



Llywodraeth Cymru
Welsh Government

REPORT

Appendix 1: terms of reference

A review of the Library's performance, governance and effectiveness of its services.

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1. Introduction

Tailored Reviews has replaced triennial reviews in order to achieve a more seamless approach in reviewing Public Bodies (PBs). The reviews will encourage a more proportionate, flexible and collaborative approach to review

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our PBs. In conducting Tailored Reviews due consideration is given to the guidance and methodology published by the Cabinet Office in **Tailored Reviews: Guidance on Reviews of Public Bodies**.

The National Library of Wales (NLW) is the first Public Body to engage in a Tailored Review (TR) in Wales. The defined scope, terms of reference, timescales, process and reporting have been a joint agreement between the Welsh Government (WG) and the NLW, with the Public Bodies Unit (PBU) leading and facilitating the TR. This Tailored Review, together with the evaluation thereof will shape the programme for Tailored Reviews for Welsh Government Sponsored Bodies.

A benchmark exercise considered the six legal deposit libraries in the United Kingdom and Ireland with the focus on the National Library of Scotland.

WGs Corporate Research Branch within the Knowledge and Analytical Services (KAS) were commissioned to develop a public user survey to determine stakeholders' level of engagement and service expectations.

An independent review panel selected by WG and NLW reflected on some key documents, taking into consideration previous reviews. Three workshops and conversations with key stakeholders identified by the NLW and the Sponsor Leads, (the Culture and Sport Division) provided the Independent Review panel with further evidence. They are the owners of the Report that will go to the Challenge Panel.

A draft report will be discussed with the Executive Team and Library Trustees as well as with the Culture and Sport Division and the Public Bodies Unit, before a final draft will be submitted for review and challenge to a subgroup of the Efficiency Board who will report to the Deputy Minister for Culture, Sport and Tourism and the Deputy Minister and Chief Whip who has responsibility for the nation's PBs.

2. Objective of the review

Good corporate governance requires that PBs remain efficient, effective and

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accountable, and provide value for money to the taxpayer.

The NLW is a registered charity and as such is subject to the regulatory oversight of the Charity Commission. However, it receives the bulk of its funding from the Welsh Government and is designated as a Welsh Government Sponsored Body (WGSB). It is therefore regulated by both the Welsh Government and the Charity Commission.

The Review will assess in particular:

- NLW's delivery and capacity for delivering more effectively and efficiently, including identifying the potential for efficiency savings, and where appropriate, its ability to contribute to economic growth. The TR should include an assessment of the performance of the organisation and assurance that robust processes are in place for making such assessments;
- NLW's potential to play a greater role in Welsh society and increase its impact if there are changes in the agreement of its objectives and/or functions and the delivery thereof and/or funding could be increased;
- the control and governance arrangements in place to ensure that the NLW is aligned with WG's control and governance frameworks and in the context of NLW being a registered charity, and that they are optimal for the organisation's effectiveness.

3. Key principles

The review must be conducted in line with the following principles:

- Confidentiality
- Proportionality
- Collaboratively and no-blame
- Open and transparent
- Inclusivity
- Flexibility

All conversations and survey results will be held in confidence with the Report highlighting challenges, issues and good practice, with no information ascribed

to an interviewee/organisation without their expressed consent.

Proportionality will take account of previous audits and reviews, the impact of less than optimal functioning and/or restrictive practices.

The scope, terms of reference and the mechanism of the TR have been collaboratively discussed and agreed by the NLW, Culture and Sport Division and the PBU (collectively called “the Group” for the purpose of this document). Discussions will be conducted openly and sensitively within a no-blame environment with all parties focussing on achieving the best possible result for the NLW’s continued success.

All media and public communication will be jointly managed with early notification to relevant parties to ensure the necessary timelines are adhered to and will be agreed with the AOs of the NLW and WG’s Culture Tourism and Sport Department.

