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Board of Trustees

31 March 2023

Present:

Members:

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

Executive Team:

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

Also present: Annwen Isaac, HR Manager
Emyr Phillips, Head of Finance

Minutes:

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

Manon Maragakis	Welsh Government
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PRESENTATION 1 : Owen Llewelyn, Head of Learning and Engagement

Owen Llewelyn provided background to the development of the Library's Education Department which was formed in 2003 as part of the Visitor Service. The department works with schools, colleges, and lifelong learners, and following a recommendation made in the Tailored Review, has seen further investment enabling the department to grow and appoint additional staff.

Owen outlined the Education Strategy 2023 – 2026, which aims to enhance education work, offer exciting experiences to users, and wider access to the Library’s collections, in the Library building, virtually and across Wales. The department hopes to take a new strategic approach by;

- Improving the well-being of children, young people and adults through progressive education and learning
- Being a familiar, specialist, visible, attractive and dynamic source of suitable, easy to use and reliable information for supporting learning in Wales
- Promoting access at the Library’s collections in order to support learning, by offering experiences and resources that will inspire children, young people and adults in order to improve skills, increase knowledge and promote ambition

Board members were extremely impressed at the breadth of work undertaken by the Education Department but stressed that more mention needs to be made of the Library collections in the document, as this is the unique selling point and also more reference to lifelong learning is required.

The Chair thanked Owen for a comprehensive and interesting presentation.

PRESENTATION 2: John Cockerton, Willis Towers Watson

Lee Yale-Helms told Trustees that, despite this being his last meeting as a Trustee, he would, at the President’s request, be continuing in his role as Chair of the Pension Scheme Board, and to that effect, had been in discussions with Linklaters to update the consultation documents on the possible closure of the existing pension scheme which they had drafted c.18 months ago.

The upcoming actuarial valuation with regard to the contribution rate for the deficit and future service should be available soon, and the Library could then proceed to analyse and compare the available options, and submit proposals to staff and the unions.

In response to questions about the timeline for proceeding, the Pension Act states the need for a 60 day consultation process, but it would be wise to add an additional month as contingency; the implementation will take a further period, which is as yet unknown. Lee Yale-Helms stated that he would draft a timeline for the Pension Board and Board of Trustees as soon as possible following the meeting.

The Chair thanked both John Cockerton and Lee Yale-Helms for their contribution.

1.1 Chair’s Welcome, Opening Remarks and Apologies

The Vice President, who was chairing the meeting in the President’s absence, welcomed everyone to the meeting. He offered the Board’s congratulations to the Chief Executive and Librarian on his appointment to the NLHF Wales Committee, effective from 1 April 2023.

Apologies were received from Ashok Ahir, Gwenllian Lansdown Davies, Rhian Gibson and David Michael.

1.2 Declarations of Interest relevant to the agenda

Members of the Executive Team, Board Clerk, Head of Finance and 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 27 January 2023 and the extraordinary meeting on 23 February 2023, and discussion of matters arising

The minutes of both meetings were accepted as an accurate record of the matters discussed.

Visit by the Secretary of State for Wales – the Secretary of State for Wales will visit the Library in May or June, when he will be holding a round table discussion on the Welsh language, and has specifically asked for a meeting in Welsh with the Executive Team.

CIPFA review of financial management – this is progressing well, with all interviews expected to be completed on 31 March. The final report should be presented in a few weeks, which will give a platform for moving forward by identifying areas for improvement.

Cyber security plan – this plan will be shared with the Executive after Easter, and will subsequently be shared with the Board.

Hybrid working – c.40 applications for hybrid working have been submitted on the basis of 2 days working in the building and three days working from home.

Framework Document – Manon Maragakis noted that, now that the requirements for the current financial year have been clarified, Welsh Government officials will work with the Library to update the document.

University of Wales Trinity Saint David strategic alliance – it is hoped that the formal agreement for this alliance will be launched in May or June in Swansea.

Section 2 Chief Executive and Librarian's Report

The Chief Executive and Librarian reported on two additional matters which had occurred.

Well-being of Future Generations – Audit Wales undertook an audit in September 2022 on how the Library had applied the sustainable development principle when setting its well-being objectives, and to identify opportunities to further embed the sustainable development principle when setting well-being objectives in future.

The report, which will be shared with the Board of Trustees, stated that;

“The Library showed clear commitment to applying the sustainable development principle and put its well-being objectives at the heart of its strategic planning, but there was scope to improve its consideration of future trends, other organisations’ objectives, and involving the full diversity of the population”.

