



National
Museums
Scotland

Shaping The Future

Strategic Plan update 2020–22

1. Introduction



National Museums Scotland is one of the leading museum groups in Europe. Millions of local and international visitors enjoy our four museums each year, and we care for one of the most diverse collections in the world. The sheer breadth of our holdings has huge power, bringing together the arts and sciences, the cultures of Scotland and the world, and the full spectrum of human ingenuity alongside the diversity of the natural world.

Each of the remarkable objects in our care has a story to tell: a story that can inspire our visitors to make connections between themselves and the world. Collected over centuries, they enable us to explore, to debate and to celebrate Scotland and the world around us – past, present and future.

Over the last decade we have made significant investments in our collections, our museums and our visitors. During our last strategic planning period (2016-20) we completed the 15-year, £80 million transformation of the National Museum of Scotland, which saw a trebling of visitors, making the Museum the most visited attraction in the UK outside London. We further expanded the leading-edge facilities at the National Museums Collection Centre, our internationally important hub for the storage, conservation, research and sharing of our collections, and completed the consolidation of our collections storage from five disparate sites into one. These successes provide a strong foundation for our continued ambitions.

Over the two years of this updated Strategic Plan we will continue to develop our plans for a new hangar and other enhanced facilities at the National Museum of Flight, and take the first steps in assessing the scope and initial planning for renewing the Scotland galleries at the National Museum of Scotland which are now over 20 years old. The National Museums Collection Centre is at the heart of a City of Edinburgh Council-led regeneration project for the Granton waterfront area, and we will progress partnership working and community engagement in support of this project.

We have added a new Strategic Priority which reiterates our commitment to reduce our own impact on the environment and to inspire others to do the same. Since 2013, we have more than halved our carbon emissions and reduced our environmental impact in other areas. Exceptional natural sciences collections, world-class scientific research and

multi-disciplinary approach give us a platform from which to inspire and educate our audiences to work towards a better world.

Our drive to delight and inspire our visitors is unwavering. Through an imaginative and inclusive programme of displays, exhibitions and events we will continue to draw ever broader audiences, young and old, from home and abroad, to encounter extraordinary objects in new ways. Our work has always reached across the nation, and in the period of the last Plan we were successful in attracting funding which has enabled us to formalise our approach to national working and make great strides in strengthening our impact. Continuing to deliver social, economic and cultural impact ‘beyond our walls’ remains a priority.

Delivering our ambitions will require significant financial support, both public and private, and we have actively worked to strengthen our approach to securing grants, sponsorship and donations from charitable trusts, corporate bodies and individual donors, and to develop a more entrepreneurial approach which grows commercial income from a range of sources. Despite this, the financial climate continues to be ever more challenging for cultural organisations. Public funding is at best static, while costs and expectations are rising and competition for financial support is increasing. We have worked hard to increase our impact while managing costs and gaining efficiencies.

This Plan plays a vital part in ensuring a shared vision and continuity of purpose through a period of change as Dr Gordon Rintoul, Director of National Museums Scotland for 18 years, steps down and we welcome a new Director and a new Chair in 2020. Our fifth *People Survey* (2018) showed that we continue to achieve improvements in staff satisfaction across a range of measures. This is important because to achieve our goals it is vital that the whole team continues to work well together – effective delivery rests on enabling our staff to use their skills and experience to the full and continuing to attract new talent to every part of the organisation. Our commitment to the development and engagement of our people is central to the delivery of this Strategy.

We are proud of our contribution to the creation and promotion of world-class culture in Scotland, and are committed to contributing to the delivery of the Scottish Government’s

new Culture Strategy and its principles of inclusion and accessibility, which have long guided our work.

Bold ideas and a track record of success have served us well in securing support for ambitious goals. Inspired by the pioneers and thinkers who founded our institution and created our collections, National Museums Scotland is clear in its commitment to take every opportunity which realises our vision: *Inspiring People, Connecting Scotland to the World and the World to Scotland*.

2. About us



Who are we?

National Museums Scotland cares for one of the largest multidisciplinary collections in the world. The breadth of our collections makes us stand out among major museums of the world.

We operate five sites: the National Museum of Scotland on Chambers Street in Edinburgh; the National War Museum in Edinburgh Castle; the National Museum of Flight in East Lothian; the National Museum of Rural Life near Glasgow; and the National Museums Collection Centre at Granton in north Edinburgh. We employ approximately 470 staff, and host 150 regular volunteers and around 500 event volunteers.

What do we do?

Our principal functions are set out within our governing legislation – the National Heritage (Scotland) Act 1985, Section 2(1). They are to:

- Add to and care for our collections.
- Ensure that they are accessible to the public, through exhibitions, learning resources and by other means.
- Ensure that research on the collections is undertaken and communicated, and to create and share knowledge about them.

The Act empowers the Board of Trustees to do whatever they deem necessary to deliver those functions, subject to a number of matters for which Ministerial consent is required.

In practice, the range of activities undertaken by National Museums Scotland is significant. It includes:

- Creating imaginative, enjoyable and memorable exhibitions.
- A wide-ranging programme of events for all ages which meets diverse visitor needs, often undertaken in collaboration with other organisations.

