

Edge Hill
University

Financial planning for libraries: a strategic overview

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Overview

- About Edge Hill University (EHU)
- External environment and context
- Why financial planning is important
- The budget planning cycle at EHU
- Compiling the budget
- Governance
- Dealing with challenges
- Measuring success
- Concluding thoughts

About Edge Hill University

- Established in 1885 as a teacher training college for women in Liverpool
- Based on 160-acre campus in Lancashire
- Almost 12,000 student FTE and 2,000 staff FTE
- New Medical School
- Teaching Excellence Framework (TEF) Gold



The library

- £27m Catalyst building opened 2018
- Houses the University Library & Archive, Careers and Student Services
- Sites at Ormskirk, Aintree and Manchester
- Total budget of £3.25 million incl. resources budget of £1.35 million



External environment & influencing factors

- Brexit and UK's future relationship with EU
- General election
- Decline in 18-year old UK population to 2021
- Increased cost pressures – pension schemes and inflationary pressures
- Increased building compliance costs



 News ▸ Gloucester News ▸ Gloucestershire

'Over 100 redundancies could be made' at the University of Gloucestershire amid 'challenging operational environment'

The university opened their £16million new Business School in September

Nearly 25% of English universities in deficit last year, figures show

Data reveals financial pressure on higher education sector with tuition fee cuts possible

Struggling UK universities warn staff of possible job cuts

Deteriorating balance sheets and political uncertainty blamed for redundancy threats

Number of English universities in financial deficit increases

By David Rhodes
BBC News

 News ▸ Education ▸ Cardiff University

Cardiff University is cutting jobs as it faces a £21m deficit caused by funding cuts and rising costs

Compulsory redundancies are not being ruled out

Why financial planning?

- Ensures libraries can plan for the expected and the unexpected
- Enables us to provide the best services we can
- Demonstrates to the institution that we can spend funds effectively and appropriately
- Builds trust
- Helps us to make a case for investment in services



Core Principles

Engagement

Transparency

Ownership

Accountability

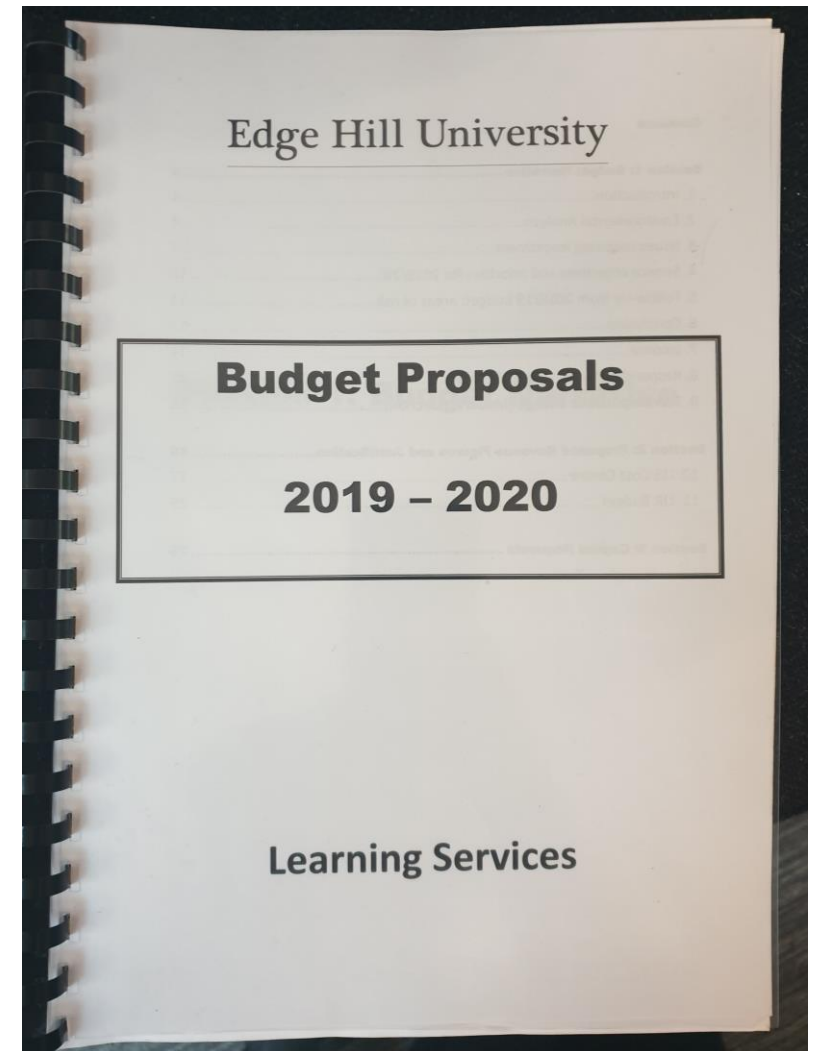
The budget planning cycle at EHU

- 5/12/18 Guidance issued to all budget holders
- 8/2/19 Draft staffing budget issued
- 15/3/19 Final staffing budget issued
- 29/3/19 Budgets submitted
- 1/4/19 to 12/4/19 Budget meetings
- 15/4/19 Issues meeting
- 17/6/19 Presentation to Governors
- 15/7/19 Final Approval