Peace Petition – Rhian Gibson, Director of Communications, Engagement and Partnerships has gone to Washington as part of the contingency who will bring the peace petition back to the Library. It is expected that the petition and the chest containing it will arrive at the Library on 4 April. The Chief Executive and Librarian expressed his thanks to Welsh Government for their support throughout the campaign to have the petition returned to Wales.

Section 3 Strategic Affairs

3.1 Education Strategy

Following Owen’s presentation, Trustees were happy to approve the Education Strategy on condition that measures of success / KPIs are included. The Board agreed that proposed KPIs for the Education Strategy should be presented to the Performance and Quality Committee for discussion.

3.2 Medium Term Financial Plan 2023/24 – 2025/26

The MTFP provided a summary of financial forecasts for the three years 2023-24 to 2025-26, based on the following key assumptions;

- indicative figures for the Library’s revenue GiA for the next two years
- 5% consolidated pay award for 2023-24 followed by a further 3% consolidated pay award for both 2024 -25 and 2025- 26.
- contribution rate to the pension fund of 34.2% fixed for the next three years
- inflation assumed at 4% in 2024-25 and 2.5% in 2025-26

The Treasurer was happy to accept this plan, which showed a considerable improvement from the financial position previously presented. The Library will still need to work on zero based budgeting and delivering cost savings, and this can be an item for discussion at the June Board meeting or the two day meeting in July.

Both Emyr Phillips and Emyr Evans were thanked for drafting the MTFP.

3.3 Capital Spending

The Chair welcomed Mark Stevens to the meeting to present his report on capital spending and commitment to building works for 2023/24.

Since drafting his report, Mark had been notified of additional capital GiA which hasn't been included in this report, but an updated, revised report will be circulated to Trustees following the meeting.

Mark stressed that there was little point proceeding with the decarbonisation project until the repair works to the roofs and windows in Bookstack 2 have been carried out. This was re-iterated by Mike Cavanagh, Chair of the Buildings Panel. Unless the repair works are carried out, continued water ingress could mean the need to replace the roof entirely.

It was further stressed that the decarbonisation project will be costly, but the Trustees indicated their willingness to accept this fact. The priority for spending between now and 2030 will be on vital repair work, which will be undertaken alongside elements of the decarbonisation project, to ensure the continued safety of the national collections. An architect has already been commissioned to undertake a condition survey of Bookstacks 1 and 2, and this should be completed in readiness for the Board meeting in June.

3.4 Pension Scheme – consultation

The Treasurer noted that the Trustees of the Pension Scheme are close to agreeing a contribution rate for the next three years following a triannual valuation exercise undertaken by the actuaries.

The Scheme currently has a deficit of c.£6m, which, at a contribution rate of 34.2%, would take 8/9 years to repay. Based on reducing the contribution rate to 30.1% this would see the deficit paid off in 15 years. The Pension Board will be meeting soon, and the Treasurer asked, should the pension trustees be willing to reduce the contribution rate to 30.1%, whether the Library Board would be happy to accept this, adding that the risk approach being taken by the Library is in line with other bodies. The Board were happy to accept this proposal.

3.5 Board Effectiveness Review

The Chair noted that, as the review makes reference to the President's role and leadership of the Board, as a matter of courtesy, this matter would be deferred until he was present. It was agreed that this could form part of a facilitated discussion at the two-day Board meeting in July.

Section 4 Corporate Affairs

4.1 Financial Reports

4.1.1 Management Accounts February 2023

Emyr Phillips presented the management accounts with the final 2022-23 budget figures which show a deficit of £19k (before project deficit) for the eleven month period to 28 February 2023. This represents a positive budget variance of £232k against the straight-line budget.

As previously reported, there will be revenue deficit for the year. The initial budget deficit of £1,334k is now projected to be approximately £100k at 31 March 2023, an improvement of over £1.2m.

Capital expenditure for the period was £2,392k, with over £1m of this committed from 2021/22. The Library is on target to achieve the budgeted capital spend by 31 March 2023.

The Chair thanked Welsh Government for the provision of additional GiA funding, and to the Executive for achieving a break even position for 2022/23.

4.2 Compliance and Risk

4.2.1 Corporate Risk Register

The Chief Executive noted that this version of the corporate risk register had been presented to the Audit, Risk and Assurance Committee on 14 March, but that risks had been revised and updated in RiskMate since then.

Trustees expressed a wish to receive an interpretation/summary report of any changes made to individual risks, as the report as it stands doesn't provide sufficient details.

Following Mark Stevens' presentation, it was requested that the following be included on the corporate risk register; *Urgent repairs to the building required to limit ongoing risk to the collections.*

The Chair of Audit Risk and Assurance noted that the Committee weren't entirely happy with the content of the current risk register or risk management in general but appreciated that there were extenuating circumstances for this. The Chief Executive assured the Chair and all Trustees that risk management is continually monitored by the Executive and Heads of Department, and that this will hopefully be reinforced by the internal audit on risk management to be undertaken during the year.

