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Present:

Members:

Ashok Ahir (President)	Gronw Percy (Treasurer)
Andrew Evans (Vice President)	David Hay
Lee Yale-Helms	Lydia Rumsey
Janet Wademan	Carl Williams
Quentin Howard	Hannah Lindsay
Susan Davies	Gwenllian Lansdown Davies
Elaine Treharne	Mike Cavanagh

Executive Team:

Pedr ap Llwyd	Chief Executive and Librarian
Owain Roberts	Director of Collections and Digital Services

Also Present :

Annwen Isaac	Human Resources Manager
Emyr Evans	Acting Head of Finance Department

Records:

Carol Edwards	Governance Manager and Clerk to the Board of Trustees
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Observers :

Paul Kindred	Welsh Government
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1.1 Chair's welcome, opening Remarks and apologies

The President welcomed all those present to the meeting, thanking the members for a beneficial meeting the previous day. Following the workshop on Board effectiveness Andrew Evans, who facilitated the discussion, will circulate action points to the members and the Clerk. As there was no time to discuss the report on the Library's financial situation on Thursday afternoon, this will be discussed as the first item on today's agenda.

Apologies had been received from Anwen Jones, Rhian Gibson and David Michael.

The Library's Financial Situation

A report was presented by the Chief Executive which highlighted the financial planning challenges facing the Library following the Board's decision in January 2023 to commission CIPFA to review the Library's compliance with the CIPFA Financial Management Code. The findings of the report have had a profound impact on the Library's ability to plan for and implement the cost cutting measures required to close the gap in the budget in the short and long term.

The absence of the Director of Corporate Services and the Head of Finance from work for an extended period have added to the challenges, as they would have given guidance and advice on financial matters and on cost cutting measures in particular. As a result, the capacity or expertise required within the Library to implement the recommendations of the CIPFA reports is currently limited. Nevertheless, it was agreed that arrangements must be put in place to address the challenges highlighted.

Due to the strategic nature of many of the challenges highlighted by CIPFA, relating to the financial sustainability of the Library, it was agreed to establish a task and finish group to address them. It was agreed that the group should include a combination of trustees and senior managers. The group will give detailed consideration to the Library's financial situation, planning and preparing for a significant reduction in our support grant, to ensure a sustainable financial future.

It was also agreed to establish a separate group to consider CIPFA's findings in relation to the finance function within the Library. This group will also include a combination of trustees and senior management, and will be chaired by the Treasurer.

David Hay noted his willingness to join the group that will consider the finance function within the Library. Any other trustee interested in joining one of the groups should contact the President and the Clerk of the Board as soon as possible.

The remits of the two groups will be developed during the month of August, with the intention of meeting monthly from September onwards. Progress reports will be regularly submitted to the Board.

During the discussion, it was agreed that the Board needs to be absolutely clear in terms of the commitments of the private funds - how much has already been committed and how much is left to be invested in the work of the Library, and possibly, funding schemes to facilitate the reduction of the Library's operational costs.

The members were reminded that it is necessary to ensure keeping within the limits set in the Private Funds Policy, namely a minimum threshold of £10m and a maximum threshold of £15m.

The members suggested that they would like to see a dashboard presented to Board meetings, which would expand on the information that is already presented in the current delivery indicators, and include information about the impact of events, feedback, attendance numbers and so forth. The Chief Executive explained that he would consider this, but that resources for progressing it were scarce.

It was noted that the auditors are continuing to examine the annual accounts, but it is unlikely that they will be ready to present to the Board for signing in September.

Presentation by Fourth Street – Tom Agar and Timothy Ambrose NLW Impact Study: Stage 2 Report: Impact Framework

Tom Agar and Timothy Ambrose were welcomed to the meeting to present their report.

This report follows on from the Phase 1 Baseline Study which provided a detailed assessment of the Library's current activity. This report (Phase 2) provides an Impact Framework that should be evolved to inform and enable the Library to grow its impact and engage with its audiences.

The focus is on 3 main objectives,

- Audience Development
- Economic and Social Impact
- Tourism and the Economics of the Visitor

The members were reminded that the Fourth Street reports derive from a recommendation in the Tailored Review that the Library should consider its economic impact and be able to demonstrate the impact of its work and demonstrate value for money to the Welsh Government and other stakeholders. Tom Agar noted that he has a comprehensive database that would give the Library more information to be able to prioritize the outputs that can be seen in the report, and this would be useful to be able to see the gaps where the Library is not performing as well as it can. This is in the form of an impact framework spreadsheet that can be updated regularly.

