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Notes on cover image

Mairi Chisholm, a Scottish nurse and ambulance driver, and her friend Elsie Knocker were among the most celebrated women of the First World War. Dubbed 'The Madonnas of Pervyse', they were famous both for their work on the Belgian front line and for their fundraising efforts. The role of women during and after the First World War is being explored in two projects during 2018: a HLF-funded heritage research project for youth groups as part of the Year of Young People, and a major exhibition, opening in November, looking at life and society in Scotland after the war.

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 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.

Delivering the strategy demands structural and cultural change within the Library, together with additional income generation.

To ensure the priorities of the strategy remain current and in line with the ever changing environment, a Mid Point Review was conducted in the autumn of 2017. The Library is currently considering the feedback from this.

Over the next year we will also begin 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 2018/19

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 2018 – 31 March 2019). However, the Library is planning for the longer term. It has developed operational and financial plans up to 2021 which detail how the components of the strategy fit together.

Our planning for the period beyond 2018/19 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 2018/19. 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 2018/19.

Section 5 details the significant capital projects and investment the Library will make in 2018/19.

Section 6 of the Plan covers the many ways the Library helps meet the national outcomes agreed by the Scottish Government. It also details some of the activities the Library will be involved in for the Year of Young People.

Highlights of the 2018/19 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 following:

Description	Page number	Links to
Beginning the 'Unlocking our Sound Heritage' project in partnership with the British Library and 10 centres.	8	Strategic Priority 1 / Activity 1.3
Increasing digital production from 100k items to 200k items.	9	Strategic Priority 2 / Activity 2.2
Various projects relating to the Year of Young People.	13 and Section 6	Strategic Priority 5 / Activity 5.4
Internal refurbishment work on the George IV Bridge building which includes bringing the South Reading Room back into use and a new Treasures space.	14	Strategic Priority 6 / Activity 6.2
Replacing our Library Services Platform which will bring a range of user benefits such as being able to search across all the Library's collections in one search.	15	Enablers / Technology

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](#).

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 Visitor 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 2018/19 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 and the implications of any new Scottish Government Cultural Strategy.

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 2018/19
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">• Digital preservation – conduct a proof of concept study to assess and report on the potential of cloud storage to replace local tape storage.• Digital preservation – implement storage solutions for new preservation data to achieve the Library's goal to keep three copies.• Deliver the externally funded project to process and make available the MacKinnon Collection, working jointly with the National Galleries of Scotland.
1.2 We will record, maintain and digitise the national bibliography of Scotland.	<ul style="list-style-type: none">• Review best practice and scope data model for the National Bibliography of Scotland.
1.3 We will support the sustainable preservation of collections of national significance to Scotland held elsewhere.	<ul style="list-style-type: none">• Establish the Scottish hub for the HLF funded 'Unlocking our Sound Heritage' project at Kelvin Hall, recruiting and training staff and establishing processes with partner organisations to digitise original sound recordings.

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 2018/19
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">• Continue with the programme to disclose hidden collections aiming for a cumulative 10% reduction.• Continuing the project of retro-conversion of the remaining manuscript manual catalogues to allow for online access, converting at least 11,000 manuscript descriptions.• Progress work on the next stages of retro-conversion of music catalogues.
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">• Digitise over 200k items (maps, books, pamphlets) during 2018/19.• Meet key targets towards the complete digitisation of single sheet maps of Scotland by 2020.• Carry out a scoping study to assess the approach and resources required for a major newspaper digitisation project.

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

Activities	Targets 2018/19
3.1 We will develop research collaborations across the humanities, sciences and business.	<ul style="list-style-type: none">• Supervise and support at least four post graduate students during the year and at least six other student placements.• Continue to work with partners to develop the Scottish Cultural Heritage Consortium and submit at least two studentship proposals in 2018.• Work collaboratively with academic partners to develop or deliver at least four externally funded research initiatives.
3.2 We will identify and support a series of research communities in areas aligned with our mission.	<ul style="list-style-type: none">• Deliver the agreed programme of workshops on 21st Century Reading and successfully report on this initiative to the funder, RSE.• Produce an options paper which considers possible models of support for digital scholarship by December 2018.
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">• Launch a new round of applications for the Library's research fellowships programme.• Host a second Scots Scriever fellowship.