- Enhancing the National Collections with new acquisitions.
- A portfolio of collections research, much of which is undertaken in partnership with universities and other organisations, both in the UK and internationally.
- Growing activity 'beyond our walls' through national and international touring exhibitions, loans and community-based initiatives.
- A popular and growing multichannel digital presence.

Our funding comes from three principal sources: the Scottish Government, commercial income and philanthropy. Our largest source of funding is Grant-in-Aid, received annually from the Scottish Government. Investment over the last decade in museum developments, programming and marketing has helped increase income from museum, exhibition and events admissions. We have also enhanced other commercial activities such as retail, catering and venue hire, and are continually looking for other opportunities to leverage the potential of our assets. We successfully raise millions of pounds a year from grants, sponsorship and philanthropic donations, and are developing initiatives which will appeal to a wider base of donors and further increase income from fundraising. We have been successful in being awarded significant grants for a wide range of specific developments and initiatives by the National Lottery Heritage Fund.

Why do we do it?

National Museums Scotland reaches millions of people every year, supported by a wide range of funders who believe in the importance of our collections, our museums and the work that we do. Understanding our impact and how to measure and evidence it is becoming increasingly important, and is founded on our organisational purpose.

Social Impact

Each year about 250,000 people actively take part in our learning programmes, and we are keen to do more. For instance, through a National Lottery Heritage Fund supported project, Scotland 365, we are learning how to better engage young people (16–25 year olds) with heritage in more impactful ways. The project will deliver research, staff training, volunteer placement opportunities, and youth engagement programming and activities over the next two years.

We also continue to support and promote inclusive programming for those with additional support needs. Recent examples are:

- *Early Doors* and *After Hours* for autistic/ADHD children and young people give exclusive and regular access to our exhibitions and displays, including the new East Asia and Ancient Egypt galleries which opened in 2019.
- Audio-described tours of special exhibitions for people with visual impairments. Key front of house staff including the Learning Enabler team have been trained in audio-description techniques, and free audio-descriptive tours are also available to pre-book for one-off groups.
- *Friday Friends @Museum* monthly sessions for visually impaired and deaf children and their families, supported by the City of Edinburgh Council's Sensory team. Each session supports children to explore topics and objects in depth, develop their skills in creativity and make friends with others.
- Working with partner museums with their delivery of Ancient Egypt and East Asia exhibitions and displays, supported by the Esmée Fairbairn Foundation and Peoples Postcode Lottery. Collaborative work has included schools workshops, activities with young people and families, visitors with additional support needs, and community groups.
- We are supporting partner museums in their planning and learning resource development as part of the Galloway Hoard touring exhibition programme.

Educational Impact

We host visits from approximately 65,000 school children each year at our museums, including those that are 'harder to reach' in terms of their geographic spread, socio-economic backgrounds and prior engagement with heritage. We also work with schools outside our walls through specific targeted initiatives, often with the support of partners:

- *Powering Up* science engagement schools outreach workshops, supported by the ScottishPower Foundation, delivering 130 workshops in areas high on the Scottish Index of Multiple Deprivation to 4,500 participants at local museums in Midlothian, South Lanarkshire, West Dunbartonshire, Perth and Kinross, Glasgow and Edinburgh.
- *Discover* summer families programme with the City of Edinburgh Council's four community hubs, delivering science engagement and Ancient Egypt outreach sessions to children for whom isolation and lack of subsistence over the holiday period is an issue ('holiday hunger').
- *Discover the Museum* schools engagement project, supporting non-visiting schools in deprived areas to visit the museum for a self-led visit and healthy snack.

We co-supervise PhD students from a range of universities and disciplines, who dedicate a minimum of three years researching our collections. In 2019/20, 15 PhD students worked on topics as diverse as the Cold War, typewriters, Jurassic marine crocodiles and new methods of analysing the dyes in our older embroideries. Their research creates public impact through new stories and information about our collections and developing new conservation techniques that will be transferable to the museum sector as a whole.

In addition, we supervise between 15 and 20 Masters level national and international students, and share knowledge of our collections and their care through lectures and workshops for university and college students as part of their academic courses.

Economic Impact

An independent study in 2018 concluded that the National Museum of Scotland contributed £95.7m Gross Value Added (GVA) and 4,660 jobs to Edinburgh, and the National Museum of Flight contributed £6.5m GVA and 344 jobs to East Lothian. To put this in context, this represents 13% of the tourism jobs in Edinburgh and 9% of the tourism jobs in East Lothian.

Beyond our role in preserving significant social, cultural, technological, scientific and artistic Scottish collections, we have a wider role to play in increasing the competitiveness of Scotland's tourism product, helping to attract visitors not only to our museums but the wider economy. For example, our museums play a role as unique conference and event venues and as venues for festivals and shows throughout the year.

As well as generating a significant local and national economic impact, we also create significant social, educational, and cultural impacts. In addition to their intrinsic value, such impacts have longer term economic benefits by making Scotland an attractive place to live, work, invest and visit.

Academic Impact

Our average annual pledged income for dedicated research has increased by 52% over the four years to 2019/20, including funding for research into Early Medieval Scotland supported by The Glenmorangie Company, and research on our tartan collection supported by the William Grant Foundation. Since 2016, 331 peer-reviewed papers have been published, each demonstrating a contribution to new knowledge by our team of curators.

