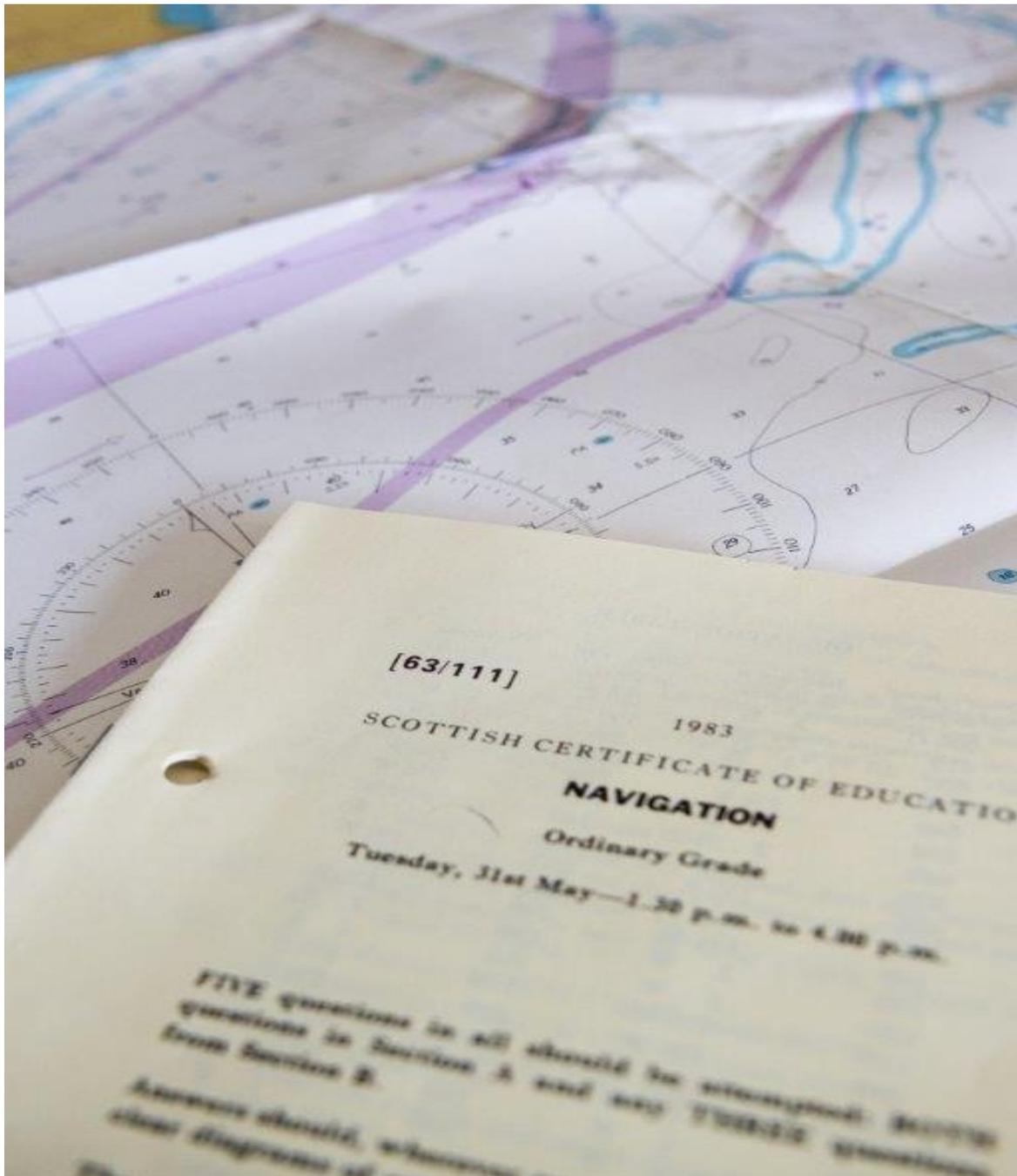


# National Library of Scotland

## Library Plan 2017-18



Scottish Certificate of Education Navigation Exam from 1983. One of the Scottish Exam papers to be digitised and placed online during 2017.

