called, *The* FAIR-INTELLECTUAL-CLUB; and hereby declare our Affent, and Purpofe to obferve, (whilſt we are alive and unmarried) *The* RULES *and* CONSTITUTIONs, which follow ;

I. THAT we ſhall maintain a ſincere and conſtant mutual Friendſhip, while we live ; and never directly nor indirectly reveal or make known, without Conſent of the whole CLUB asked and given, the Names of the Members, or Nature of the CLUB.

II. THAT none ſhall be invited or admitted into the CLUB before her Name be propoſed in it, and her Merits impartially conſidered, and Allowance given by all the Members to have her introduced.

III. THAT none ſhall be declared a Member of our CLUB, before ſhe hath, in our Preſence, ſubſcribed her Name to the RULES and CONSTITUTIONs thereof.

IV. THAT we ſhall never admit more than Nine into our CLUB, whereof Five ſhall be counted a *Quorum* ſufficient to act in Abſence of the reſt, as if the Number was compleat.

V. THAT none ſhall be invited or admitted into our CLUB before ſhe be fifteen Years of Age, nor after her twentieth Year is expired.

VI. THAT altho' different Principles and Politicks ſhall be no Hindrance to the Admiſſion of Members into our CLUB,

being

Notes on cover image

The Enlightenment was an intellectual and philosophical movement that spread across the world during the 18th century. It advanced ideas such as liberty and tolerance and emphasised debate and scientific method. The Fair Intellectual Club was founded by young women in Edinburgh in 1717. The cover image details some of the rules of the Club. It met in secret and ran for a number of years with the aim of 'improvement of one another'. During 2018/19 the Library will open an exhibition titled Northern Lights: The Scottish Enlightenment.

Section 1: Introduction to the Library Plan

About the National Library of Scotland

The National Library of Scotland is a charitable non-departmental public body primarily funded by the Scottish Government. It preserves the memory of the nation with collections that span the centuries, from earliest times to the digital age.

Our collections document the influence of Scots at home and abroad, while reflecting the ideas and cultures of the world. It is the largest library in Scotland, with over 29 million items and is among the half dozen largest libraries in the British Isles. It has extensive and varied collections of printed material (maps, music, newspapers, magazines as well as books) and extensive manuscript and archive collections. Our digital collections are growing every year, particularly through electronic legal deposit and our curation of national moving image and sound collections. Since 1710 the Library has had the right, under successive Copyright Acts, to acquire all publications issued in the United Kingdom, and it now seeks to obtain, through legal deposit, books, magazines and other publications that are within the scope of the Library's collection development policy.

The environment in which the National Library operates is complex and constantly changing. We are living through a digital information revolution, the scope and impact of which is as significant as the industrial revolution of the 18th and 19th centuries. While the book or printed material will be at the heart of the collections, libraries, like many other sectors, are seizing the opportunity presented by the internet to shift services and collections online.

Library Strategy - The Way Forward 2015-2020

In June 2015 the Library agreed 'The Way Forward: Library Strategy 2015-2020'. This document details the priorities for the period up to the end of 2020 which are:

Safeguarding Collections — We will be the guardian of the published and recorded memory of Scotland for current and future generations.

Access — We will make it easier to access our collections. By 2025 — the centenary of the Library's foundation — we will complete a full listing of the Library's holdings and have a third in digital format.

Promoting Research — We will encourage and promote research as a defining characteristic of the Library.

Supporting Learning — We will ensure our collections and services make an important contribution to the education, learning and advancement of our citizens and the success of our nation.

Inspiring Engagement — We will design and deliver public engagement programmes that will educate, entertain and inspire the communities of Scotland.

Reaching Out — We will develop the National Library as an exciting and memorable destination for both onsite and online visitors.

Over the next year we will also continue preparatory work on the Library's strategy for the period 2020-2025.

We will always bear in mind the Library's long term vision which is:

To be recognised as one of the leading national libraries in Europe by using our collections and spaces to generate opportunities for learning and research while improving understanding, enjoyment and participation in Scotland's rich cultural life.

Section 2: The Library Plan - Activities and targets for 2019/20

Each year we produce a Library Plan, which sets out our budgets, our priority areas of work and explains the work we will deliver over the course of the next 12 months, alongside how we will report against our performance each year.

This Library Plan covers a single year (1 April 2019 to 31 March 2020). However, the Library is planning for the longer term. It has developed operational and financial plans up to 2022 which detail how the components of the strategy fit together.

Our planning for the period beyond 2019/20 has been based as far as possible on estimates of future funding levels and on how other sources such as fundraising, external grants and the NLS Foundation will become available. As these become clearer, plans can be developed with more certainty.

Structure of the Library Plan

There is a very direct link between the Library's strategy and the annual Library Plan. The plan is based around seven areas which are the six strategic priorities and the 'Enablers' agreed by the Library Board. The plan is structured with separate sections for each of the strategic priorities and for the 'Enablers'. The top and left-hand sides of each section detail the priority and the activity which has been agreed. On the right-hand side of each section we have the targets which we aim to achieve during the year ahead. These can be seen as steps towards achieving the strategy by 2020.

In addition to the targets for the year we have also included a number of Key Indicators which will help the public and the Board assess the performance of the Library during 2019/20. These are detailed at Section 3 and cover measures such as:

- How well the Library is progressing with its aim of having all the collections catalogued, listed and visible;

- Overall satisfaction levels; and

- The percentage of Library costs which are spent on corporate overheads.

Section 4 is the Library's draft budget for 2019/20.

Section 5 details the significant capital projects and investment the Library will make in 2019/20.

