National Library of Scotland

Library Plan 2016-17

Title: *Scotland*
Imprint: *Philadelphia: published by A Finley (1827)*
Shelfmark: *EMS.s.839*
Web: *http://maps.nls.uk/scotland/detail.cfm?id=2816*

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 24 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

The Library recently agreed a new strategy titled 'The Way Forward: Library Strategy 2015-2020' which 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 will be challenging in a climate of reduced funding. 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 2016-17

The Library Plan for 2016-17 covers the key targets and measures of success for the National Library for the coming year. This Library Plan covers a single year (01 April 2016 – 31 March 2017). However, the Library is planning for the longer term. It has developed operational and financial plans up to 2020 which details how the components of the strategy fit together.

Our planning for the period beyond 2016/17 has been based as far as possible on estimates of possible 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 around 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 every 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 2016/17. 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.

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 2016/17. Appendix 1 contains notes to explain the derivation of the budget figures and Appendix 2 is the Shared Services plan for the coming year.

Highlights of the 2016/17 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;

- In September we will open a new facility in the Kelvin Hall in Glasgow. As well as providing substantially enhanced access to Scotland's Moving Image Archive it will be a physical hub for information on all of the National Library's collections and services, as well as being a designated site for the consultation of e-Legal deposit materials.

- We plan to expand our digital transition programme with the aim of digitising one million pages of content in this planning year.

- The programme to reveal the Library's Hidden Collections will commence; and

- Work will continue on refurbishing the Causewayside Building, proving a secure environment for the preservations of the Library's physical and digital collections.

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 target 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 web-site.

Section 2: The Library Plan - Activities & Targets for 2016/17

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 2016/17
1.1 We will collect, preserve and make available a range of materials that capture Scotland's memory and contribution to world knowledge.	• Complete review of Integrated Collecting Policy by 31 March 2017. • Deliver the 2016/17 milestones in the Digital Preservation Programme.
1.2 We will record, maintain and digitise the national bibliography of Scotland.	• Define the scope of the national bibliography of Scotland by 30 September 2016. • Digitise the core texts of five Scottish authors which enter the public domain during 2016 - publicising this event widely. • Ensure that a selection of manual finding aids (e.g. ALDIS/Printed Volumes etc.) for the national bibliography, are converted to online format during 2016/17.
1.3 We will support the sustainable preservation of collections of national significance to Scotland held elsewhere.	• Deliver the outcomes from the Sound Scotland projects as agreed in the project plans. • Work with stakeholders (Scottish Government/SLIC/RLUK/SCURL) to explore the potential for a designation scheme for distributed library collections of national significance to Scotland.

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 2016/17
2.1 We will begin a programme of online listing, cataloguing and discovery work that makes visible all of the Library's special and hidden collections.	- Complete work on all the listed hidden collections scheduled for cataloguing in 2016/17: to include: - Inter Library Services (ILS) collection by December 2016 - Erickson Collection - John Menzies Archive, John Murray Archive, James Johnston papers, Ernest Mehew papers, Muriel Spark Archive and 18th century manuscript collections - Migrate the existing digital archival finding aids to new (ArchivesSpace) on-line publicly available platform by end of Q3. - Begin the retro-conversion of the final remaining manual catalogues (Manuscript & Music) to allow for on-line access.
2.2 We will identify the main collection areas for digitisation and take action to make that material globally available.	- Digitise over one million pages of content during 2016/17 as part of the various digitisation projects/programmes. - Digitise items from the Scottish imprint: to include; - Antiquarian Books Scotland series; - Scottish imprints on microfilm. - Eliminate the backlog of digitised material to be placed 'on-line'. - Deliver a prioritised list of Library collections for 2017/18 digitisation by end of Q3.

Strategic Priority 3

Promoting Research

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

Activities	Targets 2016/17
3.1 We will develop research collaborations across the humanities, sciences and business.	• Supervise & support four post graduate students during the year and participate in the Scottish Cultural Heritage Consortium (SCHC) by submitting doctoral proposals. • Develop a Library web-page detailing research activity. • Develop two formal arrangements such as Memoranda of Understandings with research led organisations.
3.2 We will identify and support a series of research communities in areas aligned with our mission.	• Identify and initiate one pilot research community in a priority area for the Library. • Initiate peer to peer research communication, including delivery of research seminars which attract both academic and wider audiences, and establishment of a regular annual research showcase event.
3.3 We will create a research fellowship programme that attracts scholars from around the world to work with the National Library's collections.	• Launch the first round of applications for the Library's various research fellowships during 2016/17. • Host the Fulbright programme and the two other current fellowships (Gavin Wallace/Scots Scriever).

