

Board of Trustees

29th November 2019

Education Room

10.00 – 1.00

Present:

Meri Huws (Vice-President)
Eleri Twynog Humphries
Gwilym Dyfri Jones
Steve Williams
Richard Houdmont
Mike Cavanagh
Liz Siberry

Lee Yale-Helms (Treasurer)
Hugh Thomas
Lord Aberdare
Iwan Davies
Carl Williams
Quentin Howard

Executive Team:

Pedr ap Llwyd	Chief Executive and Librarian
David Michael	Director and Deputy Chief Executive and Librarian (Corporate Resources)
Owain Roberts	Director and Deputy Chief Executive and Librarian (Collections and Public Programmes)

Other members of staff:

Carol Edwards	Governance Manager and Clerk to the Board of Trustees (Minutes)
---------------	---

Observers:

Annwen Isaac	Human Resources Manager
Doug Jones	Partnership Council
Nia Dafydd	Partnership Council
Mary Ellis	MAALD

PRESENTATION – Welsh Political Archive

Rob Phillips, Welsh Political Archive, gave a very interesting and useful presentation at the beginning of the meeting, on the work of the Archive and its collections

1.1 Chair's Welcome and Opening Remarks

The Chair thanked Rob Phillips for his obvious enthusiasm in presenting his work, and for giving Trustees a snapshot of the important work that the Archive is doing.

Meri Huws stated that Rhodri had been released from hospital and that he was steadily improving. Meri therefore would remain in the chair until the end of the calendar year, when the situation would be reviewed.

Trustees congratulated Owain Roberts on his appointment as Director and Deputy Chief Executive and Librarian, Collections and Public Programmes.

1.2 Apologies

No apologies had been tendered.

1.3 Declaration of Interests

Meri Huws declared that she is a member of the Council of the University of Aberystwyth, a Non-executive Director of Coleg Cymraeg Cenedlaethol, a member of the JTCT Board, and a Board member for Shelter Cymru.

Gwilym Dyfri Jones declared that he is a member of staff at Trinity Saint David University and Non-executive Director of Coleg Cymraeg Cenedlaethol.

Steve Williams declared that he is a member of staff at Swansea University, Chair of WHELF and a Trustee of CILIP.

Richard Houdmont declared an interest as link tutor with Cardiff Metropolitan University.

Mike Cavanagh declared that he is Head of Cultural, Leisure, Tourism and Registration Services with Pembrokeshire County Council, that is working in partnership with the Library at the Riverside Gallery.

David Michael declared that he is an independent member of the Heritage Lottery Fund Audit Committee.

Pedr ap Llwyd declared that he is a Non-executive Director of Coleg Cymraeg Cenedlaethol.

1.4 To approve the minutes of the meeting held on 27th September and discuss matters arising

The minutes of the meeting held on 27th September were approved as a correct record of the matters discussed. The minutes were proposed by Hugh Thomas and seconded by Iwan Davies.

Matters arising from the minutes

Annual Appraisals – during Rhodri’s illness, Meri has been pursuing these, and the only appraisal remaining is Steve Williams’ appraisal. Meri and Steve will be completing the appraisal shortly.

Contemporary Art Gallery - discussions on this subject will be ongoing between the Library and Welsh Government following Nicky Guy’s return from annual leave. The Library has been identified as one of the ten locations across Wales that could house the gallery, and in this respect discussions on the upgrading of Gregynog Gallery are ongoing.

Appointments to the Board of Trustees – the Clerk to the Board gave an update on the appointment process. 10 applications had been received by the closing date of 22nd November, and following a sifting process on 28th November, 6 applicants had been invited to an interview on 10th December – 5 females and one male. As Hugh Thomas’ term will be ending next October (a Library appointment), Trustees approved the appointment of an additional member to start on 1st November 2020.

The Hay Festival – the Chief Executive thanked the Chair for a contact in Llandeilo who has agreed to sponsor an event in the name of the Library at the Hay Festival in 2020. We intend to present a lecture by Peter Lord on Salem and the history of Welsh art, and festival organisers are very supportive of this proposal.