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 2018/19
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">• Extend the range of digital resources directly accessible for national entitlement card holders (Young Scot etc).• Introduce a simplified reader registration process.• Implement a new programme of mystery visits to identify and, where possible, remove barriers to access.• Introduce new and easier to understand guidance on using the Library incorporating videos and simple animation.
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">• Showcase creative outputs from Edinburgh College of Art students linked to temporary exhibitions.• Continue our Muriel Spark workshops and those for aspiring writers based on the collections (target of 10 events).
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">• Develop a further three new digital learning resources to support Curriculum for Excellence (CfE) utilising exhibition and/or other Library collections.• Develop two learning resources for Scotland on Screen in support of the Curriculum for Excellence.
4.4 We will build on our existing services for the business community.	<ul style="list-style-type: none">• Work with SLIC in providing business support to its public libraries workspace for business project.• Establish a business strand within the Library's events programme.• 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.
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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 2018/19
5.1 We will promote engagement with the Library and extend our reach across Scotland and internationally.	<ul style="list-style-type: none">• Deliver one new exhibition ('A Better World: life after WWI') and three Treasures events.
5.2 We will increase the number and diversity of people who know about or use our services.	<ul style="list-style-type: none">• Attend four Gaelic audience events to promote these collections.
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.	<ul style="list-style-type: none">• Support digital scholarship by routinely publishing data sets of digitised texts on data.nls.uk and promoting the use of the data.• Extend the Library's open approach to data by implementing the agreed removal of permission fees for still images.
5.4 We will focus on increasing engagement and opportunity among young people.	<ul style="list-style-type: none">• Deliver 'Youngwummin' skills development project in partnership with Youthlink project for the First World War .

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 2018/19
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">• Deliver an on-line exhibition ('A Better World: life after WWI').• Deliver a range of events / talks utilising various media streams e.g. podcasts / streaming etc.
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">• Continue with the 'George IV Bridge Reimagined' project completing works on the new Treasures space and new Consultation space.• Carry out a range of ethnographic / observational studies through exit surveys with readers and observation / mapping work to ascertain future reading room / Visitor Centre requirements.
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">• Deliver a shared programme of learning and engagement activities in partnership with Glasgow Museums (target of four events).
6.4 We will explore opportunities to establish our physical presence in other parts of Scotland.	<ul style="list-style-type: none">• Expand the touring programme to add a second display and travel to a minimum of eight Scottish venues in 2018/19.

Enablers	
Delivering the strategy	
Activities	Targets 2018/19
<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"> • Implement online training for health and safety and equality awareness. • Roll out the updated system of forward job plans / annual staff review / development meetings. • Update the HR Plan incorporating actions relating to the new Library Services Platform.
<p>Technology – We will invest in technology, services and training that are robust, scalable, efficient, and resilient.</p>	<ul style="list-style-type: none"> • Complete the data migration and implementation of the new Library Services Platform. • Achieve Cyber Essentials Plus accreditation.
<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"> • Replace Wi-Fi across the Library including all public spaces and main staff areas. • Begin a programme which will implement open protocol platforms across building management information systems.
<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"> • 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.
<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"> • Begin planning for a centenary fundraising campaign.
<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.</p>	<ul style="list-style-type: none"> • Complete the project to ensure that Library policy and practice will comply with the GDPR by the beginning of May 2018. • Apply for Archive Service Accreditation by

We will measure our performance against an agreed scheme of metrics.	March 2019.
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Section 3: Key indicators

Key Indicators 2018/19				
Indicator No	Indicator	Indicator for 2017/18	Indicator for 2018/19	Comment
1.1	Environmental compliance	98%	98%	
1.2	Growth in collections – increase in physical and digital collections	1.4 million – 1.5 million	1,025,000	Comprised of approximately 175,000 print and analogue items and 850,000 digital during the period and excludes manuscripts and archives.
1.3	Availability level of 98% for access to non-print legal content	98%	99%	
2.1	Percentage reduction in hidden collections	7%	10%	Indicator is the overall cumulative reduction. Aiming for 3% reduction 'in year'.
2.2	Percentage of NLS collections available in a digital format	13.5% – 14.0%	14%	NPLD intake being re-baselined by BL to address ingest issues such as duplication. See Note Below for calculation.
3.2	Number of research collaborations involving the Library	15	20	The number of collaboration during the period.