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 2016/17
4.1 We will improve equality of opportunity by seeking to remove all barriers which prevent people accessing our collections and services.	• Implement a single sign-on for access to the Library's digital resources for national entitlement card holders. • Improve the wheelchair accessibility of the GIVB site by specific building improvements e.g. automatic doors.
4.2 We will ensure that activity which supports economic growth and wealth creation is threaded through our work.	• Establish measurable outcomes that enable us to develop a baseline for how the Library supports economic growth.
4.3 We will tailor content for targeted groups in support of the curriculum, lifelong learning and continuous professional development.	• Develop a minimum of 4 digital learning resources supporting the topics of history, the Scots language and the Moving Image Archive. • Hold a minimum of 90 workshops and learning events over the year.
4.4 We will build on our existing services for the business community.	• Work with key partners to develop a new and sustainable model for the delivery of business information support services that can be utilised throughout Scotland.

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 2016/17
5.1 We will promote engagement with the Library and extend our reach across Scotland and internationally.	• Increase public awareness of the Library in the Glasgow area (measured via the Omnibus Survey). • Pilot the live streaming of the Events Programme and make these available on the web-site for later viewing. • Deliver a Maps Exhibitions and 4 treasures events.
5.2 We will increase the number and diversity of people who know about or use our services.	• Increase the diversity of people who are aware of the Library and its services (measured via the Omnibus Survey & Customer Survey). • Deliver the agreed benefits such as increased numbers/increased use of Collections etc. from the Kelvin Hall project.
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.	• Improve the Library's KLOUT score (social media impact) beyond the current level of 65. • Finalise & implement agreed actions from the Library's Audience Development Plan. • Make available open source content for re-use by releasing 14 data-sets during the year.
5.4 We will focus on increasing engagement and opportunity among young people.	• Support 50 young people during the year to enhance their employability skills. • Undertake the employment of a Gaelic Digital Assistant linked to youth employability.

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 2016/17
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.	• Implement an online shopping facility on the Library's website by end of Q1. • Complete design & testing work on refreshed Library web presence by end of Q2.
6.2 We will improve and extend the Library's estate in Edinburgh to provide high standard public facilities.	• Progress with the planned works that comprise Phase 2 of the works on the Causewayside Building external envelope.
6.3 We will strengthen our presence in the west of Scotland and progressively develop the Kelvin Hall partnership in Glasgow.	• Have the new Library facility at Kelvin Hall operational by 5th September 2016.
6.4 We will explore opportunities to establish our physical presence in other parts of Scotland.	• See above.

Enablers

Delivering the Strategy

Activities	Targets 2016/17
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.	• Improve on the overall 65% Engagement Index score noted in the Staff Survey results for 2015/16. • Increase the number of volunteers contributing across the Library by 50% during 2016/17.
Technology – We will invest in technology, services and training that are robust, scalable, efficient, and resilient.	• Develop a business case and specification for a library services and management platform by 31 March 2017.
Estate - We will pursue an estate plan that expands public spaces, secures the collections and optimises the use of all storage.	• Deliver an extended storage/preservation facility for special formats at Kirkintilloch.
Leadership & 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.	• Join and work with the International Image Interoperability Framework Consortium.
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.	• Agree two new commercial digitisation partnerships in the year.
Continuous Improvement - We will be constantly driving change and	• Reduce staff absence days from 8.6 to

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.	7.8 across the Library during 2016/17.

