

177th Annual General Meeting

**Minutes of the meeting held in the Reading Room at 6pm on
Wednesday 7 November 2018**

The Chairman, Sir Howard Davies, began by thanking members present for attending the AGM. He welcomed the Library's President, Sir Tim Rice and noted that though the President was not required to attend the AGM in an official capacity, his presence was certainly very welcome.

The Chairman summarised the agenda for the AGM and introduced the Treasurer, Philip Broadley and the Director, Philip Marshall, along with the other Trustees present. He explained that the Library had instigated a new Trustee placement scheme during the year where two young members, who were welcomed to their first AGM, were selected, with the aim of understanding the needs of younger members and to increase young membership. The Chairman thanked the Trustees for their work during the year, noting that the task of being a charity Trustee was becoming ever more onerous with increased Charity Commission and other regulation and noted that two new committees, Chairs and Collections, had been set up during the year to facilitate the work of the Board.

Though it had been a positive year for the Library, an increase in membership numbers remained key to longer term sustainability. Membership continued to fall, albeit slowly, but this meant that member numbers were significantly lower than were needed to cover the costs of running the Library.

Staff had been stable over the year, but the Chairman was sad to announce the departure of Mary Gillies, the Deputy Director, who received a round of applause for her contribution to the Library since joining in 2012. A Director of Collections and Library Services would be recruited to replace her, who would have significant experience in library management and would be a qualified librarian.

Building work carried out during the year had resulted in increased work spaces for members. In February 2018 the new 6th floor members' area was opened providing workspaces, a bookable meeting room and spaces where mobile phones could be used. The work on replacing the St James's Stack windows had recently been completed and 12 new work spaces had been added.

A number of members had received honours during the year, including Inez Lynn, Lady Antonia Fraser, Alexandra Schulman, Kazuo Ishiguro, Simon Schama, Ken Follett and Charles Saumarez Smith. Prize and award winners included Philip Pullman, Raymond Antrobus and John Hussey and there were many other members who had their work on prize lists.

The Chairman continued by noting the sad passing during the year of Denzil Davies, Philip Kerr, James Downing, John Julius Norwich, Alan Bell and Drue Heinz. He made

special mention of Drue Heinz who had been a significant benefactor to the Library for many years.

Progress had been made in publicising the Library, a vital element of the Library's strategy as membership numbers would not increase if the Library remained London's best kept secret. The find of the books used by Bram Stoker to create Dracula had brought much interest and the Chairman noted that credit should be given to the Development Director, Philip Spedding, for the discovery.

Loan figures had remained fairly stable, but use of the Library's online resources had increased. Changes had been made to the Library's opening hours to support more events and increase revenue from venue hire.

The Chairman finished by noting that the Trustees' focus was on the future of the Library with the aim of increasing membership numbers, increasing fundraising income, and controlling costs whilst avoiding dipping into the Library's reserves.

The Chairman passed over to the Treasurer, Philip Broadley. The Treasurer noted that this was his second report to the AGM and thanked Peter Hyde, the Finance Director for his work on managing the Library's finances. He noted that there was a full report on the Library's finances in the Annual report, an article in the autumn magazine and that a summary of the finances along with the movement in funds for recent years had been reproduced as a handout for the AGM.

The Treasurer explained that, as in the prior year, the Library's finances had been split into five items with the operating result, fundraising activity and investment income being cash items and the gain/loss in the value of investments and the reduction in the liability of the pension deficit being changes in balance sheet provisions.

The 2017-2018 saw an operating deficit of approximately £1.1m, which was consistent with the two previous years. Fundraising income was approximately £1.4m against costs of £340k. Net investment income was down in the year, primarily due to the underperformance of the Library's Real Return Fund, whilst there was an overall loss of £170k in relation to the Library's investments due to a bad performance at the year end.

For many years the Library had operated a defined benefit pension scheme, which was now closed. Accounting standards required that the current value of the liability in relation to this pension scheme needed to be included in the accounts and, largely due to the positive performance of the scheme's investments, the scheme's deficit had reduced in the year to £972k with a corresponding amount attributed to actuarial gains of £149k.

Overall, therefore, the Library still had a significant operating deficit, which needed to be addressed, but ongoing fundraising income would be a key part reducing the Library's underlying deficit.

The Treasurer noted that the Library's statutory accounts, though fully compliant with accounting standards, did not show the full value of its St James's Square property or the value of the books held by the Library. Even without these inclusions the Library's balance sheet demonstrated that it was asset rich, but cash poor and increasing membership remained a priority.