St David’s Day Event – the Library is keen to consider holding an event in London around St David’s Day in 2020, similar to the event held at the House of Lords in March of this year. Lord Aberdare offered to hold a reception at the House of Lords once again, and to source a larger room this time, but another proposal was to consider holding the event at the London Welsh Centre or the London Welsh School. The Executive Team will look at the options and discuss the next steps.

Buildings Maintenance Capital Programme – the Library’s solicitors have sent a letter to Lucion and Kaefer’s solicitors with regard to the asbestos dispute, but is yet to receive a response. The Vice-President, Treasurer and Chair of the Audit and Risk Committee will continue to monitor the situation.

International Strategy – a draft Strategy has not been presented to the Board as promised, as the Chief Executive has decided to wait for Welsh Government to publish its International Strategy on 1st February 2020.

1.5 Action points from the meeting held on 27th September

All have been actioned or discussed under matters arising.

Section 2 Matters for discussion and decision

2.1 President's Remuneration

The Chair, Meri Huws, declared an interest in this item, and stated that she would leave the chair whilst this matter was discussed. She also removed herself from the discussions. She reminded members that anyone else with an interest in this matter should also declare an interest and exclude themselves from the discussion.

The Chief Executive took the chair for this item, and stated that it was now customary for institutions to offer remuneration for the role of President, and that earlier this year National Museum Wales had agreed to remunerate its President. The Library's Charter and Regulations permit this, and neither the Charity Commission nor Welsh Government would have any objection to the Board offering the President remuneration should it decide to do so.

A lively debate ensued, and most members felt that the Library should not consider offering the President remuneration with the Library's financial situation so vulnerable, and especially considering that the Library had recently written to the Deputy Minister requesting additional funding for the Library. Consideration must also be given as to how members of staff would respond to this, considering that offering staff a pay rise is currently a challenging issue. It was also stated that there had been no problem attracting good candidates for the post of President in the past, without remuneration.

It was unanimously felt that it would not be appropriate to offer remuneration for the post of President, and this was proposed by Hugh Thomas, and seconded by Iwan Davies, with all members voting in favour of the proposal other than Meri Huws and Lee Yale-Helms, who had both abstained from voting.

Section 3 Chief Executive and Librarian's Report

The Chief Executive highlighted the following matters;

Trusted Digital Repository – this was discussed at the informal meeting on 28th November. Members asked if it would be possible to receive a paper at the February meeting providing greater clarity on what exactly the repository is, focusing on the benefits to the Library, the nature of the provision and the scheme's implications. It was agreed that Owain Roberts would prepare a paper.

Income generation – it was stated that the legacy of £90,672 received from the estate of the late Gareth Lynn Reynolds was unconditional. It was also stated that numerous letters had been sent to potential legators and that the next step would be to hold events to attract potential legators once the building work is complete.

Salem – the Chief Executive stated that the family was extremely pleased that the Library had purchased the painting. They are eager to be involved in an event at the Library in the new year, and discussions are underway on sharing the painting with other institutions. The painting was purchased using funds from the Geoffrey Powell legacy.

The Chief Executive was thanked for an activity packed report.

Section 4 Conformance and Risk

4.1 Risk Management Policy, Strategy and Process

The Policy sets out the Board's position with regard to various levels of risk in the Library's various fields of work. Trustees agreed with the analysis in the report and thanked Emyr Phillips for preparing the Policy.

It was agreed that the sentence *Yn fyr, y ffordd orau o ddisgrifio awydd cyffredinol y Llyfrgell am risg yw "canolig", (in short, the best way of describing the Library's general appetite for risk is "moderate")* should be removed and a clause included on a risk target level, and a mitigated risk score.

On the behest of the Chair of the Audit and Risk Committee, the Policy will be presented at the next Committee meeting on 31st January for full comment, and then brought back before the Board following that meeting.

4.2. Risk Register

In the absence of the Head of Finance and Enterprise, the Risk Register was presented by David Michael. The Register will be updated by the next meeting of the Audit and Risk Committee in January, to include mitigation measures / risk remaining, and will be presented to the Board meeting in February.