Section 3: Key Indicators

Key Indicators 2016/17			
Indicator No	**Indicator**	**Indicator for 2016/17**	**Comment**
1.2	**Environmental Compliance**	**98%**	Has been increased from 95%
2.1	**Percentage Reduction in Hidden Collections**	**2%**	This equates to 25k items over the year.
2.2	**Percentage of NLS' collections available in a digital format**	**4%**	Target will be reviewed in-year.
3.2	**Number of research collaborations the Library is involved in.**	**10**	
5.1	**Exhibition Visitors**	**75,000**	Reduced from 2015/16 as one rather than two exhibitions will be held
5.2	**Number of public engagements/events**	**80 on-site events/20 tours**	Increased from 15/16 but reflects KH opening
6.1	**Website Usage (Web sessions)**	**3.0 million**	This indicator has been set based upon historical trends
6.2	**Reading Room Visits**	**60,000**	This indicator has been set based upon historical trends
6.3	**Overall User Satisfaction levels**	**93%**	Based upon the last survey
7.1	**Staff Absence Rate (Days per Employee)**	**7.8**	
7.2	**Amount raised against Fundraising target**	**£576,000**	Likely to be reviewed in year
7.3	**Central Support costs as a percentage of Library income**	**7%**	
7.4	**Media Profile (Advertising Value Equivalent)**	**£2,500,000**	

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 educative 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, productive ways.
- We provide work experience and volunteer opportunities.
- More than one in eleven of our users who completed our 2014 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 of 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.
- Our catalogue can be searched in Gaelic as part of our commitment to support the language.

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

- We have reduced greenhouse gas emissions by 41% from 2008-09 baseline levels.
- Energy consumption has been reduced by 40%.
- 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 22% 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 have worked with the National Galleries of Scotland across corporate services resulting in greater efficiency and savings.
- We collaborate with and support the work of universities, other cultural institutions, the education sector and business.

Section 5: Budget for 2016/17

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

The budget which has been developed for 2016/17 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 2016/17 budget has been challenging and difficult choices have had to be made. As well as having to deal with a reduction in core revenue funding from the Scottish Government the Library has also had to manage substantial cost increases such as the increase in the employers national insurance contribution rates. Knowing that this would be difficult, the development of the budgets for 2016/17 and future years has been underway since the summer of 2015. As well as the development of a budget for 2016/17, the aim of this work has been to develop an outline budget for the three 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 2016/17 Budget

The draft 2016/17 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 (2015/16) budget. The changes to this figure are then shown in the next column and the final column represents the draft budget for 2016/17.

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 higher income and expenditure in 2016/17. The reason for this is the inclusion of two major capital projects – Kelvin Hall and the Causewayside refurbishment and the inclusion of an additional £500k within the budget for the Collection Purchase Fund.

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

Efficiencies during 2016/17

As in previous years the Library will continue to make efficiency savings due to reductions in grant in aid and increases in cost. During 2016/17 it plans to make efficiencies or raise extra income totalling £600,000 or approximately 4.6% of the revenue grant. The majority of these savings will be made in corporate overheads. 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 2016/17 so that efficiency savings are generated across all areas, particularly in relation to staffing;
- Developing shared services;
- Constraining cost growth – through effective demand management, good financial control by managers and by effective negotiation with suppliers.

Prospects beyond 2016/17

As part of our budget planning we have also been working on outline budgets for 2017/18 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 £470k as part of setting the 2017/18 and 2018/19 budgets. This equates to approximately 3% of the core Library budget.

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 2016/17, 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 new 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 2015/16 financial year has been the success in attracting external funding into the Library. We will be working to ensure that this continues in 2016/17 and beyond.

Fundraising – increased targets have been set for 2016/17 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 2016/17 the Scottish Government has made significant contributions to the Library's new strategy. Funding has been secured for the Kelvin Hall and Causewayside projects and an increased grant award made to build the national collections.

In overall terms, by effectively working together with our 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 2016/17

