

# Assessing the Impact of the Economic Downturn

## On university library and IT services

Briefing paper

September 2009

New research conducted by Ipsos MORI on behalf of JISC, SCONUL and UCISA shows that, although university library and Information Technology (IT) services may not yet be fully feeling the ‘pinch’ of the recession, given the likelihood of deeper financial cuts being imposed in 2010/2011, it is clear that they will be impacted unavoidably in a number of ways, such as reduced opening hours, decreased opportunity for developing staff skills, and limitations in procuring and providing resources. Such impacts, certainly for libraries, are likely to be compounded by the decreasing value of sterling in an international market for acquisitions, and the ever-changing demands of students and academic staff on their services.

The impact of any cuts is likely to have wider implications on institutions’ delivery of their overall strategic aims, such as enhancing the student experience. However, it is not clear what impact this will have on these services and universities in the longer term, five or more years from now. Thus, a number of questions remain unanswered; for example, to what extent will access to resources be reduced as subscriptions are cancelled, and what impact will this have on future users; will workstations for students and staff be underpowered because replacement cycles are lengthened; and will services be able to operate satisfactorily if significant staff redundancies occur?

This project was designed to determine the impressions, opinions and plans of senior managers working in university information services, through a qualitative approach, to gather sufficient depth of information. This briefing paper outlines the key findings.

## Objectives

The research aimed to:

- Discover the effects or anticipated potential effects of the economic downturn on income streams
- Understand how services are being affected
- Identify current, medium-term and long-term impacts
- Illustrate examples of actions taken by institutions to mitigate impact

## Methodology

A total of 40 in-depth interviews were conducted in 36 Higher Education Institutions (HEIs) across the United Kingdom. All were conducted with head librarians and directors of IT services or their equivalent. In institutions where the two services are converged, a director of Information Services was interviewed.

	Library	IT	Converged	Total
1994 Group	3	3		6
GuildHE	3	1	2	6
Million+	2	1	3	6
Russell Group	5	4		9
Unclassified	6	3	4	13
<b>Total</b>	<b>19</b>	<b>12</b>	<b>9</b>	<b>40</b>

Table 1: Number of interviews achieved

## The context

Libraries are no longer simple repositories of printed knowledge; they have become social, interactive learning spaces as a result of changing student use. Although many resources have been moved online, evidence suggests that students are now spending more time within library buildings than they have in the past; the library has become a social study space.

Although the fundamental role of university IT services has not changed dramatically in recent years, as they continue to provide services just as they have always done, the ways in which these services are accessed and used continues to change at a fast pace. ICT is now an essential part of the delivery of learning and teaching, assessment, research and administration. In recent years, mobile computing has seen wireless networks become a requirement, extending, in many cases, to student accommodation. As all aspects of students’ and indeed staff’s lives become increasingly digitised – academic and social alike – so do the pressures on IT and ICT provision.

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The convergence of these two, once very separate, central services means that the budgetary considerations of one will increasingly affect the other, requiring a more collaborative approach towards resource management.

## The impacts

### End users

- Librarians fear that the recession may affect service delivery in a number of ways:
- Small cuts across the range of services, or the loss of entire services perceived to be of less value to users, which librarians perceive will lead to a decline in overall service quality
- Having to achieve savings by cutting opening hours, in a world where users are only going to demand more access to resources, and increased access to library space
- Pressure to increase self-service – seen as positive in terms of efficiency savings after an initial investment

IT services are faced with the dilemma of needing to maintain existing services, and keeping systems and networks running at an acceptable standard for users on the one hand, while having to make significant efficiency gains on the other.