Section 6 of the plan covers the many ways the Library helps meet the national outcomes agreed by the Scottish Government.

Highlights of the 2019/20 plan

All of the Library Plan is important; however, there are inevitably elements which we think stand out for the year and which link directly to the current strategy. These include the following:

Description	Page Number	Links to
Progress work on the new Treasures Space in our main George IV Bridge building.	13	George IV Bridge (GIVB) Reimagined
Begin the project to redevelop the Library website by migrating the current website to a cloud hosted web-content management system.	14	Digital Road Map
The first draft of an updated Library strategy for the period 2020-2025 will be produced.	15	
A significant cumulative reduction in the hidden collections (20%) will be achieved over the coming year.	16	Hidden Collections Board

Delivering the plan

The plan lists only the high-level actions which we intend to put in place during the year ahead; it is under-pinned by more detailed plans at departmental, team, project and staff member levels.

The delivery of the plan will be devolved to the management of the Library. Each of the targets for the year will be managed by a specific member of staff.

As well as the plan, the Library has a number of statutory requirements to meet, including the production and monitoring of a Gaelic Language Plan, a Mainstreaming Equalities report and the provision of an annual Public Sector Sustainability report.

Measuring value

It is critical that the National Library of Scotland is able to demonstrate that it delivers value and communicates that value in a meaningful way.

On a quarterly basis the Library will produce a Library Dashboard which reports progress with the annual Library Plan. The dashboard will be reviewed by the Board and the results will also be placed on the Library's website. Each quarter the Board also receives the Librarian's Report. This report details the various activities the Library is involved in and features real life case studies of where it has made an impact.

We also measure the real effect of the Library's activities i.e. the outcomes. The biennial Audience Survey asks the various categories of visitors (independent researchers / general public users / higher education staff etc.) about the outcomes of their Library use. This provides valuable information about the work of the Library. Some highlights from the last survey were that:

- Over 48% of all users said that the Library helped them better understand Scotland's culture and history.

- Over 85% of Higher Education students said that the Library helped advance their education.

- More than 25% of private sector users, Higher Education staff and Higher Education students said that using the National Library of Scotland had helped them improve their career prospects/employment opportunities.

Over the coming year we will also continue to collect case studies which show that the Library's activities have generated real tangible value to the UK and Scottish taxpayers.

The Scottish Government introduced a new [National Performance Framework](#) in 2018. Section 6 has been reworked to take account of these changes and we have offered to work with the Scottish Government on the development of a new set of national outcomes.

Strategic Priority 1

Safeguarding Collections

We will be the guardian of the published and recorded memory of Scotland for current and future generations

Activities	Targets 2019/20
1.1 We will collect, preserve and make available a range of materials that capture Scotland's memory and contribution to world knowledge.	• Store a copy of digital collections in the Cloud, providing the Library with three copies of all existing and new collections and removing the use of local tape for backup of digital collections. • Deliver the externally funded project to process and make available the MacKinnon Collection, working jointly with the National Galleries of Scotland. In 2019-20, this will include a major exhibition at National Galleries of Scotland (NGS), a display at George IV Bridge, and cataloguing a further 8,500 items from the collection. • Publish detailed collection development policies for all areas of the collections.
1.2 We will record, maintain and digitise the National Bibliography of Scotland (NBS).	• Deliver Phase 1 of the National Bibliography of Scotland implementation plan, which includes expansion of initial dataset to agreed scope, publication as open data, a dedicated and accessible 'view', and metadata goals for Scottish author identification and collection.
1.3 We will support the sustainable preservation of collections of national significance to Scotland held elsewhere.	• The Unlocking Our Sound Heritage project will digitise and catalogue 1,700 sound recordings from around Scotland, support 450 volunteer days, and deliver at least 11 workshops and other outreach sessions to the public, teachers and students.

Strategic Priority 2
Access
We will make it easier to access our collections. By 2025 — the centenary of the Library's foundation — we will complete a full listing of the Library's holdings and have a third in digital format

Activities	Targets 2019/20
2.1 We will begin a programme of online listing, cataloguing and discovery work that makes visible all of the Library's special and hidden collections.	• Complete Phase 3 of the project of the retro-conversion of the remaining Manuscript manual catalogues, converting a further 11,000 records, and prepare plans and funding bids for remaining phases. • Progress work on the project to retro-convert the manual Music Catalogues, completing all procurements and recruiting project staff.
2.2 We will identify the main collection areas for digitisation and take action to make that material globally available.	• Digitise over 200k items (Maps, Books, Pamphlets) during 2019/20. • Meet key targets towards the complete digitisation of single sheet maps of Scotland by December 2020. • Review the results of the scoping study and assess possible approaches and resources required for a major Scottish newspaper digitisation project beyond 2020. • Deliver a project to digitise and promote the Scottish Ballet video archive.

Strategic Priority 3

Promoting Research

We will encourage and promote research as a defining characteristic of the Library

Activities	Targets 2019/20
3.1 We will develop research collaborations across the humanities, sciences and business.	• Supervise and support at least six post graduate students during the year and at least six other student placements. • Work collaboratively with academic partners to develop or deliver at least six externally funded research initiatives.
3.2 We will identify and support a series of research communities in areas aligned with our mission.	• Develop and launch a new Digital Scholarship service, making use of collections published as data.
3.3 We will create a research fellowship programme that attracts scholars from around the world to work with the National Library's collections.	• Launch a new round of applications for the Library's research fellowships programme. • Support the Scots Scriever fellowship and the interpretation of the Library's collections across a range of projects (Wee Windaes / Scotland on Screen etc.)

