

# National Library of Scotland Board Meeting

Date: 25 September 2024

## Participants

**Present:**

* Sir Drummond Bone (Board Chair) - DB
* 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:**

* Emma Boffey, Faculty of Advocates – EB
* Amina Shah, National Librarian - AS
* Anthony Gillespie, Chief Operating Officer – AG
* Joseph Marshall, Director of Collections Management - JM
* Alison Stevenson, Director of Collections, Access and Research - ASt
* Kathy Hutton, Board Support and Compliance Officer - KH
* Lydia Williams, Personal Assistant – LW
* Mike Saunders, Trade Union (TU) Representative - MS

## Minutes of meeting

In advance of the formal agenda, Joseph Marshall provided an overview of collection storage practices undertaken to ensure the availability of space to house incoming physical collection material.

The Library is in a healthy position with time to plan for a new storage facility required by 2035, or 2040 if able to free up additional space. The Library is exploring a partnership opportunity to increase storage space at Causewayside. This would require capital funding. Future storage is the focus of the Culture Cluster group with the other collecting bodies.

The Chair thanked JM for the update. The Board asked for thanks to be passed to all involved in the excellent work proactively freeing up physical storage space. The Board welcomed the opportunity to see innovative physical storage solutions on site and also receive a fuller report which would be circulated shortly.

### Chair's Welcome

Sir Drummond Bone (Board Chair) welcomed all to the meeting, including Emma Boffey as the Faculty of Advocates' representative and Mike Saunders as TU representative.

### Apologies for Absence

There were no apologies.

### Declarations of Interests

Declarations are as recorded in the Board Register of Interests.

### Horizon Scanning

As previously discussed, the upcoming Scottish Government (SG) budget allocation including funding of the 35-hour week and pay increase remain the main areas of uncertainty and concern to the Board.

### Minutes of meetings

The minutes of 26 June 2024 were approved as a correct record.

### Actions outstanding and matters arising from previous meetings

The Board noted a Board Fundraising Subgroup will be set up to meet annually and as necessary if a circumstance arises which would benefit from the Subgroup's consideration. The Chair thanked Alan Horn, Emily Drayson and Justin McKenzie Smith for volunteering to form the Subgroup.

### Chief Executive's Update and Performance Report

The Librarian, Amina Shah, spoke to the report highlighting:

* The Culture Cluster group's focus is now mainly on future storage.
* The Library Leadership Team (LLT) maintains close budget scrutiny alongside the potential impact of financial constraints on service and wellbeing. Details of efficiency initiatives have been provided to the Scottish Government at their request. The Library continues to seek clarity from SG on future funding, emphasising the positive impact libraries can have in areas such as child poverty, wellbeing and quality of life, and that investment in libraries and in culture is key to preventative intervention.
* A recent successful event was held to celebrate the acquisition of Jackie Kay's literary archive.
* The Library has been successful in attracting funding for website redevelopment as well as technological funding which provides an opportunity to review elements of the film and sound collections.
* The Cyber Essentials application will be submitted tomorrow but it is recognised that cyber security will remain an ongoing focus.
* Following the British Library (BL) cyber incident, and at the BL's request, it is anticipated that non print legal deposit will be accessible in our Reading Rooms from October. A review of the content received will be undertaken before making available.
* Development of the new Strategy continues. The Board subgroup will meet shortly to review the present draft.
* Visitor numbers to George IV building have increased by 30% in comparison with 2018 figures which is a very welcome boost.

The Chief Operating Officer, Anthony Gillespie provided an overview of performance against the Library Plan highlighting:

* 90% of targets are progressing well as expected at this stage in the year. Two targets are designated as amber, one being the Causewayside damper work where completion will now be Summer 2025 rather than March 2025. The other relates to Climate Action Plan targets. The majority of these will be met but there are likely to be a few elements which will remain at amber until financial year end.
* Staff absence is slightly above that at the same point last year. There has been a spike in Covid cases similar to that seen in the UK generally.

The Chair thanked both for the updates. The Board noted the paper and again was grateful for the continued great efforts of staff in these challenging times.

The Board Chair proposed Emily Drayson as Audit Committee Chair which was then ratified by the Board.

