

Are there other ways to improve public library management efficiency?

A previous report commissioned by the MLA looked at the wider question of efficiency in public library services and concluded that the area of stock procurement was a priority where real improvements could be made. This is the reason MLA is focusing on this area at present. Developing new stock procurement arrangements will help the MLA understand what other improvements could be made and establish a platform for library authorities to work more collaboratively on other efficiency challenges in the future.

What impact will this model have on companies that currently supply books to public libraries?

Currently, most library stock is supplied by specialist companies that sell stock and process it for libraries. There are four main companies that supply more than 50% of libraries between them. Each of these suppliers acquires stock through a wholesaler who buys from the publisher. The MLA's proposal for the development of an e-marketplace will simplify this supply chain. It will allow for specialist companies who add value to continue to do so, while bringing other providers into the market to offer libraries a choice and to achieve best value for service users and taxpayers.

Even if nothing is done, specialist companies are left in a precarious position: in recent years, this market has contracted as companies have gone out of business, unable to compete. The MLA hopes these proposals will provide a

more flexible commercial environment, which is more sustainable in the longer term.

Are there current examples in the UK or internationally where this is working?

Many elements of these proposals are already working well in some library authorities, for example, joint buying arrangements, supplier selection, shared bibliographic services, simplified servicing requirements. What is new is how these would be combined and applied consistently so that everyone can derive the benefits these improvements can bring. Increased automation, for example in invoicing and receipting, and electronic procurement, are already delivering improvements in procurement elsewhere in the UK public sector.

While the review drew on good practice in other countries, the MLA's proposals have been tailored to the circumstances and needs of English public libraries and their customers.

How much will it cost to implement?

On the basis of an initial assessment, it is estimated that an investment of between £4.5million and £7million will be required to put in place ICT systems, new supply arrangements modernised logistics and other changes. That is set against a potential saving of at least £20million a year, if all authorities participate. The MLA will be undertaking further cost analysis to confirm the business case for change.

What happens next?

The MLA is confident of the project's potential for success, based on the fact that many elements of the proposals have already been proven to work elsewhere. The next stage of the project will develop the proposals in detail and test them fully before they are implemented, including the costs, risks and benefits.

What impact will the project have on librarian's jobs?

Many librarians' jobs may change. This will happen over a period of time in a planned way. It is the MLA's intention that while some backroom roles will no longer be required, staff time will be redeployed to provide other customer services.