

# National Library of Scotland Board Meeting

Date: 27 March 2024

## Participants

**Present:**

* Sir Drummond Bone (Board Chair) - DB
* Ruth Crawford KC (Board Vice Chair) - RC
* Emily Drayson - ED
* Alan Horn - AH
* Alison Kidd – AK
* Kirsty Lingstadt - KL
* Justin McKenzie Smith – JMS
* Lesley McPherson - LMcP
* Michael Muir - MM
* Robert Kilpatrick - RK
* Robert Wallen – RW

**In attendance:**

* Neil Mackenzie KC, Faculty of Advocates - NM
* Amina Shah, National Librarian - AS
* Anthony Gillespie, Chief Operating Officer – AG
* Susanne Munro, Trade Union representative - SM
* Kathy Hutton, Board Support & Compliance Officer – KH
* Alison Stevenson, Director of Collections, Access & Research

## Minutes of meeting

In advance of the formal agenda, the Librarian and Rob Cawston (Director of Digital & Service Transformation) provided an overview of the use of AI within the Library following the AI Symposium held last year. The Library's approach continues to be careful and cautious. Copyright and ethical adoption remain key issues as the Library considers which automation tools may benefit Library users and staff. The Library Leadership Team (LLT) is presently drafting a Guidance Statement which considers responsible adoption with a people-centred approach. Future considerations include developing an AI register and how to make AI generated content visible to Library users. Rob Cawston left the meeting.

### Chair's Welcome

Sir Drummond Bone (Board Chair) welcomed all to the meeting including Susanne Munro attending as the Trade Union representative and Neil Mackenzie KC as the Faculty of Advocates representative.

### Apologies for Absence

There were no apologies.

### Declarations of Interests

Declarations are as recorded in the Board Register of Interests.

### Minutes of meetings

The minutes of 29 November 2023 were approved as a correct record.

### Actions outstanding and matters arising from previous meetings

The Board confirmed their agreement that all actions are closed.

### Chief Executive's Update and Performance Report

The Librarian, Amina Shah, highlighted:

* Engagement with Scottish Government (SG) on future funding challenges continues. SG have advised they would like the Library and others in the Culture Sector to increase philanthropic support where possible. The present financial situation is expected to continue to impact staff morale. The LLT hold a weekly work force planning meeting to plan for an mitigate the impact of forthcoming vacancies. The Library continues with its frugal approach. Over the last decade, there has been a 10% reduction in staff numbers so further reductions have to be considered carefully. Some projects, for example the Google Books digitisation, have been paused due to staff support costs.
* Public Body reform meetings are ongoing; however, there are no firm proposals to date. The cultural organisations involved are open to continuing discussions on possible mutually beneficial opportunities but are also very aware of their paramount role of stewardship of the collections.
* Development of the new strategy is underway with an emphasis on collaboration with stakeholders and staff. The Library must be realistic about its ambitions with reduced resource and being conscious of staff wellbeing.
* The Library continues to provide support to the British Library (BL) as they reinstate their digital estate following the cyber-attack incident.
* Footfall at George IV Bridge has increased beyond pre-Covid levels helped by visitors to the Treasures Gallery and exhibitions.

The Chief Operating Officer, Anthony Gillespie, highlighted:

* The Causewayside (CB) fire protection works tender has closed with the decision to recommend a contractor to the Audit Committee expected soon.
* It is expected that three of the 2023/24 targets are now unlikely to be achieved by year end. These include the CB fire protection work now moving into next year after the required retendering of the work, the review of legal deposit delayed by the BL cyber-attack and setting up a Modern Apprenticeship pilot project. Good progress has been made in other areas with 77% of targets due to be fully completed by year end with 13% making good progress and expected to be largely completed by year end.
* In relation to Key Indicators, exhibition visits are up 11% over the same period last year and overall footfall at George IV Bridge is now higher than the year before the pandemic helped by the opening of the Treasures Space.
* The staff absence rate continues to be above pre-Covid levels and is unlikely to be within the target range by the end of the year. This trend has been seen at a national level within the Public Sector.

The Board noted the report and during discussion:

* Noted their concern in relation to staff wellbeing where staff may be taking on an increased workload due to some positions not been replaced like for like due to budget constraints. The Board welcomed the prominence the LLT is giving to staff wellbeing in all areas of decision making.
* Noted the Centenary year provides an opportunity to highlight how the Library was established, how it has evolved and its vital role in safeguarding the history of Scotland.

### Audit Committee (AC) Update

The Chair advised Ruth Crawford's second term ends 31 August 2024 which will require appointment of a new Audit Committee Chair thereafter.

Ruth Crawford KC (Audit Committee Chair) advised the Committee:

* Is concerned with the constrained financial circumstances in which the Library is operating with the reduction in SG funding. This may require the Library to make use of reserves which is not a sustainable position.
* Received a further update from one of the Library's investment managers where discussion took place around the Library's Environmental, Social & Governance position and its possible effect on income generation from funds held.

### Governance Committee (GC) Update

Robert Wallen (Governance Committee Chair) advised the Committee:

* The main Committee discussion centred on reviewing all Committees' Terms of Reference and Board governance documents. This included discussion around the Governance Committee's role in ensuring there remains separation between the Library and the NLS Foundation.
* Reviewed the draft Board Away Day agenda and asked that Centenary discussion moves forward planning rather than simply providing a progress update.

