



Llywodraeth Cymru  
Welsh Government

24 June 2020

## **CHALLENGE PANEL DISCUSSION WITH INDEPENDENT REVIEW PANEL OF THE TAILORED REVIEW OF THE NATIONAL LIBRARY OF WALES**

Dear Aled

Thanks to you, Rheon and Efa for participating so constructively in the Challenge Panel session on Wednesday 27 May on the Review Team's Report of its Tailored Review of the National Library of Wales (NLW), and the recommendations contained therein. The Panel found the discussion very helpful in bringing out the key challenges and issues emerging from the report.

We agreed an exchange of correspondence would conclude the Challenge process, after which I would write to the Permanent Secretary with the Challenge Panel's conclusions on the Tailored Review.

After the Permanent Secretary has considered our conclusions, and been provided with an opportunity to question me and the Challenge Panel about them, the report and this exchange of correspondence will then be forwarded to the Minister for Culture, Tourism and Sport for him to note. Once the Minister has noted the Report NLW, its Partnership Team and the Public Bodies Unit (PBU) will work together to agree on publication arrangements, and put in place an action plan and timetable to deliver the Report's recommendations.



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The Challenge Panel felt the report was comprehensive and detailed. It was based on proper evidence and reflects the careful consideration of the Review Team. The discussion with the Panel had allowed some of the key issues in the report to come into sharper focus and we agreed that this exchange of letters should supplement the report itself as an iteration of the thinking behind some of the recommendations. As you know, the Panel felt that the recommendations in the report did not always do justice to the rich content of the report itself.

The challenge process is based on the Cabinet Office Guidance on Tailored Reviews, and is designed to challenge the Review Team's evidence and assessments contained in its Report, and to make a judgement on whether the Team had conducted its Review in both the letter and spirit of the Review's Terms of Reference. The Panel is very happy to confirm that in its view this is the case.

We should also acknowledge the extraordinary times in which the challenge meeting took place, due to COVID 19, and that this is likely to impact on the delivery of the Report's recommendations.

You confirmed all of the research and field work for the Tailored Review has been undertaken prior to the COVID 19 lockdown, but you recognised that some of the recommendations might take on a different emphasis than when originally drafted. You felt that would be particularly true of those recommendations linked to enhanced digitisation of services and digital capacity.

## Form and Function

You confirmed that in the view of the Review Team, the current NLW constitution did not inhibit it in responding to the recommendations, and to change the constitution would be time-consuming and, potentially, expensive in both time and resource as it was unclear what the benefit of any change would be.



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## Digital change

The Review Team felt in the past NLW has not been as effective or consistent as it could have been in driving change, although it recognised that NLW had been at the forefront of digital change 20 years ago, but this early success had fallen away. Current circumstances linked to issues identified in the Tailored Review, and the response to the COVID 19 pandemic, would require a renewed intense effort on the part of NLW in evolving to the new circumstances and, particularly, in adopting further digital change.

## NLW relationship with the Welsh Government

The Challenge Panel asked why the Report suggested that it should be the Welsh Government (WG), rather than NLW itself, which was expected to facilitate closer working with related organisations. You confirmed that those recommendations were aimed at alleviating traditional tensions which had grown up in the past between some Public Bodies in Wales (specifically between NLW and the National Museum of Wales (NMW)) where you felt WG might be best placed to encourage more effective joint-working. You also confirmed the Review Team felt that the relationship between WG and NLW was too close to that of parent/child, and not adult to adult, as envisaged by the “Delivering Together” Report. There was a need to re-set the relationship. In addition, NLW should seek to develop constructive relationships with other parts of the Welsh Government where there may be opportunities for joint-working or identifying supplementary funding opportunities.

## Strategy

The Challenge Panel was concerned about the lack of a medium to long-term strategic plan by NLW. The Review Team noted that NLW’s Executive had been enthused and invigorated by the Tailored Review process, and had taken on board the need to develop and deliver a more effective strategic vision. The current vision (which is the one on which the Partnership Team bases its relationship with NLW) was too limited and short-term.



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## The Library's Board and Governance

The Review Team felt the Senior Management Team was small and lacked sufficient key skills such as commercial expertise and a sufficient understanding of digital technology. In addition they felt that the Board should seek to expand its strategic vision and needed to be careful to avoid the temptation to address short-term difficulties, and to offer the required strategic drive and support for change, and solutions to problems. As an example, you noted that there had been, for at least the past 10 years, no strategic Board-led decisions on cost reduction to make the NLW sustainable with lower levels of public funding, even though this was clearly one of the biggest challenges facing NLW, in common with many other parts of the public sector in Wales.

The Challenge Panel, drawing on the Review, thought that the current Board of Trustees would benefit from greater clarity on its role, responsibilities and delegations. The Panel noted with some concern what the report said about Board attendance, and probed the Review Team on whether remunerating posts was likely to have a positive impact on the quality of Board Membership. The Review Team's view was that remuneration would help to recruit better qualified Board Members, and potentially support the move to a more diverse Board.

The Review Team welcomed the recruitment of three women to the Board of Trustees, and accepted that had a positive impact on the representativeness of the Board. However, the Challenge Panel felt there was still room for greater diversity on the Board. It would also be helpful for there to be greater representation from across the whole of Wales.

The Review Team confirmed that it shared some of these concerns. The members felt there was an absence of a co-ordinated system for appraising the effectiveness of Executive and Board performance. The Review Team had found that some Board Members had chosen not to participate in any appraisal of their performance. Concerns had been raised during the course of the review about the performance of some Board members; although there had also been concerns expressed about the quality of some of the reports which came to the Board as the basis for its deliberations.