By the time the Board meets in September, Rhian Gibson will have drafted an action plan arising from the Fourth Street report for members to consider.

Following the meeting Fourth Street's latest report will be shared with members.

1.2 Declaration of interests relevant to the agenda

Members of the Executive Team, the Clerk of the Board and the Human Resources Manager declared an interest in the discussion on the pension scheme as active members of that scheme.

1.3 Minutes of the meeting held on 2 June 2023 and discussion of issues arising

Correction needed – Lee Yale-Helms is no longer Treasurer.

Devices for Board members – Illtud Daniel confirmed at the Audit, Risk and Assurance Committee meeting that Trustees will not need to receive devices from the Library, but each will need to complete a self-certification form that their personal device complies with Cyber Essentials + requirements. If the device does not comply then there will have to be a further discussion on the way forward.

Corporate Governance Framework – this has been amended to include a clause regarding how decisions are taken outside of normal Board meetings. It will be presented to the Performance, Quality and Governance Committee when a date has been rearranged, and then to the full Board.

Section 2 Report of the Chief Executive and the Librarian

The Chief Executive reported that the First Minister, Mark Drakeford, visited the Library on Monday, when he was transferring some of his personal archive to the Library. There was a beneficial conversation and an opportunity to highlight the Library's work.

The Secretary of State, David TC Davies will visit the Library on 3 August for a round table discussion on the future of the Welsh language, and has requested a conversation with the Executive Team as part of the visit. This stems from his visit to the Library's stand at the Urdd Eisteddfod. At the request of the Secretary of State, the meeting will be held entirely in the medium of Welsh.

The Senedd's Culture, Communications, Welsh Language, Sport and International Relations Committee intends to hold its meeting in the Library in October, and has asked to meet the Executive Team to gain a better understanding of the Library's work. The members asked if some of the Trustees should be present on the day, and the Chief Executive will make further inquiries regarding this.

Section 3 Strategic Issues

3.1 Fundraising Strategy

Rich Roberts was welcomed to the meeting to present the strategy for its approval, which had previously been presented to the Finance and Resources Committee.

The strategy sets out 5 strategic objectives for 2023-2026

1. Create a worldwide community with the ability to contribute to the National Library of Wales
2. Establish a programme for individual donors, made up of several income sources
3. Establish a programme for main donors which concentrates on the donor and which meets the needs of individuals of net high value
4. Establish a legacy plan which will provide the foundation for a reliable income stream
5. Establish a successful and sustainable grants programme

Elaine Treharne noted that she would be happy to help in any way to facilitate the creation of connections in the United States, as she is already involved in fundraising in California. Gwenllian Lansdown Davies noted that she was ready to help with grant applications etc.

Members asked if there was a policy underpinning the strategy, and Rich Roberts promised that he would present a policy to the Board at its meeting in September. The members also noted that the strategy could not be approved until success and baseline measures were included. It was agreed to approve the strategy in principle, subject to the inclusion of the additional information at the September meeting, where full approval will be possible.

The Chief Executive noted that new posts would be frozen in future, but that the Treasurer was keen for the Grants Officer post, which was discussed at the Finance and Resources Committee meeting, to be approved and advertised, as Rich Roberts required support to help him achieve the strategy. This particular post will be funded from private money.

It was noted that a sub-group of the Board had been created to look at fundraising and raising income - the members are Andrew Evans (Vice President), Rhian Gibson and Rich Roberts.

3.2 Private Funds Application

This request was presented to the Finance and Resources Committee on 27 June and it was agreed to present it to the Board for approval. The purpose of the application is to

engage a company to look at developing the Library's grounds to attract more people to visit the site, and this application follows on from the report drafted by Mather & Co. The Board was happy to agree to the request and to provide an amount of money from the private funds to support the request. [£30k is the amount requested in the application]. It was noted that there is research and an audience engagement plan available which sit alongside this application, and Rich Roberts was asked to draft a paper on audience engagement to be presented to the Board in September so they could get an idea of the work in progress.