	2015/2016		2016/17		
	Base Budget (£'000)	Changes (£'000)	Total Budget (£'000)	Percentage Change (%)	Note Reference
INCOME					
Grant-in-Aid - Revenue	13,313	(133)	13,180	(1%)	1
Grant-in-Aid - Capital	5,600	1,400	7,000	25%	1
Total Grant-in-Aid	**18,913**	**1,267**	**20,180**	**7%**	
Donations/Bequests/Fundraising	225	124	349	55%	2
Conditional Grant Income	678	(61)	617	(9%)	3
Investment Income	73	105	178	144%	4
Earned Income - Library Services	249	28	277	11%	5
Earned Income - Rents	134	8	142	6%	5
Earned Income - Support Services	149	106	255	71%	5
Earned Income - Trading	91	0	91	0%	
Trust Fund Interest	3	0	3	0%	
Other Funding	258	(59)	199	(23%)	6
	1,860	**251**	**2,111**	**13%**	
Total Income	**20,773**	**1,518**	**22,291**	**7%**	
EXPENDITURE					
Staff Costs	10,673	(74)	10,599	(1%)	7
Supplies & Services	1,625	264	1,889	16%	8
Property Costs	7,368	882	8,250	12%	9
Maintaining & Adding to Collections	262	0	262	0%	
Access & Promotion of Collections	218	(40)	178	(18%)	
Stock for Resale	40	0	40	0%	
Collection Purchases	587	486	1,073	83%	10
Total Expenditure	**20,773**	**1,518**	**22,291**	**7%**	
Deficit/(Surplus)	-	-	-		

TABLE 2

NATIONAL LIBRARY OF SCOTLAND

UNIT BUDGETS - GROSS EXPENDITURE

DRAFT BUDGET 2016/17

| | 2015/2016 | | 2016/17 | | |
	Base Budget (£'000)	Changes (£'000)	Total Budget (£'000)	Percentage Change (%)	Note Reference
Collection Purchase Fund	500	530	1,030	**106%**	**10**
Trust Funds	175	2	177	**1%**	
Externally Funded	109	(22)	87	**(20%)**	
Access	2,389	(208)	2,181	**(9%)**	**11**
Trading	51	0	51	**0%**	
Moving Image Archive	588	94	682	**16%**	
Collections & Interpretation	2,003	(494)	1,509	**(25%)**	**11**
External Relations & Governance	456	7	463	**2%**	
Development/Fundraising	202	(15)	187	**(7%)**	
Finance & Planning	321	153	474	**48%**	**11**
HR	391	(27)	364	**(7%)**	
Collections Management	1,820	326	2,146	**18%**	**11**
Cleaning & Security	1,108	55	1,163	**5%**	
Collections Support	872	28	900	**3%**	
Property Support	2,252	127	2,379	**6%**	**11**
Kelvin Hall Project	1,523	2,026	3,549	**133%**	**12**
Causewayside Project	3,800	(1,300)	2,500	**(34%)**	**12**
Digitisation	247	266	513	**108%**	**11**
Digital/Information Systems	1,013	404	1,417	**40%**	**11**
Compliance *	358	(309)	49	**(86%)**	**11**
Librarian's Office	595	(125)	470	**(21%)**	**11**
Total Gross Expenditure	**20,773**	**1,518**	**22,291**	**7%**	

Note

* The Compliance budget of £49k for 2016/17 includes £9k for the operation of the Library Board. This includes travel, meeting costs, and catering. The 2015/16 budget for this area is £4k.

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 2015/16 largely due to the increased Scottish Government support for the two capital projects and the Collections Purchase Fund. The draft budget figures are those which have been advised by the Scottish Government for 2016/17.

Revenue Grant in Aid for 2016/17 will decrease by £133k (1%) when compared to the current financial year. The increase in the Capital Grant in Aid of £1,400k (25%) represents the 2016/17 element of the Scottish Government funding for the Causewayside and Kelvin Hall projects alongside the extra grant for the Collections Purchase Fund.

Note Reference 2 – Donations/Bequests/Fundraising

The draft budget assumes that bequest income and fundraising will deliver an extra £124k during 2016/17 bringing the total annual income to almost £350k. This will largely be for the Kelvin Hall project (£250k) with the remainder of this balance relating to the Patrons & Benefactors scheme and funding coming from the Library's bequests.

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;

- Kelvin Hall development costs
- Mass Digitisation

Other contributors include MG Alba for work at the Moving Image Archive. The reduction in conditional grant in 2016/17, when compared to 2015/16, is likely to be temporary. As new conditional grants are confirmed during the year, the budget is likely to be adjusted upwards to reflect the receipt of funding.

Note Reference 4 – Investment Income/Trust Fund Interest

The increase in this income budget is due wholly to a different way of accounting for the income from the John Murray endowment. During 2015/16 any income from this fund was re-invested by the fund managers. During 2016/17 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. Should there be any surplus this will be reinvested.