### Audit Committee (AC) update

ED advised thanks had been extended from staff and Audit Committee members to the outgoing Audit Committee Chair Ruth Crawford. The Committee:

* Reviewed the draft Annual Report and Financial Statements, for discussion later in the meeting. Undertook a robust discussion on reserve levels due to continuing concern and uncertainty around grant in aid funding. The Committee agreed to move to a differential percentage across the Library's multiple income streams including grant in aid.
* Reviewed the draft three-year internal audit plan, again for discussion later. The Committee welcomed the Library's new internal auditors WBG who offer some free training for all Board members, details of this will be advised in due course.
* Reviewed the Treasury Management and Investment Policy and received an update on the Causewayside damper project.

### Governance Committee (GC) update

Robert Wallen (Governance Committee Chair) advised the Committee:

* Reviewed, and were content with, the Governance Statement in the Annual Report. The Committee also reviewed the Whistleblowing Policy with amendments now for consideration by the February 2025 Audit Committee.
* Agreed the revised self-appraisal format for Committees and the Board with a review of the new format's effectiveness after two years.
* Agreed the Causewayside governance seemed appropriate and asked for a Gantt plan with drop line to be included in Audit and Board updates.
* Carried out their own self-assessment and concurred the Committee works well in itself and as part of the overall Board structure. The new discussion format was very useful and prompted more in-depth discussion than the former online survey.

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

Alison Kidd (S&R Committee Chair) advised there had been no S&R Committee meeting since the June Board.

The Chair thanked the Committee Chairs for the valuable updates.

### Annual Report and Financial Statements 2023/24

AG provided an overview of the Audit Scotland (AScot) Annual Audit Report, Letter of Representative and the 2023/24 Annual Report and Financial Statements having all been considered by the Audit Committee in August.

* There are no presentational changes in the Annual Accounts although some are expected next year.
* General reserves have been built back to 2021/22 levels at the direction of the Board following use of reserves for the Voluntary Early Exit scheme. As discussed earlier, general reserves will now be calculated on a differential basis which recognises the uncertainty of grant in aid funding. There has been an increase in designated reserves due to carrying forward some residual donor funding.
* AScot plan to issue an unqualified audit opinion in respect of the financial statements to end March 2024. Following approval by the Board, the Board Chair and Chief Executive will sign the Letter of Representation.
* AScot's report did note two recommendations. The first recommended a formal regular programme for digital business continuity/disaster recovery testing. The second was for management to continue cyber security work, part of which is the Cyber Essentials accreditation being submitted tomorrow. The LLT will take these both forward.

The Board asked for thanks to be passed to all Library staff involved in the preparation of the presented reports which reflect robust financial controls within the Library. The Board noted the Audit Scotland Annual Audit Report and approved signing of the Letter of Representation and Annual Report and Financial Statements for 2023/24.

The Board noted that, in addition to the revised reserves policy, the Library along with similar collecting organisations is in discussions with SG on increased financial freedoms. The Board also continues to be very appreciative of support from the NLS Foundation. In advance of discussion of this item, Justin McKenzie Smith and Alan Horn declared their interest as Trustees of the NLS Foundation.

### Internal Audit plan

KH advised the Audit Committee recently reviewed the draft three-year audit plan and approved the first two internal audits for this financial year. The November Audit Committee will consider the scope of the remaining two proposed internal audits for this year, these being Insurance and Liability Protection (Collections Protection) and Workforce Planning.

The Board noted the paper and that the Workforce Planning internal audit is intended to be a valuable review of workforce planning efficiencies and any impact on service and wellbeing.

### University of Cambridge peer review

JM provided a summary of the University of Cambridge peer review report on the processes and governance within the Library in relation to missing items and collections audit.

* The general conclusion of the report was a finding of reassurance and recognition of a positive and transparent approach within Library. The Library welcomed the recommendations. Some have already been implemented with a plan to review and implement the others as appropriate taking account of available resource.
* JM advised one of the proposed priorities within the new draft Strategy is 'Responsible Stewardship'. One of the key aims is to further embed collections audit across the Library, for example making clear that any activity involving collections such as book collection or digital scanning, is an opportunity for a joined up internal audit approach.