<b>Section 1:</b>	<b>Introduction to the Library Plan</b>
<b>Section 2:</b>	<b>The Library Plan - Activities &amp; Targets for 2017/18</b>
<b>Section 3:</b>	<b>Key Indicators</b>
<b>Section 4:</b>	<b>How we support a successful Scotland</b>
<b>Section 5:</b>	<b>Budget for 2017/18</b>
<b>Appendix 1:</b>	<b>Notes to the Budget</b>

## **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 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 26 million items, and it is among the half dozen largest libraries in the British Isles. It has extensive and varied collections of printed material (maps, music, newspapers 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 books published in the United Kingdom, and it now seeks to obtain, through legal deposit, books 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. The strategy is ambitious and achieving all that is set out in it during a climate of reduced funding will be challenging. As examples, the strategy commits the Library to providing a full online listing of collections and by 2025 having a third of the collections available in a digital format.

Delivering the strategy demands structural and cultural change within the Library, together with additional income generation. All this must be done within an environment where public funding is reducing. The Library will manage the reduction (faced by most of the public sector) in a positive and responsible manner. 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.'

## **The Library Plan 2017-18**

The Library Plan for 2017-18 covers the key targets and measures of success for the National Library over the coming year. This Library Plan covers a single year (01 April 2017 – 31 March 2018). However, the Library is planning for the longer term. It has developed operational and financial plans up to 2020 which detail how the components of the strategy fit together.

Our planning for the period beyond 2017/18 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 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 2017/18. 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;
- Website usage;
- Overall satisfaction levels; and
- The percentage of Library costs which are spent on corporate overheads.

For 2017/18, for a number of the targets, we have specified a range that the Library is aiming to meet.

Section 4 of the Plan covers the many ways the Library helps meet the national outcomes agreed by the Scottish Government.

Section 5 is the Library's draft budget for 2017/18. Appendix 1 contains notes to explain the derivation of the budget figures.

## Highlights of the 2017/18 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 new strategy. These include the:

- Move back to Causewayside and the development of a digitisation suite which will bring the majority of the Library's digitisation activities within one site;
- Continuation of the Library's map digitisation work which will result in completing the digitisation of single sheet maps of Scotland by 2020;
- Investment of an additional £98,000 to further develop the services of the Moving Image Archive at Kelvin Hall; and
- Substantive completion of the Causewayside refurbishment work.

## 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.

On a quarterly basis the results of progress with the Library Plan plus the Key Indicators will be reported to the Board. Progress will also be reported on the Library's website.

## Measuring Value

Although many of us believe that libraries have an intrinsic worth, as a publicly funded organisation 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 Corporate 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](#).

Although a large number of the targets are based around inputs and outputs, we also aim to measure the real effect of the Library's activities i.e. the outcomes or the impacts. As an example, as part of Customer Survey we ask for feedback on whether users think that the Library helps them develop their business and/or improve their career prospects/employment opportunities.

The Library has also commissioned work to identify the main benefits and outcomes experienced by users of the Library. During 2017/18 we will assess the results of this work. 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. We will also work with the Scottish Government on the development of a new set of National Outcomes.

## Section 2: The Library Plan - Activities & Targets for 2017/18

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 2017/18
1.1 We will collect, preserve and make available a range of materials that capture Scotland's memory and contribution to world knowledge.	<ul style="list-style-type: none"> <li>• Agree an updated Digital Preservation Policy &amp; Implementation Plan.</li> <li>• Availability level of 98% for access to non-print legal content.</li> <li>• Implement a programme to conserve priority/'at risk' items within the newspaper collections.</li> </ul>
1.2 We will record, maintain and digitise the national bibliography of Scotland.	<ul style="list-style-type: none"> <li>• Continue to ensure that a significant number of items from the Scottish imprint are included in the digitisation programme, to include: <ul style="list-style-type: none"> <li>○ Antiquarian Books Scotland series;</li> <li>○ Scottish exam papers;</li> <li>○ Programme of core texts by Scottish authors, adding at least six.</li> </ul> </li> <li>• Implement the recommendations of the internal working group on the national bibliography of Scotland.</li> </ul>
1.3 We will support the sustainable preservation of collections of national significance to Scotland held elsewhere.	<ul style="list-style-type: none"> <li>• Deliver and close the 'Connecting Scotland's Sounds' project, and then embed key sector support as 'business as usual' activities from September 2017.</li> <li>• Continue dialogue with key stakeholders (Scottish Government/SLIC/RLUK/SCURL) to explore the potential for a designation scheme for distributed library collections of national significance to Scotland, and make a proposal by September 2017.</li> </ul>