As an Independent Research Organisation we are eligible for funding from the Arts and Humanities Research Council (AHRC) and have successfully applied for funding to build Research Networks for our work in Roman and early medieval silver (2016–2019) and early gold (2018–2019). The AHRC is also funding new research into the practices, culture and significance of British military collecting of artefacts from Africa and India from 1750 to 1900, examining our own and partners' collections. This research will culminate in two publications, an exhibition at the National War Museum and a major international seminar in 2020.

Environmental Impact

We continue to make good progress in understanding our environmental impact and have already reduced emissions from energy by 62% since 2012/13. We have been actioning our Sustainable Development Strategy and already started the thinking and conversations on our Strategy for the next planning period (2022 onwards). A key element of this will be to chart our approach on reaching net-zero emissions of all greenhouse gases by 2045.

Our Sustainable Development Group will consider how we translate the Strategy into action across all areas of National Museums Scotland to aim to meet the targets. In addition to emissions from energy consumption, the Group will define actions and key performance indicators which will consider travel, waste, farm operations, biodiversity, and other areas within our influence.

Our active collections research and scientific fieldwork provides rich evidence-based research into environmental change and biodiversity loss. The work of the Natural Sciences team and the breadth of collections-generated information contributes to the effort in the UK and around the world of better understanding human impact on the environment. Curatorial work also underpins our public engagement programming through family and adult learning. In 2020 we focus on *The Year of Coasts and Waters* with exhibition and displays work, accompanied by talks and debates. We plan an ambitious gallery renewal in 2021 bringing new content and interactives to our family audiences.

How far have we come?

National Museums Scotland has achieved a great deal over the last ten years. We have:

- Achieved significant growth in visitor numbers (both physically and online) and attracted new and broader audiences. Across our four museums, our total visitor numbers have more than doubled, from 1.26 million in 2009/10 to 3.2 million in 2018/19, significantly boosted by transformed visitor experiences at the National Museum of Scotland and the National Museum of Flight.
- Created an excellent public offer including special exhibitions, new and upgraded displays, events and digital content across a range of channels.
- Completed the £80 million transformation of the National Museum of Scotland. This has established the Museum as the most visited attraction in the UK outside London, and built our reputation on an international stage.
- Raised over £100 million from public and private sources for major projects.

- Created dramatic new displays with more engaging storytelling and considerably improved collections care at the National Museum of Flight, through the redevelopment of two hangars completed in spring 2016.
- Shared over 700,000 objects from the collections online through our Search the Collections database.
- Made many significant acquisitions across our full range of collections, often with the support of major grants and individual donations.
- Completed a major project running over a number of years to bring together our stored collections in a single location at the National Museums Collection Centre. This has also delivered major improvements in our research, conservation and collection access facilities.
- Enhanced our national role and reach through a wide-ranging National Strategy which shares our collections through partnerships, community initiatives and exhibition tours, as well as providing skills development training and advice to the Scottish museum sector.
- Extended our international links and profile through our first major international touring exhibition, *Monkeys! A Primate Story*, which has visited Belgium, Australia and Spain and will continue on to Finland.
- Continued to improve our efficiency and effectiveness and increased joint working with other organisations.
- Demonstrated our commitment to reducing our carbon consumption through implementing a new Sustainable Development Strategy.
- Worked hard to become more financially independent. Excluding Capital Appeals, our non-government income has increased from £.3m in 2015/16 to £7.7m in 2019/20.

Our governance

National Museums Scotland is a Non-Departmental Public Body (NDPB) – a body established by statute outside the departmental system of Government. NDPBs are responsible for delivering a specified service to the public and normally receive most of their funding from Government.

National Museums Scotland is a Scottish Charity (no. SC011130).

We are governed by a Board of Trustees appointed by Scottish Ministers. The Board is responsible for guiding the vision, strategic direction and priorities for our organisation, and for monitoring progress. The Executive Team, led by the Director, is responsible for proposing and delivering strategic plans and policy, and for operational management and decisions.

Our wholly owned company, National Museums Scotland Enterprises Limited, drives commercial income through activities such as hospitality and events, retail, publishing, licencing and image management. The Board of NMSE Ltd includes external members who provide specialist expertise.

3. Strategy, planning and performance



Our strategic framework

We will organise our activities around the following core principles:

Our Mission

National Museums Scotland's Mission is an overall statement which describes what we do:

"We preserve, interpret and make accessible for all, the past and present of Scotland, other nations and cultures, and the natural world."

Our Vision

Our vision sets out what we aspire to achieve:

"Inspiring people, connecting Scotland to the world and the world to Scotland."

Our Aims

These four aims direct our strategic priorities and actions:

Put Audiences First

Create inspiring experiences that help our audiences' understanding of themselves and the world around them.

Value our Collections

Preserve, interpret, share and make them accessible for all.

Increase our Reputation and Reach

Connect more with people locally, nationally and internationally.

Transform our Organisation

Develop our people, and work together to deliver our ambitions and increase our income.