Section 5: Reports from Committees

5.1 Finance and Resources Committee Draft Minutes 14.02.23

The minutes were presented by the Chair, Lee Yale-Helms. There were no questions or comments from Trustees.

5.2 Audit, Risk and Assurance Committee Draft Minutes 07.03.23

The minutes were presented by the Chair, Janet Wademan.

It was confirmed that the proposed audits for the forthcoming year would be;

- Cyber Security
- Risk Management
- Procurement
- an audit materialising from the CIPFA review of financial management

The Chief Executive and Librarian provided clarity on a question which had been asked at the meeting in the context of succession planning, on the possible effect of the inability to appoint Welsh speaking staff – the main impact would be limiting the bilingual services which the Library provides. The Library is, however, fully committed to providing opportunities for learners.

There were no questions or comments from Trustees.

5.3 Buildings Panel Draft Minutes 13.03.23

The minutes were presented by the Chair, Mike Cavanagh.

It was confirmed that the lightning and surge protection works had been completed, and certification to BS EN 62305 L2 has been received.

Car parking payment meters for the EC car chargers will be installed on 3 April, and the chargers will be going live towards the end of April.

Formal handover of the Post Room has taken place, and Estates staff are now occupying the first floor.

An architect will be commissioned to undertake an intrusive condition survey of the building, and this report will be presented to the Buildings Panel in the first instance.

There were no questions or comments from Trustees.

5.4 Performance and Quality Committee Draft Minutes 14.03.23

In the absence of the Chair, Ashok Ahir, David Hay presented the minutes.

Owain Roberts provided feedback on why the number of digital visits had reduced, and assured Trustees that this was being actively investigated;

1. comparison is being made like for like with the same period during Covid when there was a significant uplift
2. there are gaps in the statistics due to the transition to the new website in autumn 2022
3. search engine optimisation (and a change in algorithms)
4. a reduction in the volume of new online content could also have contributed to the decline in traffic. This reduction is due to the focus being placed on the Wales Broadcast Archive during the last couple of years

The Board Effectiveness Review had questioned the KPIs set by the Library, so it was agreed to revisit these during the summer.

The Chair will draft a paper for the June Board meeting on how to address the findings/recommendations in the Board Effectiveness Review.

Section 6: Any Other Business

6.1 Use of the Library Seal

The Library seal was used on a lease for Broadcast Archive space at Llanrwst Library.

6.2 Nominations and Remuneration Panel

Discussions took place on whether the Board should establish a Nominations Panel to advise on succession planning and remuneration, and also to advise on Trustee appointments.

As there is a dual system for appointing Trustees, with Welsh Government responsible for appointing 8, and the Library 7, the Chief Executive agreed to draft a paper setting out the appointments process for clarity and transparency. Trustees also asked how skills gaps are identified when Trustees leave their roles, and the Clerk informed the Board that a skills audit was undertaken to identify any perceived gaps. A skills audit was currently being planned and would be circulated to Trustees imminently to facilitate the upcoming appointments process - this would also be shared with Welsh Government officials, as the three upcoming vacancies are Welsh Government appointments.

Going forward, it was agreed that identifying skills gaps and the role description for Trustees should form part of the work of the Governance and Performance Committee.

ACTION POINTS ARISING FROM THE MEETING

Agenda item	Action	Responsibility	Date implemented/expected
Presentation: Pension Scheme	Draft a timeline for proposed consultation process on closing the current pension scheme	Chair Pension Scheme Board	Board meeting 02.06.23
Education Strategy	Draft KPIS and discuss at Performance and Quality Committee	Owen Llewelyn	Board meeting 27/28.07.23
MTFP 2023/24 – 2025/26	Zero based budgeting and cost savings to be discussed	Executive / Board	27.07.23 meeting
Capital spending	Circulate updated report to Trustees	Clerk to the Board	✓
Board Effectiveness Review	Facilitated discussion to discuss report and agree development/ action plan	Board of Trustees	Workshop to be held on 27.07.23
Corporate Risk Register	Executive to provide summary/interpretation report of any changes to individual risks Include “urgent repairs to building required to limit ongoing risk to collections” on corporate risk register	Executive Executive	Risk Register comprehensively revised for AR&A meeting 25.04.23
Performance and Quality Committee Minutes	Revisit KPIs	Board of Trustees	Workshop to be held 27.07.23
Nominations and Remuneration Panel	Draft a paper setting out the appointments process Review ToR of Performance and Quality Committee to include references to reviewing skills gaps and Trustee role description	CEO and Librarian/Clerk Clerk to the Board	✓ ✓