

Revised Fee Model 2021 Proposal

Action required:

- Approval of methodology, approval of model, vote on adoption.

Background

1. In 2020 the CENL Secretariat was tasked to review the current fee model for membership fees. The last review was carried out in 2016. Due to changes in the CENL membership - with the addition of the National Library of Scotland in 2020 - a review of fee levels was considered advisable ahead of the transition of the Secretariat to another library at the end of 2021. The Executive Committee further agreed that a regular review of membership fees was in the spirit of fairness to all national libraries, taking into account changes in individual circumstances.
2. The review of fee bands was carried out by the same British Library Finance team which devised the 2016 review, using the same models and formulae as in 2016. The model divides member libraries into six fee bands based on the Gross National Income per capita using the Purchasing Power Parity method (GNI PPP) of each country and the operational budget of each library. The team updated information on national libraries' operational budgets as well as GNI PPP per capita information for each country.
3. Gross National Income per capita, using the Purchasing Power Parity Method, is an economic theory which estimates the amount of adjustment required on an exchange rate between nations in order for the exchange to be equivalent to each currency's purchasing power. It adjusts exchange rates to show that an identical good will have the exact same price when it is the exact same currency. Unlike simple GNI per capita, this model does not favour countries that have low wages and a low cost of living.
4. This model uses operational budget, as a more accurate measure of wealth. The operational budget of member libraries was collected in a variety of ways. Some libraries reported directly to the CENL Secretariat. For others, a figure was obtained from library annual reports. Where no figure was available, one was estimated on the basis of countries of similar size and wealth, or the median for all figures was used.

Proposal

5. It is proposed to vote on the review of the membership fees (as per Table 1 below) at the 2021 CENL AGM. The new fees would apply from 1 January 2022. In the event of an absolute majority of votes, the motion would pass and the changes would be adopted.
6. The changes mean that 23 libraries pay less, 14 libraries pay the same as before, and 11 libraries will have their fees increased. In consideration of the financial difficulties experienced by many libraries during the coronavirus pandemic, it is further proposed to delay membership fee increases only by one year, introducing fee increases from 1 January 2023. Fee reductions would be applied from 1 January 2022.

7. In the event of a successful vote, CENL member libraries will have a time window of 3 weeks to contact the CENL Secretariat in case they wish to discuss the data used for the calculation of their fees.

Official Motion

This motion proposes to:

- 1) Adopt the revised fee structure, based on the current fee calculating model. Changes will come into effect from 1 January 2022 and will be in place until the next review.
- 2) Delay any fee increase by one calendar year, i.e. fee increases will come into effect on 1 January 2023.

CENL members are invited to vote on the motion above. Voting will be undertaken either:

- a) In person at the Annual General Meeting, 29 November 2021 at the National Library of Belgium, Brussels; or
- b) Via Proxy form, sent to the CENL Secretariat no later than 22 November 2021.

Banded Fee Model Calculations

For the two measures, operational budget and GNI PPP, libraries were given an index figure based on the categorizations below.

Library Sizes	Budget €	Index Figure	Economy Size	GNI PPP Per Capita €	Index Figure
Smallest	<4,000,000	1	Smallest	0 – 11,999	1
Very Small	4,000,001-10,000,000	2	Very Small	12,000-17,999	2
Small	10,000,001-20,000,000	3	Small	18,000-26,999	3
Medium	20,000,001-30,000,000	4	Medium	27,000-35,999	4
Big	30,000,001-40,000,000	5	Big	36,000-44,999	5
Very big	>40,000,001	6	Very Big	45,000+	6

The index figures achieved from these two measures were weighted equally (50%/50%) to give each library a mean score of 1-6, placing them in one of 6 fee bands. In cases where libraries scored .5, this was rounded up, placing them in the higher band.

Index Score	Fees (€)	Change from 2016
1	750	
2	1,000	Previously 1,250
3	1,900	Previously 2,000
4	3,000	
5	4,000	
6	5,000	

The total amount collected under this model is **€120.150**.

