

The National Gallery
Corporate Plan 2012

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

MARK GETTY
CHAIRMAN OF THE
BOARD OF TRUSTEES

NICHOLAS PENNY
DIRECTOR AND
ACCOUNTING OFFICER

National Gallery Corporate Plan 2011

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Introduction

Foremost among the National Gallery's aims is to **establish a central role for old master paintings in modern cultural life.**

Our strategy to support this is built on the distinctiveness of the National Gallery's collection. We have one of the finest collections of paintings in the world that tells a coherent story about the development of Western European art over seven centuries, and the majority of our collection is continuously on display to the public, both in Trafalgar Square and on-line.

Our strategic objectives, set out below, presuppose our statutory responsibilities to acquire pre-eminent works of art and our duty to preserve the collection and make it accessible to the public.

The programmes to realise these strategic objectives include an ambitious digital strategy, better public communication, academic initiatives (including the development of a research centre) and improvements to display, notably through installation of LED lighting.

Strategic objectives

The National Gallery's five key strategic objectives are to:

- Preserve, enhance and develop the potential of our collections for our public;
- Broaden our appeal and enhance our visitor experience;
- Inspire learning and engagement;
- Invest in our staff;
- Increase income and care for our physical facilities.

The following pages set out our plans for achieving these objectives over the coming year.

Action plans

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

The preservation of our collections for future generations is the Gallery's primary statutory duty. The work of our Conservation and Scientific departments is therefore of critical importance and its ongoing programme to conserve and learn from the paintings in our collections is central to the Gallery's work. We also have a responsibility to add to our collections, and to ensure they are secure and presented to our visitors in a range of imaginative ways. The key areas for development during the year ahead are set out below.

Maintain our full but flexible programme for conservation, supported by objective scientific study. Particular areas for development in the coming year include:

- i) promoting the understanding of the environmental requirements of old master paintings, and the nature of preventive conservation, through the Gallery's website and by other means;
- ii) instituting a programme of advanced fellowships in conservation.

Increase the depth and range of our collections, by working with donors and with collectors to seek to extend our range of acquisitions and loans.

Create public programmes that enhance and illuminate the collection, with particular focus on:

- i) continuing to develop the programme of summer exhibitions closely related to the collection;
- ii) establishing a programme of exhibitions and other public activities involving contemporary art.

Review security practices and procedures to ensure risks to staff and visitors, the collection and the building are minimised, by:

- i) implementing recommendations arising from penetration testing and other external reviews of our security procedures;
- ii) undertaking an internal audit review of controls in place to prevent accidental damage to pictures.

2. Broaden our appeal and enhance our visitor experience

We have a responsibility to promote the enjoyment of painting, and fundamental to this is making sure that people know about our collections and that they enjoy visiting the Gallery. To achieve this, we will focus on continuing to improve the way in which paintings are displayed, and we will work to communicate better the depth and range of our collections and programmes. In particular during 2012-13 we will focus on the following areas.

Maintain and develop a coherent display of the collections, principally through:

- i) Continuing with the renovation of historic gallery spaces in the Wilkins building;
- ii) completing the programme of installing LED lighting in all galleries including exhibition areas and maximising use of daylight;
- iii) adapting Gallery A as a space more congenial for the enjoyment of paintings and more convenient for teaching.

Strengthen public awareness of the National Gallery through:

- i) promoting the collection, exhibition programme and Gallery activities more effectively;
- ii) adapting the website for smartphone compatibility and continuing to develop the website to extend both its public service and its commercial potential;
- iii) developing plans for a membership scheme;
- iv) developing new partnerships with cultural, tourism and media organisations nationally and regionally.

Integrate our approach to marketing, visitor services and programming and gain a better understanding of our visitors to offer an excellent and distinctive visitor experience by:

- i) integrating audience research across the organisation and performing analysis to deepen our understanding of it;
- ii) developing a more audience focused approach to the planning of exhibitions; and
- iii) improving visitor reception and information facilities and services.

3. Inspire Learning and Engagement

The Gallery has a unique and distinctive collection that spans seven centuries of Western European art, a rich resource for learning at every level, from pre-school children to visiting scholars. We have a duty to make our collection available for the purpose of study and research, which underpins our strategic objective to inspire engagement with our collections and the central role we believe they can play in modern cultural life. During the year ahead we will focus on the following areas:

Promote new ways of exploring the collection and learning about it, particularly through:

- i) creating new film content for the website and raising the profile of online film content;
- ii) assessing the options for and benefits of installation of WiFi to enable visitors to access online material within the Gallery;
- iii) extending our programme for secondary schools to include new subject-based sessions and by working in partnership with the National Galleries in Scotland to deliver a project based on Titian's *Diana and Callisto*;
- iv) extending the Initial Teacher Training programme, forging new partnerships with 4 new Higher Education Institutes;
- v) refreshing our adult learning programme through a number of initiatives, including launching a programme to encourage arts students to draw in the Gallery;
- vi) building capacity of our outreach programme across the criminal justice sector through *Inside Art*; developing *Ageing Creatively* including a new programme with the Alzheimer's Society and building new links with hospital schools through Take Art;
- vii) consolidating programmes for people who are deaf or hard of hearing through extended use of BSL and Stagertext and for people who are blind or partially sighted through *Art Through Words*.

