

Board of Trustees

23rd July 2021

10.30 – 14.00

OPEN SESSION: 10.30 – 14.00

Present:

Members:

Meri Huws (Interim President and Chair)	Lee Yale-Helms (Treasurer)
Gwenllian Lansdown Davies	Peter Florence
Quentin Howard	Elin Royles
Mike Cavanagh	Lydia Rumsey
Janet Wademan	David Hay
Susan Davies	Elaine Treharne

Executive Team:

Pedr ap Llwyd	Chief Executive and Librarian
David Michael	Director and Deputy Chief Executive and Librarian
Owain Roberts	Director and Deputy Chief Executive and Librarian

Other staff:

Annwen Isaac	Human Resources Manager
Emyr Phillips	Head of Finance and Enterprise
Rhian Evans	Senior Executive Officer
Carol Edwards	Governance Manager and Clerk to the Board

Observers:

Nia Dafydd	Partnership Council
Doug Jones	Partnership Council
Illtud Daniel	Observer
Sally McInnes	Observer

1.1 President's Welcome and Opening Remarks

The President welcomed all those present to the meeting and extended a special welcome to Peter Florence who was attending his first meeting as Trustee. Members of the Library's Delivery Group were also welcomed and were present at the meeting as observers.

It was reported that the President and Chief Executive had met with Dawn Bowden, Deputy Minister for Arts and Sport, on 5th July, and that the meeting had been extremely beneficial.

1.2 Apologies for Absence

Anwen Jones and Carl Williams had tendered their apologies which were duly received.

1.3 Declaration of Interests

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

Elin Royles declared that she was a member of paid staff at Aberystwyth University, and that her husband worked for S4C.

Susan Davies declared that she was a consultant for the National Lottery Heritage Fund in Wales, a Group for Education in Museums Wales representative and ran an independent arts and heritage consultancy located in Wales that was involved in a project mentoring a team of junior staff from National Museum Wales.

David Hay declared that he was a Trustee Director of the Sainsbury Archive.

Janet Wademan declared that she was an independent member of the Council of Cardiff.

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

Pedr ap Llwyd declared that he was a Non-Executive Director of Coleg Cymraeg Cenedlaethol.

1.4 To approve the minutes of the meetings held on 7th May and discuss matters arising

The minutes of the open meeting held on 7th May were approved as a correct record of the matters discussed subject to the following correction: *Audit Wales* should replace *Wales Audit Office* under point 2.3.

To appoint vice chairpersons for the Board committees - the Clerk stated that this would be addressed in the committees' revised remits that would be presented to the September Board meeting.

14.1 Action Log from the Meeting held on 7th May 2021

It was confirmed that all points had been actioned.

Section 2 Matters for discussion and decision

2.1 2021 - 2026 Strategy Draft Operational Plan

The Draft Operational Plan was presented by Owain Roberts. Following the May Board meeting, the plan had been updated to incorporate cross-references to the Government's Programme for Government and to map against the recommendations of the Tailored Review; the Library was awaiting a remit letter from Welsh Government before it could finish drafting the plan.

The wide range and variety of work included was commended. However, the fact that the Library did not wish to commit to applying for IRO (Independent Research Organisation) status was challenged. Owain's response was that it would be difficult, if not impossible, for the Library to satisfy one of the criteria, namely, to ensure that at least 10 members of staff were involved with research work. However, it was agreed that there would be further research into various options that could permit the Library to achieve that status. Owain would present a short paper on this at the next Board meeting.

It was intended that an almost final version of the Plan would be presented to the next Board meeting and would reflect the content of the remit letter.

2.2 Tailored Review

The action plan was presented by the Chief Executive who stated that the Governance and Performance Committee had already considered it.

It was stated that recommendation 3 surrounding the Library's pension scheme would have to be revisited shortly.

