

# **BRITISH LIBRARY FUNDING AGREEMENT 2006/07 – 2007/08**

## **I. Introduction**

This agreement:

- is between the Department for Culture, Media and Sport, the Department of Trade and Industry, the Department for Education and Skills and the British Library;
- is signed by the Minister for Culture for DCMS, the Minister for Science and Innovation for DTI, the Minister for Higher Education, Further Education and Lifelong Learning for DfES and the Chairman of the British Library Board;
- is valid for the period 1 April 2006 – 31 March 2008.

It takes account of the statutory requirements placed upon the Members of the British Library Board under the British Library Act 1972, the Legal Deposit Libraries Act 2003 and other legislation, such as Charity Law, Copyright, FOI, DDA, and Data Protection.

## **2. Purpose**

This agreement:

- summarises the British Library's whole mission, strategic priorities, rationale, programme, planned output and delivery partners as set out in the Delivery Plan Summary at Annex A;
- sets out the contribution that the British Library will make towards the delivery of key DCMS, DTI and DfES objectives; to efficiency; and to public value at Annex B, in the context of its overall mission;
- confirms the commitment of DCMS, DTI and DfES to the British Library in terms of funding or other support;
- shows how delivery will be measured and monitored by reference to a set of key targets and performance indicators agreed with the British Library and by such other quantitative and qualitative measures that the British Library wishes to use to assess its performance and the achievement of public value in the context of its wider activities; and
- provides an assessment of the risks and how they will be managed.

## **3. The British Library's Mission, Strategic Priorities and Rationale**

### **Mission and strategic direction**

The British Library's users and potential users come from diverse backgrounds, span all disciplines and have varied needs. We focus on meeting the needs of five key audiences:

- Researchers – those doing research for academic, commercial or personal reasons
- Business – all types of commercial ventures from individual entrepreneurs and SMEs to multi-national corporations

- Education – educators and learners ranging from school-children to life-long learners
- General public – all members of the public
- Library and information network – libraries and other information-focused organisations.

The British Library strategy 2005-2008 'Redefining the Library' sets out the Library's mission, vision and strategic priorities in support of these user groups. In summary, the Library's mission is:

'Helping people advance knowledge to enrich lives'.

This demonstrates our belief in the power and value of knowledge. It also supports our task of preserving knowledge and of enabling it to be used both now and in the future. By delivering our mission, we make a major contribution to the national economy and to the social and cultural enrichment of the UK's citizens. Our vision is:

We play a leading role in the changing world of research information.

We exist for everyone who wants to do research – for academic, personal or commercial purposes.

We promote ready access to the British Library's collection and expertise through integrated services which are increasingly time and space independent.

We also connect with the collections and expertise of others, and work in partnership to fulfil our users' needs.

### **Strategic priorities**

The Library has established six strategic priorities for 2005-2008. It is essential that we achieve these if we are to support UK research needs effectively.

#### **Strategic Priority 1 – Enrich the user's experience**

We underpin UK research across all disciplines, providing a crucial range of services to businesses and individuals. We continue to broaden access to our collection and develop services that engage new audiences. We strive to make our services accessible to disabled people through the web, the provision of alternative formats, and around our physical sites. We will integrate our services to support the working methods of people who increasingly need to use the same range of services offsite and onsite during different phases of their work. Making the Library easier to use adds value to the research process, saving time and enabling researchers to work more effectively and have confidence in their outputs.

#### **Strategic Priority 2 – Build the digital research environment**

We have the vision and the acknowledged expertise to play a leading role in defining and creating with others the UK's electronic research infrastructure. We have established the critical national and international partnerships we need, and are working to address the complex challenges inherent in actively managing digital information in the long term. Guaranteed access to digital material in the long term is vital for the successful future of UK research programmes. Digital resources also present new opportunities for people to undertake research for personal enrichment and self-development, and allow disabled people to engage with previously inaccessible sources.

### **Strategic Priority 3 – Transform search and navigation**

We are investing to open up access to the collection. We will accelerate the modernisation and improvement of the ways in which users find what they need in our collection and in linked resources held by partner organisations. We will enrich our catalogues and make incoming items available as quickly and efficiently as possible. We will use new information retrieval technologies to enhance the search possibilities offered to our users, so they can trawl our online resources at the deepest level. Users will benefit from faster, targeted results, which are comprehensive in their breadth and depth.

