BUSINESS PLAN SAMPLE TEMPLATE

On 25th July 2017 the inaugural meeting of the Libraries Peer Network Pilot took place. A number of libraries agreed to share information for the benefit of new and existing community libraries in the UK. For its part Primrose Hill Community Library agreed to share its business plan, and that plan, revised last year, is attached. We hope it may be useful in provoking ideas for others, although we are very conscious every library has its own special set of circumstances.

Potential Use Of The Plan

Our business plan was designed to be multi-functional so that one version could provide the information required for the local council, for our donors, for potential grant givers and for volunteers and users. When our library was slated for closure by the local council, the two arguments made were; (a) that it was ‘surplus to requirements’, given that a number of larger libraries were reasonably close, and (b) general comments about scarcity of council funds.

The first battle, which we seem to be winning, is to prove we are not surplus to requirements. We felt it was important to have a scientific basis for it and that our work should be seen in the context of Camden Council’s library plans. For this reason we sought to collect data sets comparable to the data collected by the local council network, and also look particularly at the vulnerable groups for which we play a special role i.e. the very young and very old for whom being close is essential. Pages 11 and 12 of the attached report show how we have used this data.

For donors and grant givers, we needed to explain why we required funding while also convincing them that their money would be used wisely. As with all businesses, it is extremely important to prove competence and we believed the best way to do so was to consistently measure ourselves against the original business plan presented to Camden Council. So this plan, updated in 2016, has the same objectives as the first two plans we had produced.

Information We Found Useful To Include

In applying for grant applications - where our hit rate is over 50% - we found a number of items frequently coming up. This experience enabled us to create a shopping list of what would be in our business plan. The most common examples are:

“How did you become a community library?” See Page 4 of our plan.

“What are your principles and objectives?” See Page 5.

“What governance arrangements are in place?” See Page 5.

“What is the relationship with local schools?” See Page 9.

The Spirit Of the Library

All of the above sounds like an incredibly dry corporate plan. We do believe having a professional look and feel has helped with grant applications and in convincing donors. However, in the end, community libraries only exist because of the human elements i.e. the dedication of the volunteers and the support of the users. The way we tried to encapsulate these crucial elements were via: (a) the Chair’s introduction on Page 3; (b) the sections on the day-to-day running of the library on Pages 6-8; (c) the section on Page 10 on how we tried to make the space more friendly; and (d) the pictures throughout the document. We hope these four elements will make those reading the report feel this is a place which is truly loved and valued by all the locals.

In everything we have written in our business plan we have tried to show our library in the context of the general positive benefit of libraries, as the last thing we would want is to do anything that would legitimise the closing of public libraries.

We hope sharing this plan will be helpful to some other community libraries, although many of course have excellent business plans in place already. We do not regard our plan as a one-off campaign document but rather something management refers to on a regular basis to track our own performance.

The Team at Primrose Hill Community Library, August 2017

Please feel free to copy the ideas but please do ask if the document is to be distributed elsewhere.
LIBRARY
BUSINESS PLAN

Revised August 2016

Sharpleshall Street, London NW1 8YN.
Telephone: 020 7419 6599
Twitter: @phc_library

www.facebook.com/PrimroseHillCommunityLibrary
www.phcl.org
EXECUTIVE SUMMARY

Four years on from when we first collected the keys, PHCL is still alive and kicking.

We Have Performed Well As A Library:
- 2,663 new members
- ca. 75,000 visits per annum, +30% versus when council-run
- a significant over-representation amongst the over 60s and the under 11s
- an estimated 7,000 volunteer hours per annum - at the National Living Wage this is worth ca. £50,000 per annum
- a cost per visit of £1, versus £2.33 when council-run, and at nil cost to the Council!
- the Library is now listed as a community asset