**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**

<b>Activities</b>	<b>Targets 2017/18</b>
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.	<ul style="list-style-type: none"><li>• Continue with the project of retro-conversion of the remaining Manuscript manual catalogues to allow for on-line access, converting at least 11,000 manuscript descriptions.</li><li>• Continue with the programme to disclose hidden collections, including 900 titles from the Moving Image Archive collections.</li></ul>
2.2 We will identify the main collection areas for digitisation and take action to make that material globally available.	<ul style="list-style-type: none"><li>• Digitise over 100,000 items (Maps /Books/Pamphlets) during 2017/18.</li><li>• Map Digitisation – completing the digitisation of single sheet maps of Scotland by 2020.</li><li>• Digitise at least 250 titles from the Moving Image Archive collections.</li></ul>

**Strategic Priority 3****Promoting Research****We will encourage and promote research as a defining characteristic of the Library**

<b>Activities</b>	<b>Targets 2017/18</b>
3.1 We will develop research collaborations across the humanities, sciences and business.	<ul style="list-style-type: none"><li>• Supervise and support four post graduate students during the year.</li><li>• Submit further doctoral proposals to the Scottish Cultural Heritage Consortium (SCHC).</li><li>• Develop a Memorandum of Understanding or similar formal arrangement with the University of Glasgow.</li></ul>
3.2 We will identify and support a series of research communities in areas aligned with our mission.	<ul style="list-style-type: none"><li>• Sustain the work of the Communities of Interest research groups and extend at least one into an external research network.</li><li>• Support digital humanities and data researchers by publishing 20 further datasets on data.nls.uk.</li><li>• Promote research through face to face events, including an annual research showcase event, an annual research slam and two research fairs or other 'town hall' meetings.</li></ul>
3.3 We will create a research fellowship programme that attracts scholars from around the world to work with the National Library's collections.	<ul style="list-style-type: none"><li>• Launch a round of applications for the Library's research fellowships programme.</li><li>• Host a new Fulbright scholar and the Scots Scribever creative residency in partnership with Creative Scotland.</li></ul>

**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**

<b>Activities</b>	<b>Targets 2017/18</b>
4.1 We will improve equality of opportunity by seeking to remove all barriers which prevent people accessing our collections and services.	<ul style="list-style-type: none"><li>• Implement a single sign-on for access to the Library's digital resources for national entitlement card holders (Young Scot etc).</li></ul>
4.2 We will ensure that activity which supports economic growth and wealth creation is threaded through our work.	<ul style="list-style-type: none"><li>• Develop a set of supporting activities for the creative industries over 2017/18 including: workshops for young and emerging writers as part of our Muriel Spark Exhibition, showcase creative outputs from Edinburgh College of Art students linked to temporary exhibitions and explore options for collaborating with a minimum of one HE institution in terms of creative research courses.</li></ul>
4.3 We will tailor content for targeted groups in support of the curriculum, lifelong learning and continuous professional development.	<ul style="list-style-type: none"><li>• Develop a minimum of three digital learning resources supporting the topics of Polar Exploration, India and the Commonwealth, Year of History Heritage and Archaeology.</li><li>• Establish an onsite schools and community learning programme at Kelvin Hall (target of 30 events).</li><li>• Develop a programme of Advanced Higher induction sessions (target of 12 sessions).</li><li>• Deliver a complementary programme of schools and learning workshops and activities for the Library's Enduring Eye exhibition (target of 12 events).</li></ul>
4.4 We will build on our existing services for the business community.	<ul style="list-style-type: none"><li>• Agree a formal Memorandum of Understanding with Scottish Enterprise</li></ul>