The Treasurer passed over to the Director. The Director began by noting that it was hard to believe that it had been a year since he had sat here in front of the AGM having just

arrived in post. It had been an incredibly busy year, but also one that was enjoyable and where a lot had been achieved.

The focus of the first year's activity had been the creation of a strategy for the next 5 years, identifying the issues and working out our planned solutions to them. Given the severity of the financial situation, the task had been an urgent one and he was very grateful for the generous support of the staff and trustees and the goodwill of members in this process. The Library had inspired and supported writers, thinkers, scholars and artists in the creation of some of the world's most famous books, scripts and ideas that had, in turn, touched the lives of many millions, shaping the intellectual history of the nation and the world. Despite its wonderful collection, premises and membership, past and present, the Library remained relatively unknown – a “hidden treasure”. Its lack of profile combined with steadily declining use of the Library, limited its potential impact, and, if not rectified, would lead it towards an increasingly insular and isolated future. Furthermore, even the Library's current role was at risk as the Library's finances were currently unsustainable. The purpose of the strategy was therefore simultaneously to expand the Library's reach and impact, while restoring its finances to balance, creating “new foundations” for the future.

The new 5-year strategy had two overriding goals. Firstly, to substantially increase awareness of, access to and engagement with the Library and secondly, to remove the operating deficit by the end of the 2022/23 financial year, placing the Library on a sustainable financial footing. These goals would be achieved by focusing on 8 strategic objectives.

The first objective was raising the Library's public profile to drive increased awareness, use and membership of the Library. Additional focus would be given to attracting younger people to the Library as members of tomorrow. There had been recent PR success with regards to the discovery of the books used by Bram Stoker to write Dracula along with radio interviews from the Henley Literary Festival, both forming part of a wider PR and awareness raising campaign. In addition, the Library proposed to increase its Young Persons Membership from 24 to 26 and two new young voices had been added to the Trustee Board as part of the Trustee placement scheme.

The second objective was to create new ways to engage with the Library, including a high quality programme of events and outreach activity and providing new ways to join the Library aimed at less frequent visitors and those for whom the membership fees were a major obstacle. In this area the Library had staged a series of excellent speaker and panel discussions, which had proved successful in getting non-members into the Library and generally raising awareness. With regards to new ways to access the Library it would be likely that the Library would introduce a new form of membership allowing borrowing rights and access to the digital collection but with either no or restricted access to the Library building itself. An Emerging Writers Scheme would also be launched to help early career writers, many of whom would not be able to afford the membership fees.

The third objective was to deliver new spaces at the Library to accommodate the growing events programme, the increased number of members and to provide catered spaces where members could meet and share ideas in a less formal environment. The intended new spaces were backed up by member and non-member research where approximately 50% of members had indicated that they would be more likely visit the Library more often were there to be additional facilities. Plans for the new spaces were in the early stages.

The fourth objective was to find a new model for the Library collection that would allow for continued acquisition and maintained the accessibility and usefulness of the collection, while recognising the significant cost constraints and reducing the space it took up within the Library. The Board of Trustees had created a new Collections Committee to oversee this strand of work where things like off-site storage and the balance of digital versus hard copies would be considered. A start had already been made with the reduced rate of acquisition of foreign language materials, based on their low usage and the financial situation of the Library, though recognising that this would disappoint some members

The fifth objective was to increase revenue fundraising, making it a larger proportion of the Library's overall income. Revenue fundraising was the philanthropy which could be reliably depended upon each year. Progress had been made in this area in recent years and the past year had seen progress in areas such as the Founders Circle and the St James's Windows appeal and the Library was very grateful to all members who had contributed during the year.

The sixth objective was to launch a major appeal to 're-found' the Library, consisting of a short-term capital fundraising campaign to finance the creation of new spaces and a long-term campaign to deliver a substantial endowment for the Library. There was optimism regarding securing the funding for the proposed building changes and also for contributions towards the endowment, whilst recognising that the timescales were different with fundraising for the building changes envisaged to be carried out within the next few years whereas endowment fundraising would take many years.

The seventh objective was to develop new ways to increase income from additional sources, such as private venue hire. The Director had significant experience in this area from his time at the British Museum and following additional advice from an expert consultant there was confidence that there would be a sizeable opportunity for the Library. Proposed changes to opening hours had been announced, with the aim of freeing up Wednesday evenings for venue hire and more Library events.

The eighth objective was to restrict cost increases, finding more ways to work more efficiently, while seeking to minimise the impact on members. Cost increases had had a major impact on the Library's operating deficit. In 2017-18 costs were essentially held flat and it would be the intention to limit the increases in future years. This recognised that there would be some difficult decisions to be made, but the impact on members would always be a significant consideration.