Our Priorities

1. Creating inspiring visitor experiences.
2. Developing, preserving and increasing access to the National Collections.
3. Strengthening and sharing collections knowledge and research.
4. Reaching out to people across Scotland and the world.
5. Transforming our digital engagement.
6. Valuing, supporting and developing our people and empowering them to work together in new ways.
7. Growing and diversifying our income.
8. Taking action on climate change and environmental impact.

Our Values

Our values describe how we want to operate – with each other and externally:

Creative: we are innovative and thrive on good ideas

Inclusive: we are open, friendly and enabling

Collaborative: we are enquiring, receptive and well connected

Forward-Thinking: we look for the big picture as well as the detail

We capture all of the above in our brand, “Real Things, Revealing Stories”, which is at the heart of how we communicate and engage with people at our museums and beyond.

Reporting on performance

Our Strategic Plan is delivered through a set of Strategic Actions which forms the core of our Operational Plan for 2020–22. The overall performance of our organisation is measured through a set of 10 Key Performance Indicators (KPIs) which are detailed in Appendix 1. While the Operational Plan focuses on the priority actions for the two-year period, our KPIs span 2016–22 so that longer term performance can be assessed using annual targets.

We review our progress on the achievement of the Operational Plan actions and against our KPI targets on a quarterly basis, and the outcomes of both methods of review are considered by the Executive Team and our Board of Trustees.

National Museums Scotland is accountable for the use of the public funding we receive from the Scottish Government. Each year, we report on our progress and performance in two key public documents:

- **Annual Report & Accounts**

The information we provide in the Annual Report & Accounts includes details regarding: our organisation; key activities and achievements; Audited Accounts; Internal Control; and progress against our Key Performance Indicators over the previous financial year.

- **Annual Review**

Our Annual Review is distributed to a wide range of stakeholders to inform them of our headline achievements and contribution. In addition, we hold an annual Public Open meeting every year where we report on key developments and achievements and future planned direction.

Our values

Creative

Inclusive

Collaborative

Forward Thinking

Our vision

Inspiring people,
connecting Scotland
the world and the
world to Scotland.

Our aims

- Put Audiences First
- Value our Collections
- Increase our Reputation and Reach
- Transform our Organisation

Our priorities

- Creating inspiring visitor experiences
- Developing, preserving and increasing access to the National Collections
- Strengthening and sharing collections knowledge and research
- Reaching out to people across Scotland and the world
- Transforming our digital engagement
- Valuing, supporting and developing our people and empowering them to work together in new ways
- Growing and diversifying our income
- Taking action on climate change and environmental impact

4. Our priorities and strategic actions for 2020–22



Although we are operating in an increasingly challenging financial climate, our ambitions to continue to transform our facilities and services and enhance our impact both nationally and internationally are undimmed. We will continue to build on the many achievements of the past decade to ensure that the National Collection is cared for more effectively, shared with an increased number of people, and that our overall impact continues to grow.

Our eight Priorities for this two-year planning period are set out below. As outlined in Section 3, they will be delivered through a set of Strategic Actions which forms the core of our Operational Plan 2020–22.

Priorities 2020–22

Priority 1: Creating inspiring visitor experiences

We provide unique experiences, inspiring people of all ages, encouraging a global outlook, and boosting creativity and innovation. We will engage with a wide range of audiences to create meaningful connections, facilitate understanding, build knowledge and encourage participation within a culture of two-way dialogue. This will enable us to deliver a world-class visitor experience based on top quality galleries, public programmes and facilities.

Priority 2: Developing, preserving and increasing access to the National Collections

We develop and promote public engagement with wide ranging collections of national and international importance. We will increase access to the National Collections and their stories through displays, exhibitions and public events at our five sites and through digital channels. We add to, care for and preserve the National Collections, and the iconic heritage buildings and landscapes where our collections are displayed.

Priority 3: Strengthening and sharing collections knowledge and research

An appreciation of the past is integral to a better understanding of the present, and to building a dynamic and ambitious vision for the future. We will strengthen knowledge of the National Collections through collaborative research, creating strong synergies between research and permanent displays, special exhibitions, digital products and public programmes.

Priority 4: Reaching out to people across Scotland and the world

We seek to share the National Collections with as many people as possible, engaging with communities across Scotland and building our reputation on the world stage. Working with partners in Scotland, the UK and internationally we aim to increase visits to our sites by making connections with new and diverse audiences, create unique exhibitions, touring and making loans, attracting significant profile and audiences.

Priority 5: Transforming our digital engagement

The digital revolution brings huge opportunities to transform how we do things, enabling us to engage many more people in different ways through dynamic new channels. We aim to increase collections information online, and build platforms to share expertise and increase engagement, focusing on user needs, attracting larger audiences, encouraging debate and supporting learning. To support this we will develop digital skills and understanding across our organisation.

Priority 6: Valuing, supporting and developing our people and empowering them to work together in new ways

We will work more creatively, efficiently and effectively, establishing new and better ways of planning, resourcing and delivering our activities. We will develop our people and empower them to deliver on our aims and aspirations, creating a culture that encourages and supports learning, creativity and knowledge transfer. We will develop team working across the organisation, looking at our processes, breaking down boundaries and investing when necessary across our operations.