Develop the Gallery as a centre for academic research by:

- i) developing plans for a research centre within the Gallery capable of accommodating current and further collaborative and external scholars and their activities.
- ii) advancing the following research themes and activities :-
 - Art and Religion
 - The Meaning of Making
 - Buying, Collecting, Display
- iii) instituting a new research theme and initiating activities in collaboration with the National Galleries in Scotland for a Centre for Study of Venetian Art and its History
- iv) continuing to work on major collection catalogues and establishing a programme of publishing advance catalogue entries on line.

4. Invest in our staff

Our staff are at the heart of everything we do, from providing an excellent visitor service to preserving and protecting our collections. We aim to invest more in our staff over the coming years with a view to fostering a culture of participation, communication and audience focus. In 2012-13 we will focus particularly on improving management practices and internal communication by:

- i) undertaking reviews of internal communications and performance management;
- ii) developing a strategy for improving internal communications;
- iii) developing policies & practices to support the implementation of change, strengthen performance management, enhance well being and improve attendance.

5. Increase income and care for our physical facilities

The Gallery relies on government grant-in-aid to fund a large proportion of its operating costs, but this income is not sufficient to meet all of our costs. Our strategic ambitions demand that we increase self-generated income and that we make the most of our estate. In the year ahead we will focus on the following key objectives.

Increase income for Gallery operations from a broader range of sources by:

- i) continuing to develop corporate membership, sponsorship and partnership programmes;
- ii) continuing to build levels of giving from individuals and trusts;
- iii) building legacy income;
- iv) comprehensively reviewing all income-generating opportunities to maximise charitable, operating and commercial income.

Develop and care for the Gallery's physical estate, particularly through:

- i) managing the Gallery's external space to create a pleasant and hospitable environment;
- ii) collaborating with Westminster Council and the Greater London Authority to help manage the impact of Trafalgar Square events on the Gallery;
- iii) advancing the Gallery's carbon management plan through continued investment in energy efficient plant and technology.

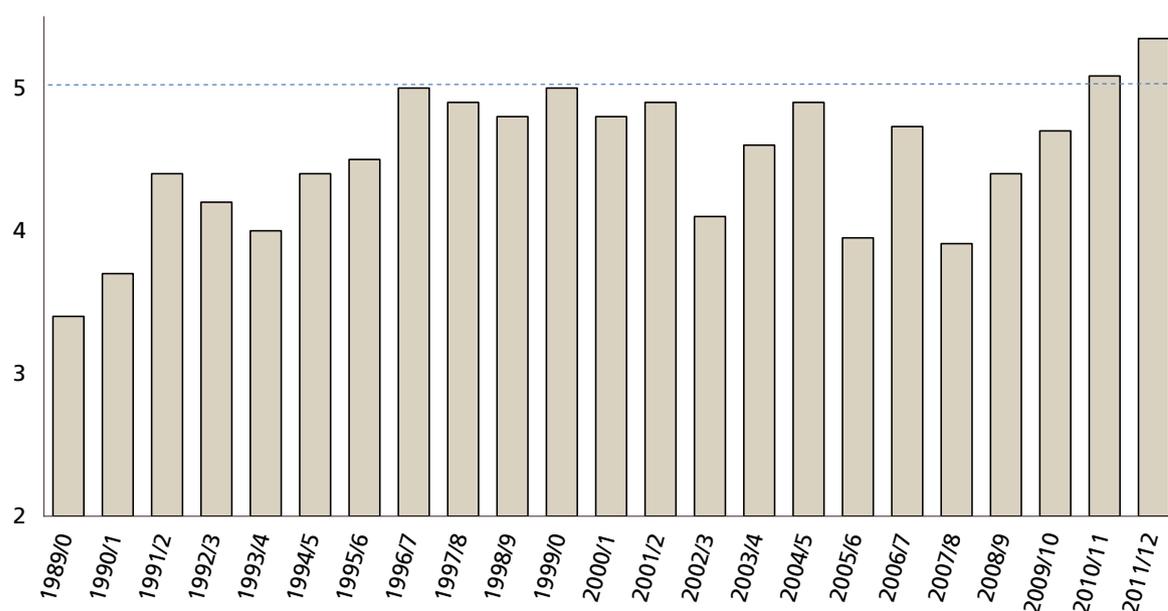
Investing in the future

The Gallery's plans for the future take into consideration known reductions in government funding over the next three 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.

