

The National Gallery
Corporate Plan 2013

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 2013

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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, currently 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) 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) continuing to deliver a programme of exhibitions and other public activities involving contemporary art.

Continue to develop, explore and where appropriate implement security practices and procedures to ensure risks to staff and visitors, the collection and the building are minimised.

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 2013-14 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 and continuing to explore the use of digital technology to extend both its public service and its commercial potential;
- iii) developing and broadening our base of support
- iv) exploring partnerships with tourism and media organisations
- v) continuing to develop of our national programmes.

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 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) assessing the options for digital access to online material for both virtual and physical visitors to the Gallery;
- ii) 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;
- iii) continuing to develop the Initial Teacher Training programme,
- iv) refreshing our adult learning programme through a number of initiatives, including continuing to encourage arts students to draw in the Gallery;
- v) continuing to build the capacity of our outreach programmes and 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
 - Study of Venetian Art and its History
- iii) continuing to work on major collection catalogues and establishing a programme of publishing advance catalogue entries on line.

4. Invest in our staff

We aim to invest more in our staff over the coming years with a view to fostering participation, communication and audience focus. In 2013-14 we will focus particularly on strengthening management and internal communication by:

- i) investing in management development programme to support the implementation of change and to deliver performance improvements and better alignment with our strategic priorities.
- ii) implementing our internal communications strategy

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) 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.

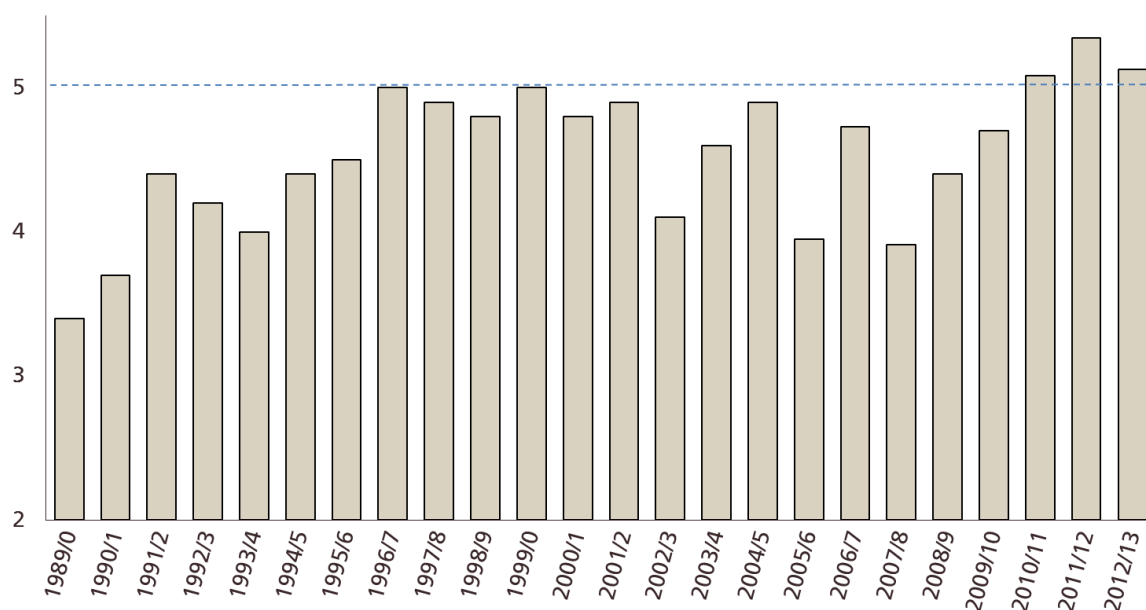
Investing in the future

The Gallery's plans for the future take into consideration known reductions in government funding over the next two years and anticipate further reductions in funding in the coming period. The Gallery continues to ensure that resources are focussed on delivery the strategic vision.

Implementing our plans depends on ongoing investment which will be a challenge during a period in which the level of public funding for our activities is set to fall by over 15 % will be a challenge. We rely on the continued support of our partners, donors and visitors to ensure that 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 2012-13 our visitor numbers reached 5.1m. Though visitor numbers were lower than 2011/12, this was an exceptional year when the Leonardo exhibition enabled the Gallery to reach a record high. The Olympic Games significantly depressed visitor numbers in the summer months and still the Gallery maintained the overall visitor numbers when compared with 2010/11.