2.3 Launch of the 2021 - 2026 Strategic Plan, *A Library for Wales and the World*

There would be a virtual launch end of September; this would be an opportunity to provide the launch with more publicity, and also an opportunity to film a contribution by Dawn Bowden, Deputy Minister. Filming had already been underway to demonstrate the Library's work and its potential contribution and impact on people's lives, and this would be shared on social media.

2.4 National Broadcast Archive

The news that NHLF had provided conditional permission to start the project and that S4C had now signed a contract, were welcomed. Discussions were ongoing with Wales Millennium Centre.

2.4 Project Governance

This document had been presented to the Governance and Performance Committee where 4 recommendations were made:

1. That the Programme Board met at least four times a year
2. That the minutes of the Programme Board were presented along with a written progress report to the Board of Trustees
3. That an additional member of the Board of Trustees joined the Programme Board
4. With NHLF officers' agreement that the Chief Executive and Librarian stood down as chair of the Programme Board and that a new independent chair be appointed in his place.

The project progress report would be presented to the Governance and Performance Committee and the Board from now on along with the minutes of the Project Board.

It was agreed that the Chief Executive and Librarian should consider names for the position of chair, and bring a nomination to the next Board meeting in September.

In addition, the Project Execution Plan was discussed, and it was recommended that a short meeting should be organised to discuss this item separately, in order to assure the Board that the document was complete, and for the Board to subsequently give its blessing on the finished document.

2.5 Corporate Restructuring

It was reported that the transformation groups had completed their work and that the new structure was in place. The next step would be to populate the structure with members of staff during September and October. The new structure would be shared with the Board at the September meeting.

2.6 Equality and Diversity Annual Report

This report had been presented to the Governance and Performance Committee at its meeting in June. The report provided an overview of the Library's progress towards fulfilling its statutory responsibilities in relation to the 2010 Equality Act. The report was approved by the Board.

2.7 Health, Safety and Well-being Annual Report

This report had been presented to the Audit and Risk Committee at its meeting in July. The report's main focus was Covid-19 as it had affected the working lives of Library Staff since 17th March 2020. It was confirmed that there were measures in place to support staff returning to the building to work, and that there was regular contact with those members of staff living alone, to ensure their well-being. The Library was also encouraging staff to use the

occupational health service and the counselling service should the need arise. The report was approved by the Board

2.8 2022 Board and Committee Calendar

The calendar was presented by the Clerk to the Board, and noted the dates of Board and committee meetings for 2022. The calendar was approved.

2.9 Welsh Government Framework Document

The work on drafting the revised version was almost complete and it was hoped that a draft version could be presented to the Board in September.

Section 3 Chief Executive and Librarian's Report

The Chief Executive and Librarian's report had been circulated to members before hand. The Chief Executive highlighted the following points;

The Library's galleries, shop and Caffi Pen Dinas had reopened to visitors on 19th July.

UNESCO Capital of Culture Project – it was Aberystwyth Town Council's intention to submit a bid to UNESCO to nominate Aberystwyth and Ceredigion as one of UNESCO's capitals of culture for 2023. The Chief Executive was a member of an initial group of core partners considering the possibility of supporting the Town Council's bid - the other partners were Aberystwyth University, Welsh Books Council and Ceredigion County Council.

UKRI - this was reported as the Board had previously considered submitting a bid along with RCAHMW and Aberystwyth University to establish a Trusted Digital Repository for Wales. Should this go ahead, then it would be presented to the Board for discussion, and financial plans would be presented to the Financial Planning Committee.

1923 Welsh Women's Peace Appeal - the Smithsonian was looking at the possibility of permanently returning the oak chest and signed petition to Wales by presenting it as a gift to the National Library of Wales. With funding support, this would offer new possibilities with regard to marking the centenary of the signing of the petition, including its digitisation and a crowdsourcing project for its transcription.

Section 4 Conformance and Risk

4.1 Corporate Risk Register

The register had been presented to the Audit and Risk Committee on 9th July; David Michael highlighted the following risks.