Strategic Priority 4

Supporting Learning

We will ensure our collections and services make an important contribution to the education, learning and advancement of our citizens and the success of our nation

Activities	Targets 2019/20
4.1 We will improve equality of opportunity by seeking to remove all barriers which prevent people accessing our collections and services.	• Deliver the Myaccount pilot in and where feasible, extend the range of accessible resources. • Deliver 12 'Socials' along with other partners for people and carers living with dementia.
4.2 We will ensure that activity which supports economic growth and wealth creation is threaded through our work.	• Deliver a programme of business breakfast events. • Participate in the partnership Creative Informatics project.
4.3 We will tailor content for targeted groups in support of the curriculum, lifelong learning and continuous professional development.	• Develop three digital learning resources to support Curriculum for Excellence (CfE) utilising exhibition and / or other Library collections. • Develop one learning resource for Scotland on Screen in support of the Curriculum for Excellence.
4.4 We will build on our existing services for the business community.	• Support the Scottish Library & Information Council (SLIC) project to deliver six co-working spaces in public libraries across Scotland. • Deliver the twelve month activity plan to support the Glasgow Business & Intellectual Property Centre in our role as a founding partner.

Strategic Priority 5

Inspiring Engagement

We will design and deliver public engagement programmes that will educate, entertain and inspire the communities of Scotland

Activities	Targets 2019/20
5.1 We will promote engagement with the Library and extend our reach across Scotland and internationally.	• Deliver one new exhibition (Northern Lights: The Scottish Enlightenment) and three treasures events (The 1980s / Lord Byron / MacKinnon Collection).
5.2 We will increase the number and diversity of people who know about or use our services.	• Produce a dual language (Gaelic / English) learning resource on the MacKinnon Collection. • Agree a new audience research methodology to aid our understanding of existing and potential users of the Library.
5.3 We will engage with our users and audiences as partners, collaborators, and supporters, seeking opportunities for them to reuse our content and participate via social media and crowdsourcing. We will be a place of researching, making, and creating.	• Monitor and report on usage on 3rd party sites e.g. Europeana, Wikimedia Commons, Internet Archive, Flickr, YouTube.
5.4 We will focus on increasing engagement and opportunity among young people.	• Deliver 'Rebel Roots' project on youth subcultures with Youthlink. • Develop a series of outreach promotional activities to increase awareness and use of the Library among Higher Education (HE) and Further Education (FE) students. • Deliver a number of trainee opportunities for young people across the Library's operations.

Strategic Priority 6

Reaching Out

We will develop the National Library as an exciting and memorable destination for both onsite and online visitors

Activities	Targets 2019/20
6.1 We will extend our online presence to match the scale and depth of our collections and activity, offering an end-to-end suite of services, simple to find, easy to use.	• Deliver an online exhibition on Northern Lights: The Scottish Enlightenment. • Complete a plan to redevelop the digital collections online, including the Digital Gallery and the Data Foundry.
6.2 We will improve and extend the Library's estate in Edinburgh to provide high standard public facilities.	• Complete the procurement for the design and build of the new Treasures Space. • Undertake initial planning work on future development of the GIVB Multi Media room. • Subject to Board Approval of a Programme Mandate for GIVB Reimagined, commission a Feasibility Study to explore options for transforming the public spaces.
6.3 We will strengthen our presence in the west of Scotland and progressively develop the Kelvin Hall partnership in Glasgow.	• Deliver a shared programme of learning and engagement activities in partnership with Glasgow Museums (target of 4 events).
6.4 We will explore opportunities to establish our physical presence in other parts of Scotland.	• Complete the touring programme travelling to a minimum of 6 Scottish venues in 2019/20 and carry out a review after the end of the programme.

Enablers

Delivering the Strategy

Activities	Targets 2019/20
People – We will train and develop our staff, allowing us to establish multi-professional teams of highly motivated and skilled people, driven to succeed and with a clear sense of how they contribute to the Library's strategic priorities.	• Implement a new Induction process for new and promoted staff and ensure managers are supported to adjust to their new role. • Support staff who are EU nationals through the implications of BREXIT.
Technology – We will invest in technology, services and training that are robust, scalable, efficient, and resilient.	• Achieve Cyber Essentials Plus accreditation. • Begin the project to redevelop the Library website by migrating the current website to a cloud hosted web-content management system. • Install a new Telephony System.
Estate – We will pursue an estate plan that expands public spaces, secures the collections and optimises the use of all storage.	• Prepare a Business Case seeking funding from the Scottish Government for specific fire protection improvements across the Library estate. • Extend the open protocol platform for the building management information systems.
Leadership and Collaboration – We will be a leader and a collaborator with the aim of advancing our mission and supporting Scotland's libraries and archives in the pursuit of excellence in research, learning and preservation. We will examine the viability of a library partnership network.	• Support Scottish Confederation of University & Research Libraries (SCURL) in the recruitment of a Executive Officer.
Finance - We will develop multiple income streams to help us deliver our strategic priorities. Government funding (grant-in-aid) will provide the bedrock of the Library's finance, but we resolve	• Produce the first draft of a Library Centenary Plan on how we will celebrate and raise money linked to the Library's centenary in 2025.

to pursue income streams from other sources.	• Launch Regular Giving and Legacy schemes.
Continuous Improvement - We will be constantly driving change and continuous improvement; encouraging risk-taking, where appropriate, and developing new ways of doing, delivering and partnering. We will measure our performance against an agreed scheme of metrics.	• Work with Scottish Fire & Rescue Service (SFRS) to carry out a Disaster Recovery exercise at one of the Library's sites. • Review Enquiry Systems for the Library. • Review our existing Customer Charter and produce a new version that reflects our existing and future strategic and operational requirements. • Develop an updated Library strategy for the period 2020-2025.