	to support provision of business information.
--	---

**Strategic Priority 5****Inspiring Engagement**

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

<b>Activities</b>	<b>Targets 2017/18</b>
<p>5.1 We will promote engagement with the Library and extend our reach across Scotland and internationally.</p>	<ul style="list-style-type: none"> <li>• Deliver two exhibitions (Enduring Eye/Muriel Spark) and four treasures events.</li> <li>• Establish a contemporary Scottish writing strand within the events programme (target of 4 events).</li> <li>• Increase public awareness of the Library in the Glasgow area (measured via the Omnibus Survey).</li> </ul>
<p>5.2 We will increase the number and diversity of people who know about or use our services.</p>	<ul style="list-style-type: none"> <li>• Develop events and opportunities for independent researchers to showcase their work, to demonstrate how they have used the collections, and to inspire others to use the Library.</li> <li>• Continue to develop our Learning Zone content to attract new audiences with specific content in 2017/18 being added on polar exploration, India and the Commonwealth, Year of History Heritage and Archaeology, Scottish women writers.</li> <li>• Continue to develop our range of both onsite and offsite talks and workshops to reflect the range and diversity of users we wish to engage with.</li> <li>• Deliver 10 Gaelic outreach activities.</li> </ul>
<p>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.</p>	<ul style="list-style-type: none"> <li>• Maintain the Library's KLOUT score (social media impact) above 65%.</li> </ul>

<p>5.4 We will focus on increasing engagement and opportunity among young people.</p>	<ul style="list-style-type: none"><li>• Support between 20-25 young people during the year to enhance their employability skills.</li></ul>
---	---

**Strategic Priority 6****Reaching Out****We will develop the National Library as an exciting and memorable destination for both onsite and online visitors**

<b>Activities</b>	<b>Targets 2017/18</b>
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.	<ul style="list-style-type: none"><li>• Deliver one online exhibition.</li><li>• Deliver four podcasts of our events.</li></ul>
6.2 We will improve and extend the Library's estate in Edinburgh to provide high standard public facilities.	<ul style="list-style-type: none"><li>• Complete Phase 2 of the Causewayside Building external envelope project.</li><li>• Deliver a Feasibility Study for the transformation of Public Spaces at George IV Bridge based on work by the Public Spaces Task and Finish Group.</li></ul>
6.3 We will strengthen our presence in the west of Scotland and progressively develop the Kelvin Hall partnership in Glasgow.	<ul style="list-style-type: none"><li>• Establish a shared programme of learning and engagement activities in partnership with Glasgow Museums (target of 4 events).</li></ul>
6.4 We will explore opportunities to establish our physical presence in other parts of Scotland.	<ul style="list-style-type: none"><li>• Develop a themed touring display which will travel to a minimum of 3-4 Scottish venues in 2017/18.</li></ul>

<b>Enablers</b>	
<b>Delivering the Strategy</b>	
<b>Activities</b>	<b>Targets 2017/18</b>
<p>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.</p>	<ul style="list-style-type: none"> <li>• Increase by 10% the number of hours contributed by volunteers.</li> <li>• Develop new equalities reporting in line with the Public Sector Equality Duty.</li> <li>• Review and re launch the Performance Management Process (staff appraisal) including the identification of relevant objectives for staff linked to the strategy and departmental/team plans.</li> </ul>
<p>Technology – We will invest in technology, services and training that are robust, scalable, efficient, and resilient.</p>	<ul style="list-style-type: none"> <li>• Introduce a new/upgraded Digital Asset Management System.</li> <li>• Implement the EDUROAM Wi-Fi authentication system/provide enhanced public Wi-Fi.</li> <li>• Develop a specification and undertake procurement for a library services platform and integrated discovery system.</li> </ul>
<p>Estate - We will pursue an estate plan that expands public spaces, secures the collections and optimises the use of all storage.</p>	<ul style="list-style-type: none"> <li>• Move staff to Causewayside creating an improved space for managing the Library's collections and co-locating the majority of digitisation activities on one site.</li> <li>• Modernise and upgrade both our multi-media room and the decommissioned South Reading Room to provide new public areas for research, consultation and user education.</li> </ul>
<p>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.</p>	<ul style="list-style-type: none"> <li>• Develop a collaborative model with Glasgow Life and the British Library in the delivery of business information to those working and living in the Glasgow area.</li> <li>• Deliver a programme of outreach events to library staff from across Glasgow to</li> </ul>