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 will increase by £142k (23%). This is considered a realistic ambition and progress will continue to be monitored over the year. The areas where additional income is expected are as follows:

- Managed IT Services
- Rentals
- Secondments

Note Reference 6 – Other Income

The Other Income category is the release of the provision set aside for the costs of those staff who are on pay protection. The amount of the provision will equal the additional costs borne by the Library in 2016/17.

Note Reference 7 – Staffing Costs

In budgeting for 2016/17 staff costs a 1% pay award from August 2016 has been assumed alongside the increased employer national insurance contribution rates which come into effect from 1 April 2016. Additional staff have also been budgeted for the Kelvin Hall facility.

In order to help balance the budget a number of currently vacant posts have been 'frozen' for the year. In addition the Library has taken the savings generated by the 2015 senior management review. The Library's staffing costs are budgeted to fall over the year.

Note Reference 8 – Supplies & Services

Library spending on Supplies & Services is planned to increase by £264k (16%) in the 2016/17 financial year. This is largely down to the increased costs in operating the Kelvin Hall facility (£98k) and the mass digitisation contract (£150k).

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 2016/17 budget includes a significant increase in Property Costs associated with the refurbishment work on the Causewayside building, Kelvin Hall and the capital maintenance budget.

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 2016/17 budget the amount available to spend on Collection Purchases will increase significantly when compared to 2015/16. The principal reason here is the increased allocation awarded by the Scottish Government.

This means that 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 & Planning/Collections Management/Property Support/Digital & Information Systems etc.

The comparison of the 2015/16 and 2016/17 budgets has been skewed by the recent management restructure and the re-organisation of units. In brief staff have move from the Access and Collections & Research areas into Digital & Information systems and Finance & Planning.

Across most areas the unit budgets are relatively static – the 7% increase overall is explained by spending on the capital projects and collections purchases alongside the opening of Kelvin Hall.

Note Reference 12 – Causewayside/Kelvin Hall projects

The changes in spending reflect the phases of these projects. Kelvin Hall will complete in 2016/17 and will disappear from future budgets. Spending on the Causewayside project is predicted to reduce to £2,500k during 2016/17 but then increase again to £3,500k in 2017/18.

Appendix 2 - Shared Services Annual Operating Plan & Budget Priorities for 2016/17

On reviewing the SS budget and spend to date in Feb 2016, the analysis provided by the Head of Finance NGS (budget holder) was that, allowing for current year costs still in the pipeline, we are likely to have up to £110k available for the programme next year. No new money is expected from Scot Gov and none has been pledged by NGS/NLS so focused investment of the remaining amount is vital.

In discussion at the Shared Services Programme Board (SSPB) on 9th Feb 15, it was agreed that we would no longer fund a dedicated post (no programme manager) and that the available funds should be designated, at this stage, roughly as follows :

2016/17 priorities (annual operating plan)	£ budget allocation
Managed Services **being**	*total £30k*
• IT pilot conclusion – TUPE, SLA etc • MOU extension	30k
Systems Integration **being**	*total £70k*
• Finance – mhance retender, expenses & invoice process improvements, new hardware	10k (assumes £20k spent in 15/16)
• Payroll – tender, implement new system (include NMS ?)	25k
• HR – Etarmis roll out, worldservice roll out including hardware	35k
Feasibility **being**	*total £10k*
• Procurement feasibility study (include NMS?)	8k
• H&S feasibility	2k

NGS and NLS intend to extend the current MOU and to continue to work collaboratively and efficiently to jointly progress improvements in the above areas.

The annual operating plan priorities will be embedded in the Corporate Plans of the two organisations and be subject to sign off by the two Boards.

On the recommendation of the SSPB, the approval of both Boards continues to be required when it is proposed that a project moves in status from *feasibility* to *systems integration* or from *systems integration* to *managed service*.

The budget will continue to be managed by NGS Head of Finance and spend against budget will continue to be authorised jointly by the Chief Operating Officer, NGS and the Head of Corporate Service, NLS. Any significant change in priorities or estimated spend will be flagged to the SSPB for discussion.