Priority 7: Growing and diversifying our income

To fulfil our ambitions and ensure we continue to meet the expectations of the people we serve, we need to find new ways to secure the financial and other required resources. We will nurture our relationships with audiences to promote individual and legacy giving. We will develop fundraising opportunities for our major projects, connecting our activities to sources of external funding. We will continue to develop our commercial operations and identify new opportunities to generate revenue to support our aims.

Priority 8: Taking action on climate change and environmental impact

We recognise the global threat of climate change and will play our part in taking action to reduce our contribution to it. We also recognise the need to reduce our contribution to environmental degradation, whether in relation to waste, biodiversity or in other areas. As an organisation with internationally important natural science collections, we will also use our collections and expertise to inform and engage the public on these issues.

Strategic actions 2020–22

Each of our Strategic Priorities is underpinned by Strategic Actions which form the basis of our Operational Plan and annual Departmental Plans. The Strategic Actions for this two-year planning period are set out below:

Strategic Priorities	Strategic Actions 2020–22
1. Creating inspiring visitor experiences	1.1 Improve the experience of our visitors at our sites 1.2 Plan for the redevelopment of the Scotland Galleries at the National Museum of Scotland
2. Developing, preserving and increasing access to the National Collections	2.1 Implement Phase 3 of the Masterplan for the National Museum of Flight 2.2 Implement the strategic vision for the National Museums Collection Centre 2.3 Develop the collections in line with the Collections Development Strategy
3. Strengthening and sharing collections knowledge and research	3.1 Increase knowledge and understanding of objects in our collections 3.2 Increase the quality and impact of our collections research
4. Reaching out to people across Scotland and the world	4.1 Grow and diversify audiences for our museums 4.2 Develop programmes and partnerships to increase our impact beyond our walls
5. Transforming our digital engagement	5.1 Develop our digital skills and infrastructure 5.2 Use digital channels to enhance our engagement with the public
6. Valuing, supporting and developing our people and empowering them to work together in new ways	6.1 Devise and deliver programmes to develop our people and organisation 6.2 Enhance our operational infrastructure and business processes
7. Growing and diversifying our income	7.1 Increase commercial income 7.2 Secure target capital income 7.3 Secure target revenue income
8. Taking action on climate change and environmental impact	8.1 Reduce our climate change and environmental impact 8.2 Create inspiring and informative programmes related to climate change and environmental impact

5. External environment



The period 2020–22 will be one of continuing uncertainty and change, particularly in financial terms. The need to attract and retain specialist staff, the demands of an historic and ageing estate, and increased competition for funding continue to present a challenging environment. However, we also have the opportunity to review our range of assets and how we use the skills of our team, and consider new business models and approaches to supporting our ambitious plans.

External context

Public Policy Environment

- The Plan period of 2020–22 includes the Scottish Parliament elections in May 2021, the possibility of a second independence referendum and the implications of leaving the European Union. All of this presents uncertainty and potential for change.
- The new Culture Strategy for Scotland launched in February 2020 sets out a new focus for culture in Scotland.
- The Scottish Government’s expectation is that public bodies in Scotland will play an important role in the delivery of Government priorities, such as social justice and tackling inequality, with a resource base which is declining in real terms.
- The Scottish Government target of ‘net zero’ emissions by 2045 will require significant additional investment from Government.

Museum Trends

- There are growing differences between relatively well-funded museums based in London and other international capitals (e.g. British Museum, Tate, V&A, Museum of Modern Art, The Metropolitan Museum, the Louvre) and other national museums.
- The financial freedoms from some elements of Government control now in place for major London-based national museums and galleries means that they can operate in a more flexible way.
- Museums are the UK’s most popular visitor attractions, and with this comes significant visitor expectations. More than ever, museums need to have an active, engaging and more proactive relationship with their audiences.

- Internationally, museums are increasingly aiming to find new ways and new opportunities to reach and engage wider audiences.

Emergent Challenges/Opportunities

- A continued renewed focus on Scotland as a nation makes opportunities to tell our stories a potential priority for investment, e.g. major renewal of the Scotland galleries at the National Museum of Scotland.
- Continuing trend by museums towards a focus on broadening their impact and reach 'beyond their walls' – locally, regionally, nationally and internationally.

Financial Environment

- Our operational costs continue to rise while Grant-in-Aid funding continues to decline in real terms.
- A significant increase in visitors to our free-to-enter sites is resulting in a growing impact on the maintenance of building fabric, displays and necessary visitor-facing services, with no additional funding to offset these costs.
- Our ability to enhance non-government income streams further is now more limited due to the significant gains already made, and we anticipate that any future growth is likely to be more incremental.
- There is increased competition for other sources of income, e.g. from the National Lottery Heritage Fund, charitable trusts and foundations, individuals, and corporate sources, due to reductions in government and local authority funding.
- There is an increased requirement from funders to evidence inclusion and social impact.