Indicator No	Indicator	Indicator for 2017/18	Indicator for 2018/19	Comment
4.3	Onsite learning & community events / Outreach learning & community events / Onsite other programmed events	120/15/90	120/50/100	
5.1	Exhibition visitors	95,000 – 105,000	35,000 – 40,000	Reduction reflects planned closure during year for works.
6.1	Website usage (web sessions)	4.0 million – 4.5 million	5.0 million – 5.5 million	Over the year we will also monitor usage on 3rd party sites, e.g. Europeana, Wikimedia Commons, Internet Archive, Flickr, YouTube.
6.2	Reading room visits	65,000 – 70,000	62,000 – 67,000	Estimated based on recent trends. Potential revised opening hours may have an effect.
6.3	Overall user satisfaction levels	95%	N/A	Measured every two years through the Customer Survey and based on users who said they were very or quite satisfied with the Library.
6.4	Physical collections capacity	6,112 linear metres	6,753 linear metres	Figures relate to total uncommitted, usable stockage at CB and GB as of February 2018.
7.1	Staff absence rate (days per employee)	7.2 – 7.5	7.1 – 7.4	This is set below the All Sector average of 7.5

Indicator No	Indicator	Indicator for 2017/18	Indicator for 2018/19	Comment
7.2	Amount raised against fundraising target	100%	100%	
7.3	Central support costs as a percentage of Library income	9.5%	10.7%	Increase in the percentage is due to changes in capital funding. Indicator set based on benchmark against other NDPBs.
7.5	Staff engagement index	Top Quartile	Top Quartile	Aim is to be within the top quartile as measured in the 2018 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 2018/19

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

The budget which has been developed for 2018/19 has been balanced and will allow for clear progress to be made towards the Library's objectives, identified earlier in this document.

Balancing the Library's annual budget is never straightforward and different priorities have to be ranked and difficult choices have to be made. However, the setting of the 2018/19 budget has been helped by steps taken in previous years aimed at delivering efficiencies and by an increase in the Library's core revenue funding.

Knowing that the budget development would be difficult, the work on the budgets for 2018/19 and future years has been under way since the summer of 2017. As well as the development of a budget for 2018/19, the aim of this work has been to develop an outline budget for the two subsequent years up to March 2021. 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 2018/19 budget and future financial planning was discussed by the Audit Committee at its meeting on 12 February 2018. The final budget, at a detailed level, was reviewed by teleconference with the Audit Committee on 09 March 2018. They agreed to recommend it to the Board.

Presentation of the 2018/19 Budget

The draft 2018/19 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 (2017/18) budget. The changes to this figure are then shown in the next column and the final column represents the draft budget for 2018/19.

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 2018/19. The reason for this is the completion of the Causewayside capital project.

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 & EXPENDITURE

DRAFT BUDGET 2018/19

	2017/2018		2018/19	Percentage Change (%)	Note Reference
	Base Budget (£'000)	Changes (£'000)	Total Budget (£'000)		
INCOME					
Grant-in-Aid - Revenue	13,180	350	13,530	3%	1
Grant-in-Aid - Capital	4,991	(3,241)	1,750	(65%)	1
Total Grant-in-Aid	18,171	(2,891)	15,280	(16%)	
Donations/Bequests/Fundraising	155	(32)	123	(21%)	2
Conditional Grant Income	645	73	718	11%	3
Investment Income	204	24	228	12%	4
Earned Income - Library Services	334	(25)	309	(7%)	5
Earned Income - Rents	131	(48)	83	(37%)	5
Earned Income - Support Services	149	4	153	3%	5
Earned Income - Trading	83	0	83	0%	
Other Funding	69	351	420	509%	6
	1,770	347	2,117	20%	
Total Income	19,941	(2,544)	17,397	(13%)	
EXPENDITURE					
Staff Costs	10,553	473	11,026	4%	7
Supplies & Services	2,252	127	2,379	6%	8
Property Costs	5,331	(2,938)	2,393	(55%)	9
Maintaining & Adding to Collections	504	(205)	299	(41%)	11
Access & Promotion of Collections	187	(5)	182	(3%)	
Stock for Resale	40	0	40	0%	
Collection Purchases	1,074	3	1,077	0%	10
Total Expenditure	19,941	(2,545)	17,396	(13%)	
Deficit/(Surplus)	-	-	-		

