

The National Gallery
Corporate Plan 2011

The Trustees and the Director present the National
Gallery's Corporate Plan

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Introduction

The National Gallery houses the nation's collection of Western European painting from 1250 to 1900. As stewards of one of the finest such collections in the world, Gallery trustees and staff work to preserve the collection for future generations, facilitate learning about the collection, ensure that the public is well informed of programmes offered and have an exceptional experience at the Gallery.

In order to achieve these goals most effectively, the Gallery has created a strategic framework for the next four years. The framework reflects our duty to protect the nation's paintings in our care and our commitment to provide public access to the collection and supply expert information concerning it. The framework is guided by the Gallery's ambition to give old master paintings a larger role in modern cultural life.

This Corporate Plan summarizes the Gallery's strategic framework, outlines measures taken in response to the reduction in government support, provides a business plan for the four-year comprehensive spending review period and presents a budget summary for the 2011-12 fiscal year.

Strategic framework

Though the Gallery's strategic framework applies to the next four years, for the purposes of this Corporate Plan, activities to be undertaken in fiscal year 2011-12 are given emphasis.

I. Preserve, enhance and develop the potential of our collections for our public

A. Maintain a full but flexible programme for conservation, supported by objective scientific study.

Several long-term restoration projects on important paintings in the Gallery's collection will continue, including Veronese's *Adoration of the Kings*, Guercino's *St Gregory*, and Rembrandt's *Portrait of Frederick Rihel on Horseback*.

The Scientific Department will continue to improve the scope of the material study of paintings with new analytical technologies. A new instrument for 'chemical micro-mapping' of paint cross-sections combining infrared spectroscopy and digital image-processing will be commissioned this year.

The Conservation Department will initiate an advanced internship in paintings conservation in late 2011, which will serve as an excellent training programme for young conservators and offer practical experience with the Gallery's collection.

The Gallery will complete the first year of a three-year collaborative programme with the Wallace Collection to study and assess the potential for conservation of twelve paintings by Sir Joshua Reynolds from the Wallace Collection. The programme will also involve scientific research (mentioned above) that will

inform both institutions' study of eighteenth-century paintings in their collections.

B. Maintain and develop a coherent display of the collections

The Gallery will continue a programme of building works in its sixteenth-century galleries by replacing roofs and false ceilings, restoring early-twentieth-century decorative plaster work to walls and ceilings and introducing the latest LED lighting and sophisticated environmental controls. In 2011-12 two rooms, housing masterpieces by Leonardo da Vinci and Hans Holbein, will be restored and refurbished resulting in dramatic improvements to the public's experience of some of the greatest works in the collection as well as greater efficiency in running costs.

The Gallery will also plan improvements to Gallery A, a high-density presentation of works presently open on a weekly basis, which will involve a refurbishment of the interior space and the replacement of lighting fittings. These measures will substantially improve the display of the space.

C. Increase the depth and range of our collection

The Gallery seeks to improve the public's understanding and appreciation of Western European painting through additions to our collection which go beyond the art-historical canon established in the nineteenth century, are masterpieces of outstanding quality and build on our existing strengths. The Gallery will proactively work with collectors and donors to make acquisitions and secure loans that shape and improve its collections for the public benefit.

D. Create public programmes that enhance and illuminate the collection

We will present an exhibition programme in 2011 highlighting the 'Year of the Renaissance' including a show drawn from the Gallery's own collection, *Devotion by Design: Italian Altarpieces before 1500*, and an exhibition of the most complete display of Leonardo's paintings, *Leonardo da Vinci: Painter at the Court of Milan*. Alongside these major exhibitions we will present *Forest, Rocks, Torrents: Norwegian and Swiss Landscapes from the Lunde Collection* presenting works by rarely seen painters of the nineteenth century and *Art for the Nation: Sir Charles Eastlake at the National Gallery* coinciding with the publication of the Gallery's holdings of the travel journals of its first Director.

As part of the national strategy which promotes understanding, knowledge and appreciation of old master paintings throughout the country, the Gallery will continue to lend major works of art to support exhibition initiatives around the UK. Our own major touring initiative will see Titian's *Diana and Actaeon* travel to three major UK venues from January to June 2012.

II. Broaden our appeal and provide an exceptional visitor experience

A. Strengthen public awareness of the National Gallery

It is as important as ever, possibly more so during difficult economic times, to raise awareness of the Gallery's world-class collection and the fact that visitors have free access to the collection 361 days a year as well as a wealth of

information on our website.