Contributing to the Scottish Government's purpose

While our organisation's strategy is the responsibility of our Board of Trustees, we work within the wider policy context established by Scottish Government. Their National Performance Framework measures and keeps track of how Scotland is performing in relation to the Scottish Government's purpose and strategic objectives. The Framework includes 11 National Outcomes that describe what the Scottish Government wants

Scotland to achieve. Given the breadth of our public provision and national and international work, National Museums Scotland contributes to at least the following 7 National Outcomes:

- *We are creative and our vibrant and diverse cultures are expressed and enjoyed widely.*
- *We are well educated, skilled and able to contribute to society.*
- *We are open, connected and make a positive contribution internationally.*
- *We have thriving, innovative businesses, with quality jobs and fair work for everyone.*
- *We value, enjoy, protect and enhance our environment.*
- *We are healthy and active.*
- *We grow up loved, safe and respected so that we realise our full potential.*

We welcome the Scottish Government's new Culture Strategy and its recognition of the intrinsic value of culture as well as its power to create positive social, economic and environmental change. We are proud of our contribution to the creation and promotion of world-class culture in Scotland, and are committed to contributing to the delivery of the new Strategy and its principles of partnership, inclusion and accessibility, which have long guided our work.

Partnerships

We increasingly work in partnership with a wide range of public and private sector organisations to support the delivery of our priorities.

National Strategy

The launch of our National Strategy in October 2016 has been a catalyst for strengthening the reach and impact of our work across Scotland. We now work in every Scottish local authority area, have introduced a regular programme of touring exhibitions, and have almost doubled the number of objects on loan to organisations across Scotland.

Our popular National Training Programme offers free collections knowledge and skills training for staff and volunteers in museums across Scotland.

In a new initiative, we are developing and delivering Maths Week Scotland in partnership with the Scottish Government. Enabled by our experience in engaging a wide variety of audiences, this broadens the reach of our already successful STEM (Science, Technology, Engineering and Maths) engagement across Scotland.

Building on these successes, we look to the future through the development of a new National Strategy for the next planning period. A sector-wide consultation will help us identify areas of need, enabling us to make best use of our available resources and proactively seek additional funding to support our objectives of sharing objects and expertise, inspiring audiences and building capacity in the sector.

Touring Exhibitions

Our touring exhibition programme creates opportunities for wider public reach and impact, through enhanced profile for Scotland and National Museums Scotland. To develop our touring exhibition programme we have created partnerships across Scotland, the UK and internationally:

- *Discovering Ancient Egypt* toured to three venues in Scotland during 2019 – Hawick Museum, Montrose Museum and Art Gallery and The Baird Institute, and this Scottish tour will be extended into 2020. Further to its recent acquisition and conservation programme, the Galloway Hoard will tour to Kirkcudbright Galleries, Aberdeen Art Gallery and The McManus in Dundee.
- *Monkey Business*, a major exhibition first shown at National Museum of Scotland in 2016/17 has been hosted in Australia and Brussels. It is booked by museums into 2021, travelling to Spain, Finland and London.
- *Body Beautiful: Diversity on the Catwalk* will also be travelling in the UK and across Europe in the next few years.

Research

Strong partnerships with academic institutions continue to inform and develop our practice, as we seek to work with universities internationally recognised for their knowledge and expertise in those subject areas that interact with our collections.

We are engaged in UK, European and international initiatives to create research infrastructures for heritage science, and to bring data about our collections together with data from similar collections around the world. In the field of natural sciences, it is hoped that this collaboration will help unlock better understanding of changes to our environment.

We also work in partnership with universities to engage the public with their research via exhibitions and public events. With the Universities of Dundee, Edinburgh and Glasgow we created *Parasites: Battle for Survival*, an exhibition which showcased the ground-breaking research of these Scottish universities and their contribution to eradicating tropical parasitic diseases. The exhibition content was developed and tested with secondary school pupils and designed specifically to encourage teenagers to consider a career in science.

Internationally, funding from the AHRC is supporting a collaborative research project with universities and museums in Mozambique looking at traditional printed cotton cloth called *capulana* in relation to women's identity and heritage.

6. Managing risk



The main risks we are managing

While our plans for the future are ambitious, we need to recognise and manage key risks that could be major obstacles to delivery. These are regularly reviewed by the Executive Team and the Board of Trustees. During the period of this Plan, we consider that three key risks are:

- A real-terms or cash reduction in Grant-in-Aid income from the Scottish Government.
- Buildings not meeting appropriate legislative standards; not fit to be occupied by the public, staff or collections; or becoming uneconomic to refurbish and requiring replacement.
- Difficulties in recruiting and retaining staff in vital posts.

These risks are outlined in more detail below.

The declining value of government funding

A real-terms or cash reduction in Grant-in-Aid income has been a key risk throughout the last decade and is expected to remain a dominant risk to the delivery of this updated Strategic Plan 2020–22. This requires a continuation of creative approaches to fundraising and a continued entrepreneurial approach to commercial initiatives. Our operational budgets cannot sustain standstill funding in the future without impacting on our activities. In addition, visitors to the National Museum of Scotland have trebled, with no additional funding for the resulting increase in day-to-day running and maintenance costs.

Estate maintenance costs

The appropriate maintenance of premises that are fit-for-purpose is critical for our ability to safeguard the National Collection, operate safely and effectively, and to continue to offer the high standards of presentation and service expected by our visitors. We need to enable

staff to work effectively, visitors to enjoy our museums in comfort and safety, and to be able to safeguard the National Collections for future generations.

As a result of a long period of real-terms decline in Government funding, we are increasingly unable to fund the day-to-day operation and maintenance of the estate to acceptable standards. This inevitably results in maintenance work becoming reactive instead of proactive with some items being postponed to an uncertain future date.