R2 National Broadcast Archive - the score for this risk would have changed by the next meeting as the Library had been given permission to start

R3 - Pension Scheme - there had been an addition to the text, and the score had increased, as the asset valuation was not keeping up with liabilities. Although Welsh Government had asked the Library to postpone the consultation for this year, there needed to be a plan in place to move forward in this respect, as opposed to waiting until January 2022. Discussions were ongoing at the Financial Planning Committee and an options paper would be prepared for the November Board meeting. It was stated that this risk should also be changed from amber to red.

R17 - Staff well-being - new risk

The risk pertaining to Brexit had been removed from the register; Brexit could no longer be considered a risk, as it had already happened.

BREAK FROM 12.30 - 1.30

Section 5 Financial Matters

5.1 ISA260 – Audit Wales

Audit Wales had presented this report to the Audit and Risk Committee at its meeting on 9th July, and it was great to report that the auditors had given an unqualified opinion on the Library's financial accounts.

All those involved in the work of preparing the accounts and associated reports were congratulated.

5.1.1 Annual Accounts 2020 - 2021

Emyr Phillips highlighted some points from the Accounts.

Covid-19 had substantially impacted the Library's commercial activity as there was no access to the building for a certain period of time; the furlough scheme and a substantial underspend due to not having to pay travel costs, frozen posts and £500k in additional funding from Welsh Government, had also impacted the Library's financial position. As a result, the figures at the end of the financial year were better than those forecasted. Covid-19 also affected the Library's investments in the previous year, however in the current year the position had been restored.

Although there had been an increase in pension scheme liabilities, this was less than the previous year but nevertheless remained cause for concern. The three-year valuation was expected on 31st March 2022, and by then a strategy would need to be in place to address the increase in liabilities.

The Library had received a legacy of £1m; this had been included in the current year's accounts, however due to a covenant in the will, the Library would be unlikely to receive the money until 2023.

The Library's carbon footprint had reduced substantially due to the reduction in travelling, and the decarbonisation agenda would be prominently placed over the next year.

The Treasurer thanked David Michael and Emyr Phillips for managing the challenge with regard to the furlough income. Audit Wales had initially questioned the Library's right to claim this, especially for staff who were not directly responsible for income generation. Audit Wales was completely satisfied that the treatment of monies from the furlough scheme were accurately represented in the accounts and treatment consistent with similar organisations in Wales. They also made the Library aware that the furlough scheme is administered by HMRC, not by themselves.

The Board approved the Annual Accounts.

5.2 Commercial Income

This report had been presented to the Financial Planning Committee in June. The 4 bids received by tender would be scored, and the tender would be awarded the following week.

The Executive Team was asked to consider looking at each option as part of the contract, including contracting-out, working in partnership with other organisations, and an apprenticeship scheme with local colleges. It was also stated that the Library needed to consider ways of using the collections to generate income and that this had not been included in the report.

5.3 Draft Revised Budget

The Financial Planning Committee had considered the draft budget in June. It was reported that Emyr Phillips was working on developing the budget with the aim of presenting the final version to the September Board meeting. One of the main risks to appear during the current year was underspend, however there was a possibility of overspend in the following year due to the number of additional posts that would be available. An increase in GIA had been awarded for the current year to enable a combined pay award, however the Library needed to ensure that this would continue over the coming years.

The Board approved the draft budget.

5.4 Medium-Term Financial Strategy

This paper was a revised version of a paper previously presented to the Financial Planning Committee, and was a better reflection of the financial position. However, going forward, the cost of the proposed senior management structure had to be factored into the report.

It was reported that there were problems as a result of the 2% cash balance and that this was having an impact on public fund reserves; this would be more of a problem as GIA alignment came into effect the following year. It was suggested that Welsh Government officers were asked to come and explain the GIA alignment to the Financial Planning Committee and Audit and Risk Committee.

Although the fundraising unit no longer existed within the Library, an element of this work continued with regard to legacies. The work undertaken years ago in this area had now started to bear fruit as the Library had received numerous legacies, and several others had promised to consider the Library in their wills. There would be a further campaign surrounding legacies in September, and the Chief Executive would be able to report on this in future.