	<p>promote the services at Kelvin Hall.</p>
<p>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 to pursue income streams from other sources.</p>	<ul style="list-style-type: none"> <li>• Publish details of collaborative digitisation opportunities on our website.</li> <li>• Agree a Development Plan to 2020 aligned to The Way Forward 2015-2020.</li> </ul>
<p>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.</p>	<ul style="list-style-type: none"> <li>• Introduce the new Business Continuity Planning Framework across the Library.</li> <li>• Apply for Archival Accreditation by March 2018.</li> <li>• Implement a revamped digital production workflow.</li> </ul>

## Section 3: Key Indicators

<b>Key Indicators 2017/18</b>				
<b>Indicator No</b>	<b>Indicator</b>	<b>Indicator for 2016/17</b>	<b>Indicator for 2017/18</b>	<b>Comment</b>
1.1	<b>Environmental Compliance</b>	<b>98%</b>	<b>98%</b>	
1.2	<b>Growth in Collections – increase in physical and digital collections</b>	<b>1.3 million items</b>	<b>1.4 million – 1.5 million</b>	Designed to measure the guardian role
2.1	<b>Percentage Reduction in Hidden Collections</b>	<b>2%</b>	<b>7%</b>	Target based on work scheduled for 2017/18 and assuming limited additions to hidden collections.
2.2	<b>Percentage of NLS' collections available in a digital format</b>	<b>4%</b>	<b>13.5%-14.0%</b>	
3.2	<b>Number of research collaborations involving the Library</b>	<b>10</b>	<b>15</b>	
4.3	<b>School/lifelong learning workshops and other activities</b>	<b>n/a</b>	<b>130-160</b>	
5.1	<b>Exhibition Visitors</b>	<b>75,000</b>	<b>95,000-105,000</b>	

<b>Indicator No</b>	<b>Indicator</b>	<b>Indicator for 2016/17</b>	<b>Indicator for 2017/18</b>	<b>Comment</b>
5.2	Number of public engagements/events	80 on-site events/20 tours	95 - 110	
6.1	Website Usage (Web sessions)	3.0 million	4.0 million – 4.5 million	Over 17/18 will look at measuring use of Library content on 3rd party sites (Wikipedia/Flickr)
6.2	Reading Room Visits	60,000	65,000 - 70,000	
6.3	Overall User Satisfaction levels	93%	8.6	Now based on average mystery visit user satisfaction score out of 10 over reporting year.
7.1	Staff Absence Rate (Days per Employee)	7.8	7.2 – 7.5	
7.2	Amount raised against Fundraising target	£576,000	TBC	To be agreed as part of the Development Plan
7.3	Central Support costs as a percentage of Library income	7%	7.5%	Increase from 16/17 as result of reduced capital funding.
7.4	Media Profile (Advertising Value Equivalent)	£2,500,000	£2,200,000 - £2,600,000	
7.5	Staff Engagement Index	Top Quartile	Top Quartile	Aim is to improve and remain within the top quartile

## **Section 4: How we support a successful Scotland**

The preparation of the Library Plan has been informed by the Scottish Government's National Performance Framework. These are some of the many ways we help to meet the national outcomes agreed by the Scottish Government.

### **Outcome: We are better educated, more skilled and more successful, renowned for our research and innovation.**

- The National Library of Scotland is widely acknowledged as the premier library for many of Scotland's research communities.
- We link with Scottish universities, colleges and schools on innovative research projects.
- We increasingly attract people of all ages from all parts of Scotland with a broad range of material.
- We collect everything that is published in Scotland as completely as possible.
- People from all parts of Scotland make more use of our collections: use of on-line materials is increasing year on year.

### **Outcome: We live in a Scotland that is the most attractive place for doing business in Europe.**

- 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.
- 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 new Library online chat service.
- Over a quarter of business users who completed our 2015 Customer Survey said that using the National Library of Scotland had helped them develop their business.

### **Outcome: We realise our full economic potential with more and better employment opportunities for our people.**

- We continue to seek community benefits through our procurement activities. This includes fair work practices such as the Living Wage.
- By supporting the knowledge economy, we contribute to a modern, successful Scotland.
- We seek to build on the current services we provide for Scottish business.
- By supporting learners of all ages we help them develop in positive and productive ways.
- We provide work experience and volunteer opportunities.
- More than one in eleven of our users who completed our 2015 Customer Survey said that using the National Library of Scotland had helped them improve their career prospects/employment opportunities.