We Have Delivered As A Business:
- the original five year plan has proved remarkably accurate
- we generate ca. £40,000 per annum in revenue from library activities (excluding grants and donations) - for comparison, Camden Council now targets £30,000 revenue from its nine libraries combined
- this £40,000 revenue absorbs over half of our £70,000 - £75,000 annual running costs
- the remainder - what we call ‘net running costs’ - is £32,500 per annum, and this amount has to be funded every year by grants and donations; we have achieved that each year so far, thanks to people’s generosity and a John Lyons’ Charity grant

So, a fantastic effort all round. However, we cannot afford to be complacent as we have some challenges ahead:
- One of our core launch-donors made a five year commitment, which brings in ca £23,000 per annum, including Gift Aid, and this year we will receive the final tranche of the pledge. Other standing orders, from roughly 50 local donors, contribute £11,000 per annum. We need to triple that amount to £32,500 per annum by 2020 to maintain breakeven. In 2017 we will have a big campaign to encourage locals to take out standing orders.
- The lease has a provision for PHCL to pay £25,000 in rent to the Council from 2018 onwards, although both council official Fiona Dean and Councillor Tulip Siddiq, then Cabinet Member for Culture and Communities, made it clear they expected rent relief to continue (see page 16 for details). For instance, when fending off criticism of Camden’s library closures, Siddiq wrote in the Camden New Journal: “rather than continue to denigrate our approach and the good work of librarians and volunteers it would be good to see them all receive the praise that they truly deserve. By working in partnership Camden can continue to boast a library service that is fit for the 21st century, and we will continue to support the volunteer-run community libraries in our buildings with rent relief so they do not have to pay to occupy Camden buildings.”

We believe that our donors would find it totally unacceptable if the charitable funds they had donated to buy books, furniture, heating and light, and in order to pay staff costs, were to end up in Camden Council central coffers. Any suggestion that the Library is ‘surplus to requirements’ has been kicked into the long grass as we believe it is demonstrably one of the most successful libraries in the borough. The business plan has been delivered with an accuracy that even surprised us. The only immediate threat to our continuity is the Camden rent risk, which makes it harder and harder to raise donations as 2018 approaches.

We are in contact with the Council to make sure this is resolved in 2016, with water-tight long term assurances, so we can start to execute on the financial plans described above, with a donor campaign to get underway in early 2017. Once this is done, we can again look to a bright future.
CHAIRMAN’S INTRODUCTION

The Library is saved and blossoming. It is open four days a week, has regular visitors and occasional ones, people that pop in for a quick choice and people that stay for a browse through books, the papers or the internet. There are regular events and quirky one-offs. We have a lovely garden that keeps on getting lovelier. And all this thanks to the monetary gifts of our many wonderful donors and the gifts of time from our many marvellous volunteers. And these gifts keep coming in. So we seem to have achieved our goal: we are open and people are using it. … and the feedback has been encouraging.

But four years after opening there is more: we are getting children in to our homework club, we are getting some young adults in to use the wifi and study. We are getting school visits for stories and browsing and we are getting elderly people in to read the papers and get help with their computer tasks. We are hosting more events, even some that may appeal to the younger generation. So we are developing and improving all the time. But there is more to do: we would like more homework club users, more young adults to come and study and 'hang out' (we are still dreaming about that) and even more elderly people to come in, if only for a chat.

So our work is not yet done, we will have to find ways to get these people into the Library, to let them know what a good place it is to be. But if in the end we can just get that one child, that one who would, without our Library, not have had the chance to open a book and become a regular reader and lover of books, then we can say: it is definitely worth it.

Chairman Marijke Good, photographed as part of the Faces of the Hill local art exhibition, which raised £6,000 for the Library.
1. Background: Saving the Library

In 2011 Camden Council announced the planned closure of Chalk Farm Library as part of a broader library cost cutting programme. The Library had just celebrated its 50th birthday.

Local residents campaigned vigorously against a closure but the Council indicated that it would only remain open if the community were to fund the annual running costs of £138,000, which was a non-starter. Subsequently, Camden Council announced that it was seeking expressions of interest “to identify sustainable future uses for the building that will offer the most benefit to Camden Residents, acknowledging their needs and priorities, both social and economic, over the coming years.”