The TR will remain open and transparent within the boundaries of confidentiality. The Independent Panel will give feedback to the Accounting Officers (AOs) of the NLW and the WG’s Culture Tourism and Sport Department. The NLW will also share this with its President and Trustees prior to the final report’s submission to the Efficiency Subgroup.

The Efficiency Subgroup will submit a report to the Deputy Minister for Culture, Sport and Tourism and the Deputy Minister who has responsibility for Wales’ Public Bodies.

A redacted version of the report, focusing on the lessons learned will be published.

Discussions will be ongoing to ensure that the TR mandate remains relevant for NLW and WG and to ensure that early clarification can be sought on any matters arising.

4. Scope of the review

The TR of the NLW will take into consideration the organisation's contribution to WG's priorities and the efficiency and governance of the organisation, in the context of its Royal Charter which provides the legal governance of the organisation and defines the objects for which it exists.

The Review will look both at the performance of NLW and at how it is able to respond and adapt to those factors which are most likely to affect demand for its services as one of the nation's most important cultural organisations and its main research centre. The Review team will consult with a broad range of stakeholders including Welsh Government departments, businesses and civil society, the education and culture sector, the archive and library community, as well as NLW's Board members, its own staff and management.

Form and function

- The TR should look at the form of NLW and whether its status (as a Registered Charity and WGSB) is the most appropriate to deliver its functions.
- The TR should determine whether the function of NLW is still required and aligned to government objectives.

Efficiency

- The TR should consider if, how and where further efficiencies can be made within the NLW taking account of the organisation's limited funding sources and benchmarking performance against other national libraries of similar services where appropriate.
- It should examine the NLW's current operational structure, corporate functions and costs, including current and potential future use of a shared services model.

Effectiveness

- The TR should consider the dual nature which governs how the Library operates and fulfils its role and obligations, that requires a delicate balance between the pursuing and fulfilling (a) the 'objects' of its Charter and Charitable status, which reflect its foundation purpose, and (b) the principles of arms-length government arrangements.
- The TR should also consider the contribution of the NLW to the priorities of the WG in the context of its wider charitable responsibilities. As part of this it will assess both the NLW's own processes and metrics for assessing its impact against strategic objectives and those required by the WGs and their effectiveness.
- It should take into account wider developments in Welsh Government policy and the global context, including national and international soft power objectives.

Economic model and sustainability

- The TR should consider if the NLW's funding model is the most appropriate to deliver its functions and the broad outlook for its commercial and income generating activities;
- It should examine whether current funding from Welsh Government is sufficient and benchmark against other national libraries where appropriate;
- It should consider whether its objectives can be met by other delivery mechanisms;
- It should assess the long term sustainability of the NLW's finances to deliver its objectives and how its impact on Welsh society and Welsh Government priorities could be increased if sufficient funds were provided.

Governance

The TR should investigate the effectiveness of the NLW's management and governance structures (including the Board, the Audit and Risk Committee, Financial Planning Committee and Governance and Performance Committee)

including:

- The effectiveness of the Board in setting the strategy of the National Library and monitoring its impact;
- The decision making process, engagement and challenge provided by the NLW Board;
- The engagement of WG in providing the relevant strategic support when required;
- The NLW's effectiveness in championing equality, diversity, inclusion and the Welsh language.

The National Library's relationship with the Welsh Government

- The TR will consider whether the sponsor relationship between the National Library and the Culture and Sport Division is being managed in alignment with good corporate governance as described in the framework document, annual remit letters, the library's code of practices and CEO letters.
- It will look at whether current controls and oversight processes as formally agreed between the WG and the NLW and as applied in practice, provide sound governance and robust control of public money and allow the NLW the freedom to operate to deliver its functions effectively. This will include consideration of whether the current appointments processes for the President, Vice President, Treasurer and Trustees are appropriate.
- The TR will consider the relationship between the NLW and the WG, and assess whether current arrangements best enable the organisation to contribute to the WG priorities in the context of NLW's Royal Charter and Regulations.