The Gallery will increase the profile of our exhibitions, events and activities through print, broadcast and digital media with the aim of encouraging new audiences to experience the collection. We will make the most of opportunities such as the Olympic Festival that offer a platform from which to increase the Gallery's visibility. Our brand values, identity and messaging will be reviewed and refreshed to strengthen the Gallery's profile.

B. Gain a better understanding of our visitors and their needs.

An essential step in creating an optimal visitor experience is to improve our knowledge of visitors, and potential visitors, to the Gallery. To do this, we will conduct market and audience research which will be used to inform the planning of future exhibitions and inform direct engagement with visitors and programme participants, learning how best to facilitate their planning for a visit and their need for information and interpretation once at the Gallery.

Our new internal access group will advise on meeting the needs of people with disabilities and groups who are currently under-represented amongst our audience. We will specify audience development priorities for Gallery and website visitors, partly in response to the needs of our current and potential visitors and partly in support of our ambition to raise our profile.

C. Adopt an integrated approach to marketing, visitor services and programming to offer an excellent and distinct visitor experience.

The Gallery will strive to improve the visitor experience through a customer-focused approach to planning public programmes, interpretation and the welcome and service that we offer. We will study the visitor journey through the Gallery and use the results to make the best use of our front-line staff, physical space, orientation, hospitality, retail offer and website. We will commence work on a cohesive marketing and communications strategy, to be developed and delivered by the Gallery as a whole.

D. Cultivate relationships between the Gallery and our various audiences.

In 2011-12 the Gallery will conduct research to determine the most effective way to develop relationships with our visitors and programme participants that is sustainable and of mutual benefit.

III. Inspire Learning and Engagement

A. Promote new ways of exploring the collection and learning about it.

The Gallery is undertaking a review of the way we interpret the collection to ensure we are meeting the current and future needs of the full range of our visitors; this will lead to the creation of an Interpretation Strategy.

B. Develop the Gallery as a centre of excellence for academic research with findings disseminated to scholarly institutions and the wider public

The Gallery will publish the latest volume in its series of paintings catalogues,

The Italian Paintings before 1400, to coincide with the Gallery's free collection-based summer exhibition *Italian Altarpieces*. An extract from the catalogue will be published on the Gallery's website, with additional technical images, as part of our commitment to publishing a selection of new in-depth catalogue entries online. The new *National Gallery Technical Bulletin*, a special issue devoted to Leonardo da Vinci, will be published in print and digitally on the Gallery's website for free download. In addition, we will begin to make a number of the Bulletin's back issues, many now out-of-print, available on our website.

The Gallery will continue to work with its academic partners, in particular the Universities of York, Nottingham, Nottingham Trent, King's College London, UCL and Imperial College on a number of projects including those funded by the Arts and Humanities Research Council and the Engineering and Physical Sciences Research Council.

C. Encourage deeper public interaction through the development of digital programmes.

The Gallery will produce a Digital Strategy during 2011-12 which will outline priorities for our digital offer over the next three years in response to developments in technology and trends in usage.

We will work to ensure that our exhibition and research programmes leave a permanent legacy on our website: in particular during the coming year *Devotion by Design: Italian Altarpieces before 1500* and *Leonardo da Vinci: Painter at the Court of Milan* present opportunities to share new and innovative material with the widest possible public.

D. Promote study of old master paintings in schools, higher education institutions, art schools and the adult learning sector.

The Gallery plans to develop its practice in using old master paintings to stimulate learning across the school curriculum, with adult learners and with community groups. The schools visit programme will continue together with a range of courses for teachers. To encourage creative responses to our collection, the *Take One Picture* primary project will again run nationally while *Picture in Focus* is being developed for secondary schools. This is being extended further through partnerships across the UK. New digital models will be piloted and opportunities for e-learning explored. The adult learning programme is being developed to appeal to a more diverse audience. New partnerships are being forged with the Alzheimers Society and the youth justice sector.

This work will be disseminated through a series of conferences, publications and a new digital presence for education work on our website. A new advocacy strategy is being developed to promote the use of old master paintings in education settings.