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The Review Team felt at the appropriate moment the Board would benefit from being further refreshed, both individually and collectively, but felt this should be linked to wider changes in the organisation.

The Review Team was of the view an effective method of reviewing Board effectiveness should be developed; the Panel observed on the basis of what they had heard that the Board could provide further support to the executive although this would need to be accompanied by robust but constructive challenge as well.

## **Effectiveness and efficiency**

The Challenge Panel suggested that a Capacity and Corporate Review, to consider current workforce capacity and future requirements, would need to be an essential part of moving forward. This should be explicit in peoples' understanding of the Report. The Review Team agreed such a review was critical, and should also consider the current relationship with the Trade Unions, and issues with pension arrangements.

The Review Team was of the view NLW felt its relationship with the Trade Unions had been a barrier to change. Developing a different relationship was viewed as being critical in allowing NLW to deliver change in the future. The Challenge Panel noted the importance which WG Ministers gave to active consultation and cooperation with trade unions and suggested involving them in discussions on strategy and change from the outset could be an effective way to manage that relationship.

## **Resources**

The Challenge Panel noted what the report said about the arguments for NLW receiving more financial support but noted that the public spending context was likely to be very challenging in future and there were no guarantees that more funding would be available. While the Panel appreciated that the Review Team and NLW would want WG to give careful consideration to the arguments put forward for increased funding, this would need to be accompanied by a realism about what may be possible. The future way forward for NLW could not be predicated entirely on the assumption of increased funding.



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In this context, options would be needed and every opportunity to reduce costs should be fully explored, including those identified in the body of the report but which were not yet being realised. The NLW should undertake a fundamental review of its financing and its operating model. The Review Team felt such a fundamental analysis of need and capacity should be undertaken in conjunction with WG and the Partnership Team.

The Review Team was of the view the Report covered large numbers of the critical issues, but the key issue was the ability of NLW to link its financial resources to its strategy. The Review Team hoped that its report would lead to a radical response from NLW and WG.

## Commercial Activity

The Review Team felt NLW should consider how to create a similar relationship to the one the National Library of Scotland had with the Scottish Education sector; should develop the potential to grasp commercial activities in the same way NMW had; and develop a clearer understanding of how it can use the opportunities afforded by technology to engage with the people of Wales.

The Review Team felt digital technology provided the opportunity to establish an outreach programme which would allow NLW and NMW to ensure its collections could be available to the people of Wales. This would need to be communicated effectively but should be considered and developed. It was important to recognise the expertise NLW currently had, but it must also consider the needs of future readers and service users.

The Challenge Panel noted that NLW had a strong tradition of being able to attract donations, but it had a less effective approach, unlike others in the cultural field, to developing and supporting increases in commercial income to support its resource needs. The Panel felt WG would expect NLW to consider how it could attract a greater level of commercial income. The Review Team agreed and indicated this was a legacy of culture and tradition; NLW had not viewed the development of its commercial base as a key strategic aim. The Review Team also felt a lack of strategic intent put in jeopardy NLW's ability to meet its responsibilities under the Well Being of Future Generations Act.



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This contrasted with the situation in England (such as the British Library's links to education and its commitment to small business) and in Scotland (where its National Library used marketing in a very effective way) NLW could, and should, consider these examples, and utilise them much more in its future strategic aims.

## Location

The Review Team was of the view NLW's current location in Aberystwyth represented a challenge as well as a benefit, but in itself should not be a barrier to effective change. The Review Team cited the example of The British Library, which provided a reading room in London and storage of the printed collection and other archives in Boston, Lincolnshire, in this way releasing resources to focus on other key issues and work with other organisations, and suggested NLW should seek to develop more effective partnerships with other Welsh and UK Institutions to provide a wider range of services, and potentially to share costs.

## Conclusions

The Challenge Panel asked the Review Team for its view on how the NLW could best take these forward with the requisite level of dynamism to drive and deliver significant change. The view of the Team, with which the Panel agreed, was that this agenda would need strong leadership from the President. Between them, the President, the Trustees and the Chief Executive should have the full set of leadership, commercial and strategy skills to deliver a radical change agenda, empowering and supporting the Executive Team to deliver the vision.

As a result of the discussion the Challenge Panel felt the key issues emerging from the Report and the Challenge Panel discussion were, in its view:

- the need for the Library to press on with a change agenda;
- the Library should not shrink from looking at radical options going forward;
- it should increase the pace on the digital agenda;
- it should review the marketing functions to see if more income could be generated;



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- it should refresh its stakeholder relations;
- it should review the use of its assets and estate;
- the leadership at Board and senior team level needed to have, between them, the rounded skills needed to deliver change; and
- the need for there to be an appropriate longer-term vision and strategy.

## Next Steps

After this exchange I will write to the Permanent Secretary with the Challenge Panel's conclusions. After consideration of the Challenge Panel's conclusions the Minister for Culture, Tourism and Sport will be sent the report, and any supporting documentation, to note.

After that the Review Team will liaise with NLW, its Partnership Team and PBU to agree on publication arrangements, after which NLW, its Partnership Team and PBU would work together to develop an action plan to respond realistically and effectively to the Report's recommendations.

Finally, on behalf of the Panel, I would just like to offer our thanks and congratulations to the Review Team for such a professional and thorough report. I know that the WG is very grateful for what the Team has achieved.

Yours Sincerely.

Ellen Donovan  
Chair of the Challenge Panel and Welsh Government Board Non-Executive Director



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