### **Strategic Priority 4 – Grow and manage the national collection**

Our collection is a combination of traditional and digital materials. We will continue to collect to meet the needs of researchers, and will provide expert stewardship to ensure the nation's cultural and intellectual memory is sustained and accessible forever. The collection is fundamental to the future of UK research, which in turn furthers the innovation and enterprise that drive the UK economy.

### **Strategic Priority 5 - Develop our people**

We aim to be an employer of choice, attracting and retaining talent; we strive to act as an exemplar in the library community in developing the skills and expertise of our staff. Our staff set a standard for excellence and are dedicated and creative in the delivery of services.

### **Strategic Priority 6 – Guarantee financial sustainability**

We will seek an increase in the level of our Grant in Aid funding from Government. In addition, we are striving to supplement our public funding through fundraising and trading activities, and by maximising our efficiency to free up resources for our key priorities. The pace of delivery of our multi-faceted and challenging strategic agenda is dependent on securing the appropriate level of resources.

### **Summary of delivery plan for 2006-08 (see Annex A)**

The key activities in our delivery plan for 2006-08 are as follows:

- **Strategic priority 1:** Offering services through the Business and Intellectual Property Centre; Support for public libraries
- **Strategic priority 2:** Development of Digital Object Management Programme and infrastructure for e-legal deposit; support for national e-infrastructure for information to support UK research; completion of major digitisation projects; participation in reviews and policy revisions on intellectual property and copyright
- **Strategic priority 3:** Expansion of content of Integrated Catalogue to include archives and manuscripts records; hosting of English Short Title Catalogue
- **Strategic priority 4:** Creation of Centre for Conservation; development of additional storage facilities at Boston Spa
- **Strategic priority 6:** Identification of options for optimising storage and access in UK research libraries.

## **4. The British Library's contribution to the delivery of Government Objectives**

### **Contribution to DCMS objectives**

The British Library's new strategy supports DCMS objectives and priorities in a number of ways. The Library's overarching goal of redefining its purpose and role to meet the challenges of the 21<sup>st</sup> century is clearly in line with the DCMS goal of responding to economic, social and technological change by drawing on a legacy of creativity and success. The programmes and projects the British Library is taking forward in this area, including its Digital Object Management System (and the related infrastructure for non-print legal deposit) will help ensure that it continues to fulfil its statutory remit in an increasingly complex digital environment. The Library's strategic priority on growth and management of its collection demonstrates its commitment to DCMS's goal of effective stewardship of the nation's cultural assets: the Library's new Centre for Conservation, due to open in Spring 2007, and its new storage facilities at Boston Spa, due to be completed in 2008/09, will be key to delivering this strategic priority. A key priority for the Library and DCMS is working within the Legal Deposit Advisory Panel, to ensure implementation of the Legal Deposit Libraries Act 2003 in order that legal deposit can develop and sustain the national collection into the future. The British Library also has an important role to play in the international arena, helping to enhance Britain's prestige through its research and cultural programmes. Examples include the Library's support for the Endangered Archives Programme, and for the Iraq National Library and Archives and the National Library of South Africa.

In terms of DCMS priorities, the British Library's main contribution is to the economic and modernisation strategic priorities<sup>1</sup>, through its growing support for the creative industries; its leadership role in the digital environment; and its major modernisation, reform and efficiency programme. For example, the Library has secured £1m of funding over two years from the London Development Agency to take forward the development of its Business & Intellectual Property Centre targeted at SMEs, entrepreneurs and innovators. This first phase of the Centre is due to be complete in spring 2006. The Library is engaged in the DCMS's Creative Economy Programme. Lord Eatwell, Chairman of the British Library, is to chair the Programme's Working Group on Competitiveness and Intellectual Property. The Library is to have expert representation both on that Working Group and on the Business Support Working Group of the Programme. The Library is also taking forward a number of major digitisation projects, including two funded by JISC (the Joint Information Systems Committee) – on sound and newspapers – and the Microsoft-resourced project for digitising 100,000 out-of-copyright books.