IV. Enhance staff effectiveness, increase income and care for our physical facilities

A. Improve management practices, departmental operations and communication

The Gallery will continue to develop systems that facilitate effective management and communications among its staff. We plan to improve our staffing information systems, continue to encourage diversity and develop training provided particularly for staff with line management responsibility and for frontline staff.

B. Increase income for Gallery operations from a broader range of sources

The Gallery will focus its efforts on increasing the level of charitable income from private donors and grant making trusts by raising awareness of our need for private support. Likewise, we will aim to increase the level of income through creative sponsorship opportunities and a strong, restructured corporate membership offer. We will also continue to explore ways of increasing self-generated income.

C. Develop and care for the Gallery's physical estate

The Gallery continuously monitors the condition of its buildings and the facilities that service them. We have in place planned replacement of roofing, plant facilities and maintenance for a number of systems that support our operations.

Our gallery refurbishment programme, in which rooms are fitted with new roofs and are returned to an appropriate historical character, will continue in 2011-12 with two rooms opening early in the year and with another two being completed in the fall of 2011. This work will contribute to a more unified appearance for the rooms in the Wilkins Building of 1838.

The Gallery's education facilities will be renamed the Piggott Education Centre, to recognize a generous grant, and will be refurbished to provide a better welcome for visitors. Essential improvements will be made to ensure that workshop rooms are equipped to meet the requirements of the extensive school, family and adult programmes that are conducted in the Centre.

D. Create and implement a sustainability plan for the Gallery

The Gallery is committed to maintaining its facilities and operations in ways that are environmentally responsible and increasingly energy efficient. These considerations have informed the Gallery's ambitious new plan to reduce its carbon emission by over 40% in the next four years. The Gallery has worked with the Central Government Carbon Management Service to develop and formalise a detailed programme of reduction in energy use.

The Gallery will install systems that will produce electricity more efficiently and heat and cool our buildings in ways designed to maintain a safe environment for old master paintings, and it will undertake a major initiative to replace all lighting in its galleries with energy-efficient, low-maintenance LED lights, ultimately reducing the Gallery's energy use in illuminating its collections by 85%. In the past year, the Gallery became the first institution to use these lights together with a system that automatically adjusts external roof light blinds according to the amount and angle of incoming sunlight.

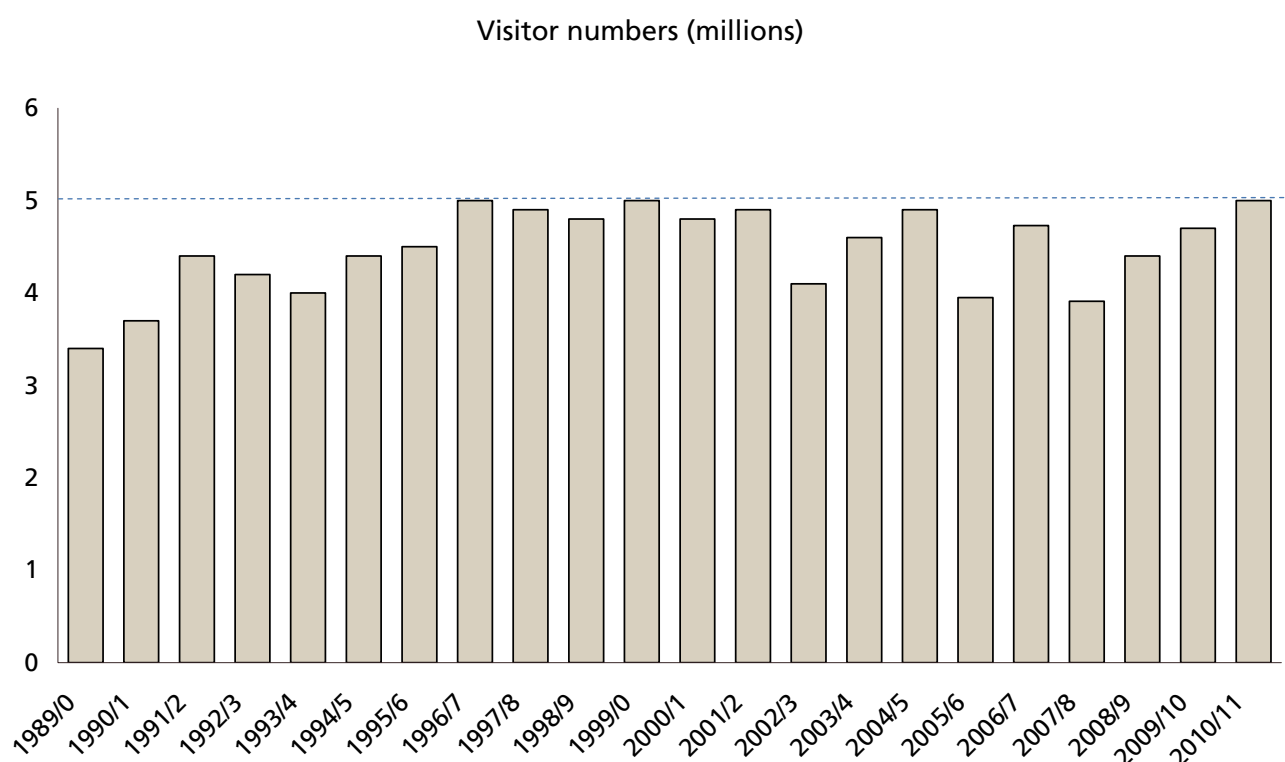
The Gallery will continue to prioritise energy-saving initiatives while sustaining