### Library-specific investment

- Hard-copy books and journals will be more difficult to get hold of, which will be exacerbated by budget cuts which weaken libraries' purchasing power; this may negatively impact user experience
- Difficulties may result from being locked into existing publisher deals, originally negotiated under a standard purchasing model, whose value for money has decreased in light of currency fluctuations

### ICT-specific investment

- Increased scrutiny of existing budgets/reporting in an environment of increasing service demands
- More renegotiating/reviewing of existing contracts due, primarily, to fluctuations in currency rates, causing difficulties in purchasing new hardware
- Increased competition when seeking funding from internal revenue streams means that there may be a need to bid on a time-consuming, case-by-case basis

### Currency fluctuations

For both services, the recent fall of the pound relative to the euro and the dollar has caused further difficulties; for libraries, notably journal subscriptions, and for IT services,

purchasing new hardware. The findings, however, suggest that senior management within IT/library services has experienced fluctuating budgets in the past, and this will go some way towards ensuring that the impact on services is minimised where possible.

### Staffing

All library interviewees identified the preservation of staff quality as key to maintaining customer offering. Although redundancies and reduced hours are seen as tools in cost reduction, many feel that such actions would have the most negative impact. It was felt that a reduction in job security would decrease the attractiveness of a career in library services, in turn affecting the calibre of future library professionals and therefore, service quality.

Before contemplating making cuts to the existing service, most IT departments are looking, or are planning to look, at ways in which they can decrease their staffing costs. There is a feeling that in order to maintain existing services, and keep systems and networks running at an acceptable standard, it would be very difficult to drive down non-staff costs. IT departments are left with little alternative but to cut payroll, which is why many institutions will have to look at redundancies.

## Responding to the pressures

Most have plans to renegotiate existing journal subscriptions and software licences (both major expenses) as one way of reducing their costs in coming years. Where budgets are expected to be cut, libraries are looking to cut journal subscriptions and book purchases rather than staff. The same is true of IT departments, which are looking at lengthening their hardware and software replacement/maintenance cycle in an attempt to mitigate the impact of the recession, as well as renegotiating contracts and leasing agreements with suppliers.

### Adjusting the service

Over recent years, many libraries have increased the availability of 'self-service' facilities for their users. This is a key area for cost saving, either by reducing staff costs or freeing up existing staff's time to assist in other areas.

IT departments are looking to minimise or cancel long-term investment projects rather than cut current service provision. Further non-staff cuts have been identified, such as lengthening the cycle of software upgrades and hardware replacement – for example, extending an existing four-year PC replacement cycle to five years.