Following a recommendation by the Treasurer, the Medium-Term Financial Strategy was approved.

5.5 Private Funds - explanatory note

This report had been presented following a request from Trustees in a previous meeting to clarify the Library's private funds.

The Executive Team was asked to consider reviewing the contract with the investment managers as this had not been done for a number of years. It was agreed that the Executive Team should consider preparing a specification to tender for this service for the Financial Planning Committee.

Section 6 Committee Reports

6.1 Draft Minutes of the Audit and Risk Committee held on 30.04.21

A verbal report had been provided at the Board meeting in May, and the Chair had nothing further to add.

6.2 Draft Minutes of the Governance and Performance Committee held on 30.04.21

A verbal report had been provided at the Board meeting in May, and the Chair had nothing further to add.

6.3 Draft Minutes of the Financial Planning Committee held on 18.6.21

The minutes were presented by the Chair, Lee Yale-Helms.

Following a presentation by Investec, the Library's investment managers, to the Financial Planning Committee in June, it was suggested that the two portfolios should be merged in order to deliver better returns on investments. This was recommended by the Treasurer, and it was unanimously approved that both portfolios should be merged.

The Financial Planning Committee would keep the situation with the pension scheme under regular consideration, and would regularly report to the Board.

The Committee agreed that the Chief Executive could proceed with the Digital Transition Programme, and Illtud Daniel provided an update on the business plan. The procurement process for the following elements of the work was going ahead - migration of ICT services to the cloud, Fedora Commons and cyber security training. Illtud was asked to present a progress paper to the next meeting of the Financial Planning Committee outlining the risks to the timeframe and costs of the work.

6.4 Draft Minutes of the Governance and Performance Committee held on 29.06.21

The minutes were presented by the Chair, Meri Huws, but members had no comments or questions.

6.4 Verbal Update from the Audit and Risk Committee held on 09.07.21

The Chair, Janet Wademan, provided a verbal update, and highlighted the main points discussed;

- it was recommended that the Board approved the Annual Accounts,
- a single tender report had been received, however on that occasion there were no tenders to report,
- a human resources services tender had been awarded to Effectus HR,
- a comprehensive and detailed report had been received on information security,
- the risk register had been reviewed.
- the internal auditors' annual report had been received, and provided the Library with reasonable assurance,
- the Unique Collections audit had been received, and again provided reasonable assurance,
- update on the internal audit service,
- segregating duties on Sage 200 - this discussion was ongoing.

There had been no opportunity to discuss the reports on Purchasing Cards, Business Continuity nor the internal audit trajectory report - the first two items would be discussed at the next Committee meeting in October, and the third item had been discussed via email.

Section 7 Any Other Business

7.1 2021 Business Cycle

There was nothing to discuss for this item.

8. Any Other Business

Lydia Rumsey stated that she had visited the Library in June, and was surprised at the size of the building. She asked whether or not it would be worth considering a review of the space available to identify storage areas and the space available.

Mike Cavanagh, Chair of the Buildings Panel, provided an update, and reported on his first meeting as chair of this meeting. Following Lydia's comment, he stated that a review of the space available would be set as an item on the agenda of the next meeting of the Buildings Panel.

Assurance was provided that there was good progress with the decarbonisation programme, and once it would be completed it would save 80% on the carbon footprint with the remaining 20% coming from behavioural changes. It was agreed that Mark should be invited to the September meeting to update the Board on the decarbonisation programme and any other developments within the building.

The Library's Emergency Plan, Biodiversity Plan and Fire Risk Plan were also discussed, and this Panel would monitor these on a regular basis.

To close, the President stated that the next meeting, to be held on 17th September, would be a hybrid meeting, and that there would be an opportunity for Trustees to attend the meeting at the Library if they wished to do so. This was subject to any guidance and/or restrictions that would be in effect at the time.

**** END OF MEETING ****