The Gallery continues to attract visitors from across the UK and from around the world. We are one of the UK's most visited attractions and in 2011-12 our visitor numbers reached 5.3m, exceeding the record set in the previous year.

Visitor numbers (millions)

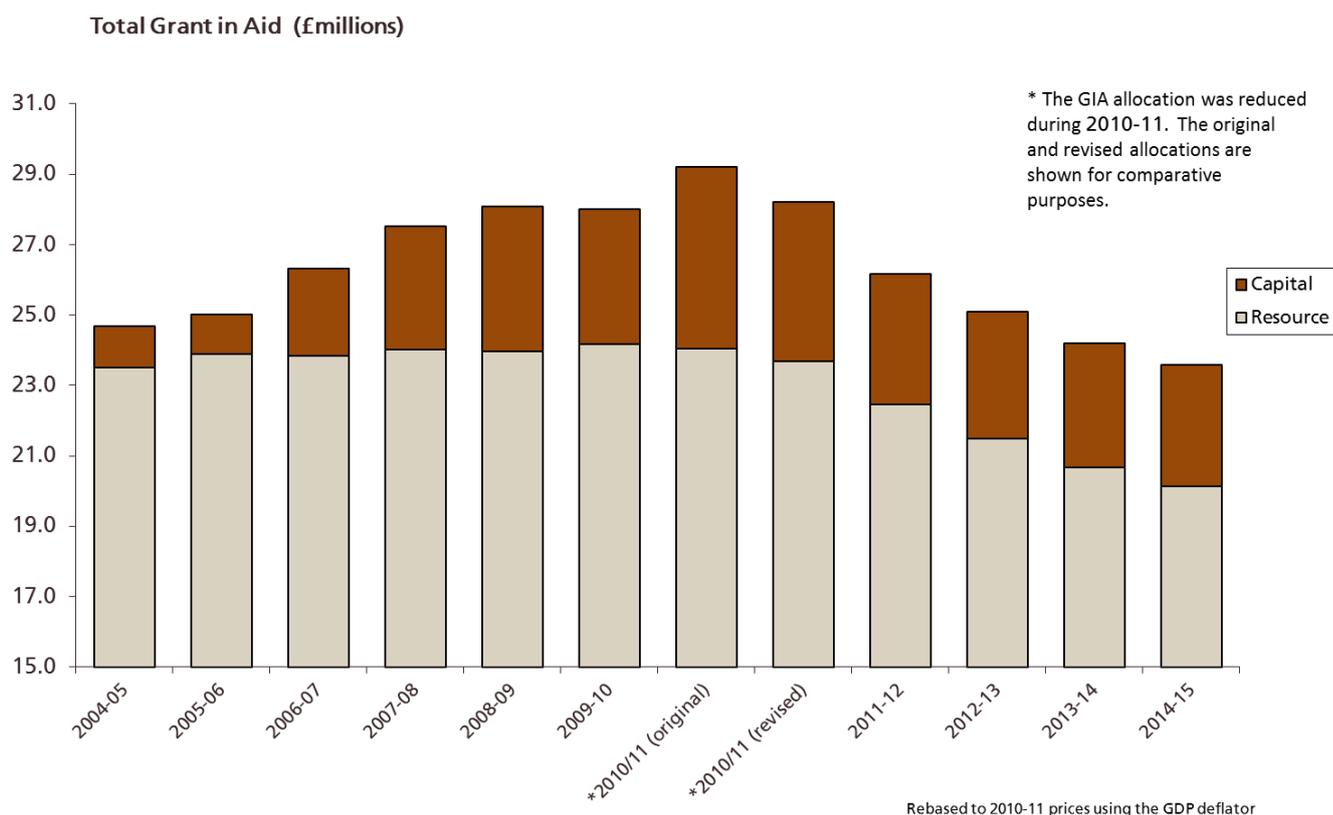


Whilst there are many external factors influencing the level of visitor numbers, we aim to continue to build on our high levels of attendance by devoting a key area of our strategy to raising public awareness of our collection and developing our facilities to ensure we continue to provide an exceptional visitor experience.

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.

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The reduction in GIA continues to 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 has necessitated some fundamental changes to how we operate and it continues to 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 proud of our continued partnership with Credit Suisse, which will assist the Gallery in presenting a range of programmes over the medium term.

Business plan 2012-13 – 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 and implemented 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, which made a significant contribution to our self-generated income in 2011-12.

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 and commercial income in the coming years, thereby reducing our reliance on government funding.

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 continue apply a sustained downward pressure on costs over the coming years.