3.3 Board Calendar 2024

Dates for the Board and committee meetings for 2024 were confirmed.

3.4 Transformation of the Hafod

The lack of storage space in the Library has been a concern for quite some time, and is included as a high risk on the corporate risk register. It is regularly discussed in the Buildings Panel, and in 2021 concern was expressed during the archives accreditation regarding the lack of space.

The plan that has been presented to the Board to develop the Hafod (or Atrium) area has the potential to add 10 years of storage capacity, and the Library has received £1.5m of capital funding from the Welsh Government towards a solution to the shortage of storage space. The cost of the plan would be around £2.7M and the rest of the plan, around £1.2m, would have to be funded from private funds.

A Storage Sub-Group has been established which is chaired by Andrew Evans, with Lydia Rumsey and Quentin Howard as members along with relevant staff members. The Sub-Group is very supportive of this proposed development. Mike Cavanagh, Chair of the Buildings Panel, noted that members of the panel also support this plan.

The members were unanimous in their support for developing the Hafod area, and Mark Stevens, Head of Estates, will develop the plan further by appointing a Planning Team and holding talks with the Welsh Government, Ceredigion County Council's Planning Department, CADW, and Buildings Management.

3.5 Pension Scheme – update

An update on the current situation was provided by Lee Yale-Helms, Chair of the Library Pension Scheme Board.

He thanked Emyr Evans for his help with the work of transferring the administration of the scheme to Willis Towers Watson.

A meeting was held with the scheme's lawyers on 22 June, and the Chair of the Pension Scheme Board's advice was that he and Gronw Percy should work together to redraft the consultation paper on moving from the current defined benefit scheme to a defined contribution scheme, or to keep the current scheme. The consultation period with staff would be 60 days; subsequently, the outcome of the consultation would be shared with the Pension Scheme Board and the Board of Trustees.

The members agreed to the Chair of the Pension Board's request that he and the Treasurer were given delegated authority to work together on amending the consultation document.

Section 4 Corporate Affairs

4.1 Financial Reports

4.1.1 Management Accounts May 2023

Emyr Evans presented the management accounts for May 2023, which had also been presented to the Finance and Resources Committee on 27 June.

There were no questions or comments from the members on the accounts.

4.1.2 Budget 2026/2026

A probable budget for 2025/2026 was presented by Emyr Evans.

It was reported at the quarterly meeting with the Welsh Government that GiA will return to the baseline of £10,762,000 in 2025/2026, which will leave an operational deficit of around £3m. Any additional funding from the Government will also end in 2025/2026, and all grants will be expected to be spent, or will have to be transferred back to the Welsh Government. It will therefore be necessary to look closely at the strategic plan and what can be realised, as there will be increasing pressure moving forward.

One member noted that the presence of Welsh Government officials at Board meetings could hinder open discussion on fiscal matters, asking whether it was normal for them to be present, and whether they should declare an interest in fiscal discussions.

In response, it was noted that the Library had received a letter, DAO 02/19, from the Public Bodies Unit in July 2019, which stated *that the requirement for patrons to attend Board meetings had been removed, but Welsh Government officials will retain the right to*

attend Board meetings if they want to give advice or raise concerns about any matter. Therefore it should be ensured that the sponsor receives copies of agendas and papers in good time.

4.2 Compliance and Risk

4.2.1 Corporate Risk Register

The corporate risk register was presented by the Chief Executive, noting that 5 new risks had been added. The register was discussed by the Audit, Risk and Assurance Committee on 4 July, when 4 new risks had been added, arising from the discussions of the Finance and Resources Committee on 27 June.

- *Absence of key finance personnel* – the Chief Executive, Treasurer and Emyr Evans will consider the mitigating measures required to assist the Finance Department in the short term; it was agreed that this is now a fact, not a risk, so consideration should be given to removing this from the register
- *Pension Scheme administration* – since the member of staff who administered the pension scheme left the Library, the administration of the pension scheme has been transferred to Willis Towers Watson – the danger of this is a delay for staff getting a response to their enquiries regarding their pensions
- *Engagement with Welsh Government* – until June this year, a quarterly meeting with Welsh Government had not been held since mid 2022. There needs to be better engagement with Welsh Government as we move forward to enable the Library to express concerns regarding the funding cuts. The Culture, Communications, Welsh Language, Sport and International Relations Committee's visit to the Library in October will provide another opportunity to express concerns regarding cuts to funding and the implications of doing so.
- *Auditing of the annual accounts* – the slowness in auditing the annual accounts continues, and it unlikely that they will be ready to present to the Board in September
- *Workplace health and safety* – this risk was added following the claim for compensation which has been received from a former member of staff; members suggested that this risk should be deleted, and the information added to the risk *Failure to comply with statutory requirements*, and raise the scoring of that particular risk