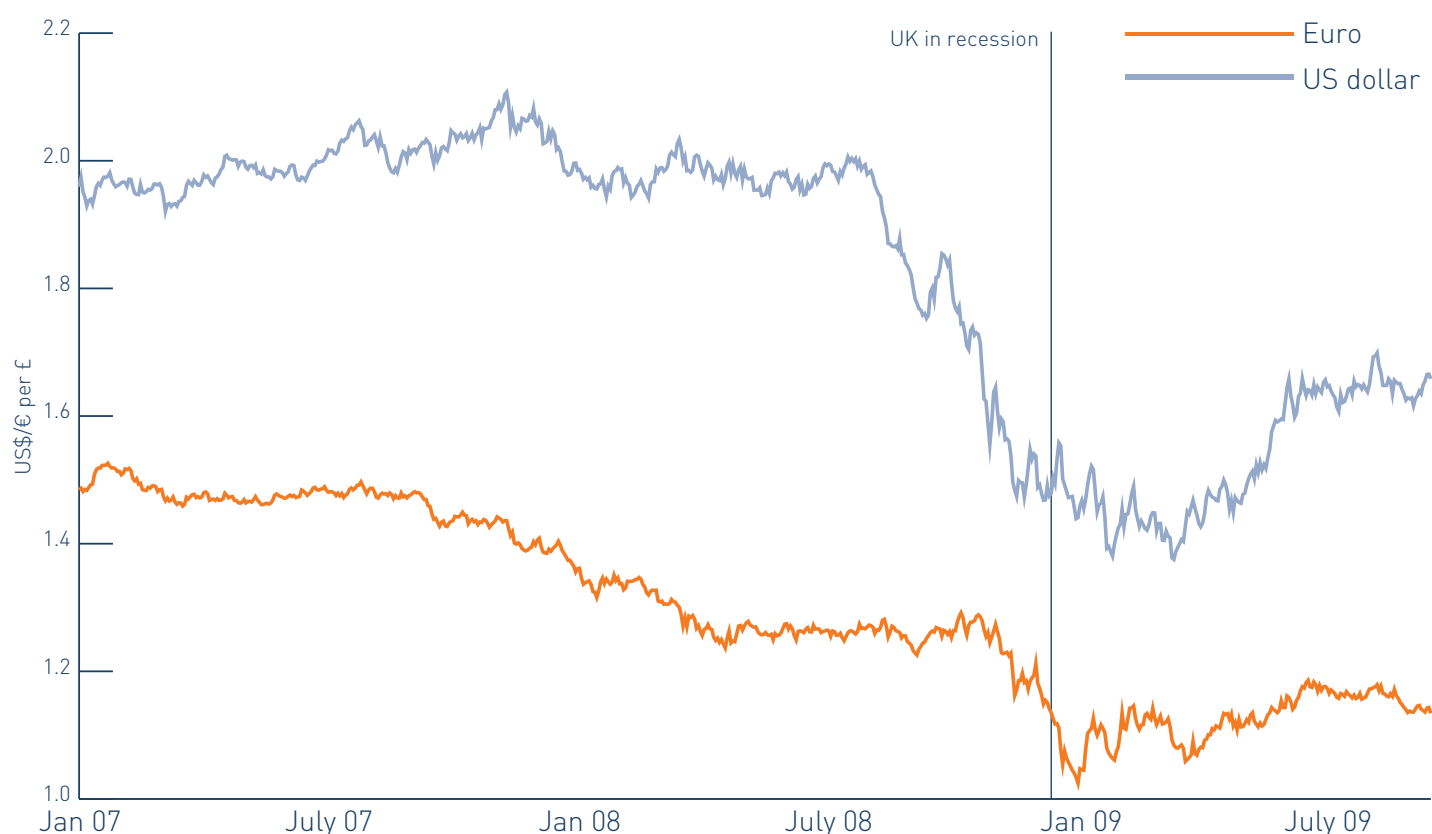


Fig 1: value of sterling compared to the US dollar and euro between January 2007 and July 2009. Source: Bloomberg

### Forming alliances

Many libraries have discussed the use of consortia to gain greater bargaining power with suppliers, such as journal subscription providers. Although consortia are nothing new when it comes to negotiating subscription services, many institutions are looking to team up with similar institutions on a much more local level to see if savings can be made.

We found examples of cost savings through sharing services on both an internal and cross-institutional basis. One example eradicated the need for external security provision for the library, by moving the operations base of the university security team to the library building.

In terms of sharing resources such as books, journals and electronic materials, managers who had not tried it were sceptical of the reliability of reciprocal behaviour from other universities, effectively, their competitors. However, those who had shared resources with external organisations in this way found the practice to be reliable, advantageous and cost-efficient.

The nature of increased network capabilities and infrastructure (for example, JANET) has paved the way for IT collaboration on an unprecedented scale. Eight universities in the north of England have found this pooling of resources to be cost-effective and organisationally efficient. In terms of outsourcing services, one university achieved a 24-hour helpdesk provision for £15,000 p.a., when providing this service internally would have cost closer to £100,000.

### Evaluation and renegotiation

It was suggested that many subscriptions may have become obsolete, and a simple audit could yield modest savings in themselves. Further, undertaking this process would improve knowledge for the renegotiation of subscription bundles that have been in place for many years.

For those IT departments that outsource some of their service provision or maintenance, current conditions offer an ideal environment for negotiating more favourable terms.