The Friends of Chalk Farm Library and Primrose Hill Community Association ('PHCA') were keen to launch a rescue but needed to gauge the level of local support. They ran a wide consultation, through public meetings, a survey and much other discussion.

This consultation established that there was a widely held conviction that public libraries are a vital educational and social resource, and ours should be preserved. In addition this was a rare community space in the village, one only too easily lost forever as the property developers circled. At the public meeting of 19th September 2011 it was clear there was overwhelming support for attempting to mount a case for managing the library as a charitable community venture and an Expression Of Interest was submitted before the 28th November 2011 deadline. In winter 2011 the group was awarded preferred bidder status. In many ways that was only the start - the other side of the Campaign was to crystalise that community enthusiasm into hard cash and commitments.

After months of letters to residents, events and stalls in Regents Park Road, sufficient offers of time and money had been secured to go forward and a lease was signed in April 2012. By that stage 565 people, mainly local residents, had offered financial help or to donate their time or both i.e. 483 financial pledges and 188 volunteers.
As part of the handover Camden Council agreed to make available £119,000 of Transitional Funding. The Library was handed over with its existing book stock intact but we needed to purchase a new Library system, install new IT and IT support, set up new membership systems and do some general refurbishment of the premises. This grant would also finance a project manager to deal with the handover of contracts and a 6 month librarian posting. The Library was reopened in the course of 2012, step by step, and renamed Primrose Hill Community Library and a new episode began.

2. Establishing Principles And Plans

When we embarked on this venture to run a local library, it was uncharted territory for all of us. We tried to avoid seeing ourselves in isolation, reinventing the wheel, and so studied what was going on at other community libraries, and in the library space in general. We continue to try to be outward looking. We have attended the SPEAK UP for libraries meetings, the Library Campaign, a CILIP conference, we talked to Ian Anstice who writes the influential Public Library News, as well as joining the Camden Libraries network. PHCL was also showcased in an Arts Council report.

This discussion was useful in drawing up our plans, as was residents’ feedback - we had gathered many views in the process of the wide consultation and campaign feedback so we had some sense of what was required by the community. The Library Board thus set these five guiding principles:

- WE WILL BE A LIBRARY
- WE WILL BE A COMMUNITY SPACE
- WE WILL BE AN INCLUSIVE SPACE
- WE WILL CONSULT AS WIDELY AS WE CAN WITH THE COMMUNITY
- WE WILL DEVELOP, ADAPT AND CHANGE IN RESPONSE TO COMMUNITY FEEDBACK

3. Governance Of PHCL, And PHCA’s Role

Legally the activities of the Library sit under the umbrella of Primrose Hill Community Association, although the monies are segregated in separate bank accounts and treated as restricted funds (i.e. only for the Library’s use). So ultimately PHCA Trustees are also responsible for the Library.

How did this structure arise? A key condition Camden Council set for eligible bidders to take over the Library was that the bidder must have charitable status and have been in existence for a number of years, so without PHCA’s involvement the Library bid would have failed.

PHCA also provided the first Chairman, Maureen Betts, and the oversight of its manager Mick Hudspeth, who has stepped in whenever we were stuck. PHCA has delegated responsibility for the Library to a newly-created Library Board of local residents. Some Board members are also members of the PHCA Trustees, but most are not. This gives the Library its own clear governance and satisfies one promise to involve the community. The Board’s role is to keep the Library running smoothly, run its finances, and deliver on the Library’s five guiding principles and objectives.

After the first year, as planned, a new Chair took over, Marijke Good.
4. Day To Day Running

Marijke had originally volunteered for a couple of days a month but is now there much of the time, a sign of how infectious the enthusiasm for the Library has been. The Library also employs a part time events manager, Rob Edgar, who has been brilliant in helping volunteers and keeping things running. We also have a part time bookkeeper, Will Carnochan, who also plays a key role in keeping our financial affairs in order.

