
IFRCS52 Rhodri Llwyd Morgan, Chief Executive, National Library of Wales

Senedd Cymru | Welsh Parliament

Pwyllgor Diwylliant, Cyfathrebu, y Gymraeg, Chwaraeon, a Chysylltiadau
Rhyngwladol | Culture, Communications, Welsh Language, Sport, and
International Relations Committee

Effaith Gostyngiadau Cyllid ar Ddiwylliant a Chwaraeon | Impact of Funding
Reductions for Culture and Sport

Ymateb gan: Rhodri Llwyd Morgan, Brif Weithredwr Llyfrgell Genedlaethol Cymru |
Evidence from: Rhodri Llwyd Morgan, Chief Executive, National Library of Wales

1. What impacts has reduced funding had on your organisation and sector so far?

A significant impact. For some years, the Library's budget has relied on a financial contribution from the Library's private funds to make up a year-end deficit. Following the announcement of the 10.5% cut in December 2023, it was decided to offer staff a voluntary exit route to try to avoid compulsory redundancies. Some 24 members of staff have left or are about to leave, which equates to 10% of the core staff. We are trying to adapt and mitigate any impact on services to the public.

High inflation is also reflected in staff salary settlements, and even if the budget had remained the same, there would still be a significant risk with regard to maintaining staffing levels given the salary settlement increase of 5% secured in 2023-24. In light of the cut to Grant in Aid for 2024-25, it represents a gross reduction of 15.5%.

We have had a jobs freeze in place since January 2024, except for externally funded project staff. There may be some exceptional cases or circumstances to this, but overall it is difficult to foresee any way of funding further jobs within the current structure.

With inflation at a high, capital project delivery is 20% more expensive than before COVID. Progressive decarbonisation schemes were in place to make the Library net zero by 2030, but the financial climate, including inflation levels and uncertainty about future funding, has increased the risk to expenditure on

decarbonisation measures, thereby placing at increased risk their positive impact on the environment and sustainable development commitments.

The cost of electricity and gas has increased significantly (33%) with heavy distribution costs. The Library has reduced the number of units of electricity it uses, but the cost continues to increase significantly. Essential maintenance costs therefore put further pressure on staffing and revenue budgets.

2. What measures have you taken in light of it, such as changing what you do and how you do it?

Staffing costs are the single highest item, and the Library responded to the cut by offering a voluntary exit route and by freezing recruitment to vacant positions. We are striving to mitigate the impact of this on services to the public and to avoid increasing staff workload.

The obvious impact of the cut and the preceding period of contraction is the rationalisation, deceleration or delay to some of the Library's basic functions in terms of developing collections and securing access to them, affecting published, unique (archive, audiovisual, graphic), and digital collections. Priority is inevitably given to collections that require urgent conservation work and to work that has successfully attracted external grant funding.

We are developing a new Strategic Plan and introducing a Change and Renewal Programme which looks at several operational threads, including training, internal communication, succession planning, change readiness, and adjustments to work patterns. An example of these adjustments is the change to the shift pattern for Security staff (who also clean and greet the public) to bring about a reduction in overtime paid from January 2025. This new pattern was developed within the Security team itself.

Through the Change Programme we are also trying to raise our sights to ensure that user needs remain at the front and centre. Customer Care training was provided so that everyone felt confident working in public places or in dealing with the public.

The autumn will see the introduction of a new management and leadership training programme.

Furthermore, we have updated the Financial Regulations in order not only to simplify financial processes, but also to give clarity to staff regarding value for money.

Clearly, we have reviewed the budget to see where cuts can be made, taking into account each activity and how important it is to the Library's objectives, and to seek opportunities to increase income, e.g. through the retail outlets and commercial services.

The Library remains dependent on money from its private funds – ultimately derived from public donations towards the Library's activity – to finance the shortfall.

We have also looked at staff engaged in work on projects, to ensure that the budgets reflect the projects' true cost.