### Staffing

Library staffing levels and expertise were seen as sacrosanct, and consequently, many universities are desperate to avoid cuts in the library area, despite the potential and financial benefits. However, some institutions are encouraging voluntary redundancy and early retirement before enforced redundancies become a necessity. Some universities are also looking to fulfil more basic roles, such as book stacking, using the student body. This, coupled with the non-replacement of positions when people leave, is a way of reducing enforced departures of key advisory staff.

Many IT departments experiencing budget cuts for the first time are putting a freeze on recruitment and not refilling posts made vacant through natural attrition. Similarly to libraries, it is understood that introducing efficiencies

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through the combination of complementary services can reduce the number of staff required.

## Green agenda

Current drives for increased sustainability have encouraged all departments to look at their energy consumption, offering further cost savings. Measures, such as increased home working and automatic shutdown of terminals during periods of inactivity, are contributing to minimising expenditure.

## Monitoring the impact of changes

Most libraries capture user information through methods such as discussions and regular user contact, but none had formal systems in place to monitor any perceived change in service as a result of recession-induced cuts. However, it was felt that the systems used gave adequate insight to follow opinion. Many believed research was taking place on an institutional level to track university-wide service levels during cost cuts, and that library services would be included in these activities.

Measurement of the impact of budgetary cuts can be more easily implemented in IT departments than libraries. Automated logging of the use of IT equipment can be installed as software. More qualitative information is gained, much like libraries, through informal, ad hoc means.

## What JISC is doing

ICT can deliver efficiencies in all areas of an institution's operation, not just library and IT services, and provides an opportunity to help mitigate these impacts. A number of opportunities are at universities' disposals to realise efficiencies and cost savings, eg shared services, Green ICT, outsourcing and cloud computing. Many institutions are already exploiting these, and tools to help assess impacts and savings have been developed. However, to plan for the future, further work is needed.

JISC has invested, and is investing, in a number of areas that will help to address these issues, for example:

- JISC Collections continues to play a key role in supporting institutions to achieve the most cost-effective and consistent deals possible. Alongside this, Open Access models should help to mitigate the increased costs in journal subscriptions
- Since 2006, JISC has been helping institutions develop physical spaces that anticipate the pervasive use of technology in education and research
- The Strategic Content Alliance has produced a number of guides, toolkits and case studies on how to identify the way in which services and resources are used and valued by appropriate audiences, to, among other things, inform long-term planning
- The new Green ICT programme is helping universities and colleges estimate the carbon footprint left by their computers, to help target areas for energy saving.

## Further Information and Resources

The impact of the economic recession on university library and IT services full report  
[www.jisc.ac.uk/publications/documents/libsitimpact](http://www.jisc.ac.uk/publications/documents/libsitimpact)

Sustainable ICT in Further and Higher Education: SustelIT Final Report  
[www.jisc.ac.uk/publications/documents/sustainableictfinalreport](http://www.jisc.ac.uk/publications/documents/sustainableictfinalreport)

Outsourcing Email and Data Storage Case Studies  
[www.jisc.ac.uk/publications/documents/outourcingemailcasestudies](http://www.jisc.ac.uk/publications/documents/outourcingemailcasestudies)

Strategic Content Alliance  
[www.jisc.ac.uk/whatwedo/themes/content/contentalliance](http://www.jisc.ac.uk/whatwedo/themes/content/contentalliance)

JISC Collections Academic Database Assessment Tool  
[www.jisc-adat.com/adat/home.pl](http://www.jisc-adat.com/adat/home.pl)

Economic Implications of Alternative Scholarly Publishing report  
[www.jisc.ac.uk/publications/documents/economicpublishingmodelsfinalreport](http://www.jisc.ac.uk/publications/documents/economicpublishingmodelsfinalreport)

For further information, please contact **Charles Hutchings**, JISC Market Research Manager [c.hutchings@jisc.ac.uk](mailto:c.hutchings@jisc.ac.uk)