environmental parameters (temperature, light, relative humidity and pollution) for the long-term preservation of the collection. These constraints must also meet the challenge of housing the majority of these works in a Grade I listed, nineteenth-century building open to the public.

Investing in the future

The Gallery's plans for the future take into consideration the reduction in funding expected in the next four years. At the same time, they identify important initiatives that will require investment in a number of areas.

Making such investments during a period in which the level of public funding for ongoing activities is set to fall by 15% will be a challenge, but we are optimistic that with the continued support of our partners, donors and visitors the critical elements of our strategic vision will be achievable.

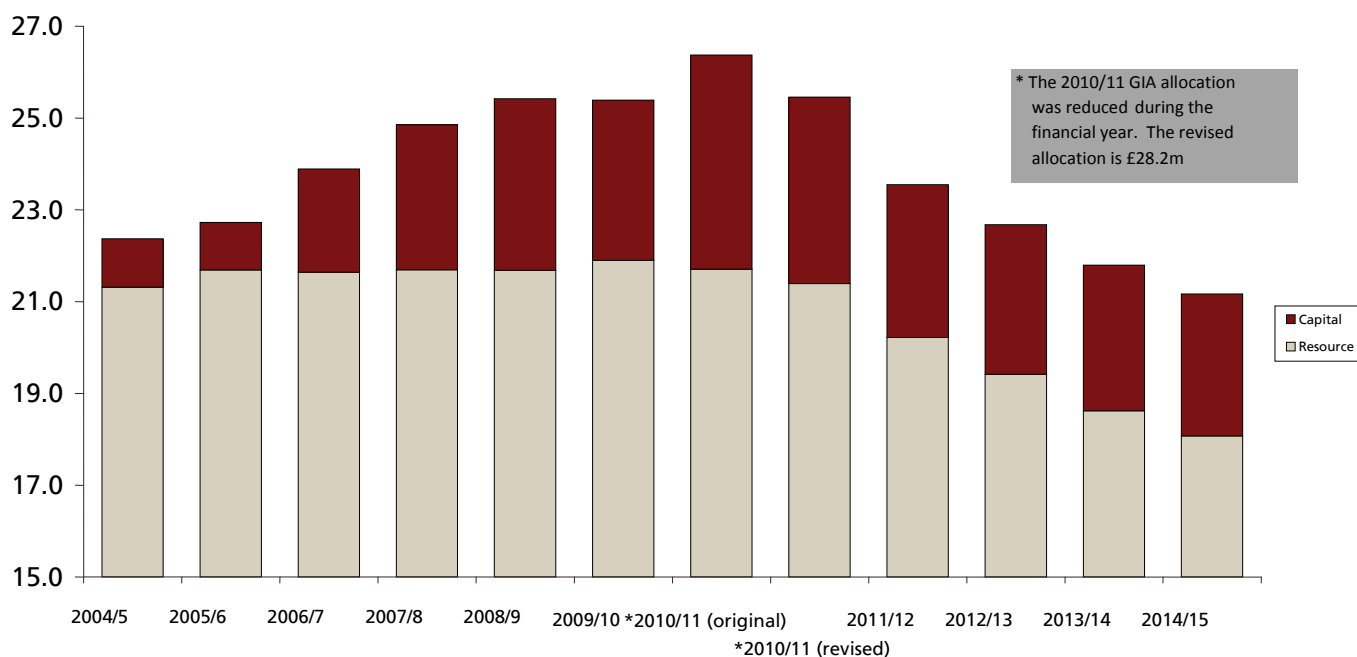


As stated in the preceding section, a signal focus for the Gallery will be improving the visitor experience through the coordination of a number of Gallery departments. Visitors to the Gallery have been steadily increasing over the last four years with last year's visitors nearly equalling the highest annual totals of the last twenty years.