Section 3: Key Indicators

Key Indicators 2019/20				
Indicator No	**Indicator**	**Indicator for 2018/19**	**Indicator for 2019/20**	**Comment**
1.1	**Environmental Compliance**	**95%**	**95%**	Readings based on returns from George IV Bridge and Causewayside
1.2	**Growth in Collections – increase in physical and digital collections**	**1,025,000**	**1,865,000**	Comprised of approximately 144,000 print and analogue items, 1,581,000 digital and 140,000 digitised items during the period
2.1	**Percentage Reduction in Hidden Collections**	**10%**	**20%**	Indicator is the overall cumulative reduction. Aiming for a significant increase 'in year' to move towards 2025 target
2.2	**Percentage of NLS collections available in a digital format**	**14%**	**20%**	See note below
3.2	**Number of research collaborations involving the Library**	**20**	**20**	The number of collaboration during the period

Indicator No	Indicator	Indicator for 2018/19	Indicator for 2019/20	Comment
4.3	**Onsite learning and community events / Outreach learning and community events / Onsite other programmed events**	**120 / 50 / 100**	**90 / 30 / 100**	Move of focus onto exhibitions work during 2019/20
5.1	**Exhibition Visitors**	**35,000– 40,000**	**60,000–70.000**	Reflects full exhibition programme in 2019/20
6.1	**Website Usage (Web sessions)**	**5.0 million – 5.5 million**	**5.25 million – 5.75 million**	We will also monitor and report on usage on 3rd party sites, e.g. Europeana, Wikimedia Commons, Internet Archive, Flickr, YouTube
6.2	**Reading Room Visits**	**62,000 - 67,000**	**58,000-61,000**	Estimated based on recent trends
6.3	**Overall User Satisfaction levels**	**N/A**	**90%**	Measured every two years through the Visitor Survey and based on users who said they were very or quite satisfied with the Library
6.4	**Physical Collections Capacity**	**6,753 linear metres**	**6,753 linear metres**	Figures relate to required minimum usable stackage at Causewayside and George IV Bridge to effectively store
7.1	**Staff Absence Rate (Days per Employee)**	**7.1–7.4**	**7.1–7.4**	This is set below the All Sector average of 7.5

Indicator No	Indicator	Indicator for 2018/19	Indicator for 2019/20	Comment
7.2	**Amount raised against Fundraising target**	**100%**	**100%**	
7.3	**Central Support costs as a percentage of Library income**	**10.7%**	**10.0%**	
7.5	**Staff Engagement Index**	**Top Quartile**	**Top Quartile**	Aim is to be within the top quartile as measured in the 2019 Civil Service People Survey

Note: This is measured by the formula

$$\frac{(A + B)}{(A + B + C)}$$

Where;

A = Born digital content i.e. eBooks, Portico articles, eJournal submissions and digital mapping submissions;

B = Amounts digitised by NLS (Maps, Books, Manuscripts and Moving Images);

C = Total physical (print and analogue) collections i.e. all manuscripts, monographs, newspapers, ephemera, maps moving images collections etc.

The formula does not include purchases, donations digital surrogates and licensed digital content. Formula being refined based on new definition of a consultation unit.

Section 4: Budget for 2019/20

Introduction

In this section we set out spending plans for the next year.

The budget which has been developed for 2019/20 has been balanced and will allow for progress to be made towards the Library's objectives, identified earlier in this document. Balancing the Library's annual budget is never straightforward and this has been particularly true for 2019/20 since the grant in aid has not matched the costs of implementing the Scottish Government's pay policy along with the general increase in contract costs and other cost pressures.

However, the setting of the 2019/20 budget has been helped by steps taken in previous years aimed at delivering efficiencies.

Knowing that the budget development would be difficult, the work on the budgets for 2019/20 and future years has been underway since the summer of 2018. As well as the development of a budget for 2019/20, the aim of this work has been to develop an outline budget for the two subsequent years up to March 2022. This has built on the work carried out last year and the process of medium term financial planning continues to be embedded across the Library.

The budget plans have been discussed and agreed by the Library Leadership Team.

The approach to the 2019/20 budget and future financial planning was discussed by the Audit Committee at its meeting on 11 February 2019. They agreed to recommend it to the Board subject to the noting of a number of specific risks relating to:

- The current position in relation to employer pension contribution costs. These will increase by 27% from April 2019. At the time of preparing the budget it remains unclear how the Treasury and the Scottish Government will deal with the funding for this;
- The requirement for funding for the improvement works on the Library's fire protection systems (sprinklers, smoke extract etc).

In both cases, should the required funding not be made available, it is possible that the Library will need to revisit the current 2019/20 budget.

Presentation of the 2019/20 Budget

The draft 2019/20 budget has been presented in three ways. These are as follows:

Table 1 presents the Library budget by type of income and expenditure. The first numerical column shows the current (2018/19) budget. The changes to this figure are then shown in the next column and the final column represents the draft budget for 2019/20.

Table 2 presents the Library budget by Department and shows their draft gross expenditure budgets for the year. Detailed budgets for each department/unit across the Library have been developed and agreed with each of the Associate Directors.

In overall terms, when compared to the current financial year, the Library will have slightly higher income and expenditure in 2019/20.

Table 3 presents details of the principal Capital Projects that the Library is planning to undertake over the coming year.

Notes have been added below to aid interpretation.