The British Library's aim of enriching the user's experience, although focussed on the needs of researchers, also supports DCMS's priorities for children and young people, and communities. Building on the Library's current support for the public library network, DCMS and the British Library will discuss how the Library might help in the renewal of public libraries. The British Library will also continue to run onsite, regional and virtual learning opportunities for all, and develop its regional programmes and website resources. Every year some 7,500 schoolchildren attend the British Library's educational workshops either at St Pancras or in the regions. The British Library gives access to schools throughout the country to our treasures and our exhibitions. The British Library's

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<sup>1</sup> DCMS Strategic Priority 3, Maximise the contribution which the tourism, creative and leisure industries can make to the economy.

DCMS Strategic Priority 4, Modernising delivery by ensuring DCMS sponsored bodies are efficient and work with others to meet cultural and sporting needs of individuals and communities.

learning site on the web attracts more than 200,000 hits per year, delivering primary content, such as 'Voices of the Holocaust'.

### **Contribution to DTI/OST objectives**

The British Library is an integral component of both the national research infrastructure and the UK Science Base, and it plays a correspondingly significant role in ensuring the research excellence of the UK. The Library supports the vision of DTI/OST 'to create the conditions for business success and help the UK respond to the challenge of globalisation'. In terms of the objectives of DTI/OST, the British Library's principal contribution where it adds most value, is to:

**Objective 1:** Improve the relative performance of UK science and engineering and its use by Government and Society.

The British Library is the beneficiary of legal deposit and also purchases widely with a £16m annual budget for material of research value. The collection covers all research disciplines: broadly two-thirds of the annual budget is allocated to publications in the Science Technology and Medicine disciplines -the Library is the nation's most extensive source of published scientific information - while the remaining one third serves the Social Sciences and Arts and Humanities. The research sector relies upon the British Library to maintain and develop its great collection and make it accessible to researchers now and in the future.

The success of the Library's bid to the Arts and Humanities Research Council for academic analogue status for 2006-2011 will make it possible for the British Library to take the lead in submitting bids direct to the research programmes of AHRC and in collaboration with HEIs for resource enhancement. The Library also works in collaboration with individual HEIs to develop postgraduate research skills.

The British Library's Digital Object Management Programme will provide the means of handling ever-increasing numbers of digital items in its collections. The vision is to create a management system for digital objects that will store and preserve any type of digital material in perpetuity, provide access to this material to users with appropriate permissions, and ensure that users can, where possible, experience material with the original look-and-feel. The British Library will, as appropriate, act as an exemplar to industry and to the research community in demonstrating innovative use of digital technologies and associated emerging business models. The Library is engaged in the work of the OST-led group set up to explore requirements for a national e-infrastructure for information to support UK research.

In the context of the Legal Deposit Libraries Act 2003, and working with the other UK legal deposit libraries, the British Library is leading development of a digital infrastructure that will be secure and cost-effective, while meeting the needs of the legal deposit libraries for deposit, storage and access. The Library is at the forefront of good practice in non-print legal deposit implementation in Europe and will continue to strive to be a quality benchmark on behalf of the UK internationally.

The British Library hosts and co-sponsors (with the HE Funding Councils, Research Councils UK and the other national libraries) the Research Information Network which was set up to lead and co-ordinate the provision of research information in the UK.

The Library has clear potential to act as a shop window for science and for stimulating public debate of science in support of the OST objective of improving engagement between science and the rest of

society. This has been demonstrated by 'Beautiful Minds', its major public exhibition in 2005 on the Nobel Prize.

**Objective 2:** Promote effective transfer of knowledge to improve UK innovation performance and accelerate business exploitation of science and new and existing technologies. **Objective 6:** Encourage enterprise, business growth, and investment.

The British Library's current service portfolio comprises: reading room services, document supply services, searchable databases, resource discovery, and specialist information services. Broadly 20% of the Library's service transactions relate to the delivery of information to industry and commerce, with a particular focus on science and technology and creative industries. The Library is a supplier of information to >80% of the UK's top 100 R&D Scoreboard companies.

The Library has secured £1m of funding over two years from the London Development Agency to take forward the development of its Business & Intellectual Property Centre. This new initiative will support entrepreneurs from concept to successful commercialisation. The Centre offers access to what is, arguably, the largest collection of market research reports in the world, free access to on-line subscription databases giving up-to-the-minute company information and financial news, and access to the Library's extensive intellectual property resources, including its collection of 50 million patents. Its services will be targeted at SMEs, entrepreneurs and innovators. This first phase of the Centre is due to be complete in spring 2006.

