

Principles for Offset Agreements

As open-access (OA) publishing funded by article-processing charges (APCs) becomes more widely accepted, UK academic institutions face an increase in the 'total cost of publication', comprising subscription costs plus APCs and additional administration costs. Most APC payments are made to large 'traditional' commercial publishers who also received considerable subscription income. Jisc Collections is asking publishers to introduce offset systems that will reduce this extra cost to UK higher education.

These principles are drafted for publishers of hybrid journals (these are subscription journals in which some of the articles are open access). They aim to provide these publishers with an understanding of the requirements of their customers from the UK academic sector. They follow the spirit of the Finch Report, which was informed through dialogue with scholarly publishers, universities, and research funders. It is expected that publishers will adhere to these principles in their design of offset systems.

Following the recommendations of the Finch Report, UK Higher Education institutions are in the vanguard of a transition to open access. Although many of these institutions have received some funding to support the transition, collaboration with publishers is required in the form of offset systems to ensure affordability and sustainability.

These principles are also designed to provide a checklist for higher education institutions (and Jisc Collections when negotiating on their behalf) when evaluating proposals from publishers for offset systems.

Background

Publishers of subscription journals are increasingly offering hybrid options, whereby articles can be open access on publication if an article processing charge (APC) is paid. Data collected by Jisc Collections in 2014 shows that APCs are now a significant part of the Total Cost of Publication for academic institutions in the UK. In 2013 APCs already constitute an average of 10% of the total cost of publication (excluding administrative costs)¹. Most APCs were paid to large 'traditional' publishers who also received considerable subscription income.

Jisc Collections is committed to negotiating with publishers, offset systems that will reduce this additional Cost of Publication. Some publishers have already agreed to implement such systems including SAGE, Institute of Physics, Royal Society of Chemistry, Wiley, and Taylor & Francis. The systems implemented so far differ in their design, but share a common objective of meeting the demand from the UK academic community. They also ensure that publishers do not receive double income both through subscriptions revenue and revenue

¹ Pinfield, S., Salter, J. and Bath, P.A. (2015) *The 'total cost of publication' in a hybrid open-access environment: Institutional approaches to funding journal article-processing charges in combination with subscriptions*. Journal of the Association for Information Science and Technology. (In Press)
<http://eprints.whiterose.ac.uk/81227/>

from APCs for the same journals, and that they should address, to some extent, the financial burden that a transition to open access imposes on UK higher education institutions.

Administering compliance with open access mandates is time consuming and costly for academic institutions, one of which for example, reported an average of 3-4 hours of staff time to complete each APC application². Thus, offset systems should be designed for ease of administration and to remove duplicated effort on the part of academic institutions.

Jisc Collections will monitor the effectiveness of these various systems through the continued collection and analysis of data on UK academic expenditure on APCs. It is possible, given the diversity of UK higher education institutions, that some offset systems may be more effective from some groups of universities than others. Jisc Collections will also monitor the dynamic policy, market and technological conditions affecting journal publication, to ensure that principles for offset systems remain relevant.

The following principles are to provide guidance to publishers introducing offset systems and to academic institutions in evaluating proposals for such systems:

Principles of offset systems

1. Systems should operate in the context of a transition to fully gold open access and support that transition. To meet this principle, a system should be inclusive, remove barriers (both to authors and their institutions) to open access and ensure that all the outputs of a subscribing institution are immediately open on publication under licences and other conditions which meet funders' mandates and other requirements. These systems will be designed to enable the publisher's journals to become fully open access as soon a tipping point is reached.

The rationale for (1) is that transition arrangements such as offsetting are expensive and complicated for everyone, and also that research benefits from open access and so we should be moving to open access in a managed way as quickly as possible.

2. Systems should ensure that publishers do not charge the same institutions twice, through the payment of subscriptions and the payment of APCs.

The rationale for (2) is that the Finch Report and the UK Government have made it clear that the additional burden of the transition should be shared by all parties, not just higher education institutions, especially as public finances come under pressure.

3. Offset systems should not be restricted to institutions that subscribe to large collections of journals (the big deal) but should also apply to all institutions that subscribe to individual journals with a hybrid OA offering from a publisher.

The rationale for (3) is that the spirit of the recommendations made in the Finch Report and made by the UK Government, is that all higher education institutions that subscribe to hybrid journals should not bear additional costs for publishing in those journals.

² Imperial College London submission to the RCUK Review on Open Access, September 2014

4. Offset systems should also apply, at the level of each subscribing institution, to ensure that the cost incurred by each institution for scholarly publishing is contained. Publishers should also apply global reductions to the cost of subscription in respect of increasing volumes of open access articles in hybrid journals in line with their stated “No Double Dipping Policies”.

The rationale for (4) is that while publishers’ policies not to “double-dip” are welcome, they do not address the problem of institutions in countries such as the UK in the vanguard of the transition to open access. Small global reductions in the list price of journals do not address the financial burden UK institutions face at this point in the transition. Some of them face more than a doubling of expenditure when the cost of subscriptions and APCs are combined³. There is a burden for UK HEIs in being a first mover to Gold OA, and by sharing that burden, publishers are supporting funders’ policies and the transition to open access.

5. Systems should operate on a “cash basis” and avoid the additional administration and work involved in handling vouchers, particularly if those vouchers have an expiry date. Where an offset system does operate on the basis of vouchers, they must be available to the institution (which processes the transactions) rather than to individual authors.

The rationale for (5) is to save both higher education institutions and publishers the cost and effort of managing and monitoring complex systems, and also to ensure that offset systems are as transparent as possible.