Table 1

National Library of Scotland
Summary income and expenditure
Draft budget 2019/20

| | 2018/2019 | 2019/20 | | | |
	Base Budget (£'000)	Changes (£'000)	Total Budget (£'000)	Percentage Change (%)	Note Reference
INCOME					
Grant-in-Aid - Revenue	13,530	200	13,730	**1%**	1
Grant-in-Aid - Capital	1,750	0	1,750	**0%**	1
Total Grant-in-Aid	**15,280**	**200**	**15,480**	**1%**	
Donations / Bequests/ Fundraising	120	(95)	25	**(79%)**	2
Conditional Grant Income	530	367	897	**69%**	3
Investment Income	228	(46)	182	**(20%)**	4
Earned Income - Library Services	307	(2)	305	**(1%)**	5
Earned Income - Rents	106	(48)	58	**(45%)**	5
Earned Income - Support Services	129	(18)	111	**(14%)**	5
Earned Income - Trading	83	1	84	**1%**	
Other Funding	558	(357)	201	**(64%)**	6
	2,061	**(198)**	**1,863**	**(10%)**	
Total Income	**17,341**	**2**	**17,343**	**0%**	
EXPENDITURE					
Staff Costs	11,026	514	11,540	**5%**	7
Supplies & Services	2,322	(282)	2,040	**(12%)**	8
Property Costs	2,443	(152)	2,291	**(6%)**	9
Maintaining & Adding to Collections	273	(23)	250	**(8%)**	
Access & Promotion of Collections	161	0	161	**0%**	
Stock for Resale	40	1	41	**3%**	
Collection Purchases	1,076	(56)	1,020	**(5%)**	10
Total Expenditure	**17,341**	**2**	**17,343**	**0%**	
Deficit/(Surplus)	**-**	**-**	**-**		

Table 2

**National Library of Scotland
Unit budgets – gross expenditure
Draft budget 2019/20**

	2018/2019		2019/20		
	Base Budget	Changes	Total Budget	Percentage Change	Note Reference
	(£'000)	(£'000)	(£'000)	(%)	
Collection Purchase Fund	1,000	0	1,000	0%	
Trust Funds	319	(141)	178	(44%)	13
Externally Funded	141	119	260	85%	13
Access	2,136	(323)	1,813	(15%)	11
Trading	51	1	52	2%	
Moving Image Archive	700	36	736	5%	
Collections & Research	1,583	90	1,673	6%	
External Relations	422	431	853	102%	11
Development/Fundraising	185	4	189	2%	
Finance & Planning	735	(198)	537	(27%)	12
HR	379	9	388	2%	
Collections Management	3,033	7	3,040	0%	
Cleaning & Security	1,191	48	1,239	4%	
Property Support	2,180	82	2,262	4%	
Causewayside Project	0	0	0	0%	
Digitisation	336	13	349	4%	
Digital	2,164	(31)	2,133	(1%)	
Compliance	67	1	68	1%	
Librarian's Office	424	(1)	423	(0%)	
Total Gross Expenditure	**17,341**	**2**	**17,344**	**0%**	

Table 3

**National Library of Scotland
Capital projects
Draft budget 2019/20**

Name	Category	Description	Within which budget line	Budget Amount (£'000)
Treasures Space	**GIVB Reimagined**	Exhibition Design & Build	Property Support/Property Costs	**200**
Boiler Replacement	**Capital Maintenance**	Boilers in Causewayside are coming to the end of their economic lives and are due to be replaced with modern energy efficient versions	Property Support/Property Costs	**240**
Boiler Replacement	**Capital Maintenance**	Boilers in GIVB are coming to the end of their economic lives and are due to be replaced with modern energy efficient versions	Property Support/Property Costs	**170**
Security Improvements	**Capital Maintenance**	Upgrades to Security Suite and replacement of CCTV units	Property Support/Property Costs	**100**
Telephony system	**Digital Roadmap**	SIP / VOIP telephony will be expanded to replace the telephone system and switchboard functions across the whole Library.	Digital/Supplies & Services	**75**
Storage & Backup	**Digital Roadmap**	Implement new backup software and hardware	Digital/Supplies & Services	**75**
Storage & Backup	**Digital Roadmap**	Annual growth in storage capacity	Digital/Supplies & Services	**100**

Note Reference 1 – Grant in Aid

Grant in Aid (Revenue and Capital) from the Scottish Government continues to be the largest element of the Library's income. Based on the current draft budget this comprises over 89% of the total expected income for the year. The draft budget figures are those which have been advised by the Scottish Government for 2019/20.

Revenue Grant in Aid for 2019/20 will increase by just over 1%. The capital Grant in Aid figures have been retained at the same level as 2018/19 which means that the same amounts are available to support the Collection Purchase Fund. IT infrastructure and maintenance to the Library's buildings.

Note Reference 2 – Donations / Bequests / Fundraising

The draft budget is based upon a base level of bequest income and fundraising totalling £25k during 2019/20. However, this will increase as the year progresses.

The approach the Library generally takes is to budget for these amounts once the fundraising amounts have been confirmed. At this point the Library then increases the budget for the increased income and increases the relevant spending budget. It is expected this budget will increase as funds are received during the year. An updated Fundraising / Development Plan is in preparation for 2019/20.

Over the past number of years the Library has been in receipt of significant annual donations from an external trust fund. These projects have now ended and while funding will continue it will not be at the same level as that noted over the previous three years.

Note Reference 3 – Conditional Grant Income

Conditional Grant Income comes to the Library from a number of donors and typically comes with the caveat that it is spent on a specific project or purpose.