By virtue of its role in scholarly communication as the UK's national library, as well as being a publisher in its own right, the British Library has a strong interest in copyright and database rights legislation. The Library is uniquely placed to appreciate and balance the requirements of both copyright owner as well as copyright user and takes care to respect that balance in its service provision. Through its significant experience, the British Library is well-placed to contribute to government on the evolution of IP policy. The Library wishes to be an actively involved stakeholder in the recently announced Intellectual Property review to be led by Andrew Gowers.

### **Contribution to DfES objectives**

In terms of DfES's priorities, the British Library's principal contribution, and the major area where the British Library adds value, is to **DfES Strategic Priority 5:** "To sustain an excellent university sector, capable of high quality teaching, world class research and increasing responsiveness to employers". The British Library is an integral component of both the national research infrastructure and the UK Science Base, and it plays a correspondingly significant role in ensuring the research excellence of the UK. The success of the Library's bid to the Arts and Humanities Research Council for academic analogue status for 2006-2011 will make it possible for the British Library to take the lead in submitting bids direct to the research programmes of AHRC and in collaboration with HEIs for resource enhancement. The Library also works in collaboration with individual HEIs to develop postgraduate research skills. The Chief Executive of HEFCE has described the British Library as "... a resource that is absolutely crucial to... meeting... our commitment to sustain the UK's position as a leading world nation in research". The HE sector relies upon the British Library to maintain and develop its great collection and make it accessible to researchers now and in the future through reading room services, document supply services, searchable databases, resource discovery and specialist information services.

The British Library's strategic plan contains three strategic priorities that are key to the DfES agenda. These are:

Grow and manage the national collection. The British Library is the beneficiary of legal deposit and also purchases widely with a £16m annual budget for material of research value. The Research Support Libraries Group (RSLG) found that the level of the British Library's acquisitions expenditure was on a par with the best US research collections at Harvard and Yale, and significantly above the highest ranking UK universities and asserted that "*The resources of the British Library are.... one of the main reasons why UK universities are able to match, and in many cases exceed, the quality and scale of research undertaken within similar sized universities in other parts of the world*".

In the context of the Legal Deposit Libraries Act 2003, and working with the other legal deposit libraries, the British Library is leading development of a digital infrastructure that will be secure and cost-effective, while meeting the needs of the legal deposit libraries for deposit, storage and access. The Library is at the forefront of good practice in e-legal deposit implementation in Europe.

The Library is working with the Consortium of Research Libraries in the British Isles (CURL) to identify the options for optimising storage and access in UK research libraries. Potential exists for the HE library sector to place greater reliance on the British Library as a national long-term back-up provider of low use material, maximising the future return on the Library's assets and reducing the costs to universities of storage through the de-duplication of holdings.

The British Library hosts and co-sponsors (with the HE Funding Councils, Research Councils UK and the other national libraries) the Research Information Network which was set up to lead and co-ordinate the provision of research information in the UK.

Build the digital research environment. The British Library's Digital Object Management Programme will provide the Library with the means of handling the ever-increasing number of digital items in its collection. The vision is to create a management system for digital objects that will store and preserve any type of digital material in perpetuity, provide access to this material to users with appropriate permissions, and ensure that users can, where possible, experience material with the original look-and-feel. The Library is engaged (with DfES, HEFCE and JISC) in the work of the Office of Science & Technology (OST)-led group set up to explore requirements for a national e-infrastructure for information to support UK research. Two major JISC-funded digitisation projects are currently under way in the British Library, focused on sound and newspapers. The Library is also engaging in the digitisation strand of the International Partnerships of Research Excellence, a US/UK collaborative initiative backed by the Higher Education Funding Councils and Research Councils UK.

Transform search and navigation. The Library will continue to take forward development of its Integrated Library System with a view to providing researchers with a single point of access to the Library's collections. The Library will also keep under continuous review developments in e-research, both from the point of view of the researcher and from that of the data provider (e.g. publisher).

The British Library's aim of enriching the user's experience, although focussed on the needs of researchers, also supports DfES's priorities for children and young people. The BL will continue to run onsite and virtual learning opportunities for all, and develop website resources.

## **Public Value**

In the context of its overall mission, the British Library delivers significant public value outcomes. Annex B sets out the Library's contribution to DCMS's ten public value commitments.