Grant-in-aid

The Comprehensive Spending Review for the four-year period to March 2015 resulted in a real-terms reduction to grant-in-aid (GIA) for running costs of 15%, and a 25% reduction in GIA for capital expenditure.

Total Grant-in-Aid restated in 2009/10 prices to eliminate inflation (£millions)



Rebased using the GDP deflator

The reduction in GIA over the coming four-year period will present a significant challenge for the Gallery. We recognise that the reduction to our funding is not as severe as that experienced in some other areas of the public sector, and we are grateful for the government's ongoing commitment to free admission, which our settlement will enable us to maintain. However, the reduction in GIA will necessitate some fundamental changes in how the Gallery operates over the coming years, and it will place considerable constraints on our current level and range of activities.

Philanthropy and fund-raising

The Gallery is already dependent on self-generated income to meet the balance of its running costs and this will become an even more vital element of our success over the coming years.

Many Gallery activities and programmes benefit from the generous support of individuals, corporations, trusts and foundations. Their contributions to the essential work of the Gallery are greatly appreciated and provide a significant public benefit. This includes, among other things, funding curatorial assistant posts, the publication of catalogues, academic colloquia and other education initiatives; supporting the work of the conservation, scientific and framing departments and helping to fund capital projects.

Our relationships with a range of organisations provide important support and sponsorship, and we are particularly grateful for our continued partnership with Credit Suisse, which will assist the Gallery in presenting a range of programmes over the medium term.

Business plan 2011/12 – 2014/15

As outlined above, the Gallery has a clear strategic vision for its development over the medium-term, but also faces a real challenge arising from the unprecedented and sustained reduction in its public funding. A range of measures have been developed to meet this challenge.

Income generation

The Gallery is committed to increasing its level of self-generated income in order to protect its existing key programmes and develop new areas of activity.

We have instituted a small charge for floor plans, an initiative which is already contributing additional income and has also significantly reduced our printing costs. And we have created a new tier of corporate membership, which has started to generate increased income thanks to the commitment of our long-term corporate members and the attraction of the forthcoming exhibition programme.

We are also exploring creative corporate sponsorship opportunities in order to enhance income from exhibitions. One example is combining exhibition support with the sponsorship of temporary hoardings over our west facade during renovation work.

While the economic downturn has meant that private support will be more difficult to secure, it is our aim that these and other efforts will enable the Gallery to build upon our current level of charitable income in the coming years.

Cost reduction

The scale of the reduction in GIA is such that the Gallery cannot rely on additional income generation alone, but will also need to apply a sustained downward pressure on costs over the coming four-year period.

Over the past year, we have put a number of cost reduction measures in place. Existing major contracts have been renegotiated to yield savings in key areas of expenditure including mechanical and electrical maintenance, cleaning and rubbish clearance services. And our planned investment in energy-saving technology will generate savings in utility costs.

A range of other measures have been implemented across the organisation, such as extending the use of PCs prior to replacement, providing more visitor and programme information online and relying less on printed material and working with lenders to reduce art transportation costs.

In addition to measures such as these already identified, the Gallery will continue to reduce expenditure through its annual budgeting process, with the goal of keeping costs at 2010-11 levels throughout the coming four-year period, except in areas where strategic development is planned. This would effectively mean a cut, of around 8.3% in real-terms, to operating cost budgets over the

period; the feasibility of attaining this goal will depend in part on the level of inflation.

A reduction to the overall operating cost base sufficient to meet the level of public funding cuts will not be possible without some reduction in staff costs, and the Gallery has embarked on a process to ensure these reductions are made both by not filling positions and by introducing a voluntary exit scheme.

Financial plan 2011-12 to 2014-15

The table below sets out the Gallery's forecast income and expenditure for the next four financial years.