The Director concluded by emphasising that the full 5 years of the strategy would be needed for the aims to be achieved. The Library was only at the beginning of a challenging journey, but, as outlined, some progress had been made already and The Library fulfilling its potential at the centre of the UK's cultural landscape, benefiting many more users and standing on a firm financial footing, would be a huge reward.

The Chairman invited questions from the audience.

The first question related to the proposed changes to the opening hours and noted that the Library had already done something similar before and queried why it was being tried again. The Director noted that he was not at the Library when similar changes to the opening hours had been made before, but understood that there was now much greater resolve to make private hire work and that the changes to the opening hours would be key to this. A follow up question was asked regarding the effect that the changes to the opening hours with staff having to go home later on Mondays and Tuesdays. The Director noted that the Library already put on events that finished much later than the

proposed opening hours, but that if any individual staff had issues they could speak to their line manager to discuss.

A member felt that longer opening hours on Wednesdays were popular amongst the membership and wondered whether the potential effect of losing members due to the proposed earlier closure on Wednesdays had been considered. The Chairman responded that he hoped members would appreciate the reasons for the proposed change and that the Library would still be able to be opened late on Wednesdays, on occasion, when Library events were taking place, but that for external events it would be more difficult.

A member queried how the change in opening hours had been communicated and the Director responded that it had been through an email newsletter.

A member noted that it was great to hear such a comprehensive strategy and asked how much the deficit would be reduced by. The Chairman responded that the aim was to reduce the deficit completely as the Library has insufficient reserves for them to be dipped into in the long term. Removing the deficit wouldn't just be achieved by increasing membership income, but fundraising and commercial income would also need to be increased and it was also the aim to increase the Library's endowment. If the deficit cannot be eliminated a very different cost base would need to be considered, which would not be what members would want.

Noting that she had been a member of the Library for 40 years a member expressed her regret that she had not taken out life membership when she originally joined asked whether older members could benefit from a reduced membership fee. The Chairman responded that membership fees are kept under review and that it could be considered in the future, but that there were no plans at present for such a reduction.

A member expressed concern regarding the reduction in the purchase of foreign books, particularly with the backdrop of Brexit, adding that not binding paperback books would be a way of saving. The Director responded that the decisions on foreign collections were based on usage and that there was a designated budget for member requests in this area. Regarding binding, he noted that cheaper binding options were currently being considered.

A follow on question was raised by a member, who felt that the Library had one of the best Russian language collections and queried reductions in this area and thought that the Russian collection should be promoted to the 100k Russians living in London. The Chairman responded that the previous Librarian had produced a lengthy paper regarding the foreign collections, which had taken into account a number of competing considerations, but that the Library's financial situation had to be taken into account in any decisions.

A member noted that lots of lights were left on around the Library and that members should be more strongly encouraged to switch them off. She also raised the issue of 'desk hogging' and asked if a system could be put in place to address this. The Director responded that with regards to the lights automatic lighting would be considered, but that the initial capital outlay required might prove prohibitive at this present time. He continued that better ways of influencing desk usage would be considered. Another member said that he would not welcome any kind of monitoring system of desk usage and the Director responded that 12 new desks had been added in the St James's stacks and that he hoped that this had addressed some of the perceived issues regarding desk availability.

Referring to the reduction in costs in the year, a member noted that this was pleasing to see, but continued that the issue hall seemed to be overstaffed and queried if there was an opportunity to reduce staff numbers, perhaps through natural wastage. The Chairman responded that staffing levels would be reviewed in the coming year.

There being no further questions, the Chairman moved to the formal business of the meeting.

By a show of hands the members approved the minutes of the 176th Annual General Meeting.

By a show of hands the members approved the adoption of the 2017-2018 Annual Report and Accounts.

By a show of hands the members approved the reappointment of MHA MacIntyre Hudson as the Library's auditors.

By a show of hands the members approved the reappointment of Elizabeth Herridge for her second consecutive term as a Trustee.

By a show of hands the members approved the reappointment of David Lough for his second consecutive term as a Trustee.

By a show of hands the members approved the reappointment of Sara Wheeler for her second consecutive term as a Trustee.

By a show of hands the members approved the appointment of Daisy Goodwin as a Trustee.

By a show of hands the members approved the 2019 fee proposals. With a full individual rate of £535 the new fees represented an increase of 1.9% on current levels. The annual Direct Debit fee would be held at £510 with the aim of increasing retention.

The meeting closed at 7pm. Some 85 members had attended.