The front desk is generally manned by the volunteer force. These volunteers are supervised by nine mentors, also volunteers, who take responsibility when the library is open, training and assisting other volunteers who may be regulars or may be new to things. Currently the mentors are: Maureen Betts, Rosemary Caplan, Sieska Cowdrey, Marijke Good, Frances Parsons, Sharon Ridsdale, Jane Seal, Valerie St Johnston and Katie Tyrrell.

Typically there are three or four volunteers per shift. We have programmes to include special needs volunteers and those at school, who either want job experience for their CV or Duke of Edinburgh awards. Newly arrived foreign nationals often volunteer, to improve their English.

A second group of volunteers - nicknamed “meeters and greeters” - look after the front desk when the library is let out, of which more later.
Several sub groups have been set up to manage specific aspects of the Library: Books, the Business Group and the Film Club, being examples.

This demonstrates that a modern library can nourish the intellectual life of a community in ways other than just books, especially when the films are introduced by people involved in making them, like Jude Law, Denis Lawson (Local Hero), Shirley Anne Field (Saturday Night and Sunday Morning) and Alan Bennett (The Madness of King George).
5. What We Do

The Library is now open 4 days a week as a Lending Library, versus 3 days when council-run. Membership is free. Apart from the core book collection, we have daily newspapers, magazines, free Wi-Fi, with use of PCs also being free for the first hour. For a modest charge, we offer copying and printing services. We organise Rhyme Time, Homework Clubs, Mum’s Mornings, ESOL courses, Bridge, Authors’ talks and Open Mic music evenings. The Library provides a venue for Neighbourhood Help and local councillors’ surgeries.

The community can also enjoy use of the Library on the remaining three “commercial” days. Local groups and entrepreneurs rent the space to offer classes on Tuesdays and Thursdays. Regular classes are: First Class Learning, Yoga (various), Pilates (various), and Mini Mozart. The Library has also become a hot spot for children's parties on Sundays.

Local resident Alan Bennett (London Review of Books) described looking through the windows one evening as he walked past:

“5 March. On my walk I pass the Primrose Hill Community Library, which is closed to borrowers today but open for children, who throng the junior library, some of them sitting with an adult presumably learning to read, others in groups being told stories and at every table children reading on their own. This library is one of those institutions that Mark Littlewood, the head of the right-wing think tank the Institute of Economic Affairs, said would make ‘a useful retail outlet’, a facility and a building for which there was no longer a social purpose. Most of the children reading here are black or Asian, with Somali children in the majority.
We are also trying to help Special Needs pupils and Sharon, who takes care of this, received this note from Abhijit Bhattacharya, Employment Adviser at the Camden Society. He wrote of one pupil: “I met Myles a fortnight back and he seems to be very happy working. I am very grateful for the time you are giving to Myles for his confidence building and overall development. In fact his mum too is very pleased with the progress he is making….Thank you once again for your ongoing support and will be meeting soon to discuss few more proposals I have in my mind. In my view you are the best person I can get advice from.”

6. Working With Local Schools

Working together with local schools is important. So, for instance, some time ago, we approached our local secondary school, Haverstock, to find out what we could offer that might interest their students. From this was born a series of creative writing workshops. The workshops are designed to be fun, to complement the literacy and oracy work done in school, and to build confidence in expressing oneself. Groups of six students aged 11-13 spend an hour a week, for several weeks, with two facilitators.

Primrose Hill Primary School
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Tel: 020 7772 8500
admin@primrosehill.camden.sch.uk
www.primrosehill.camden.sch.uk

14th June 2016

Dear Rob and the team at Primrose Hill Community Library,

This is just a short letter to thank you SO much for your work each week welcoming us into your fantastic library and arranging storyteller sessions for us. The children look forward to every visit and have thoroughly enjoyed the stories they hear, as well as the opportunity to access the books independently. Fostering a love of reading in children and helping them become confident in a library environment is so important and also one of our whole school targets this year. You’ve helped to play a very important role in helping us achieve this.