The Chair thanked JM for the overview. The Board noted the paper and asked for thanks to be passed to the University of Cambridge staff involved for their time and effort in undertaking this valuable piece of work. The Board requested a checklist on the status of the recommendations, detailing where implemented and the level of positive impact of each on Library practices.

The Board also noted the difficulty in attracting external funding for cataloguing and other behind the scenes activities and asked for options such as the Kickstart / Modern Apprenticeship programme to be explored as well as any technology options.

### Collections Development Annual update

ASt provided an overview highlighting:

* The Library is meeting its strategic goal to acquire new collections from under-represented communities which sits alongside making existing collections more easily discoverable.
* The impact of the British Library cyber-attack on physical collection development did cause some disruption but has now largely returned to previous levels.
* Funding constraints are likely to have an impact on meeting some of the goals of the Collection Development Policy.
* There is ongoing review of the public's use of e-resources taking account of the cost/benefit ratio of individual e-resources.

The Chair thanked ASt for the update. The Board noted the paper and that going forward one Collection Development annual report would be produced. The Board was pleased to note the Library's ambition to encourage more reference and use of sheet music, evidenced by a successful recent fiddle recital within the George IV Bridge building.

### Causewayside project update

AG advised the early stages of the work have started on site and are progressing in line with the project timeline.

The Chair thanked AG for the update. The Board noted the report and asked that any associated community benefits are advised to the Audit Committee.

### Finance update

The Board took the paper as read with AG highlighting:

* The residual from a designated purchase fund will be passed to the investment managers for long term investment.
* Development income was higher than forecast in Q1 following the receipt of a bequest.
* There is pressure on IT/digital budgets as a result of increased licensing costs, response to cyber threats and general cost inflation. This is being closely monitored and work is ongoing to mitigate any overspend.

The Chair thanked AG for the update. The Board noted the report and that the LLT continue to consider and review the 2025/26 budget and any available mitigations if finances are further constrained.

Jackie Cromarty (JCr), Director of Engagement joined the meeting.

### Centenary

JCr provided a summary of the proposed activities for the Centenary.

* The framework for the National Programme is progressing with the programme expected to start late 2025 and into 2026. This includes discussions with proposed partners for locations outwith Library buildings with a focus on legacy. Details of events within the Library in Edinburgh and Glasgow are also being progressed.
* The loan of a major item from the Library's collections is undergoing assessment and will be considered by the Loan Committee thereafter. Where it is proposed to take significant materials to external venues, it is important the environment and security conditions are in place however, the Library also wants to expand other loans into libraries and cultural venues where possible.
* As previously advised, the Centenary exhibition's broad theme is libraries and what they bring to communities and people. This ties into the Love Libraries campaign which will focus on the power and value of libraries using the Library's own Centenary as a catalyst for that conversation.
* Alongside continued fundraising activity, the Centenary will be the focus of the annual appeal in January in advance of the Centenary 'curtain raiser' event in March.
* The current brand refresh project will be a key component to highlight the Library itself with messaging around why we do, rather than what we do.

The Chair thanked JCr for the update. The Board noted the paper and looked forward to receiving confirmed dates as soon as possible together with the key messages. The Board also noted that the extent of the Centenary activity is affected by existing cultural funding constraints and the Library is seeking to leverage maximum value from planned activities.

Jackie Cromarty left the meeting.

### Health & Safety report

The Board took the paper as read. AG highlighted one of the two recorded incidents had occurred at Causewayside where the power did not come on as expected following a wider area power outage. A wide debrief and lessons learned on application of the 'Uninterrupted Power Supply' and managed shutdowns is ongoing with a project related to an electrical shut-down planned for the first half of 2025.

### Committee minutes

The Board noted the approved minutes of the Audit Committee of 13 May 24.

###  NLS Foundation minutes

The Board noted the NLS Foundation meeting minutes of 10 May 2024.

### Date of next meeting:

The Board noted the provisional agenda items for the next scheduled Board meeting of 27 November 2024 in George IV Bridge.

The Board moved to a closed session.