## **Legal Deposit**

The Library will continue to work closely with the four other legal deposit libraries of the United Kingdom (as well as with Trinity College Dublin) on legal deposit and other issues of common interest. As the Legal Deposit Advisory Panel commences work and the British Library prepares for Regulations under the Legal Deposit Libraries Act 2003, the British Library will consult and, as appropriate, collaborate with the other libraries, and especially with the National Library of Scotland and the National Library of Wales, to ensure that, in terms of collecting policy and the development of a digital infrastructure for access and preservation, working arrangements will be cost effective and in the public interest. In all of this work, the Library will respect the interests of the copyright holders and will protect the integrity of their publications.

## **Regional Initiatives**

In terms of our regional initiatives, the British Library has developed a regional strategy to optimise usage of the Library's assets at regional level. The Library's regional strategy is UK wide, covering both the nine English regions and the three home nations.

The strategy is being delivered through working in partnership with a variety of key national and regional stakeholders. It is informed by a consultation exercise which was undertaken during 2004, from which five strands of activity emerged:

- Content – increasing the visibility of the Library's collection and disclosing its regional relevance
- Access – making the collection more accessible through a wide range of services promoted regionally
- Sharing skills – sharing expertise and best practice with colleagues in the regions
- Adding value – supporting the regional library network through endorsement of regional initiatives and demonstrating the value to all libraries of working regionally as well as nationally
- Communication – sharing BL strategy and plans with the regions.

## **Diversity**

Several of the Library's strategic priorities provide the framework within which the Library is developing services that are attractive, relevant and accessible to minority groups and building a diverse workforce which encourages people from minority groups to choose a career in the Library.

The Library is refining its diversity strategy which will be developed and delivered in partnership with key national and regional stakeholders and with partners across the museum, library and archive communities. The strategy will cover the following areas:

- Content – developing the collection to reflect a multi-cultural Britain, and meet the needs of a wide range of researchers

- Access – shaping our programmes and services so that we are more inclusive and attract take-up from a broader demographic profile and supporting Black and Minority Ethnic groups, women and those with disabilities in their business and entrepreneurial activities
- Sharing skills – putting in place corporate training schemes that promote diversity awareness and work experience schemes that introduce more people from minority groups to our work environment
- Workforce developments – continuing to develop a more diverse workforce and inclusive working practices to address employee awareness requirements from recruitment and induction to professional training competencies, work targets and involvement in corporate socialisation. The Library is looking to attract, recruit and retain the best from the widest recruitment pool and is continuing to encourage an increase in applications from groups currently under-represented in the workforce. [The current ethnic profile of the workforce is 81% White, 14% Ethnic and 5% not recorded.]
- Adding value – developing the ways in which we interpret and exploit the collection so that it can support the needs of a culturally diverse audience
- Communication – marketing the Library to reach new and more diverse audiences and engaging existing ones with active promotion of ideas, concepts and events.

## **Efficiency**

The Library is committed to making targeted efficiency savings over the three-year period 2005 to 2008. An intensive programme of internal scrutiny was established in which savings of £36.9 million (at 2004/05 prices) were identified. The great majority of the savings represents cash savings and for a sizeable proportion of these savings the Library is dependent upon the retention of current funds to make the headcount reductions. A small proportion of the savings represents non-cash savings.

The main cash savings come from:

- Improved productivity and consequential reductions in staff numbers
- Maintenance savings
- Other productivity improvements in front line and back office services
- Value for Money initiatives

The main non cash savings, where the Library intends to do more with the same resource, come from:

- Introduction of secure electronic delivery to users' desktops
- Increased web offerings and consequential increases in numbers of web users
- Increased visitor numbers to St Pancras.

## **5. Funding**

The level of Government funding for the two years 2006-07 to 2007-08 includes the amount announced in the Secretary of State's letter of 14 December 2004, subsequently amended 18 March 2005, plus any further amounts agreed prior to the signing of the agreement. The British Library's resource and capital budgets during the SR2004 period will be:

<b>£000s</b>	<b>2006-07</b>	<b>2007-08</b>
Resource	90,092	92,339
Capital	12,072	12,072
Resource non-cash	39,186	39,186
<b>Total grant-in-aid (Resource + Capital)</b>	<b>102,164</b>	<b>104,411</b>

The grant-in-aid allocation is dependent on the British Library demonstrating satisfactory performance against the targets and deliverables set out in this Funding Agreement. Targets should be agreed in accordance with the levels of funding available.