The way you’ve developed your story telling over the year has been great to see. Having a hidden Lora with a voice altering microphone during a recent session was a wonderful surprise for us all! Using the projector and screen to enable children to follow the text and see the illustrations is great too.

We really appreciated the extra session you organised that enabled us to visit a local allotment to do some planting and exploring. Another great example of how you tailor our weekly sessions to the topic we are currently focusing on in school.

We hope to continue and develop our link with your fantastic library throughout the next academic year and thank each and every one of you for opening up just for us each week with a huge smile and allowing our love of books to blossom!

Warm regards,
Richard and the Primrose Hill Reception team

We are delighted with the relationship with Primrose Hill Primary School and this seems to be reciprocated, as shown in the letter above. We took them out on an expedition to plant borage and strawberries locally - their main topic last term was “beasts, growth and plants”:

One important reason for working with local schools is that familiarity with the library will give confidence to young (and old!) people to feel comfortable using it in later life. If children never learn to use the library at school, are they ever likely to use it later?
7. Freshening The Space

We have also invested in the fabric of the library, decorating, building furniture. To the Children’s Library we added a Wendy house and, recently, we were donated a baby grand piano. We have tried to add colour and make it inviting, and it is certainly “much loved.”

In the Adult Library we have redecorated and added film equipment. At the back a bare yard has become a vibrant space, with an elephant fountain {Tolley} sculpted by a volunteer.

The picture on the left shows the garden yard when we had just taken over the running of the Library. We had added a couple of bay trees and a trough, but the yard was still pretty bare.

Below you see two pictures of the garden now, full of greenery.
8. How Have We Delivered As A Library?

In our business plan we set out two ways to keep score: (a) performance as a Library and (b) financial competence. In this section we look at the former.

We have had wonderful feedback from visitors, regular and one-off, about our library. Probably the most frequent comment is about the friendliness of the volunteers and staff. In a local art exhibition - Faces of The Hill - local residents drew each other to raise money for the Library. One of those involved was local author and artist, Sally Kindberg, who regularly uses comic strip in her works. One of her sitters was Theo, depicted here, who came to the Library to hone his English skills - he pointed out the friendliness.

Some other sources make the same point:

Net mums: “this volunteer run, community library has a really friendly atmosphere and superb collections of adults and children's books. We love the way it is flourishing and always putting on interesting events.” (Eleanor)

Google review (unsolicited!): “fabulous volunteers, really helpful, friendly and cheerful - I came in on a Wednesday afternoon and was amazed by their kindness.”

Author Anthony Horowitz tweeted after a talk: “I thoroughly enjoyed the visit - great questions and Primrose Hill Community Library an inspiration. Thanks for having me!”

This kind of anecdotal feedback is vital to keeping our volunteers coming back.

We also wanted to measure performance in a more scientific way. As soon as PHCL opened we talked to people in the public library space - both in Camden and elsewhere - about which metrics to record (and the exact methodology) so we could measure whether we were keeping up with other libraries. The information to be collected seems to be pretty standard - we track visits, members and book issues, and some granularity within that, just as other libraries do.

For comparison we started with the historical data for Chalk Farm Library when council-run - especially important in the first couple of years. We have spent time analysing recent information about Camden’s library network and more broadly for London, largely drawing from the data presented to Camden Cabinet in December 2015: “Camden’s Library Service: Future Redesign And Implementation Of Savings Programme (CENV/2015/40)”. We currently share our information with the Camden team on an informal basis.

Some of our key metrics¹ are:

- Over 74,397 visits per annum - 12 months to July 2016 - which compares with 67,640 visits to Chalk Farm Library in 2010-11 and 48,688 in 2011-12, a/c to Camden data.
- A cost per visit of under £1 (which compares to £1.33 at Camden Town and £3.05 at Swiss Cottage). However, the public purse makes no contribution to PHCL’s running costs, so in a sense the cost per visit to the public is nil at our Library. For Chalk Farm Library that cost was running at £2.33.
- We have 2,663 members as at the end of July 2016 – all signed up since we reopened the Library - with enrolments running at 509 a year, versus 338 for the last full year as Chalk Farm Library.