Compiling the library budget

- Spring Planning process – identifies key strategic objectives for Learning Services
- No specific formula – largely based on historic spend
- Environmental analysis + Horizon scanning
- Accommodating specific requests – e.g. scenario planning
- Detailed narrative to justify all requests



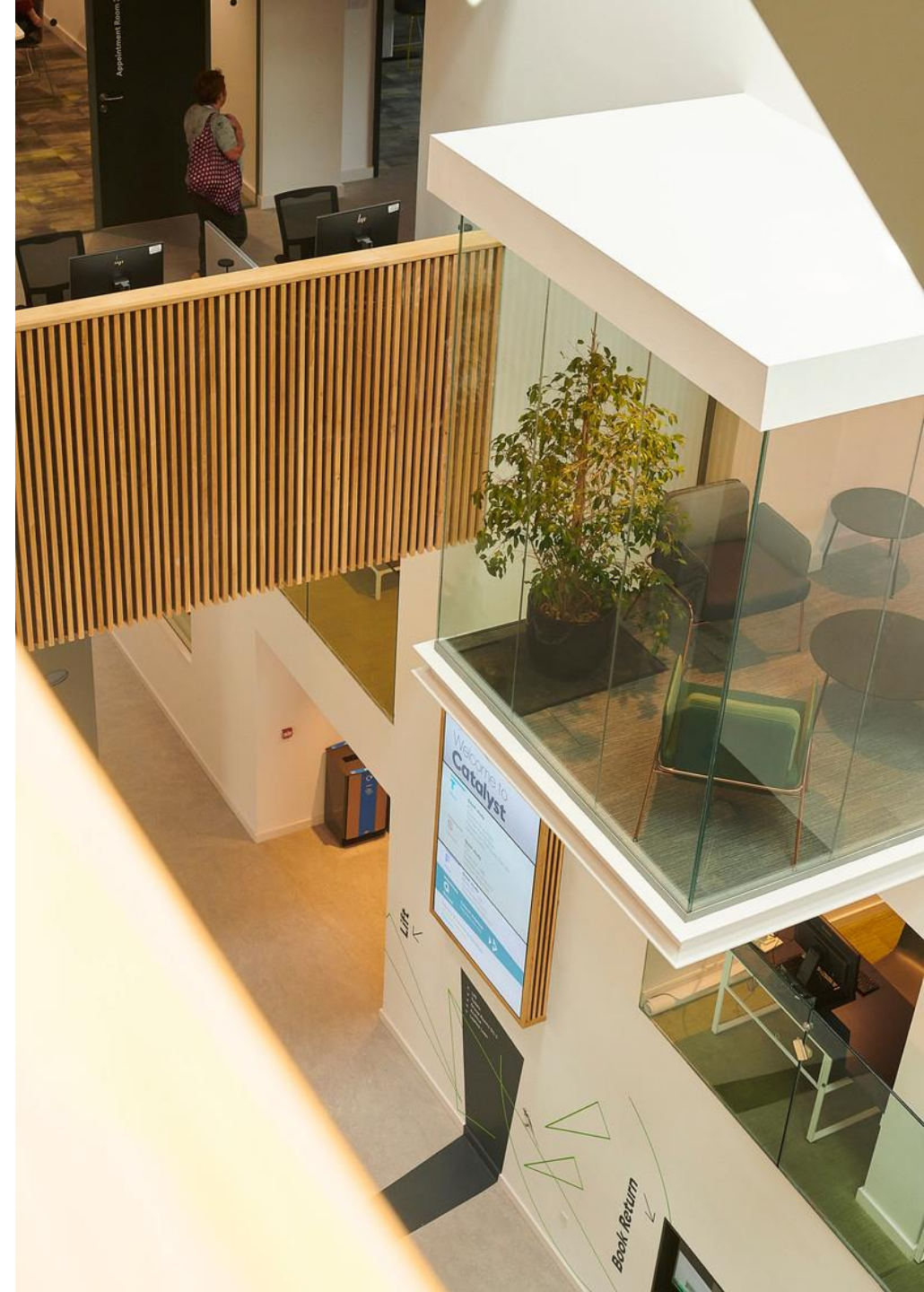
Library budgets

- 24 non-staff cost codes
- Centralised collections budget:
 - LIB51200 – Library books and audio visual
 - LIB51215 – Periodicals, magazines, and papers



