

Defining our Professional Future and the Roadmap for Change Report agreed by CILIP Council, 23 November 2010

1. Purpose of this report

This report outlines the timetable for creating a new way of working for CILIP that aligns its core offers to members with its need for financial sustainability and income generation as a charity.

This report does not present the whole plan but does ask trustees to make some key decisions in principle and practise that will allow the process to move forward at the speed required to have a working strategic and financial plan by June 2011 that will see the organisation through the next five years and rebuild for the future.

2. Background and context

Membership statistics suggest that CILIP is losing about 1000 members each year. This must be addressed as soon as possible.

Finances

Predicted deficit	£466k
Full year effect	£1 million
Required reserve	£2.5 million
Pension deficit	very significant but variable

These statistics are a stark reminder that the situation needs to be addressed on the **two** fronts of **both** relevance and value to members and financial sustainability.

3. Progress to date

So far, the trustees have addressed this situation by:

- Commissioning the Defining Our Professional Futures consultation and report
- Setting a target saving of £1.1 million in the 2011 budget
- Held a workshop to agree principles for future direction and to set a new vision
- Tasking the incoming CEO to work with staff and stakeholders to create a roadmap for change.

4. Timetable

A proposed **governance** timetable for delivering the change programme is outlined below. The report attached demonstrates the key phases in the timetable and how this fits with decision making processes.

Phase One

November 2010	Trustees agree the vision and mission of CILIP Trustees agree the outline roadmap and financial principles Chair and treasurer present new budget to staff Election of new trustees
December	Skills and networks audit for all trustees Audit panel reconvenes to look at governance issues Special briefings for new trustees
<u>Phase Two</u>	
January/	Trustees agree financial recovery plan and required policy changes
March	Trustees agree new organisation functions and structure Trustees support communication and consultation
<u>Phase Three</u>	
March	Council agrees full structure and functional changes Financial plan agreed
March-June	Consultations with staff Re-negotiation of key stakeholder relationships Communications strategy Implementation

An initial report and outline of a more detailed methodology for change will be available for consideration.

4. Notes of caution

Trustees are asked to note that the roadmap report includes a brief internal and external SWOT analysis as the CEO has made the most of the initial '100 days' of objectivity to provide an 'external' view of the organisation.

CILIP has archives filled with reports relating to re-modelling the business and reviewing functions. Trustees are asked to acknowledge that at this stage, this is **not** a review for consideration but the implementation of a **change programme**. However, within this scenario, there are elements of the offer to members that may need a longer timescale for consideration and change as they are crucial to get right. These will be highlighted.

It is important to recognise that even when income levels from more commercially oriented parts of the business are not realising their targets, the overall contribution can still be is still valuable in most cases and must be taken into account. Income generation is a member benefit as it contributes to support costs and delivery of member related services.

In addition, there are significant costs in restructuring an organisation. As the current policy stands, the costs of redundancies to the organisation could potentially seriously diminish the level of reserves that remain. This must be addressed.

This work will be drive forward by the CEO and Management Team with as much involvement from all staff as possible. However, it is vital that trustees are fully engaged and ensure that this is taken forward.

5. The vision for the future

Trustees will recall that at the workshop on 29th September it was agreed that after a thorough discussion, the CEO and two trustees be asked to take forward drafting a vision for the future CILIP.

Emma Macdonald and Bruce Royan offered to be involved in this work. Since then, the CEO has prepared draft statements and there has been feedback from trustees and online discussion. There was some debate about what was said and the difference between vision and mission and the impact on society of these.

After valuable discussion, the nominated trustees and the CEO have finalised an outward focused vision and an organisation focused mission. With this in mind, two statements are presented below which trustees are asked to approve:

Vision

A fair and economically prosperous society is underpinned by literacy, access to information and the transfer of knowledge. CILIP exists to promote and support the people who work to deliver this vision.

Mission

To be the leading voice for information, library and knowledge practitioners, working to advocate strongly, provide unity through shared values and develop skills and excellence. (This statement is designed to reflect the key three themes of DOPF)

6. Recommendation

There are two key proposals in this report:

- **Council is asked to consider and agree the key financial and strategic principles that will be presented in the Phase One plan.**
- **Council is recommended to adopt the statements presented as the vision and mission for CILIP to form the basis of ongoing strategic direction.**

Annie Mauger
Chief Executive

CILIP Budget Summary 2011 (approved by Council, November 2010)

	Budget 2011	Budget 2010	Change
Income	£5,050K	£5,811	£761K decrease
Expenditure	£4,950K	£5,994	£1,044K savings
Operating surplus/(deficit)	£100K	(£183K)	£283K net improvement

Key Savings 2011

Item/Activity	Saving
Ongoing savings:	
Staff Costs	£234k (Redundancies (MSU, Update/Gazette/Governance) and other staff adjustments)
Freelance/temps	£61k
Gazette/Update	£139 (production)
Recruitment and training	£28k
ICT/web	£80k
Cost reductions	£271k (e.g. policy forum, fewer Council meetings/projects)
One year only:	
Pay freeze	£90k (notional saving)
Change to Pension arrangements and voluntary buy-back of leave scheme	£73k
Building maintenance	£56k
Branches and groups	£102 (suspension of capitation with £15k safety net)