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¹The data on P 339 of Camden's meeting notes compares the performance of Camden libraries against 11 other inner London local authorities, based on 2013-14 data. We believe that our visits per 000 of population beat even Westminster Libraries’ top of the table statistics. However, as the population definition is based on an estimate we do not use this as a primary metric.
Ca. 600 people have volunteered money, time or both, the ultimate vote of confidence!
We issue ca 8,000 books, half of which to children.

Our analysis is that these performance numbers are cracking, barring the issue data. The latter is to be expected as we can only offer a limited collection of books - given our space constraints - as we were not allowed to maintain access to Camden-wide stock.

9. How Are These Good Performance Statistics Relevant?

When Chalk Farm Library was closed we were told, by letter, that “Camden declared the Primrose Hill, Belsize and Hampstead libraries surplus to our requirements under the Public library act”. This refers to the 1964 Libraries and Museums Act requirement to provide “a comprehensive and efficient library service”. It is pointless to revisit that Chalk Farm closure decision, or indeed to debate their funding priorities at that time, but money issues aside, there was and there still seems to be a feeling at Town Hall that Camden is adequately covered by its nine public libraries. The latest Camden Library Plan states that “99.2% of Camden residents live within a mile catchment of a publicly run Camden library”. According to Google maps PHCL is 0.9 miles by foot from the flagship Swiss Cottage Library and 1.2 miles from Camden Town Library, which doesn’t sound that far to travel.

Yet, three and a half years on, however good the nine large Camden libraries may be, all the pointers are that PHCL is still very much needed and valued. PHCL, with its small stock, should be at a big disadvantage to Camden-run libraries which have access to Camden’s extensive stock. Despite this, PHCL is doing really well. Why is this? We believe there is a heavy hint as to why to be found in Camden’s own recent libraries consultation:

- Camden’s survey of children and young people (ages 16 and under) indicated the single most important factor in deciding whether a library should be closed, or saved, was “having a library that is near my home” (44% of respondents).
- Most adult respondents suggested saving all the libraries, albeit with reduced services. Where a decision to keep a library open or not was necessary, the single most important factor was being in an area where there are no others nearby (61%).
- Some themes that stood out in the responses as a whole were: “libraries have an important community role, and this needs to be recognised in making any cuts”; “libraries are particularly important resources for children and for elderly and vulnerable people”, and “go back to basics – books.”

The message is that being local is important. We believe that one reason PHCL is succeeding is that even a one mile journey is too far for some of the under 11s and the old (and lonely).

- Over Camden as a whole, children in the 0-11 age group represent an average of 20% of members, with the highest being Highgate with 35% and the lowest being Pancras Square with 11%. This age group represented 30% of PHCL members as of 30th June 2016, well above that 20% Camden average.
- Those 60 & Over represented on average 10% of Camden Library members, with the lowest level being 6% in Camden Town and the highest being 15% in Swiss Cottage. The 61+ age group represented 17% of PHCL members as of 30th June 2016.
- Most of our volunteers are retired - the Library has given them a whole new lease of life.

So PHCL very much caters for the old and young, where being round the corner matters. This also fits with Camden’s own Equality Impact Assessment criteria, which focuses on the position of those with 'protected characteristics' under the Equalities Act.

It is hard to imagine a more responsible task than looking after your neighbours’ money. It is a task the Board has not taken lightly. We always joke that having a Dutch Chair and two Scottish employees helps us run a tight ship but in reality every volunteer is a mini financial controller. That said, for all the thriftiness in the world, you cannot succeed without a proper business model and we believe the decisions made have created something fit for purpose.

In 2012 a five year PHCL Business Plan, for the period 2013 to 2017, was agreed by the Board. We set up an accounting chart of accounts which was to be cast in stone, so all the financial numbers would be comparable over the years. We set simple financial metrics and report against them every year at the PHCA AGM.

* Revenue Metrics

Given our financial resources, what should the trade off be between opening hours as a library and letting space for income? Should part of that space be let out permanently to generate cash? Of course this was discussed extensively, with a variety of different views expressed e.g. coffee shops? Open plan? Business Centre? However, in the end we came back to core principles - that the space had been allocated as a library, that the donations had been made to preserve a library, and so why should we compromise the already compact space we had for non-core activities?

So, this is the plan the Board laid out:

1) The Library would be open 4 days a week, versus 3 days a week when council-run.
2) While some libraries had adopted a paid membership model, we took the view that a fee might exclude some of the most disadvantaged users and, as a true public service, we felt free access to all was an important principle.

Not charging for membership would mean we would have to work hard on other revenue streams, being (a) library generated income and b) donations and grants. For us “library-generated income” includes:

- Lettings Income on Tuesdays, Thursdays and Sundays,
- Income from normal library services such as printing, photocopying, fines,
- Income from authors’ talks and events (usually via a donations box),
- Ticket sales from a new film club,
- Larger fund-raising events e.g. talks by famous authors, actors, politicians and thinkers, to be held at Cecil Sharp House (the HQ of English Folk Dancing).

The combined revenue target we set for Library-generated Income was £40,000 p.a.

* Library Costs

It was crystal clear that this library could not operate on its old cost budget. In 2011-12 Chalk Farm Library had costs of £157,356 (source: CPLUG) and, even without Camden’s overhead, we were told by Camden that running costs were £138,000 p.a.

So, we selected a hybrid model, in which volunteers would provide the bulk of the manpower but be supported by two part-time employees, the Events Manager and a Bookkeeper, as mentioned earlier.

On this basis the annual cost budget would be £70,000 - £75,000 p.a.

This included: Personnel (ca £45K); the library system (Eclipse), books, magazines and newspapers (ca £11k); costs related to the property – electricity, heat, rates, cleaning (£5K), IT and other office costs, e.g. stationery (£11.5K).

So the 5-Year Business Plan assumed ‘net running costs’ averaging £32,500 i.e to break even we would need to generate donations and grants of at least that amount.
PHCL has consistently delivered on these plans and promises:

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<th>YR to March 2016</th>
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<td>Revenue Generated By Library</td>
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<td>Better than budget</td>
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<tr>
<td>Shortfall covered by donations?</td>
<td>Yes</td>
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*We have not included actual numbers for 2012 - 2013 as the official Library opening was late in the year and we also had Camden transitional funding, so performance is not meaningful.

11. Future Financial Challenges And Risks

For 2016-17 and 2017-18 we also expect surpluses - this would round off a very successful period. With a well-executed transitional year and these five impressive years of operation we will have built some reserves for the coming years. However, we already know that in the years thereafter that reserve will be needed as the situation will be far more challenging.

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<td>Other Donors</td>
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The table above shows the main moving parts in PHCL’s funding. A few observations:

- We can treat the financial year 2012-13 as exceptional; not only was there one-off funding from Camden - “transitional funds” - but also a host of start-up costs, including redecoration and buying a library management system. There was a phased Library opening during that year.
- As we explained in our original submission, a core donor (two individuals) came forward as part of the Campaign and pledged £100,000. This was crucial in providing a watertight business case. We agreed this would come in five annual instalments. Part of this donation also carries Gift Aid. This will come to an end in 2016-17, i.e. this year.
- We have a grant from John Lyons’ Charity, the final tranche of which is in 2017-18.