The National Library's relationship with external stakeholders

- The TR will consider the effectiveness of the Library's external engagement policies and strategies and to what extent the Library seeks to identify customer needs and views.

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5. Terms of reference for the panel

The Terms of Reference for the Panel will be formally agreed by the selected Panel within the parameters of the key principles in paragraph 3.

Inclusion of Panel members will be as follows:

- Independent members who have no conflict of interest or other influence on the National Library of Wales and will be governed in their conduct by Nolan Principles.
- Knowledge of public bodies and/or good understanding of the NLW and the main aspects of its operations/experience of governance reviews.
- A minimum of one panel member with Welsh Grade 5 as a high percentage of staff and Board members are first language Welsh speakers and also internal communications may only be available in Welsh. All Board and Committee papers are produced bilingually with the exception of those produced by external sources.
- Translation services will be provided for panel members who are not fluent Welsh speakers.
- Membership will consist of an experienced Chair and 2-3 Independent Panel members appointed in consultation with the Group. A bilingual secretariat will support the Panel.

All parties involved in the Tailored Review will have to declare any conflict of interest prior to the start of the Review with each individual responsible that any changes to their status is duly notified to the working group and Panel members.

Panel membership will be gender balanced and of good skills mix.

Panel Members will be able to conduct their business in the language of their choice.

6. Reporting

The working group will be established with representation from the Group with PBU leading on the review. Julia Douch, Implementation Manager for the Public

Bodies Unit will act as the Review's SRO. The group can be enhanced at any time with prior notification to the group but does not require any consultation in the inclusion of its representatives.

The CE and Librarian for the NLW, Pedr ap Llwyd and the Director of Sport Tourism and Culture, Jason Thomas will receive regular feedback on progress of the review and will be invited to comment on any drafts reports produced.

The Panel will share its final report with the NLW's Executive and Library Trustees, Culture and Sport Division and Public Bodies Unit prior to submission to the Efficiency Board's subgroup.

The Efficiency Subgroup will provide challenge to the AOs of the NLW and CST and make recommendations.

The Efficiency Board's subgroup will report to the Deputy Minister for Culture, Sport and Tourism (CST) and to the Deputy Minister who has responsibility for Public Bodies.

The Deputy Minister(s) might choose to meet with the respective AOs of the NLW and WG CST before formally writing to them.

An agreed redacted version of the report will be published to allow good practice to be shared and lessons learned from recommendations.

7. Governing documentation

The Panel members might want to review documents on the NLW's form and substance, Governance, Reviews and Surveys. Appendix B refers to some of these documents but the list should not be seen as exclusive and the Panel can request at any time any further documentation required.

8. Benchmark

There are six legal deposit libraries in the United Kingdom and Ireland:

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- **The British Library**, London
- National Library of Scotland, Edinburgh
- **Bodleian Library**, Oxford
- **Cambridge University Library**
- **Trinity College, Dublin**
- **National Library of Wales**, Aberystwyth.

The British Library receives a copy of, and the five libraries in Edinburgh, Oxford, Cambridge, Dublin and Aberystwyth are entitled to request free of charge a copy of everything published in the United Kingdom, providing they make a request in writing within a year of the date of publication.

These libraries share the **Agency for the Legal Deposit Libraries**, which acts on their behalf in requesting materials that are due and which serves as the statutory depot for the receipt of material acquired in terms of the **Legal Deposit Libraries Act 2003**.

A benchmark exercise will determine funding, structures, objectives, delivery mechanisms and accountability. The focus would be on the National Library of Scotland as is seen to have a lot of similarities to the NLW but consideration will be given to the other four depository libraries too.

9. Survey/questionnaire

The purpose of the survey is as follows:

- Identify current and potential service users, their interest in the Library and its various functions;
- Gain an understanding of service users' perception of its facilities and services and effective delivery thereof;
- Determine service users' level of customer satisfaction;
- