



News on the Spending Review Funding Settlement from the Chief Executive

25 November 2010

Dear Readers,

Following the initial announcement in the November Reader Bulletin, we promised to keep you up to date about our plans for implementing the reductions required of us in the recent public sector spending review settlement. I cannot hide from you that the level of cuts presents us with a huge challenge.

The settlement for the next four years comes on top of a 3% cut in 2010/11. This has been achieved through savings in acquisitions, preservation, routine maintenance and technical budgets, plus a review of consultancy and other discretionary spend across the Library. The Comprehensive Spending Review cut to our Grant in Aid funding is 15% in real terms over four years and our annual capital budget has been cut by 50%. This means that by 2014/15 the British Library will be funded at its lowest level in real terms since its creation in 1972, with some £23m less each year.

We will do all we can to protect frontline services but we have had to make some difficult decisions. We have identified the major areas for savings as staffing, acquisitions, facilities management and preservation. We plan to deliver 80% of the savings in the first two years, so that we are ready to face years three and four in better shape.

The cuts will mean around 200 job losses over the next two to three years and a review of all our activities. Staff account for some 70% of the Library's variable costs so we can only achieve the reductions required of us by reductions in staffing numbers. These will be carefully targeted and we will use natural turnover, efficiencies and changes to working practices as far as possible to reduce the need for redundancies, which we hope will be achieved on a voluntary basis.

The British Library has one of the highest acquisitions spends of any major library in the world, and this will remain the case even with the cuts necessitated by the spending review. We plan to reduce our current £19m acquisitions spend by around £4m. Most of this will be achieved by reducing expenditure on duplicate and low use journals, as we re-shape our document supply service. This will allow us to limit the reduction to heritage acquisitions and book budgets to a further £1m.

In addition to these measures, we will also be implementing some of the suggestions made both by you, our Readers, and our staff, in the consultation

that we ran over the summer. From later next year, we will introduce charges for our two major temporary exhibitions in the PACCAR Gallery. Entry to our permanent exhibition gallery, the *Sir John Ritblat Gallery: Treasures of the British Library*, will remain free. This new charging policy will bring us into line with the national galleries and museums.

We have fortunately been able to avoid more radical cuts at this stage such as deeper cuts to acquisitions, closing the Library one or more days a week or charging for Reader passes but clearly we will have to reconsider these options should the British Library be faced with additional cuts in years three and four, and/or our commercial and other income is less than we forecast.

This is a difficult time for the British Library. However we will continue to build on our impressive track record for innovation and excellence. If you have any specific questions or areas of concern, please do not hesitate to get in touch, by emailing service-improvement@bl.uk or writing to:

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We thank you for your understanding during this challenging time, and we will continue to provide you with regular updates on our plans.

Lynne Brindley
Chief Executive