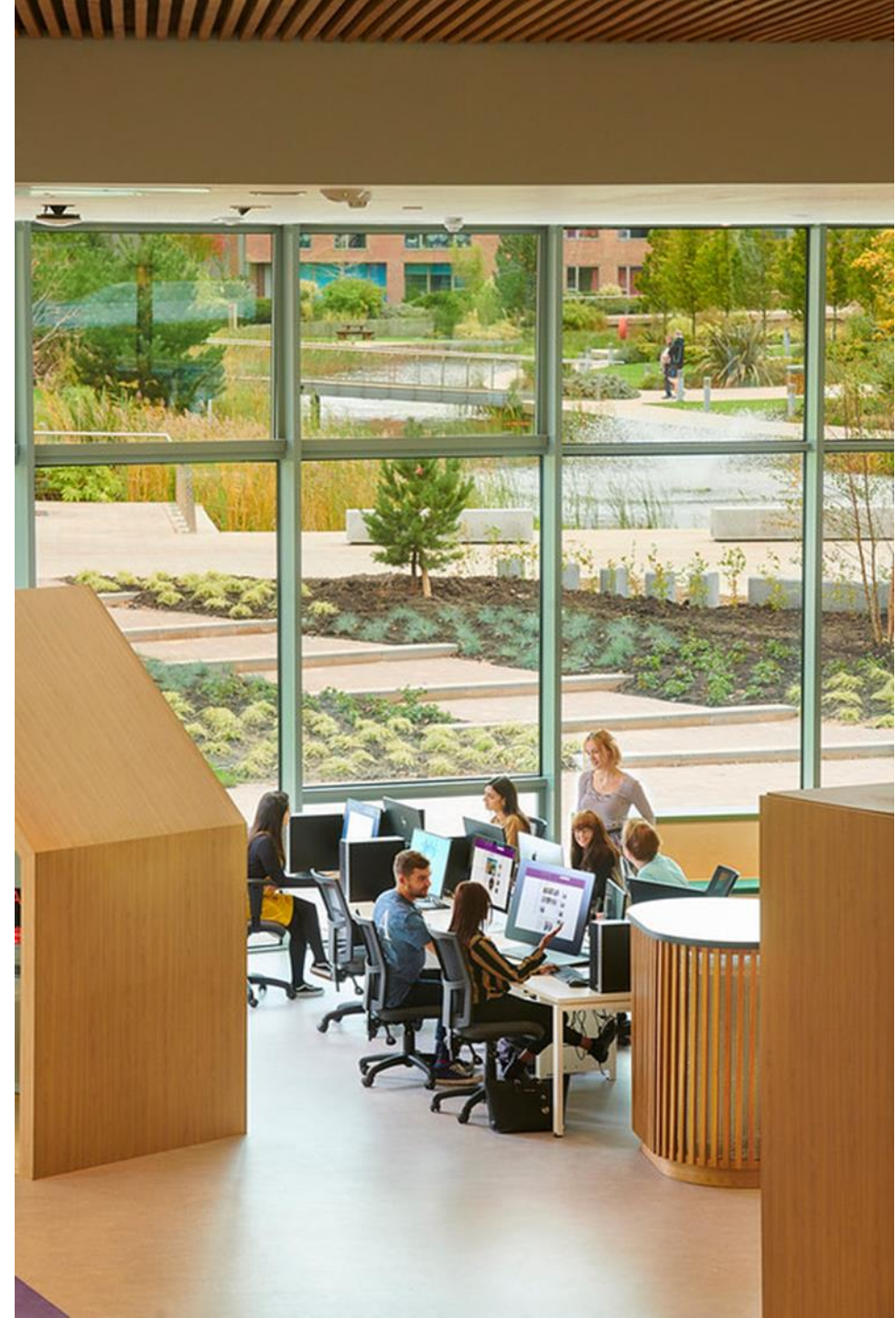
Issues requiring investment

- New enquiry system
- REF 2021 – investment in repository and growing Research Support team
- New Medical School
- Catalyst post-occupancy evaluation (POE)
- LMS – using Capita but no longer meeting our needs
- Learning and Teaching systems review



Governance

- Quarterly Review Meetings - critical component of the financial planning environment
- Take place in:
 - Oct/Nov
 - March
 - June/July
- Provide a forum for planning the budget process for the following year
- VFM Group – meets 3 times per year
- In the library – Resource Strategy Group



Challenges

- Above inflation subscription increases
- Currency fluctuations – impacts resources invoiced in EUR or USD
- VAT bill as shift to digital continues
- Increased take up of online reading list services = more book buying
- Unpredictability of DDA
- Etextbooks
- APCs and transformative journal agreements – long term impact?



Throughout the year

- Monthly budget checks
- Actions to mitigate overspend
- Best-laid plans - sometimes things do change unexpectedly...
- Additions to and removal of resources do get supported
- Preference not to vire money
- No such thing as an agreed overspend!



Measuring success

- Cost per use of eresources – can demonstrate VFM
- Expenditure on resources as % of total spend
- Library/information resource expenditure per fte student (£)
- Benchmarking the above

KPI 3: Learning Services provide value for money	Average cost per section requests for eBooks	↔	4p	4p	4p	4p
	Average cost per full text article request for eJournals	↔	45p	59p	62p	62p
	% of reading lists versus live modules	↑	60%	47%	54%	60%
	% of visitors finding the answer within the Ask Us knowledge base	↑	57.7%	54.65%	48.6%	55%

Concluding thoughts

- Challenging financial and political climate
- Be prepared to be flexible
- You can't predict everything – be honest if things don't go to plan
- VFM + Sustainability are key
- Build compelling business cases
- Develop a strong relationship with Finance



Thank you

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