TABLE 2**NATIONAL LIBRARY OF SCOTLAND****UNIT BUDGETS - GROSS EXPENDITURE****DRAFT BUDGET 2018/19**

	2017/2018		2018/19		Note Reference
	Base Budget (£'000)	Changes (£'000)	Total Budget (£'000)	Percentage Change (%)	
Collection Purchase Fund	1,000	0	1,000	0%	10
Trust Funds	374	(55)	319	(15%)	
Externally Funded	212	0	212	0%	
Access	2,194	(74)	2,120	(3%)	11
Trading	51	0	51	0%	
Moving Image Archive	789	(90)	699	(11%)	11
Collections & Research	1,516	67	1,583	4%	
External Relations	424	(2)	422	(0%)	
Development/Fundraising	190	(5)	185	(3%)	
Finance & Planning	570	141	711	25%	12
HR	373	6	379	2%	
Collections Management	2,958	75	3,033	3%	
Cleaning & Security	1,154	37	1,191	3%	
Property Support	2,199	276	2,475	13%	11
Causewayside Project	3,191	(3,191)	0	(100%)	
Digitisation	346	(10)	336	(3%)	11
Digital	1,934	255	2,189	13%	11
Compliance	67	0	67	0%	
Librarian's Office	399	24	423	6%	11
Total Gross Expenditure	19,941	(2,545)	17,396	(13%)	

TABLE 3

NATIONAL LIBRARY OF SCOTLAND

CAPITAL PROJECTS

DRAFT BUDGET 2018/19

Name	Category	Description	Within which budget Line	Budget Amount (£'000)
Treasures Space	GIVB Reimagined	Re-fit of the John Murray Exhibition space to develop a Treasures space	Property Support/Property Costs	292
South Reading Room	GIVB Reimagined	To bring the currently unused South Reading Room up to an operational standard to be used as a Collections Based Learning/Consultation Room for the public.	Property Support/Property Costs	41
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	120
Roof Refurbishment	Capital Maintenance	Final section of Lawnmarket roof replacement	Property Support/Property Costs	65
Staff Lift Refurbishment	Capital Maintenance	Refurbishment of the staff lift at Causewayside as part of life cycle maintenance	Property Support/Property Costs	49
Camera Purchase	Digital Roadmap	Purchase of 3-4 camera for the Library's extended digitisation programme	Finance/Supplies & Services	150
WiFi Enhancement	Digital Roadmap	Roll out of enhanced WiFi	Digital/Supplies & Services	100
Telephone system	Digital Roadmap	SIP / VOIP telephony will be expanded to replace the telephone system and switchboard functions across the whole Library.	Digital/Supplies & Services	50
Library Services Platform	Digital Roadmap	Project comprises the replacement of the Library's main database catalogue and 'front-end' used by readers/Library users	Digital/Supplies & Services	100

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 88% of the total expected income for the year. This percentage is lower than in 2017/18 as funding for the Causewayside project has now ceased. The draft budget figures are those which have been advised by the Scottish Government for 2018/19.

Revenue Grant in Aid for 2018/19 will increase by just over 3%. The decrease in the Capital Grant in Aid of £3,241k (65%) is due to the completion of the Causewayside project and small decreases in the capital budgets for IT and refurbishment.

Note reference 2 – Donations / bequests / fundraising

The draft budget is based upon a base level of bequest income and fundraising totalling £123k during 2018/19. 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. An updated Fundraising / Development Plan is in preparation for 2018/19.

The change in the budgeted figures from 2017/18 is due to a changed funding profile from an external trust fund.

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. Support will come for the following projects:

- Mass Digitisation – £200k;
- Travelling Exhibitions – £45k;
- Retro-conversion projects – £110k;
- Music manuscripts – £135k.