It was asked why R4 is amber and R3 red, one pertaining to the pay award, and the other pertaining to pension costs. David explained that the risk involved with pension costs was red as the Library could not refuse to pay pension costs, but that the Library could refuse to pay a pay award, and that the risk was therefore less.

4.3 Well-Being of Future Generations Act - Well-Being Statement and Guidelines

The Chief Executive explained that this was the first time that the Board had received a comprehensive document setting out the Library's responsibilities with regard to fulfilling its obligations under the Well-being Act. This needs to be mainstreamed into all Library activity, and a template has been created for completion by staff when initiating any new project or service.

When the next strategy is planned, the Well-being of Future Generations Act will be a central part of it, and one of the Board's responsibilities is to ensure that the Library conforms to the Act. The Commissioner has been invited to visit the Library in the new year, to see how the Library is delivering on the requirements stipulated in the Act.

Wales Audit Office has audited the Unlocking our Sound Heritage Project under the Act, and the report was very positive. The project delivers on many of the Act's requirements; however, we were judged for not considering the requirements of the Act at the beginning of the planning stage.

Trustees were glad that this area of work is being given adequate attention, and were happy to approve the Well-Being Statement, which will be published on the Library's website and shared with Welsh Government. Iwan Davies proposed the approval of the Statement and this was seconded by Gwilym Dyfri. Pedr was thanked for preparing the statement.

Section 5 Financial Matters

5.1 Management Accounts until the end of October 2019

In Emyr Phillips' absence, David Michael presented the accounts, and Trustees highlighted the following points.

We need to look at how extended income can be reconciled for project income; this is an accountancy issue and David Michael and Emyr Phillips will address this.

The reduction in income at Pendinas can be attributed to the building works underway, which has meant that there are less events at the building, and therefore less visitors.

The on-line shop is less than satisfactory, and the intention is to develop the shop as part of the Historic Wales partnership, and establish an on-line shop for the sector.

The Board was happy to approve the accounts.

5.2 Financial Forecast, the Chair's letter to the Deputy Minister and the Pension Scheme Valuation

The Treasurer presented the paper that has stemmed from discussions in the Financial Planning Committee meeting on 11th October. The preparation of a three-year medium-term plan is no mean feat when funding is confirmed for one year only, and the fact that the budget will now not be announced until 16th December exacerbates this challenging situation.

Under section 8, *Summary of financial matters*, it seems that no definite funding has been agreed for a pay increase, and there is no budget in place for contributions to the Pension Scheme. At the meeting, it was decided that a letter should be sent to the Deputy Minister stating that the Library's financial situation is not sustainable, and the Deputy Minister's response is included in the Board's papers. It was agreed that Meri Huws, Lee Yale-Helms, Pedr ap Llwyd and David Michael would discuss this issue with Welsh Government as soon as is practically possible in an attempt to stress the seriousness of the situation and the implications should the Library not receive additional funding.

There is a recommendation in section 5 to fund the overspend of £170k using private funds or delivering a reduction in expenditure. The forthcoming Tailored Review report could suggest a reduction in expenditure, but any cuts must be planned carefully; this is why private funds have to be used in the short term.

This would be a one-off payment, and represents the difference between operational income and operational expenditure. Hugh Thomas proposed that the Board funds this £170k from private funds, and this was seconded by Iwan Davies. Members voted unanimously to support this proposal.

The second recommendation involves the GIA, and if the GIA increases from £700k, the Library agrees to the 2019 pay increase, and the increase in pension costs due in 2020, and, if need be, that private funds provide £100k of additional support in revenue costs to maintain the public funds in reserve in 2019/20.

The Treasurer stated that the Financial Planning Committee had asked for a costed medium-term financial plan since September 2018, but that the correct level of detail was not provided. In going forward to begin drafting the next strategy, we must adopt a costed Strategic Plan. The Chief Executive stated that he presumes that the Tailored Review will recommend that the Library should concentrate on a more limited number of areas in terms of its priorities, and that the Library of the future could therefore look significantly different. From now on, the Board will need to consider before requesting the use of private funds, whether or not things can be tackled in other ways e.g. streamlining services, cutbacks etc.

The Board asked for a scenarios plan to be presented to the next Financial Planning Committee meeting in January, and for it to be presented to the Board in February.