**Outcome: Our young people are successful learners, confident individuals, effective contributors and responsible citizens.**

- We contribute to and create new 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 education programmes and innovative research projects.
- All our educational resources link to the Curriculum for Excellence and are promoted to schools across Scotland.

**Outcome: We have tackled the significant inequalities in Scottish society.**

- We have an active outreach programme that works with schools and community libraries across Scotland.
- We are developing our services for young people.
- We provide free access to all our collections both online and onsite.
- We provide support for people in using the Library.

**Outcome: We take pride in a strong, fair and inclusive national identity.**

- 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.
- We support research into family history, helping many people trace their Scottish family background.
- Our exhibitions attract many foreign visitors and add to their understanding of Scottish identity.
- We have developed a guide to the Scots language for schools based on the character of Oor Wullie and through our Wee Windaes website.

**Outcome: We reduce the local and global environmental impact of our consumption and production.**

- We have reduced greenhouse gas emissions by 47% from 2008-09 baseline levels.
- Energy consumption has been reduced by 44%.
- Targets have been exceeded for the amount of waste that is recycled.
- We continue to operate a sustainable procurement policy.

**Outcome: Our public services are high quality, continually improving, efficient and responsive to local people's needs.**

- We conduct regular surveys to ensure we are meeting the needs of our users. Satisfaction rates remain consistently high.
- We have made efficiency savings of over 26% in our running costs since 2008 without reducing services to users.
- We generate income independently and raise funds.

- Our staff are skilled and motivated.
- We collaborate with and support the work of universities, other cultural institutions, the education sector and business.

## Section 5: Budget for 2017/18

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

The budget which has been developed for 2017/18 has been balanced and will allow for clear progress to be made towards the Library's objectives, identified earlier in this document. The draft budget also complies with the various expenditure rules set by HM Treasury.

Balancing the 2017/18 budget has been challenging and difficult choices have had to be made. As well as having to deal with a real terms reduction in core revenue funding, the Library has also had to manage substantial cost increases such as the opening of the new Kelvin Hall facility and increases in legal deposit costs. Knowing that this would be difficult, the development of the budgets for 2017/18 and future years has been underway since the summer of 2016. As well as the development of a budget for 2017/18, the aim of this work has been to develop an outline budget for the two subsequent years up to March 2020. This built on the work carried out last year and the process of medium term financial planning is now embedded across the Library.

### Presentation of the 2017/18 Budget

The draft 2017/18 budget has been presented in two ways. These are as follows;

**Table 1** presents the Library budget by type of income and expenditure. The first numerical column shows the current (2016/17) budget. The changes to this figure are then shown in the next column and the final column represents the draft budget for 2017/18.

**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 Heads of Department.

In overall terms, when compared to the current financial year, the Library will have lower income and expenditure in 2017/18. The reason for this is the completion of the Kelvin Hall capital project.

A number of notes explaining the changes in the budget have been provided in Appendix 1.

### Efficiencies during 2017/18

As in previous years, the Library will continue to make efficiency savings due to reductions in grant in aid and increases in cost. During 2017/18 it will make efficiencies or raise extra income totalling over £470,000 or approximately 3.5% of the revenue grant. These savings will be used two ways – they will offset the real terms decrease in revenue grant funding and will be re-invested into operational activities to help the Library to continue delivering its service requirements.

These efficiencies will be achieved through a combination of:

- Generating additional income and ensuring that there is full cost recovery across services;
- Managing services in 2017/18 so that efficiency savings are generated across all areas, particularly in relation to staffing;
- Constraining cost growth – through effective demand management, good financial control by managers and by effective negotiation with suppliers.

## **Prospects beyond 2017/18**

As part of our budget planning we have also been working on outline budgets for 2018/19 to 2019/20. From these it is clear that the Library, like all publicly funded organisations, faces significant financial challenges going forward.

A number of scenarios are possible, but the current estimate, based on a possibly optimistic outlook for revenue Grant in Aid, is that the Library will be required to save or raise at least £280k as part of setting the 2018/19 and 2019/20 budgets.