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.

Note reference 5 – Earned income

In overall terms Earned Income will reduce in the year as a result of two things;

- The relocation of ALDL and the loss in rent previously charged;
- The removal of permission fees.

However, charges for the use and copying of images have been reviewed over the year and we expect income in this area to increase.

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. It also includes capital reserves to undertake work on George IV Bridge.

Note reference 7 – Staffing costs

In overall terms staff costs are expected to increase by 4% for 2018/19 as the result of;

- Planned pay rises in line with the Scottish Government pay remit; and
- The additional staff that will be recruited for the Library's new digitisation suite.

Note reference 8 – Supplies and services

Library spending on Supplies and Services will increase slightly reflecting the increase in conditional grants.

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 2018/19 budget includes a decrease in property costs associated with the ending of the work on Causewayside.

Note reference 10 – Collection purchases / Collection Purchase Fund

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

As part of the draft 2018/19 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 (£77k).

Note reference 11 – Trust funds / Moving Image Archive / property support / digitisation / maintaining and adding to collections

The comparison of the 2017/18 and 2018/19 budgets have been skewed by the re-organisation of some costs and the investment in the digitisation suite. As an example £120k of property costs are being transferred from the Moving Image Archive to Property Services so this budget can be better managed.

Across most areas the unit budgets are relatively stable. The Digitisation budget will change from £346k to £336k but will increase substantially as the year progresses as the cameras are purchased (Table 3) and as further staff move into this area.

The reduction in the maintaining and adding to collections line is due to the re-organisation of digitisation activities across the Library – with this function now being done 'in-house'.

Digital / Information Systems will increase by 13% reflecting the increased investment for the Library Systems Platform.

Note reference 12 – Finance

The increase for the year reflects the budget contingency which will be released as cameras are purchased (Table 3) and as further digitisation activities are progressed during the year.

Efficiencies during 2018/19

As in previous years, the Library will continue to make efficiency savings. During 2018/19 it will aim to make efficiencies or raise extra income totalling over £410,000 or approximately 3.0% of the revenue grant. These savings will be 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. During 2017/18 we reviewed reprographic charges across the Library. This will lead to a modest increase in charges overall. In addition, during 2018/19 we expect to have clearer detail of the income the Library may earn from third party digitisation contracts;
- Managing services in 2018/19 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.

Scenario planning and sensitivity analysis – prospects beyond 2018/19

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 2019/20 and 2020/21.

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
- General pay costs.

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 fixed Scottish Government funding post 2018/19 but with ongoing pay restraint. In this scenario the Library would generate a surplus of £100k in 2019/20, which could be used for strategic development, but would need to find savings of £108k in 2020/21. This could be covered by reserves.

Scenario	Features	Potential 2019/20	Potential 2020/21	Covered by Reserves?
Positive	SG Grant Revenue Funding Increase Positive income generation Ongoing pay restraint Service Review Implemented	Surplus of £230k	Surplus of £170k	n/a
Neutral	SG Grant Revenue Funding Fixed Ongoing pay restraint Service Review Implemented	Surplus of £100k	Deficit of £108K	✓
Negative	SG Grant Revenue Funding Decrease Limited income generation Pay & cost pressures require recognition	Deficit of £30K	Deficit of £200K	✓

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 2018/19, 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 2018/19 and beyond.
- Fundraising – targets will be set for 2018/19 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 2018/19.
- 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 2018/19 the Scottish Government has made significant contributions to the Library's new strategy. Funding for the CPF will continue at current levels and 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. These are currently considered to be the following;

- Reduction in Grant in Aid income;
- Affordability of future Scottish Government pay policies;
- The ability to generate sufficient funds to support the Library's strategy;
- Management of capital projects particularly the 'roll out' of the new Library Services Platform which will be a particular risk during 2018/19; and
- 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 2018/19 such as the risk associated with the Library Services Platform and the running large grant claims will be incorporated into the risk management process.

Section 5: Capital projects and investment

Details of the principal capital projects the Library will be involved in over 2018/19 have been detailed in Table 3 above. These fall into three broad categories:

- 'George IV Bridge Reimagined' – work funded from the Library's own resources that are 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.