Over the past two years, we have put a number of cost reduction measures in place and these are yielding savings. Existing major contracts have been renegotiated in key areas of expenditure including mechanical and electrical maintenance, cleaning and rubbish clearance services. And our planned investment in energy-saving technology will help to manage the effect of volatile utility costs.

A range of other measures have been implemented across the organisation, such as an 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, we continue to reduce expenditure through our annual budgeting process, with the goal of keeping a fixed cost base throughout the coming three-year period, except in areas where

strategic development is planned.

A reduction to the overall operating cost base sufficient to meet the level of public funding cuts has not been possible without some reduction in staff costs. We introduced a voluntary exit scheme in certain areas of the Gallery during 2011-12, and have reduced a number of posts through uptake of this scheme and through targeted freezing of recruitment.

Business plan 2012-13 to 2014-15

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

£'000s	2012-13	2013-14	2014-15
GIA	26,320	25,980	25,911
Self-generated income	4,437	4,928	5,289
	<u>30,757</u>	<u>30,908</u>	<u>31,200</u>
Operating expenditure	26,889	27,048	27,116
Capital expenditure	3,868	3,860	4,084
	<u>30,757</u>	<u>30,908</u>	<u>31,200</u>

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

Operating costs are also affected by the nature of exhibitions programmed. Although staff costs will be significantly lower in 2012-13 compared with the budget for 2011-12, as a result of planned reductions in headcount, 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 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.

Budget 2012-13

Income

The table below shows the Gallery's planned income for 2012-13.

	2011/12 Budget £'000	2011/12 Forecast £'000	2012/13 Budget £'000
Grant-In-Aid			
Operating income	22,959	22,959	22,535
Capital income	3,785	3,785	3,785
	<u>26,744</u>	<u>26,744</u>	<u>26,320</u>
Self-generated Income			
Capital activity	535	535	-
Sponsorship and donations	2,431	2,953	1,935
Exhibitions admission	2,782	3,252	965
Catering and retail rental income	768	768	768
Other operating income	734	890	769
	<u>7,250</u>	<u>8,398</u>	<u>4,437</u>
Total	<u>33,994</u>	<u>35,142</u>	<u>30,757</u>

2012-13 will be a challenging year for the Gallery. In addition to the known and sustained reduction in government funding, the level of self-generated income will be almost half that forecast to be achieved in 2011-12. The main reason for this reduction in self-generated income is the extraordinary success of the *Leonardo* exhibition mounted in 2011-12, which achieved our highest ever attendance for a ticketed exhibition in our Sainsbury Wing exhibition space. The programme of exhibitions varies year on year, and 2012-13 has a very different profile of exhibitions, which will support our collection in diverse and creative ways but will not contribute a comparable level of income.

Self-generated income in 2011-12 was also increased by two separate sponsorship programmes for hoardings to the Gallery's Trafalgar Square façade. This innovative type of corporate sponsorship, such as GE's living wall, which used plants to bring to life a Van Gogh painting, are of course only possible when the programme of capital work requires prominent hoardings. This will not be the case in 2012-13, so there are fewer opportunities to capitalise on this sort of opportunity.

Expenditure

	2011/12 Budget £'000	2011/12 Forecast £'000	2012/13 Budget £'000
Broaden appeal & enhance visitor experience	9,292	8,859	8,384
Preserve, enhance & develop the collection	10,499	10,551	10,391
Inspire learning & engagement	1,782	1,441	1,966
Exhibitions programme	2,465	2,440	1,943
Fundraising	1,090	1,052	1,059
Administration and Support	2,190	2,168	2,296
Operating Costs	<u>27,318</u>	<u>26,511</u>	<u>26,039</u>
Capital expenditure	5,276	4,711	3,868
Exceptional costs	-	544	-
<i>Contingency</i>	<i>1,400</i>	-	<i>850</i>
Total	<u>33,994</u>	<u>31,766</u>	<u>30,757</u>

Operating costs in 2012-13 have been reduced by 1.8% from the 2011-12 forecast result. This is principally the result of lower levels of spend required to support the exhibitions planned for the coming year, following high levels of investment in the *Leonardo* exhibition in 2011-12. Continued downward pressure has been applied to departmental budgets during the budgeting process, in order to keep costs flat whilst also accommodating a forecast 1% increase in staff costs in line with expectations across the public sector on pay.

Operational budgets have been prepared with a view to prioritising actions to meet our strategic goals.

The level of investment in our estate is lower in 2012-13, largely because of the additional support provided by the Wolfson Foundation in 2011-12. Capital works programmed for the coming year focus on our sustainability objectives, with a planned installation of LED lighting throughout the main floor galleries. Work will also begin on the improvement of Gallery A.

Exceptional costs incurred in 2011-12 relate to compensation costs for staff who took up the voluntary exit scheme.

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 incorporated a higher level of contingency into the budget in 2011-12, but levels have been reduced for 2012-13.