Attributes of offset agreements

The following table lists a number systems for offsets with comments and concerns regarding the contribution they make to transition, affordability, ease of administration and transparency. These comments have been gathered from library directors of UK higher education institutions experienced in the implementation of funders’ open access policies. Publishers should consider and address the concerns expressed when designing offset systems.

Publishers should note that while appreciating ease of administration, UK academic institutions are wary of adopting models that are not transparent or accurate just because they are easy.

³ The report by Bjork & Solomon's (2014a), emphasises this principle: “This policy imperative, to enable individual institutions moving ahead with APC payments to receive discounts on their subscriptions at an institutional level, rather than just having a small share of global reductions”.

Attribute	Contributes to transition to open access	Affordability	Ease of administration	Transparency
<p><i>APC spend returned as deduction against future subscriptions</i></p> <p>1. A system which returns to an institution, as a deduction from its subscription fees, the total amount of all APC revenue received by a publisher the previous year; or at least 95% of all APC revenue, in recognition that a publisher will bear some small additional cost of operating two charging models in a period of transition.</p> <p><i>It is envisaged that as the global volume of open access increases, the cost of subscription charges, and the percentage of annual refund for APCs, would also decrease, until the tipping point for transition to full open access is achieved.</i></p>		<p>This system is generally welcomed because it directly addresses the issue of the increasing total cost of publication faced by UK higher education institutions.</p>	<p>This system is potentially difficult because institutions are faced with the same burden of processing APC transactions as well as the burden of dealing with the refunds and ensuring they are captured, logged and filtered into institutional funds for open access.</p>	

<p><i>No extra charge beyond subscription payments [other than a modest capped surcharge to cover additional transitional costs]</i></p> <p>2. A system which ensures that an institution which maintains its subscription payments to journals or to a collection of journals, pays <i>no extra</i> to have all the outputs from its researchers made open access in those same journals on publication at no additional charge.</p> <p>In some cases, a very modest capped extra charge (equivalent to no more than 5% of a publisher's average APC charge x the average number of articles published by authors from an institution per year) may be acceptable in recognition that a publisher will bear some small additional cost of operating two models in a period of transition.</p>	<p>This is attractive in the sense that it sets APCs as zero additional cost, but there are reservations that it perpetuates the traditional subscription model, and implies long-term hybrid is the future, rather than the transition to open access. Under this model, UK higher education institutions would require clarity about the proportion of OA that would trigger the tipping point in the transition from subscriptions to open access.</p>	<p>The principle of a modest capped, extra charge for APCs makes sense, and is in line with an RLUK position that necessary costs of OA should be funded, but there are concerns regarding what a modest charge is and what it represents in terms of actual costs borne by a publisher of hybrid journals.</p>	<p>This system has the advantage of being easy to administer. However, there may be a need for an opt-out option for authors, particularly in the arts needing to manage third party copyright particularly for the reproduction of images.</p>	<p>There are concerns that adding together existing subscription costs plus a capped extra charge for APCs would have the effect of "locking in" libraries, providing publishers with increased revenues while hiding away in the subscription fees. Such a situation would make certain deals unaffordable for many libraries.</p> <p>There are concerns that this system, while efficient, makes the actual cost of APCs less visible to authors.</p>
<p><i>Discount on Article Processing Charges</i></p> <p>3. A system that provides all authors from a subscribing institution with a discount of at least 95% on its standard APC charge. <i>It is envisaged that as the global volume of open access increases, the cost of subscription charges and level of discount on APCs would decrease, until the tipping point for transition</i></p>	<p>There are concerns that this system does not contribute to the desired change in business models.</p>	<p>This systems is welcomed only if proportion of discount is high. Too many such systems provide very low discounts in relation to the number of APCs and high</p>		<p>There are concerns that this system would artificially reduce the APC price offered by a hybrid publisher, and potentially place pure gold publishers at a disadvantage.</p>

<p><i>to full open access is achieved.</i></p>		<p>subscription costs.</p>		
<p><i>Vouchers for spend against Article Processing Charges</i></p> <p>4. A system that provides subscribing institutions with vouchers to spend on APCs. The number of vouchers awarded to each institution should be commensurate with the level of its subscriptions spend and to result in overall reductions in each institution's APC expenditure with each publisher by at least 95%. <i>It is envisaged that as the global volume of open access increases, the cost of subscription charges, and thus the number of APC vouchers awarded would decrease, until the tipping point for transition to full open access is achieved.</i></p>	<p>There are concerns that this system does not contribute to the desired change in business models.</p>	<p>Vouchers can be a useful system in terms of reducing the Total Cost of Publication, providing they represent the full amount spent on APCs, are not time bound, and work on a system of unique codes.</p>	<p>Systems where vouchers have expiry dates are particularly unwelcome.</p> <p>This system can be difficult to administer and add to the cost of administration . If such systems are introduced unique codes for vouchers are preferred because higher education institutions need to track what vouchers have been used and to ensure that the priority is for articles that could not otherwise be funded. If the system is predicated on one number per institution, there will be risks of vouchers being used for articles which might have been funded in a different way.</p>	

Notes:

If the UK academic sector were to accept offset systems that are less than highly acceptable it expects to receive significant additional benefits such as *immediate* provision of services to support Higher Educations Institutions' compliance with the RCUK and REF OA policies and reporting requirements.

In the interest of supporting compliance with the HEFCE policy, publishers are requested to include a general resource account email for the relevant institution into acceptance emails sent to authors.