These grants and donations, and indeed the generous one-off donations at the beginning from local residents, put us in good financial shape. However, going forward we will need to rely on our standing order income as well as the odd one-off donation. Last year standing orders contributed £11K, as shown in the table below:
### Analysis of 2015-16 Donations

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<tr>
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<th>Launch-Donors</th>
<th>Other Donors</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Donations</td>
<td>£20K</td>
<td>£8K</td>
<td>£28K</td>
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<tr>
<td>Associated Gift Aid</td>
<td>£3K</td>
<td>£3K</td>
<td>£6K</td>
</tr>
<tr>
<td>Donations including Gift Aid</td>
<td>£23K</td>
<td>£11K</td>
<td>£34K</td>
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What does this mean for our financial model for 2018-19 and the years beyond?

- The revenue target for Library-generated Income continues to be £40,000 p.a.
- The annual cost budget continues to be £70,000 - £75,000 p.a.

This means we are looking at ‘net running costs’ of £32,500 p.a.

Currently standing orders come in at £11,000 per annum, as explained on the previous page. By 2018-19 we need to grow these almost threefold, to at least £32,500, to avoid reporting a deficit for the first time. In the aftermath of the campaign we have taken a low key approach to fundraising, given people’s great generosity, in order to avoid donor fatigue.

In 2017 we will launch a major campaign, targeted on long term standing orders. While we have some funding cushion in the form of reserves from past surpluses, to buy us some time, we should certainly try to reach this run-rate of annual standing orders by 2020 in order to have a secure base for the future.

We believe we have a good story to tell to new donors:

- **Firstly, this report shows we have performed strongly as a business and delivered real value as a Library.**
- **Secondly, the Library is enormously loved.**

With these positive fundamentals we believe this fundraising target should be achievable! However there is one potential massive pitfall.....

If Camden Council were to charge PHCL rent from 2018 onwards, as the current lease allows them to do, this would put great pressure on, and may threaten the continuity of, our Library. The first problem is simple maths: if you add £25K payable to Camden to £32.5K ‘net running costs’ that means we would now have to raise £57.5K every year. This is not realistic. However, the even greater problem is perception: we know most of our existing donors and volunteers would regard Camden Council charging us rent as “unconscionable” and would abandon ship. As one put it “it would be asking us to pay for the privilege of running a library, a public service”.

Based on the above, the overwhelming priority of the Library Board is to resolve the Camden Council rent situation once and for all. A sticking plaster approach simply won’t work. What we want is extremely simple - a letter agreeing to full rent relief for the remainder of the lease or any equivalent solution which provides that same outcome. **We are starting to sit down with Camden and our local councillors, in a spirit of co-operation, to see how we can deliver this in order to create a stable platform for the future.**
12. The Background To The Camden Council Rent Situation

At the time of our original campaign Camden Council official Fiona Dean wrote the following to the management of PHCL: “the rent relief award is for the period up to 31 March 2018. There are currently no plans to change the policy for the subsequent financial years but the council may need to reflect budget reductions and cost saving measure which could impact on the policy.” Clearly this letter was a statement of Camden Council’s intent at that time, although with the usual caveats, which is understandable as the officers can’t control policy changes.

However most significantly Councillor Siddiq took the pro-active step of showcasing this “partnership” with PHCL in an article she wrote for the Guardian in 2013: “How a team of volunteers saved Camden’s at risk libraries.” She wrote about how PHCL was showcased by the Arts Council:

“I'm proud that one community library, Primrose Hill, has been picked out as a case study by Arts Council England2.

Camden council give them rent relief and also a total of £119,000 as transitional funding. The library is open four days a week and has an impressive events programme , including pilates, a homework club, and a strings music session for children.

In an ideal world, the council would keep running all its local libraries with no reduction in service at all but, as things stand, the community libraries in Camden are an inspiring example of residents taking charge of a public service, keeping it open while maintaining links with their local authority.”

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2It is worth bearing in mind that no other library featured in that Arts Council report is paying rent to the council - so, for instance, for all 30 Suffolk community libraries where the Authority is freeholder there is a 25 year peppercorn rent. Grappenhall Library, Warrington was “transferred to the community with no rent to pay.” Farnham Common Community Library, is leased by the library from Buckinghamshire County Council at a peppercorn rent as part of a 25-year agreement.”