There is budgeted to be a significant increase in this income source for 2019/20 (71%).

The largest contributors will be the NLS Foundation and the National Lottery Heritage Fund. Support will come for the following projects:

- Mass Digitisation   £200k;
- Retro-conversion projects   £116k:
- Scots Scriever   £15k
- Music manuscripts   £68k;
- Treasures Space   £150k
- Feasibility Study   £150k
- Unlocking Our Sound Heritage   £124k

Note Reference 4 – Investment Income / Trust Fund Interest

The budget assumes spending the whole of the anticipated dividend and interest income from the investment portfolios. The income has been revised downwards for

2019/20 based upon historical and expected income yields on the investment portfolios. This is unrelated to the recent reduction in portfolio valuations experience across the sector. The reduction is related to a longer term look at the income yield on the portfolios and a rebasing towards a more realistic figure.

Note Reference 5 – Earned Income

In overall terms Earned Income will reduce in the year as a result of:

- The relocation of the Agency for Legal Deposit Libraries (ALDL) and the loss in rent previously charged;
- The reduction in storage (physical and network) space taken by 3rd parties.

However, charges for the use and copying of images are expected to increase. Likewise, the Library has had some success in generating additional income from its box making facility and this is expected to continue.

Note Reference 6 – Other funding

The Other Income category is the release of the reserves. These are amounts that have been donated or granted to the Library in previous years but which will be used in the current year.

Note Reference 7 – Staffing costs

In overall terms staff costs are expected to increase by 5% for 2019/20 as the result of:

- Planned pay rises in line with the Scottish Government pay remit i.e. 3% for the majority of staff;
- A number of new posts that have been recruited to help deliver the Library Strategy e.g. Digital Scholarship Librarian and new staff in the Digitisation studio; and
- Increased activity across grant funded areas and the recruitment of project staff, e.g. the Unlocking Our Sound Heritage.

We know that an actuarial review of the Principal Civil Service Pension Scheme (PCSPS) is currently underway and that a lower discount rate will be used in valuing the liabilities. The Library has already been informed that this change in the valuation methodology will result in an increase in employer pension contribution rates. Draft figures to use for 2019/20 have been issued which results in an overall increase in pension costs of approximately 27%.

At the time of developing the draft budget for 2019/20, full details of how the Government intend to deal with the consequences have not been published and the position beyond the next financial year has not been clarified. At present this version of the budget does not include any potential changes in the actual rates paid by the employers.

Note Reference 8 – Supplies and services

Library spending on supplies and services will decrease. This is due to the reallocation of the 2018/19 budget provision away from a supplies and services code towards staffing costs – see note 12 below. Once this is excluded the majority of budgets will have the same amount to spend in cash terms as in 2018/19.

In preparing the budget, provision to meet all known contractual commitments has been made. However, for over the sixth year in a row, no general inflation increase in budgets has been incorporated. Essentially, services are expected to absorb general inflationary pressures through the efficient management of the resources they have. This 'cost containment' is an important element of the Library's financial strategy.

Note Reference 9 – Property costs

The 2019/20 budget includes a decrease in Property Costs associated with the completion of the George IV Bridge Treasures Space Enabling work.

Note Reference 10 – Collection purchases / Collection Purchase Fund

This element of the budget is currently used for the purchase of current and heritage material and the licensing of digital collections for off-site access.

As part of the draft 2019/20 budget the amount available to spend on Collection Purchases will remain largely unchanged.

The 'base' budget for Collection Purchases comprises the grant allocated by the Scottish Government (£1000k) plus the amounts generated from Endowment Funds (£20k).

Note Reference 11 – Access / External Relations and Governance

The comparison of the 2018/19 and 2019/20 budgets for the above departments have been skewed by re-organisation across the Library. During the year staff from the Exhibitions and Events team moved from the Access department over to External Relations and Governance. This results in a drop in the Access budget and an increase in External Relations and Governance.

Across most other areas the unit budgets are relatively stable.

Note Reference 12 – Finance

The decrease for the year reflects the movement in the budget contingency set aside in 2018/19 and used in the recruitment of new staff during the previous year.

Note Reference 13 – Trust Funds / Externally funded

The change across both these unit budgets reflect either the start (Externally Funded) or the ending (Trust Funds) of projects.

Efficiencies during 2019/20

As in previous years, the Library will continue to make efficiency savings. During 2019/20 it will aim to make efficiencies or raise extra income equivalent to over £250k or approximately 1.5% of the revenue grant. Plans to ensure these efficiencies are achieved are well advanced.

These efficiencies will be delivered through a combination of:

- Generating additional income and ensuring that there is full cost recovery across services;
- Managing services in 2019/20 so that efficiency savings are generated across all areas, particularly in relation to the investment in the Library Services Platform and delivering savings from service reviews;
- Constraining cost growth – through effective demand management, good financial control by managers and by effective negotiation with suppliers.

These savings will be invested into operational activities to help the Library to continue delivering its service requirements.

A new approach will be trialled in relation to efficiency savings for 2020/21 and beyond – with Associate Directors being given efficiency targets and being asked to report against these each quarter. This will be necessary to deal with some of the pressures noted above and highlighted in the section below.

Scenario planning and sensitivity analysis - prospects beyond 2019/20

The ability of the Library to deliver on the strategy over this period is based upon having a clear understanding of its medium and long term financial prospects.

With this in mind, as part of our budget planning, we also prepare outline budgets i.e. for the period 2020/21 and 2021/22.

These budgets are designed around a number of key assumptions which allows us to undertake a degree of scenario planning / stress testing to determine the sensitivity to the risks faced.