It was stated that the three-year valuation of the Pension Scheme has now been completed, and that it was likely that future costs would increase the employer's contribution by approximately 7%. The actuary recommended that the Library should accept the increase of 7%.

The valuation demonstrates that the Plan has a surplus of £400k and no historical deficit. It is an accrued defined benefits scheme.

5.3 Scrutiny of the Public Accounts Committee Accounts 2017 - 2018

The Chair asked members to read this report carefully, as it includes the Museum's appearance before the Committee. This report was presented to the Audit and Risk Committee on 1st November, and the Committee Chair wished to draw members' attention to pages 51 - 54, and 71 - 79, which are the pages specifically pertaining to the Museum.

5.4 Private Funds Commitments

The paper presented sets out the private funds' commitments for the period from 2019/20 until 2028/29. The biggest commitment is the running cost for the National Broadcast Archive from 2024 when the HLF funding will have ended. The costs could be even higher than the figures shown here, as these figures do not include the running costs for the Clip centres.

5.5 Income Generation Report

The Chief Executive thanked Richard Houdmont who chairs the income generation group. The group has set a target of £500k for the year, and £310k has been secured to date. There is promise of another substantial legacy, that should ensure that this target is achieved.

The Board has asked the Executive Team to consider investing in additional staffing resources for income generation or to procure external support; these remain under consideration, and a member of staff will attend an income generation workshop organised by the Museum in St Fagan's on 13th December. A report on the workshop will be provided to the Board at its next meeting.

Members stated that they are disappointed with the figure for the Collections Fund and the contribution boxes, and that these need to be developed; we should also consider investing in equipment in the entrance/reception area so that people can contribute using contactless payment methods. On the other hand, it was stated that our legacy scheme is extremely successful. It was agreed that Rhian Evans should be invited to the February meeting to deliver an awareness-raising session on income generation, and to provide an overview on how the Library compares with other institutions.

Section 6 Committee Reports

6.1 Draft Minutes of the Buildings Advisory Committee held on 07.10.19

The Committee Chair, Liz Siberry, stated that members had been given the opportunity to see Bookstack 1 on Thursday, and had seen the challenges that exist in this area.

It was asked whether the North Reading Room would reopen to the public following the building works or would be re-purposed, and in response the Chief Executive stated that the South Reading Room may need to be moved there temporarily while work is underway in that area. We will need to look carefully at user numbers in the context of maintaining both reading rooms, and consider the costs involved in running both rooms, however this will form part of a wider discussion.

Discussions are ongoing with Welsh Government to ensure some funding for the upgrading of Gregynog Gallery, in the hope that the work will be completed by June 2020.

The new Head of Estates will commence in post in January. Liz thanked John Fraser, Buildings Consultant, and Library staff, for ensuring that the work continues in the absence of a Head of Estates.

6.2 Draft Minutes of the Financial Planning Committee held on 11.10.19

The Committee Chair, Lee Yale-Helms, had nothing further to add to the minutes.

6.3 Draft Minutes of the Audit and Risk Committee held on 01.11.19

The only comment by the Committee Chair, Hugh Thomas, was that the external audit on the Building of the National Broadcast Archive would be moved to 2020/21 rather than taking place in 2019/20.

Section 7 Any Other Business

7.1 Board Papers – electronic delivery

A discussion ensued on how members wished to receive Board papers henceforth. They can continue to be provided as a paper copy only, uploaded to the Board website (as was done for this meeting), provided on members' personal devices or we could research using specific packages.

Trustees had mixed feelings, with some favouring paper copies and others wishing to receive them electronically only.

In order to progress the discussion, the Clerk to the Board proposed contacting members via e-mail to see what each member's choice was, and then reporting back to the next meeting.

It was also suggested that a What's App group be established for members so that they can contact each other. The Clerk to the Board will follow-up on this before the next meeting.

Thank you

Before ending the meeting, the Chief Executive thanked members for their support over the past months. The relationship between The Board and the Executive Team has developed significantly and is better than it has been for a long time. He stated that Meri's commitment to the work is excellent, and her constant support to all aspects of the Library's work is praiseworthy.

**** END OF MEETING ****