The delivery of balanced budgets for these years will require further change in the way the Library operates. Although major efficiencies have already been achieved and more are planned for 2017/18, 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. Work is underway in this area and the Library will continue to focus on the following:

External Funding – one of the features of the past two years has been the success in attracting external funding into the Library. We will be working to ensure that this continues in 2017/18 and beyond.

Fundraising – targets will be set for 2017/18 fundraising and the achievement of these will be crucial in supporting significant elements of the strategy.

Re-purposing – where we can we will be re-purposing existing resources to focus on the Library's strategic aims.

Volunteers – we aim to grow the contribution that volunteers make across the Library.

Scottish Government – during 2017/18 the Scottish Government has made significant contributions to the Library's new strategy. Funding has been secured for the completion of the Causewayside project and confirmation received of continuing funding for the Collections Purchase Fund. In addition, the Library has received 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. 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.

**Table 1**

**National Library of Scotland**  
**Summary income & expenditure**  
**Draft budget 2017/18**

	2016/2017		2017/18		Percentage Change (%)	Note Reference
	Base Budget (£'000)	Changes (£'000)	Total Budget (£'000)			
<b>Income</b>						
Grant-in-Aid - Revenue	13,180	0	13,180		0%	1
Grant-in-Aid - Capital	7,000	(1,700)	5,300		(24%)	1
<b>Total Grant-in-Aid</b>	<b>20,180</b>	<b>(1,700)</b>	<b>18,480</b>		<b>(8%)</b>	
Donations/Bequests/Fundraising	543	(342)	201		(63%)	2
Conditional Grant Income	898	(244)	654		(27%)	3
Investment Income	131	73	204		56%	4
Earned Income - Library Services	285	50	335		18%	5
Earned Income - Rents	139	(16)	123		(12%)	5
Earned Income - Support Services	266	(119)	147		(45%)	5
Earned Income - Trading	91	(10)	81		(11%)	
Other Funding	310	(287)	23		(93%)	6
	<b>2,663</b>	<b>(895)</b>	<b>1,768</b>		<b>(34%)</b>	
<b>Total Income</b>	<b>22,843</b>	<b>(2,595)</b>	<b>20,248</b>		<b>(11%)</b>	
<b>Expenditure</b>						
Staff Costs	10,798	(281)	10,517		(3%)	7
Supplies & Services	1,983	391	2,374		20%	8
Property Costs	8,256	(2,623)	5,633		(32%)	9
Maintaining & Adding to Collections	448	(18)	430		(4%)	
Access & Promotion of Collections	230	(49)	181		(21%)	
Stock for Resale	40	0	40		0%	
Collection Purchases	1,088	(15)	1,073		(1%)	10
<b>Total Expenditure</b>	<b>22,843</b>	<b>(2,595)</b>	<b>20,248</b>		<b>(11%)</b>	
<b>Deficit/(Surplus)</b>	<b>-</b>	<b>-</b>	<b>-</b>			

**Table 2**

**National Library of Scotland  
Unit budgets - Gross expenditure  
Draft budget 2017/18**

	2016/2017		2017/18		Note Reference
	Base Budget (£'000)	Changes (£'000)	Total Budget (£'000)	Percentage Change (%)	
Collection Purchase Fund	1,000	0	1,000	0%	10
Trust Funds	442	(69)	373	(16%)	
Externally Funded	380	(168)	212	(44%)	
Access	2,159	35	2,194	2%	11
Trading	51	0	51	0%	
Moving Image Archive	692	98	790	14%	
Collections & Research	1,517	(0)	1,517	(0%)	11
External Relations	442	(18)	424	(4%)	
Development/Fundraising	189	1	190	1%	
Finance & Planning	478	74	552	15%	11
HR	364	9	373	3%	
Collections Management	3,054	(96)	2,958	(3%)	11
Cleaning & Security	1,162	10	1,172	1%	
Collections Support	0	0	0	(100%)	
Property Support	2,381	(191)	2,190	(8%)	11
Kelvin Hall Project	3,549	(3,549)	0	(100%)	12
Causewayside Project	2,500	1,000	3,500	40%	12
Digitisation	515	61	576	12%	11
Digital/Information Systems	1,429	282	1,711	20%	11
Compliance *	71	(4)	67	(6%)	11
Librarian's Office	468	(70)	398	(15%)	11
<b>Total Gross Expenditure</b>	<b>22,843</b>	<b>(2,595)</b>	<b>20,248</b>	<b>(11%)</b>	

## **Appendix 1 – Notes to the Budget**

### **Note Reference 1 – Grant in Aid**

Grant in Aid from the Scottish Government continues to be the largest element of the Library's income. Based on the current draft budget this comprises over 91% of the total expected income for the year. This percentage remains at the same level as in 2016/17. The draft budget figures are those which have been advised by the Scottish Government for 2017/18.