Notes on the revised fee model

The following key points about the fee model exercise are to be noted:

- a) Unless stated otherwise GNI PPP per capita relates to 2019 and is sourced via Worldbank
- b) Unless otherwise stated operating budgets are as supplied to the CENL Secretariat
- c) Where stated updated GNI PPP and operating budget figures have not been sourced and are as previously supplied (2016)
- d) All GNI PPP and operating budget figures have been converted into Euros as at 18th January 2021, sourced via Morningstar for Currency
- e) The weighting applied to the model between GNI PPP (Economic) and Operating budget (Library Size) has been retained at 50:50.
- f) In the model the applicable fees (for ratings 2 and 3) have been reduced from 1250 Euro and 2000 Euro to 1000 Euro and 1900 Euro respectively. Other applicable fees remain the same as 2016. This range when applied to the mix of Economic / Library Size ratings for each organisation, delivers an overall income of 120k Euros.
- g) In terms of the rating thresholds for Economic size, these have been retained per 2016 except the threshold to move from rating 1 to rating 2, which has been adjusted from 9000 Euros to 12000 Euros as no library would have been placed in rating 1.
- h) Increases / decreases to proposed fees against individual members are primarily caused by either or both of Economic or Library Size rating changing from what was applied in 2016. In some cases this is caused by exchange rate differences rather than significant material change to either GNI PPP or Operating budget. In some cases small changes to individual fees are caused by the revised fee levels which now apply.

Table 1: CENL Budget Matrix 2021

Country	GNI/Capita PPP Latest Figures	Latest Annual OP Budget €	Rounded Global Index fee (50:50)	Fees €
France	41,824	181,840,385	6.00	5,000
United Kingdom	39,873	129,754,240	6.00	5,000
Netherlands	49,709	95,000,000	6.00	5,000
Germany	47,883	55,051,000	6.00	5,000
Norway	57,776	51,799,680	6.00	5,000
Sweden	47,559	45,668,000	6.00	5,000
Switzerland	60,084	33,945,000	6.00	5,000
Spain	35,109	31,036,500	5.00	4,000
Denmark	50,970	26,390,000	5.00	4,000
Austria	49,020	23,820,500	5.00	4,000
Czech Republic	33,748	20,896,184	4.00	3,000
Russia (Moscow)	23,464	18,790,000	3.00	1,900
Scotland	24,366	18,345,600	3.00	1,900
Finland	42,504	17,874,000	4.00	3,000
Russia (BY)	23,464	17,281,000	3.00	1,900
Belgium	45,426	15,166,000	5.00	4,000
Poland	27,149	14,962,640	4.00	3,000
Russia (St P)	23,464	14,109,750	3.00	1,900
Slovakia	27,954	11,473,000	4.00	3,000
Hungary	27,183	9,297,227	3.00	1,900
Latvia	26,369	9,220,164	3.00	1,900
Ireland	56,482	8,864,800	4.00	3,000
Slovenia	33,258	7,574,833	3.00	1,900
Estonia	31,548	7,477,181	3.00	1,900
Vatican City	37,001	7,264,975	4.00	3,000
Luxembourg	64,383	7,124,012	4.00	3,000
Iceland	50,771	6,886,400	4.00	3,000
Portugal	29,548	6,355,429	3.00	1,900

Greece	26,021	4,950,000	3.00	1,900
Romania	26,444	4,262,605	3.00	1,900
Italy (Rome)	37,001	3,949,821	3.00	1,900
Croatia	24,502	3,939,473	2.00	1,000
Ukraine	11,413	3,438,083	1.00	750
Serbia	14,907	3,019,607	2.00	1,000
Italy (Florence)	37,001	2,742,726	3.00	1,900
Bulgaria	19,820	2,110,285	2.00	1,000
Georgia	12,467	2,000,000	2.00	1,000
Malta	34,603	1,800,000	3.00	1,900
Turkey	22,750	1,792,230	2.00	1,000
Liechtenstein	136,770	1,665,630	4.00	3,000
Azerbaijan	11,919	1,624,906	1.00	750
Armenia	12,002	1,130,118	2.00	1,000
Montenegro	19,148	1,110,603	2.00	1,000
Moldova	11,022	866,630	1.00	750
Albania	11,911	809,144	1.00	750
Bosnia and Herzegovina	13,089	336,600	2.00	750
Cyprus	33,059	244,238	3.00	1,900
Macedonia, FYR	14,201	160,000	2.00	1,000
Lithuania	30,718	8,962	3.00	1,900
Total Budget				120,150

- Figures in red are from 2009 – no up-to-date data available