Refit of the John Murray Archive exhibition space / new Treasures space

The largest of the projects during 2018/19 is the planned refit of the John Murray Exhibition space into a Treasures space.

As this project is estimated to cost over £250k, under the Standing Orders and the Scheme of Delegation, it requires the full approval of the Library Board.

Details of the prospective project are included below.

In the 2006/07 financial year, with the support of the Murray family, the Library opened the original John Murray Archive exhibition space. By 2017 the exhibition had been open for over 10 years, the number of visitors had dropped significantly and it had reached the end of its useful life. It was decommissioned at the end of 2017 and the space is currently empty.

A key element of the current strategy is to radically increase and improve the Library as a physical space making it as Strategic Objective 6 says 'an exciting and memorable destination for on-site visitors'.

In 2015 a Task and Finish Group delivered 'The National Library of Scotland re-imagined: Transforming our public spaces 2016-2025'. This was presented to the Library Leadership Team on 31 January 2017, who agreed that work to develop the programme of projects contained within it should be progressed. A modern Treasures space was seen as a key element of this.

Under the 'George IV Bridge Reimagined' programme, work was split into separate tranches and projects. Some of these tranches and projects could be developed with existing resources. Examples of these include:

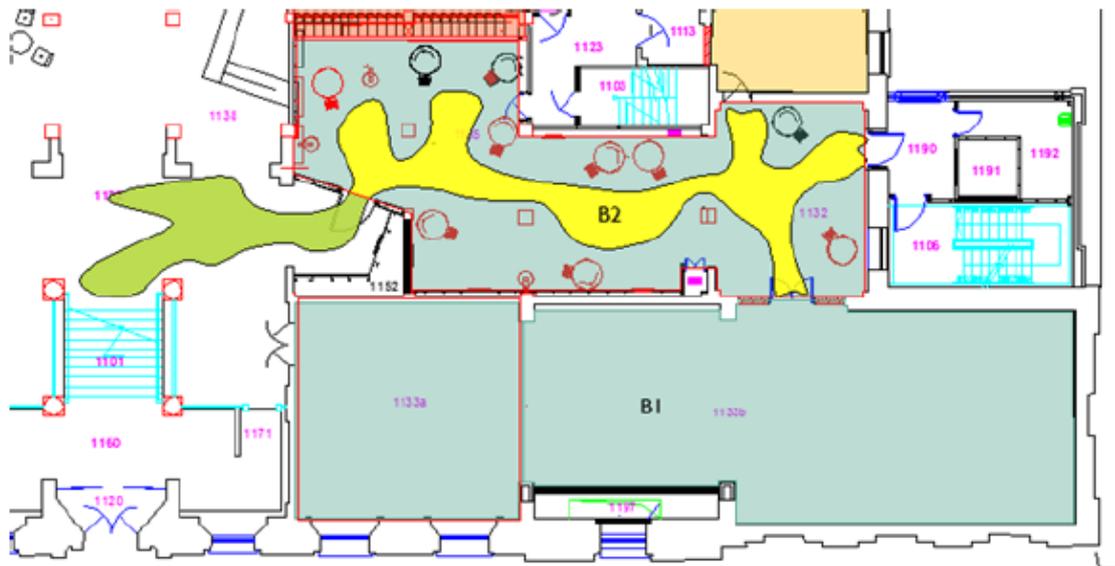
- New Treasures space / exhibition;
- Re-fit of the South Reading Room to bring it back into public use;
- Piloting of redevelopment of the Multimedia Room;
- Informal public space for discovery incorporating eating areas for non-café food; and
- Additional public toilet provision and support spaces.

However, other tranches and projects were identified as more substantial and would require significant preparation and external funding. The Library intends to commission a feasibility study to understand how this might be done and the likely costs.

Returning to the refurbished Treasures space, the objective of the project is 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.

There will be a range of different sizes and formats: historic, modern, intimate, large scale, cased, framed, manuscript, print, audio visual and digital. The life of the exhibition is estimated to be five years. The cost over the five years is in line with the amounts the Library would budget for an enhanced temporary exhibition.



