

## **Inter Library Loans**

### **Overview**

1. Library authorities participate in long standing reciprocal loan arrangements (ILL schemes) ILLs are considered only if the stock requested is not sufficiently popular to be bought for the Surrey Performing Arts Library (SPAL) own stock or to provide additional copies for material already in stock which may be out on loan.
2. A major drawback of the ILL scheme is the lack of a national, live database for finding who has items or a computerised system for reserving and moving multiple copy music and drama sets around the country. This is recognised as a national problem. There is a voluntary national database called “Encore” which deals with music only, which does not help for drama and relies on authorities updating it. On the positive side ILLs widen out what is available and buying items and adding them to stock is also labour intensive.
3. Each library authority holds a credit/debit account with the British Library and payment for loans is in the form of British Library vouchers. The account works similarly to a Paypal account in that all money transfers are completed electronically and do not appear as part of the budget. As SPAL is a net lender the account does not go into debit.
4. This reciprocal arrangement means that courier costs in sending material to an authority will be paid for by the lending authority and courier costs in returning material to the home authority are paid by the borrowing authority. Other costs are made up by a “fee” which is paid in the form of British Library (BL) vouchers. The number of vouchers required for each complete transaction (therefore the charge) varies from authority to authority.
5. Within the country there are several “groupings”- library authorities which have come together as a regional interest group working together to support each other. Some authorities no longer have a Performing Arts library service e.g. West Sussex, West Berkshire, and either use the ILL service to satisfy the needs of their performance groups or make no provision for the groups in their area.
6. As public funded PAL services diminish throughout the country due to increasing costs and reduced public library budgets, SPAL is one of the largest remaining and its stock is therefore heavily used by other authorities. This is sometimes to the detriment of Surrey residents as stock becomes unavailable and the Service has to borrow in the sort of material that has been lent outside Surrey.

### **The Current Service Offer**

7. SPAL participates in several Inter library loan schemes which are generally groups of library authorities which have banded together for mutual benefit. The two that are the main sources of ILL for borrowing material for SPAL registered groups are.

8. **SEPSIG (South East Special interest group)** - SEPSIG authorities make no charge to each other for borrowing/lending and so no BL vouchers are exchanged. SEPSIG operates on a member subscription basis, currently £300 p.a.
9. **CONARLS** – make a borrowing/lending charge which can be variable.
10. Any borrowing or lending outside these schemes will incur a heavier cost in terms of BL vouchers. The ILL service is currently available for Surrey groups only to borrow multiple copy sets.

#### **Borrowing material for Surrey based groups**

11. When asked to obtain material not in SPAL stock, or of which we have insufficient copies, SPAL staff will use SEPSIG and Herts as their first port of call. The courier costs into Surrey are covered by the lending authority, which means that SPAL pays the return courier costs but does mean that we gain income through the hire costs charged on the material.

#### **Lending material to other library authorities**

12. SPAL lends material to library authorities across the country. Any loan to a SEPSIG member is free of charge. When asked to lend material, SPAL may make a charge in BL vouchers if the authority is not a member of SEPSIG. The charge will vary depending on whether the authority belongs to CONARLD (attracting a lower charge) or not. Again courier costs are paid on one leg of the journey, but there is a potential loss of income as the material is unavailable for loan to Surrey fee paying customers

#### **Process**

13. Due to the absence of a national computerised system the administrative process is cumbersome and time consuming. It is usually done by email and involves tracking the individual requests and responses from individual authorities so is done over a period of several days.
14. Some of the processes have been refined to reduce the time involved. However the library management computer system we currently have is not able to support the service in a way which means time and staff effort can be reduced much further. Nottingham's software would go part way towards helping resolve these issues.

#### **Income Expenditure and Cost Recovery**

15. Expenditure is incurred in the following areas:
  - Material being sent outside Surrey is transported via a courier service
  - Staff time to process the request both borrowing and lending
  - Potential loss of hire charges for items loaned to other library authorities
16. Income is received through the following:
  - Hire charges received on material borrowed by our groups
  - Lending fees charges to borrowing authorities (BL vouchers)

- Income in the form of additional stock is received from SEPSIG if SPAL is amongst the top 3 lenders in the scheme. Should SPAL withdraw from the scheme this material has to be returned to SEPSIG.
17. SCC figures show that SPAL is a net lender. 98.85% of items going out on ILL is music. In a typical month we loan 1886 items to other authorities and borrow 808 items from other authorities.

### Options for improving expenditure/income balance on ILLs

18. The 1964 Public Libraries and Museums Act does not allow authorities to make a profit on this service so options are limited.
19. The current courier costs were achieved through a reduction in the level of service bought from the courier. There may be potential to reduce these costs further by looking at other methods/contracts for transporting materials
- A. Lending material to other authorities operating within the ILL schemes:
- i. SEPSIG/Herts- the terms and conditions for lending/borrowing between the subscribing authorities are set at zero so terms of membership and charges cannot be arbitrarily set by one authority.
  - ii. Some authorities already charge quite heavily e.g. Liverpool. SPAL's reaction to this was to cease using that authority. Raising BL vouchers to the borrowing authority could result in SPAL pricing itself out of that market but could also be a means of controlling or suppressing the market.
  - iii. Charging borrowing authorities any courier costs would prove too expensive to administer, particularly for SEPSIG/Herts
- B. borrowing from other authorities:
- i. Pass on full costs of borrowing to the group. SCC will be increasing charges in February and the total charge will consist of a fixed element for the reservation (£15) plus the initial costs of BL vouchers and courier costs. As prices have been held for several years, this initial increase will not represent full cost recovery but is a step in that direction and one designed to retain market loyalty.

### Withdrawal from the ILL schemes

20. The user survey and comments from FOSPAL and Making Music strongly suggest that the ILL service is vital. The underlying message is that groups like to be able to borrow what they require, in the quantities they require, when they require.
21. Should storage space or finance be unlimited or groups be content to perform material already available from stock, then SPAL would not need to use the ILL system. It is possible to withdraw from the schemes i.e. neither lend to nor borrow from other library authorities.
22. An immediate consequence would be the return of the SEPSIG funded material leading to a slight lessening of the stock available (around 9,500 items). In addition, the inability to borrow from other authorities may lead to dissatisfaction from Surrey groups and a

loss of income if groups go to competitors. Several respondents to the user survey also commented that, should they have to borrow from commercial companies, their group might cease to function.

23. A potential benefit might be the ability to offer a direct delivery service to anyone within the country. This potential income stream has to be balanced against the associated increase in workload. The library service is talking to a number of authorities which operate differently.
  
24. The expectation is that the library service, should option one be implemented, would continue to strive to maintain and improve the efficiency of an ILL service which is supported by the ability of SPAL users to collect requested items from any library in the County, as well as SPAL. It is not clear what the capacity would be for an ILL service to be maintained under option 2 outcomes until more operational details become available.