Revenue Grant in Aid for 2017/18 will remain the same as 2016/17. The decrease in the Capital Grant in Aid of £1,700k (24%) is due to the completion of the Kelvin Hall project.

### **Note Reference 2 – Donations/Bequests/Fundraising**

The draft budget is based upon a base level of bequest income and fundraising totalling £201k during 2017/18. As in previous years, this budget will be adjusted once fundraising amounts are received. At this point the Library then increases the budget for the increased income and increases the relevant spending budget. The change from 2016/17 is due to the completion of the Kelvin Hall capital project.

### **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.

The largest contributor in this area continues to be the NLS Foundation with support for the following projects:

- Mass Digitisation
- Retro-conversion projects

The reduction in 2017/18 relates to the receipt in 2016/17 of £300k from the NLS Foundation for Kelvin Hall. This has now been removed from the budget.

### **Note Reference 4 – Investment Income/Trust Fund Interest**

The increase in this income budget is due to a different way of accounting for the income from the John Murray endowment. During 2016/17 any income from this fund was re-invested by the fund managers. During 2017/18 it will be taken as income by the Library.

The budget assumes spending the whole of the anticipated dividend and interest income from the investment portfolios.

### **Note Reference 5 – Earned Income**

The Library continues to focus upon areas where additional income could be generated to support its activities. This work has resulted in a planning assumption that Earned Income – Library Services will increase by £50k (18%). Examples include increases in Reprographic

Income and Royalties. This is considered a realistic ambition and progress will continue to be monitored over the year. In other areas income is predicted to fall. This is as a result of:

- The end of the shared services relating to Managed IT Services;
- Reduction in rent from ALDL; and
- The end of secondments.

### **Note Reference 6 – Other Funding**

The Other Income category is the release of the provision set aside for the costs of those staff who are on pay protection and the use of reserves. The amount budgeted will decrease in 2017/18 as pay protection is phased out.

### **Note Reference 7 – Staffing Costs**

In overall terms staff costs are expected to reduce for 2017/18 largely as a result of the voluntary exit scheme run during 2016/17. In budgeting for 2017/18 staff costs a 1% pay award from August 2017 has been assumed. Additional staff have also been budgeted for the Kelvin Hall facility and as part of the Library's digitisation programme.

### **Note Reference 8 – Supplies and Services**

Library spending on Supplies and Services is planned to increase by £391k (20%) in the 2017/18 financial year. This is largely down to the increased costs in operating the Kelvin Hall facility (£52k) and the increased investment in IT (£256k).

In preparing the budget, provision to meet all known contractual commitments has been made. However, 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 2017/18 budget includes a decrease in Property Costs associated with the ending of the work on Kelvin Hall.

### **Note Reference 10 – Collection Purchases/Collection Purchase Fund**

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

As part of the draft 2017/18 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 (£73k).

**Note Reference 11 – Access/Collections & Interpretation/Finance and Planning/Collections Management/Property Support/Digital and Information Systems etc.**

The comparison of the 2016/17 and 2017/18 budgets has been skewed by the recent voluntary exit scheme and some re-organisation of units.

Across most areas the unit budgets are relatively stable. Digitisation will increase by 12% to £576k as result of increased investment and funding from the NLS Foundation. Digital/Information Systems will increase by 20% reflecting the increased investment from Scottish Government funding.

**Note Reference 12 – Causewayside/Kelvin Hall projects**

The changes in spending reflect the phases of these projects. Kelvin Hall was completed in 2016/17 and has been removed from the current budget. Spending on the Causewayside project is predicted to increase to £3,500k during 2017/18.