A number of scenarios are possible. From these it is clear that the Library, like all publicly funded organisations, faces significant financial challenges going forward. The stress testing indicates that the Library is most vulnerable to:

- Reductions in Scottish Government funding – particularly any reductions received without significant prior warning; and
- Unfunded changes to the Scottish Government's Pay Policy and general pay pressures, e.g. pension increases.

It is useful to consider three general scenarios – Positive / Neutral / Negative. These are indicated below along with the features of each. A neutral scenario is

characterised by a Scottish Government funding approach very similar to 2019/20 but with ongoing pay restraint.

In this scenario the Library would generate a deficit of £113k in 2020/21 and if it did nothing in 2020/21 it would need to find savings of £342k in 2021/22. This could just about be covered by current reserves. However, it would leave the Library with very minimal general reserves for any future use.

Scenario	Features	Potential 2020/21	Potential 2021/22	Covered by Reserves?
Positive	SG Grant Revenue Funding Increase Postive income generation Ongoing pay restraint	Surplus of £37k	Deficit of £92K	✔
Neutral	SG Grant Revenue Funding Fixed Ongoing pay restraint	Deficit of £113K	Deficit of £342K	✔
Negative	SG Grant Revenue Funding Decrease Limited income generation Pay & cost pressures require recognition	Deficit of £313K	Deficit of £542K	X

The delivery of balanced budgets for these years will require further changes in the way the Library operates. Although major efficiencies have already been achieved and more are planned for 2019/20, there will be a need for these to continue into future years. This work will need to be linked to the exploitation of income generation opportunities and effective fundraising.

Delivering funding for the strategy

As highlighted above, the Library has an ambitious strategy for the period 2015-2020. Part of the role of financial management is to ensure that the resources are available to support the Library's strategic ambitions. The Library will continue to focus on the following:

- External Funding – one of the features of the past number of years has been the success in attracting external funding into the Library. We will be working to ensure that this continues in 2019/20 and beyond.
- Fundraising – targets will be set for 2019/20 fundraising and the achievement of these will be crucial in supporting significant elements of the strategy. An updated Development / Fundraising Plan is being developed for 2019/20.
- Re-purposing – where we can we will be re-purposing existing resources to focus on the Library's strategic aims.
- Scottish Government – for 2019/20 the Scottish Government has made significant contributions to the Library's new strategy. Funding for the Collections Purchase Fund (CPF) will continue at current levels and the Library has continued to receive funding for much needed IT / Digital investment.

In overall terms, by effectively working together with partners such as the NLS Foundation and by delivering the required change programme, we are confident that this challenge can be managed and that over the period the Library will make good progress in delivering its strategic goals within a sustainable and balanced budget.

Risk management

In setting a budget, the Library must take into account the risks that may impact upon successfully delivering the financial plan. These are currently considered to be the following:

- Reduction in Grant in Aid income;
- Increases in employers pension contribution rates without an equal increase in funding;
- Affordability of future Scottish Government pay policies – especially in relation to the overall Grant in Aid funding settlement;
- Deferred Maintenance – with particular reference to items that have a collections protection element.
- BREXIT;
- The ability to generate sufficient efficiencies to match the real terms reduction in Grant in Aid funding; and
- Ongoing management of running a HLF grant programme.

Many of these have been incorporated into the scenario planning outlined above.

The Library also attempts to manage risk by budgeting prudently and, when it can, setting aside appropriate reserves.

The Library has a risk management process which operates at the strategic, corporate and departmental levels. This process will be used to manage those risks that arise in managing a budget and finances over the coming years. New elements for 2019/20 such as the risk associated with changes to the employers' contribution rates will be factored into the risk management process.

Section 5: Capital projects and investment

Details of the principal capital projects the Library will be involved in over 2019/20 have been detailed in Page 23 above. These fall into three broad categories:

- George IV Bridge (GIVB) Reimagined – work funded partly from the Library's own resources and partly from external donors that is part of the vision for George IV Bridge;

- Capital maintenance – work which will be undertaken as part of the Library's annual and ongoing capital maintenance programme. This annual budget is £475k and will be supplemented by other Estates budgets and capital reserves when these are available;

- Digital Road Map – work that is part of the 2017-2021 Digital Road Map. This annual budget is £275k and will be supplemented by other elements of the Digital budget and capital reserves when these are available.

GIVB Reimagined - Design and build of new Treasures Space

As part of the 2018/19 Plan the Library made a start on the refit of the John Murray Exhibition space into a Treasures Space.

The objectives of the project are to:

- Replace an existing exhibition in the George IV Bridge building;
- Maintain and increase the number of visitors to the building and its exhibitions;
- Provide a showcase experience for visitors to view a selection of 'must see' items from the Library's collections;
- Communicate the span of the collections and the role they have in Scotland's history and culture;
- Deliver a public 'through-route' to new areas of the George IV Bridge building.

During the last year the enabling works have been completed. This has prepared the space for the final exhibition and delivered the 'through route' to the new Consultation Based Learning space. Over 2019/20 the Library will progress the design and build of the final exhibitions.

Funding will come from a number of sources, including a contribution from the NLS Foundation and from fundraising. The project will continue to be monitored by the Capital Programme Board at its monthly meetings. A Project Owner and Project Manager have been identified and a draft Benefits Realisation Plan has been developed.

Work associated with the Feasibility Study will continue in parallel. The risk of abortive costs bearing in mind any possible results of the Feasibility Study have been assessed and are considered low since:

Capital maintenance

During 2018/19 the Library completed an update to its Property Asset Management Plan (PAM). The aim of the PAM is to ensure that property assets are maintained and developed in such a way to best support the Library's key business goals and objectives.