Success in achieving the targets in this Funding Agreement will inform the way in which the Secretary of State is able to approach the next funding round with Treasury. The British Library's ability to show measurable improvements in service delivery, the achievement of the Funding Agreement targets and its contribution to the delivery of Government policies will be factors in the Secretary of State's decisions over future allocations.

This Funding Agreement recognises that the achievement of the targets may also reflect success in self-generated income, sponsorship and grants.

## **6. Risks**

The Library has adopted a structured approach to identifying and managing risks to make sure that major corporate risks are identified and analysed on a consistent basis. Our risk register concentrates on the main threats that internal or external events may bring to bear on the Library's ability to achieve its policies, aims and objectives. The risks that the Library has identified are assessed against criteria approved by the British Library Board. These criteria cover the potential impact of the risk and the likelihood of its occurrence.

The Library's major areas of risk can be categorised as strategic, financial and operational. They include our adaptability to changing market conditions, our funding strategy and our ability to protect major assets (collection, property, systems).

Risks are managed in accordance with an agreed approach. Approaches range from terminating or reducing the risk to accepting or passing it on. Risks are reviewed regularly by the Library's Executive Team and by the Board Audit Committee at each of its meetings. The Board as a whole reviews the risk register on an annual basis before the statement on the system of internal control is signed.

## **7. Performance Monitoring**

This Funding Agreement will be monitored by:

- a) Assessment of the achievement of the agreed core Funding Agreement targets in the table below;
- b) Taking account of performance against the BL's Delivery Plan, including having regard to non-core measures; and
- c) Assessment of performance against efficiency targets.

## Funding Agreement Targets for 2006/07 and 2007/08

This is the first joint Funding Agreement between DCMS, DfES, DTI/OST and BL. The targets set out below build upon targets agreed between DCMS and the British Library over the past few years. The establishment of a joint Funding Agreement will allow scope for developing more meaningful targets which will better align the objectives of the BL with the objectives of the three Departments. DCMS, DfES and DTI/OST will begin working with the British Library to scope and develop these new targets in readiness for the next Funding Agreement.

	<b>Title</b>	<b>Target 2006/07</b>	<b>Target 2007/08</b>
1	No of items supplied/consulted remotely and on-site	6,246,900	5,914,750
2	No of visits to reading rooms	410,000	410,000
3	No of searches of BL's online catalogue	25,000,000	26,000,000
4	Customer satisfaction – reading rooms	90%	90%
5	Customer satisfaction – document supply users	82%	82%
6	Customer satisfaction - exhibitions	98%	98%
7	Number of items acquired/processed	959,900	969,700
8	Percentage of material (books) acquired through legal deposit	95%	95%
9	No of visits to the BL's onsite and virtual public access facilities	880,000	931,000
10	No of learners attending educational sessions	7,500	7,500
11	No of visitors to BL Learning Website	200,000	210,000
12	Efficiency savings (cash + non-cash)	£13.2m	£13.9m

The British Library will produce an annual performance review no later than 31 July for the prior year and a report on the previous 6 months in time for the combined annual and 6-monthly Performance Review Meeting in the autumn. This will review last year's achievements, monitor the current financial year and look forward to the following year(s). It should also include a brief report on progress against the efficiency savings and an update of the risk.

The performance reports should:

- Set out actual outturn against the targets above and against the performance indicators and efficiency savings;
- Provide an explanation, where outturn diverges from the expected; and
- Explain what action is being taken or is planned to address the shortfalls.

Performance review meetings will generally be held at official level with representatives from all three Departments. In addition, the Interdepartmental Panel on the British Library will provide strategic oversight of the Agreement. Meetings may be arranged with Ministers where appropriate.

Any planned/forecast changes from target outturn should be notified to DCMS as soon as practicable.

The responsibility for the delivery of the targets in this Agreement rests with the British Library Board.

Signed by:

Minister for Culture, Department for Culture, Media and Sport.

Minister for Science and Innovation, Department of Trade and Industry

Minister for Higher Education, Further Education and Lifelong Learning, Department for Education and Skills.

Chairman, the British Library Board