The work is planned to be undertaken over the period May-November to take advantage of a gap in the exhibitions calendar. A plan for the work (Section B2) is included above. The main entrance can be seen at the bottom left hand corner of the plan. B1 represents the current seasonal exhibitions space.

A Business Case and a Project Execution Plan have been agreed by the Library Leadership team. The Library's Project Management Policy will be followed and the project will 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.

High level procurement strategies have been agreed for the various strands of the project.

The full budget is detailed below. The project is fully funded and is budgeted for as part of the 2018/19 plan.

Funding will come from a number of sources including the annual capital maintenance budget and capital reserves.

Description	2018-19
Expenditure	
T1 Enabling works design to tender	£15,262
T2 Building warrant fee	£1,035
T1 Enabling works design tender to defects	£14,028
T1 Enabling works	£125,000
T1 Clerk of Works Services	£2,000
T2 Exhibition design	£12,000
T2 15No. Illuminated graphic panels	£15,000
T2 40 No LED light fittings	£10,000
T2 12 No. case cores	£12,000
T2 Decoration	£5,000
T2 6 No. Digital screens	£3,000
T2 6 No. screen casings	£6,000
T2 Furniture	£2,000
T2 2 No. large illuminated panels (annexe)	£6,000
T2 Installation	£5,000
T2 Lighting focus	£2,000
T2 Case refurbishment	£20,000
T2 AV development	£10,00
Sub-total	£265,325
Risk allowance 10%	£26,533
Total	£291,858

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:

- The new exhibition's economic life is estimated to be five years – which is within the likely timescale of any major work which could arise from a future feasibility study;
- A large portion of the work would be required no matter what a feasibility study recommends. This includes work on upgrading the services into the exhibitions space, replacing the sprinkler pipes, removing the wall / annexe and delivering a route to the south side of the building. These are works covered by the line above 'T1 – Enabling works'.

Section 6: How we support a successful Scotland / The Year of Young People

The preparation of the Library Plan has been informed by the Scottish Government's National Performance Framework (NPF). All public services in Scotland are required to align to the NPF to support delivery of the Scottish Government's Purpose, which is:

To focus Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.'

The NPF sets out 16 National Outcomes describing what the Government wants to achieve over the next 10 years. The Library focuses on eight of the National Outcomes, as follows.

National Outcome 1: 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 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.

National Outcome 2: 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.

National Outcome 3: 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 online materials is increasing year on year.

National Outcome 4: Our young people are successful learners, confident individuals, effective contributors and responsible citizens.

- 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 education programmes, work placements and innovative research projects.
- All our educational resources link to the Curriculum for Excellence and are promoted to schools across Scotland.

National Outcome 7: We have tackled the significant inequalities in Scottish society.

- We have an active outreach programme that works with schools, local community projects 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.

National Outcome 13: 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.

National Outcome 14: We reduce the local and global environmental impact of our consumption and production.

- We have reduced greenhouse gas emissions by 54% from 2008-09 baseline levels.
- Energy consumption has been reduced by 49%.
- The percentage of waste that is recycled now exceeds 85%.
- We continue to operate a sustainable procurement policy.

National Outcome 16: 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 30% 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.

The Year of Young People

As part of the Year of Young People during 2018 the Library will be involved in a number of exciting projects. These include;

- YouthLink young researchers project – this is a project with youth workers and clients in researching 1919/2018 in young women's experience. Some of the output will feature in a treasures exhibition.
- What Scotland Means to Me – this is a film competition for young people with the winning films to be screened at Kelvin Hall.
- Spark Style Fashion Competition – this will showcase the talent and potential of young designers in Scotland drawing on the creative legacy of Muriel Spark as reflected in the current exhibition.
- Fragile Formats Traineeships – a career development project for young people transitioning from formal education to the labour market through paid sound, video and paper conservation internships.
- Young conservation volunteers – a possible SLIC funded project which will give opportunities to groups of young people to gain experience of hands-on conservation.
- New digitisation posts – new jobs with a 'youth-friendly' based recruitment process to improve access to permanent jobs.

In addition the Library will continue its activities in the following areas;

- Completing the Skills for the Future collaborative project with NGS involving six trainees.
- Employability coaching for young people in contact with the Library.
- Student placements at Edinburgh and Strathclyde universities.