£'000s	2011-12	2012-13	2013-14	2014-15
Income				
Grant-in-Aid	26,744	26,320	25,980	25,911
Self-generated income	7,250	4,440	5,911	6,055
	33,994	30,760	31,891	31,966
Expenditure				
Operating costs	28,719	26,433	27,737	27,960
Capital expenditure	5,276	4,327	4,155	4,006
	33,994	30,760	31,891	31,966

Fluctuations in self-generated income are largely the result of the broad range of special exhibitions planned across the period, which by their nature will attract different levels of attendance.

Operating costs are also affected by the nature of exhibitions programmed, but the reduction of costs in 2012-13 is also a result of planned reductions in staff numbers as outlined above. Despite a range of efficiency measures, operating costs are planned to increase moderately across the period, principally as a result of wage inflation.

Capital expenditure over the next four years includes provision for a continuation of the Gallery's programme of essential renovation and improvement, including the restoration of rooms 2, 4 and 12 on the Gallery's main floor. Further capital work is planned to reconfigure the display of the reserve collection in Gallery A and to enhance picture storage facilities, as well as significant investment in carbon reduction technologies and refurbishment of the Gallery's Education Centre.

Budget 2011-12

Income

The table below shows the Gallery's planned income for 2011-12.

	2010/11 Budget £'000	2010/11 Forecast outturn £'000	2011/12 Budget £'000
Grant-In-Aid			
Operating expenditure	24,051	23,701	22,959
Capital expenditure	5,050	4,500	3,785
	<u>29,101</u>	<u>28,201</u>	<u>26,744</u>
Self-generated Income			
Sponsorship and donations	2,000	2,418	2,966
Exhibitions admission	973	1,136	2,782
Catering and retail rental income	775	858	768
Other operating income	605	923	734
	<u>4,353</u>	<u>5,335</u>	<u>7,250</u>
Total	<u>33,454</u>	<u>33,536</u>	<u>33,994</u>

GIA in 2011-12 will be 8% lower than the level originally budgeted in 2010-11, and 5% lower than the revised allocation, following an in-year cut of £900,000.

The Gallery's exhibition programme in 2011-12 will contribute significantly to redressing the £1.5m reduction in GIA. Sponsorship and donation income is also expected to be higher in 2011-12, partly because of the anticipated popularity of the exhibitions programme, which has generated additional sponsorship, but also because of some generous donations including a grant from the Wolfson Foundation towards the Gallery's programme of restoration work on the main floor galleries. Income from corporations supporting the Gallery in other ways is also budgeted to be higher in 2011-12, due to the success of the corporate membership scheme, and to innovative partnership, such as the relationship with GE.

Catering and retail rental income is expected to remain broadly in line with the current year budget, although other operating income is higher than this year's budget to reflect anticipated income from the continued sale of floor plans.

Expenditure

	2010/11 Budget £'000	2010/11 Forecast £'000	2011/12 Budget £'000
Broaden appeal & enhance visitor experience	9,442	9,255	9,292
Preserve, enhance & develop the collection	11,207	10,373	10,499
Learning & engagement	1,700	1,774	1,782
Fundraising	1,078	1,015	1,090
Administration and Support	2,209	2,249	2,190
Running Costs	<u>25,636</u>	<u>24,666</u>	<u>24,853</u>
Exhibitions Programme	1,799	1,939	2,465
Capital expenditure	5,069	4,848	5,276
<i>Contingency</i>	<i>950</i>	<i>-</i>	<i>1,400</i>
Total	<u>33,454</u>	<u>31,453</u>	<u>33,994</u>

Running costs in 2011-12 are expected to remain at broadly the current level. In order to achieve this, savings have been found in some areas in order to invest in others and to largely eliminate the effects of inflation. There will be no increase to staff salaries in 2011-12, with the exception of those earning under £21,000, in line with pay restraint across the public sector.

The Gallery is also investing in some significant capital projects in 2011-12, most notably the restoration of main floor galleries 2 and 4, which has been generously supported by the Wolfson Foundation; the acquisition and installation of a combined heat and power unit; the installation of LED lighting in the Sainsbury Wing and the commencement of works to improve Gallery A.

Contingency

Contingency funds are held to cover unforeseen expenditure requirements, expenditure where the amounts are not yet known with sufficient reliability to include them in functional budget areas and shortfalls in self-generated income. In order to provide for anticipated reorganisation costs, the Gallery has incorporated a higher level of contingency into the budget this year.