It may be necessary to review storage and preservation conditions and consider the practicality and implications of downgrading the preservation conditions of less sensitive collections.

3. To what extent will these impacts be irreversible (e.g. venues closing, or specialist skills being lost rather than a temporary restriction in activities)?

We do not anticipate closing the Library's permanent location in Aberystwyth. However, it is inevitable that opening hours and service hours will need to be revised and the impact of any change on the experience and satisfaction for users and the public will be the subject of careful consideration.

We have lost some staff expertise – expertise that is unique to specific, physical and digital collections. Also lost were skills and knowledge that were key to collaboration across the sector to support local libraries and archives. The loss of these jobs and skills is going to affect the wider sector's ability to deal with procurement in the future.

It is likely that the Library will need to review its collection policy – this may necessitate prioritisation, thereby leaving the wishes of some partners and stakeholders unfulfilled. The proportion of collections accepted (of the proposals received) has fallen, while the backlog of collections that have not been fully described has increased. This is a risk to the Library's reputation as the ability to collect and provide comprehensive access is considered a core activity. Such activity is less likely to attract external funding. The number of collections that are

offered or fall within the collection policy is increasing rapidly. The demands of processing digital collections remain high as the Library adapts to new ways of working. Securing comprehensive descriptions and access is now often only possible through externally funded projects e.g. the Ann Clwyd Archive, the Peace Petition and the work of digitising the Broadcasting Archive's scripts.

The Library will also carefully select which projects can be undertaken in the future, as additional commitments would risk increased pressure falling on already overburdened staff. The Library already operates a system for assessing business plans more rigorously and for attempting to ascertain the full economic costs of any new project and activity.

However, we are determined that we can adapt sufficiently in order to continue to maintain the core functions - the statutory requirements of legal deposit, preservation and development of unique collections (archives, audiovisual, graphics, born digital), whilst striving to ensure a high quality visitor experience and reaching out to engage more widely across Wales. Ambition is naturally tempered by resources.

4. What interventions would you like to see from the Welsh Government, beyond increased funding?

- Publication of the Culture Strategy following the current consultation and maintaining the status of the culture policy area by retaining a Cabinet Secretary with responsibility for it.
 - Flexibility to carry more grant money over from one year to the next, as unanticipated funds are received late in the financial year due to underspends in other areas or specific circumstances, and the offer to carry over (with a robust business plan) enables spending to be planned in the most effective way possible to get value for money.
 - Sufficient time to be able to prepare for cuts in funding, especially in relation to the Grant in Aid which funds the remainder of core staff.
 - Ensure that project funds are sufficient to finance the full economic requirements and costs of that plan and thereby reduce the risk that core resources will have to be employed to maintain the project.
 - Release council tax for organisations that are sponsored.
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- Lobby the power companies for better terms for electricity so that the Welsh Government buys from a provider on behalf of the public bodies.

5. To what extent do the impacts you describe fall differently on people with protected characteristics and people of a lower socioeconomic status?

In the case of the voluntary exit scheme, a fair and open application process was drawn up. An impact assessment was also prepared to ensure no disparate effect on people with protected characteristics and people of lower socioeconomic status. We understand that the terms of the Library's offer are generous in comparison with the public sector,

Library staff salaries are lower than those in the public sector in general, but the workforce enjoy other benefits that mitigate this to some extent. However, the Library is a significant employer in Aberystwyth and mid Wales. It is also significant as an employer that operates principally through the medium of Welsh.

A jobs freeze or further reductions will lead to fewer opportunities in terms of attracting a workforce to work in the Welsh language in an area that can be described as being very relevant to areas of higher density linguistic significance.

In considering the Library's proposal, we continually review how activities can attract income, balanced against the drive to avoid a disparate impact on people with protected characteristics and people of lower socioeconomic status. For example, we offer free entry to the Play Area for children aged 3 to 7. We have discussed parking charges for the car park, but for now have decided that such a step would have a negative impact on people of lower socioeconomic status.

6. Do you have any other points you wish to raise within the scope of this inquiry?