Our Estate Strategy includes an assessment of the condition and performance of the current estate. This confirms that we continue to have a significant amount of backlog maintenance due to the lack of funding over an extended period. After completing a programme of major projects and the disposal of the former Dental Hospital office premises, the estimated cost of meeting already existing backlog maintenance needs has increased to £24 million from £13 million. With the age of our estate and continued wear and tear, we anticipate the backlog maintenance figure will continue to increase.

During the last Spending Review period, the Scottish Government provided £3.6 million of additional funding to enable significant works to proceed to begin tackling the backlog maintenance challenge. A capital grant of £1 million during 2016/17 enabled us to tackle further issues, including removal of the original National Museum of Scotland cooling plant. Further capital grants of £725k in 2018/19 and £750k in 2019/20, enabled us to replace ageing plant and equipment and reduce our carbon footprint. While such investment has been very welcome, a step change in the level of funding is required to manage the existing and emerging estate needs. We will continue to seek further Scottish Government support, and funding from other sources where possible, to continue this work and to seek to reduce the level of risk.

Building renewal

Beyond normal planned and routine maintenance, we have a range of buildings which require comprehensive refurbishment in order to continue to be functional and keep pace with visitor expectations. In some cases, buildings require complete replacement, while

some at the National Museum of Flight are not currently occupied at all due to their condition and investment needs.

Despite a significant number of improvements and renewals progressed over the last decade, without further major investment some 30% of the National Collections will continue to be stored in accommodation below acceptable levels. The renewal of such facilities is only realistically going to be possible through the provision of capital investment by the Scottish Government.

The overall building renewal programme has a current value in the region of £32 million. Making progress in this area would also have the beneficial effect of reducing the value of the backlog maintenance outlined above.

Maintaining a skilled and experienced workforce

When staff leave, skills and experience built up over a number of years can be lost to an organisation. This has become a particular issue over the past decade as employee numbers, often in specialised areas, have been reduced as a result of financial constraints. Wherever possible, we have developed processes and delivered development programmes to minimise this risk.

In addition, it has become clear that Public Sector Pay Policy, funding constraints and other factors are having an increasing impact on recruitment:

- For a range of specialised roles we recruit from a restricted pool of specialists in a variety of fields, many outside Scotland and often outside the UK.
- In some fields, it is becoming increasingly difficult to recruit due to salary issues and this risks compromising our ability to deliver our own and Government's priority outcomes. Our competitors such as universities, major national museums in London and some major cultural and heritage organisations often have more financial freedom than us to offer more competitive rates.

- The current economic climate and perceived uncertainty over the political climate in Scotland have discouraged relocation, and affected recruitment of senior staff and those valued highly by the market.
- Staff with transferable skills are being attracted to other sectors with better pay, resulting in recruitment difficulties and workforce gaps.

Given that the current environment is not likely to change with any speed, the risks in this area will continue to be an issue for the organisation. Retention, appropriate reward within the constraints we work within, motivation and development of existing talented staff are therefore a priority for our Workforce Plan.

7. Financial plan 2020–22

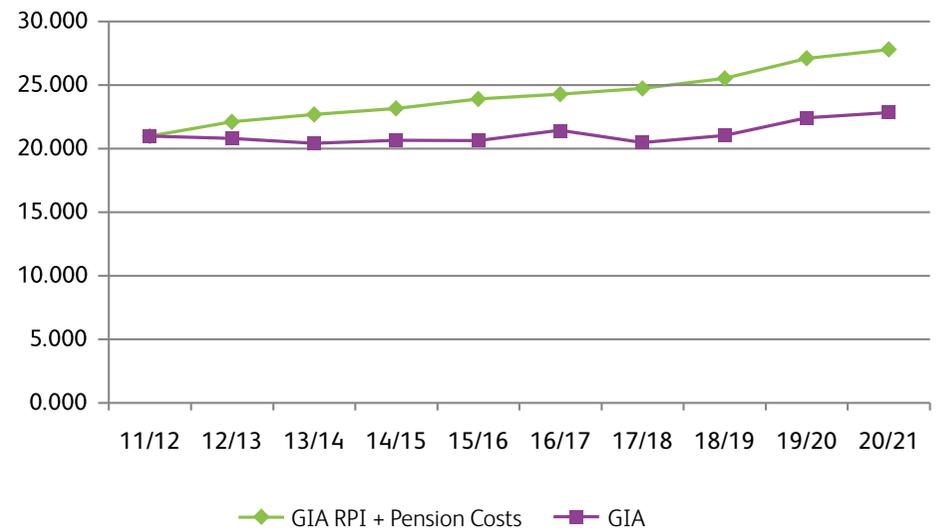


Government funding

Prior to 2011/12, our Scottish Government Grant-in-Aid increased in line with inflation. Since then funding for our operational costs has been static – with inflation at over 30% this is having a major impact on our finances as this is our main source of income.

Grant-in-Aid has increased in recent years to help fund changes to the Scottish Government Pay Policy and additional Pension costs, however even factoring this in we have seen a real-terms decrease in our funding of over £5 million. During this time our visitor numbers have trebled.