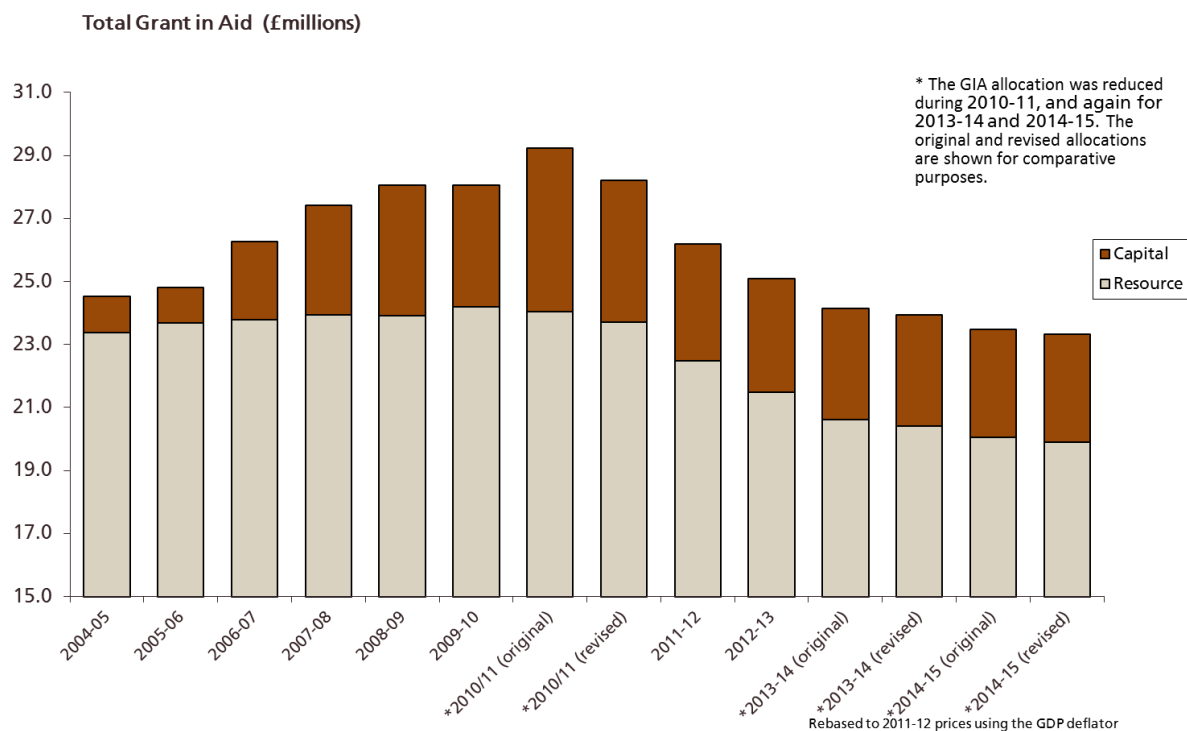
Visitor numbers (millions)



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 continuing 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 over 15% and 25% reduction in GIA for capital expenditure.



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 enables 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 2013-14 – 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.

The Gallery is also part way through the period of its strategic framework . The business plan period covered here is two years as this is the remaining period of both the strategic framework and of agreed funding.

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 taken a number of steps to develop new income streams which are already contributing to growth in income and we are planning further initiatives 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 looks to a combination both of additional income generation, and ongoing cost control measures to ensure that a balanced budget can be delivered.

Following two years of cost reduction measures, work on renegotiating contracts and restructuring, the Gallery is looking to a new phase of work on cost management: we are exploring the potential for synergies with other organisations such as the NPG, and considering accelerating investment in energy saving plant to reduce further the impact of volatile energy costs.

We are also continuing to impose tight control over major areas of expenditure such as staffing levels. The reduction in the overall operating costs sufficient to meet the level of public funding cuts was not possible without reductions in staff costs. The Gallery continues to experience the impact of the voluntary exit scheme implemented in 2011/12.

Business plan 2013-14 to 2014-15

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

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£'000s	2013-14	2014-15
GIA	25,758	25,468
Self generated income	5,304	5,442
	<u>31,062</u>	<u>30,910</u>
Operating expenditure	26,281	26,826
Capital expenditure	4,781	4,084
	<u>31,062</u>	<u>30,910</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. Operating costs are planned to increase moderately across the period principally as a result of wage inflation; no other provision for inflation is assumed in the Gallery's planning.

Capital expenditure over the period 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 2013-14

2013-14 will be a year of consolidation for the Gallery. In addition to addressing the additional reductions in government funding announced in December 2012, the Gallery has restructured its activities in order to better deliver on its strategic ambition.

Income

The table below shows the Gallery's planned income for 2013-14.

	2012/13 Budget £'000	2012/13 Forecast £'000	2013/14 Budget £'000
Grant-In-Aid			
Operating income	22,535	22,535	21,973
Capital income	3,785	3,785	3,785
	<u>26,320</u>	<u>26,320</u>	<u>25,758</u>
Self-generated Income			
Capital activity	-	-	-
Sponsorship and donations	1,935	3,126	2,581
Exhibitions admission	965	723	1,346
Catering and retail rental income	768	768	793
Other operating income	769	1,146	807
	<u>4,437</u>	<u>5,602</u>	<u>5,527</u>
Total	<u>30,757</u>	<u>31,922</u>	<u>31,284</u>

Overall income budgeted is marginally higher than in 2012/13 despite a reduction of £562k in grant in aid. The Gallery is seeking to increase self-generated income and it will be noted that the budget for sponsorship and donations is significantly higher than the previous year.

Exhibition income varies from year to year based on the programme planned and in the coming year income is expected to be higher than in 2012/13.

The Gallery continues to budget with care for both income and expenditure mindful of the economic climate within which this budget is presented.

Expenditure

	2012/13 Budget £'000	2012/13 Forecast £'000	2013/14 Budget £'000
Broaden appeal & enhance visitor experience	8,384	8,593	8,838
Preserve, enhance & develop the collection	10,391	10,559	10,222
Inspire learning & engagement	1,966	1,869	1,777
Exhibitions programme	1,943	2,129	1,749
Fundraising	1,059	1,064	1,187
Administration and Support	2,296	2,296	2,266
Operating Costs	<u>26,039</u>	<u>26,510</u>	<u>26,039</u>
Capital expenditure	3,868	3,797	4,781
Exceptional costs	-	269	-
<i>Contingency</i>	<i>850</i>	<i>-</i>	<i>721</i>
Total	<u><u>30,757</u></u>	<u><u>30,576</u></u>	<u><u>30,563</u></u>

Operating costs in 2013-14 have been maintained at similar levels to the previous year through continued downward pressure on departmental budgets during the budgeting process. This has enabled the Gallery 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 which meet our strategic goals. Funds allocated from the contingency fund based on the presentation of a business case.

Work will also begin on the improvement of 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 remaining reorganisation costs, the Gallery incorporated a higher level of contingency into the budget in 2012-13, but in seeking to achieve a balanced budget levels have been reduced for 2013-14.