### Staffing & Remuneration (S&R) Chair update

Alison Kidd (S&R Committee Chair) advised that, following a full and informative pre-meeting with Trade Union representatives in advance of the last Committee meeting, the Committee:

* Asked for a review of risk relating to both staff and collections from reducing SG funding to include review of RAG status.
* Noted implementation of the new HR system is progressing in line with the plan.

The Librarian left the meeting during discussion of the Librarian's pay award (see separate confidential minute).

The Chair thanked the Committee Chairs for the valuable updates. Rob Cawston rejoined the meeting.

### Governance documents

The Board took the paper as read. The Chair advised the Audit and S&R Committees would both benefit from additional members. The Board approved the changes to the Standing Orders, Scheme of Delegation and the Terms of Reference for all Committees. The Board noted the Scheme of Administration.

### Library Plan and Budget

Amina Shah advised that each year an annual Library Plan & Budget, based on the Strategy, is presented for Board's approval. The Library Plan encompasses ambitious but realistic targets developed in light of available resources and staff.

Anthony Gillespie provided an overview highlighting:

* The Budget presented includes an approximate 5% cut in SG funding. As the Library operates close to its financial margins, with much of the budget comprising staff costs and with a SG Non-Compulsory Redundancy policy in place, this is quite a significant cut.
* The initial overall effect of the reduction in SG funding was a deficit for 2024/25 of £850k. To address this, the Library has taken a twofold approach: short-term actions to prepare for the start of the 2024/25 financial year and longer-term considerations of how to make the Library's existing services more financially sustainable.
* The Library Plan and Budget have been shared with Sponsor Team leads in the Scottish Government. The Budget allows the Library to operate through the financial year 2024/25 and to be comfortable as a going concern. SG has been advised of certain financial flexibilities that could assist the Library's financial position and has also sought early clarity on a possible employer pension contribution increase, funding of the reduction to a 35-hour week and the additional resources that will come to the cultural portfolio from 2025 onwards.

Following Board discussion, the Board agreed qualified acceptance of the Budget recognising the impact of this on users, staff, risk levels and possible single points of failure if particular staff leave and are not replaced. Whilst allowing the Executive to proceed on the basis of the presented Budget, the Board requested more information on the impact on users and staff from the reduced budget with an updated Risk Register provided at latest by the June Board.

### Web Redevelopment Project

RCa provided an overview of the web redevelopment project. Key drivers for the project include addressing technical challenges whilst enhancing the online user experience and interaction. This is in line with the strategic aim of outstanding digital engagement. The costs are included in the 2024/25 Budget.

The Board approved the project funding and recognised that, even in these challenging financial times, the project is essential for future digital robustness. The Board asked that consideration be given to possible student work experience placements where appropriate within the project.

### Rob Cawston left the meeting.

### Board Away Day

In noting the paper, the Board asked that the Executive consider whether a cyber security section may be more useful than an AI update having already received an AI update at the start of the meeting.

Jackie Cromarty (JCr – Director of Engagement) and Lucy Clement (LC, Head of Development) joined the meeting.

###  Fundraising Annual Update

LC provided an overview of fundraising activity over the past year and an outline of the focus for 2024/25. One of the main focuses for the year has been laying the groundwork for the Centenary year and beyond. The Library has also welcomed further expansion of its donor and patron base over the year.

There have also been challenges during the year including reduced staffing levels in both Development staff and those who support fundraising activities. No complaints have been received during the year related to the Library's fundraising practice.

During discussion, the Board:

* Asked for the process for escalation to the Board of any potential fundraising issues to be reviewed and to consider whether a Board sub-committee may be useful to review any situation as it arises.
* Noted a growing disconnect between the size of the fundraising team and the increase in philanthropic support ambition from SG.

###  Centenary 2025

The Board took the paper. JCr provided an overview of progress since the last report to the Board in November:

* Activities are proceeding in line with the project plan including work for the proposed national tour and Love Libraries Campaign.
* Where possible, a collaborative approach is undertaken with a variety of stakeholders including partners, users and staff. It is intended this will provide an opportunity to continue sharing some of the collections beyond the Centenary year.

The Board noted the paper and welcomed the kind invitation from Neil Mackenzie KC to visit the Advocates Library recognising the shared history the Library shares with the Faculty of Advocates.

The Chair thanked JCr and LC for the update and they left the meeting.

###  Financial Update

The Board took the paper as read and noted there continues to be a high level of budget monitoring in place to ensure that financial plans keep on track.

The Board also noted the Library again participated in the National Fraud Initiative (NFI); a biennial counter-fraud exercise held across the UK public sector, with no evidence of potential fraud identified.

### Health & Safety report

The Board took the paper as read with AG highlighting:

* One minor incident has been recorded since the last report to the Board in November. This did not meet the report criteria for RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations).
* The Library remains 'green' in relation to fire life safety. The Scottish Fire & Rescue Service recently visited George IV Bridge, where they shared tactical plans for dealing with any large-scale event there. A similar review is due at the Causewayside Building over the coming months.
* First Aid accreditation for security staff is underway to provide increased resilience in this area.

### Approved minutes

The Board noted the approved minutes of the Audit Committee (06/11/23), Governance Committee of (07/02/24) and Staffing & Remuneration Committee (01/11/23).

###  NLS Foundation minutes

The Board noted the NLS Foundation meeting minutes of 6 November 2023.

###  Date of next meeting:

The Board noted the provisional agenda items for the next scheduled Board meeting of 26 June 2024 (proposed location: Kelvin Hall, Glasgow).