The members were of the opinion that there are now too many risks on the corporate risk register, and that the register should be rationalized and the number of risks reduced. As the Library will soon receive the risk management audit from the Internal Audit Service, the Audit, Risk and Assurance Committee will consider its recommendations and act on anything that is required, including amending the risk register, following that.

Anti-Fraud Register – it was agreed that Grant Vernon, Internal Audit Service, should be asked for further advice regarding this.

Section 5: Reports from the Committees

5.1 Finance and Resources Committee Draft Minutes 18.04.23

The minutes were presented by the Chair, Gronw Percy. There were no comments or questions from the members.

5.2 Audit, Risk and Assurance Committee Draft Minutes 25.04.23

The minutes were presented by the Chair, Janet Wademan. It was noted that the revised report on the opinion of the Head of Internal Audit is about to be published, and due to the delay in auditing the annual accounts it is unlikely that we will hold an additional meeting of the committee which had been earmarked for September. There were no comments or questions from the members.

5.3 Draft Minutes of the Performance and Quality Committee 16.05.23

The minutes were presented by the Chair, Ashok Ahir. There were no comments or questions from the members.

Section 6: Any Other Matter

6.1 Appointment of Trustees – update

An update on the process was given by Paul Kindred , Welsh Government.

The deadline for the appointments was 24 July, and enough applications had been received to be able to proceed with the appointment process. The process to consider the applications will take place on 1 August, and following that, advice will be given to the Deputy Minister, with interviews taking place between 6 – 8 September.

6.2 Support of Board members

The Chair noted that he will soon be distributing a short questionnaire to the members which will ask them to identify their areas of interest in the Library's work, which will be a basis to inform support for the organisation's various activities.

Next meeting:

Friday, 29 September at 10.00 in the Council Room

ACTION POINTS ARISING FROM THE MEETING

Item on the Agenda	Action	Responsibility	Implementation/expected date
	Share action points arising from the Board effectiveness workshop with Board members and the Clerk	Andrew Evans	Ongoing
The Financial Situation of the Library	Establish a task and finish group to discuss financial issues in the context of a sustainable future for the Library	President / Chief Executive	August/September 2023
	Draft a terms of reference for the group	Chief Executive	August/September 2023
	Establish a task and finish group to address the recommendations of the CIPFA reports relating to the Finance Department	Treasurer / Chief Executive	August/September 2023
	Draft a terms of reference for the group	Chief Executive	August/September 2023
	Table of private funds commitments together with background information to the applications to give context	IT and Emyr Evans	✓
	Dashboard of main statistics	Owain Roberts	To be considered
CEO's Report	Ask the clerk of the Culture, Communications, Welsh Language, Sport and International Relations Committee whether Trustees are required to be present when they hold their meeting at the Library in October	Chief Executive	Chief Executive and President have received an invitation to appear before the committee
Fourth Street presentation	Draft an action plan arising from the Fourth report Street	Rhian Gibson	✓
	Share the latest version of the report with members	Clerk of the Board	✓
3.1 Fundraising Strategy	Draft a policy to underpin the strategy	Rich Roberts	✓

	Include success and baseline measures in the strategy and resubmit it to the Board for approval	Rich Roberts	✓
3.2 Private Funds Application	Draft a paper on audience engagement to present to the Board	Rich Roberts	Board meeting 29.09.23
3.5 Pension Scheme	Update the consultation paper	Treasurer and Chairman of Pension Scheme Board	Ongoing
4.2.1 Corporate Risk Register	Amend the register following members' comments	Chief Executive	✓
	Liaise with the internal auditors regarding the Anti-Fraud Register template	Clerk of the Board	✓
6.2 Member Support	Distribute a questionnaire to members to indicate their areas of interest in the Library's work	President	Ongoing