The plan covers the period 2018-2021, it analyses the current position and also identifies the areas where the Library needs to concentrate its efforts over the next three years. These can been summarised as follows:

- Improvements to the estate, specifically George IV Bridge, are overdue and work will begin shortly on a Feasibility Study to see how public space can be extended and improved.

- There needs to be a greater focus and realignment of resources to tackle deferred maintenance.

- Effective management of the estate is heavily dependent on data capture, management and reporting. Enhancements are required across many areas of Estates to develop better and more efficient asset management, environmental condition monitoring and sustainability reporting.

Over the coming year the capital budget will focus on the second and third bullet points. In particular, there will be the investment in new boilers for Causewayside and George IV Bridge buildings. This is estimated to cost over £400k. Other elements of the capital maintenance budget will be used to extend the open protocol platform for the building management information systems.

Digital Road Map

During 2019/20 investment will be made in a new telephony system for the Library, new backup systems and additions to digital storage to match the growth in the collections.

Section 6: How we support a successful Scotland

The preparation of the Library Plan has been informed by the Scottish Government's National Performance Framework (NPF).

The National Performance Framework was relaunched in 2018 and sets eleven national outcomes that it wants to achieve. These outcomes are designed to support delivery of the Scottish Government's Purpose, which is:

To focus on creating a more successful country, with opportunities for all of Scotland to flourish, through increased wellbeing and sustainable and inclusive economic growth.

Although our work contributes to some extent to all of these outcomes, the Library is most closely aligned to five and we will monitor our performance against these. The table in the Appendix [page 34] shows how the Library's outcomes match to the Scottish Government's national outcomes.

Below we have outlined some examples of how the Library's work feeds into the national outcomes.

We are creative and our vibrant and diverse cultures are expressed and enjoyed widely.

- Our collections help to enhance Scotland's international reputation for the quality of its literary, scientific and cultural heritage, and for treasuring this heritage.
- By collecting and recording the knowledge of Scotland we preserve the memory bank of the nation.
- The Library has the largest collection of Scottish Gaelic material in the world.
- Research into family history is supported, helping many people trace their Scottish family background.
- Our exhibitions attract many foreign visitors and add to their understanding of Scottish identity.
- Over 48% of all users who responded to the 2016 Audience Survey said that the Library helped them better understand Scotland's culture and history.
- We continue to host the Scots Scriever residency and promote the Scots language.

We are well educated, skilled and more able to contribute to society.

- The National Library of Scotland is widely acknowledged as the premier library for many of Scotland's research communities.
- We contribute to and create innovative resources for use in schools including 'Scotland on Screen' and the 'National Library Learning Zone'.
- We link with Scottish universities, colleges and schools on innovative research projects.
- Over 85% of higher education students who completed the 2016 Audience Survey said that the Library helped advance their education.

- By supporting the knowledge economy, we contribute to a modern, successful Scotland.

We have a globally competitive, entrepreneurial, inclusive and sustainable economy.

- Our collection of business information resources is one of the largest collections of company and market data in the United Kingdom, and is a key potential resource for Scotland's business community.
- Over 20% of business users and independent researchers who completed our 2016 Audience Survey said that using the National Library of Scotland had helped them develop their business.
- We are the only National Library in the United Kingdom that provides direct access to an extensive range of market research reports, company and news data and guides to starting and running a business directly via the web, free of charge, to registered users.
- We can deal with business enquiries in person, by phone or email or via our Library online chat service.
- We have worked with other collaborators to develop the Business & Intellectual Property Centre in Glasgow.

We tackle poverty by sharing opportunities, wealth and power more equally.

- We provide free access to all our collections both online and onsite.
- We continue to seek community benefits through our procurement activities. This includes fair work practices such as the Living Wage.
- We provide work experience and volunteer opportunities.
- More than one in nine of our users who completed the 2016 Audience Survey said that using the National Library of Scotland had helped them improve their career prospects / employment opportunities.
- We have an active outreach programme that works with schools, local community projects and community libraries across Scotland.
- All our educational resources link to the Curriculum for Excellence and are promoted to schools across Scotland.

We value, enjoy, protect and enhance our environment.

- We have reduced greenhouse gas emissions by over 61% from 2008-09 baseline levels.
- Energy consumption has been reduced by 51%.
- The percentage of waste that is recycled now exceeds 91%.
- We continue to operate a sustainable procurement policy.

Appendix

National Library of Scotland outcomes	Scottish Government National Outcomes				
	We are creative and our vibrant and diverse cultures are expressed and enjoyed widely	We are well education, skilled and able to contribute to society	We have a globally competitive, entrepreneurial, inclusive and sustainable economy	We tackle poverty by sharing opportunities, wealth and power more equally	We value, enjoy, protect and enhance our environment
We will be the guardian of the published and recorded memory of Scotland for current and future generations	✔				
We will make it easier to access our collections	✔	✔	✔	✔	
We will encourage and promote research as a defining characteristic of the Library		✔	✔	✔	
We will ensure our collections and services make an important contribution to the education, learning and advancement of our citizens and the success of our nation	✔	✔	✔	✔	
We will design and deliver public engagement programmes that will education, entertain and inspire the communities of Scotland	✔	✔	✔		
We will develop the National Library as an exciting and memorable destination for both onsite and online visitors	✔				✔
We will strive for continuous improvement in all that we do and will be a high-performing organisation	✔	✔	✔	✔	✔