Figure 1: Government funding for running costs 2011–21



Funding from other external sources has increased, but often attracts equal offsetting costs or marginal unrestricted funding. One major success has been the contribution from NMS Enterprises Ltd, our trading company, which has more than trebled to £0.8m in 2018/19.

Within this funding context, National Museums Scotland has significantly enhanced the service it offers, increased national and international recognition of its work, and delivered transformative changes at the National Museum of Scotland, National Museum of Flight and National Museums Collection Centre.

We have achieved this by remaining an ambitious organisation in both our management of costs and in fundraising effectively from a wide range of other public and private sources, alongside the support that the Scottish Government continues to provide.

Financial strategy

Our current operational budget and plans for 2020–22 are summarised in the Table below.

Table 1: Operational Financial Planning 2020–22

	2020/21 Budget	2021/22 Plan	2022/23 Plan
	£000	£000	£000
Income			
Grant in Aid	22,872	22,872	22,872
Commercial	3,467	3,330	3,134
Philanthropic	1,195	622	633
Total Income	27,534	26,824	26,639
Expenditure			
Employee Costs	17,333	17,717	18,209
Operational Costs	10,192	9,908	10,002
Total Expenditure	27,525	27,625	28,211
Surplus / (Deficit)	9	(801)	(1,572)

Our costs will continue to increase during 2020–22. It is important that we continue to attract and retain the broad range of specialist and public facing staff that any national museum needs to operate effectively, and this is reflected in a substantial element of our costs continuing to be in staff costs.

A substantial part of our cost base is tied to the fixed cost of operating four museums on heritage sites, which drives large maintenance and energy bills that can only be managed at the margin and will usually increase year to year.

In prior years, increases in external costs have been absorbed through more efficient working, targeted investment, and growing commercial income. In future, there is only very limited future opportunity in these areas. This challenge of our funding, must not be underestimated and could have implications on our overall plan if not addressed. However, we are confident that working with the Scottish Government these issues will be addressed.

Increasing commercial and philanthropic income

A key achievement over the last decade at National Museums Scotland has been to gain a substantial increase in income through commercial activities and philanthropic sources. This has enabled us to achieve much more than would otherwise be the case, particularly in relation to capital developments. For example, within our capital investment programme we have consistently more than matched every pound of Government investment with a pound from other sources.

As part of continuing to sustain a successful organisation and in order to realise our ambitions, during the period of this Strategic Plan we aim to gain a further significant increase in non-Government revenue income. We will seek this through an enhanced focus on this area, including:

- Identifying opportunities to grow the net income gained from the commercial activities directly managed by National Museums Scotland Enterprises Ltd.

- Increasing income from site, exhibition and event admission by investing in dynamic, visitor-centred programmes and marketing, supported by appropriate pricing strategies.
- Growing income from sponsorship, grants and donations from a broader base of support and towards a wider range of our activities.
- Encouraging increased visitor donations, particularly at the National Museum of Scotland.
- Enhancing the contribution made by our individual giving programme.

Achieving a significant change in this area will require an enhanced focus across the organisation. There is also a need for investment in a new approach to Customer Relationship Management and ticketing, to gain the full potential synergies across a range of activities.

Capital programme

In recent years we have developed a broad base of supporters, inspiring them to invest in sustaining and enhancing our services. This is a vital part of meeting our core objectives (and statutory obligations) to look after the national collections and make them accessible to as many people as possible.

In 2015, we completed an important phase of development at the National Museums Collection Centre, opening a state-of-the-art collections storage and research facility. In 2016, we completed and opened to the public developments at both the National Museum of Scotland and National Museum of Flight. In 2017, we developed new facilities providing improvements in research, access and storage facilities at the National Museums Collection Centre and have further phases planned. In 2019, we completed the 15-year, £80 million transformation of the National Museum of Scotland with the opening of three new galleries.

Over the next few years, work is planned on a new hangar and other facilities at the National Museum of Flight so that our largest aircraft, most of which are currently outdoors, can be preserved for future generations. We will also develop our plans for

updating the Scotland Galleries at the National Museum of Scotland, which are over 20 years old.

Our achievements to date and our ambitious plans for the future are a testimony to the creativity and hard work of our staff and the people we work with, and those who support us. All of this progress is underpinned by the ongoing financial support of the Scottish Government, and our capacity to develop a growing group of generous contributors across Scotland and the wider world.

Appendix 1

Key Performance Indicators

Ref. No.	Indicator	Purpose	Definition
1	Total number of on-site physical visits	Tracking trends	Entry counting
2	Online audience	Tracking trends	Website visits plus social media
3	Total on-site learning participation	Tracking trends	Aggregated formal and informal learning participant count
4	Total visits to National Museum of Scotland exhibitions	Tracking trends	Special Exhibition Galleries 1 & 2 count (excluding SEG3 & 4 and other sites)
5	Total value of commercial income	Targeting growth	From management accounts

6	Total value of philanthropic income	Targeting growth	From management accounts
7	Visitor satisfaction	Sustaining a high level	Visitor surveys
8	% of collections storage by area meeting appropriate standards	Targeting long-term improvement	By volume of storage space meeting requirements
9	Energy consumption reduction in tCO2e	Targeting reduction	CO2 emissions (tonnes)
10	Non-government income as % of total income	Tracking long-term trend	From budget and final accounts

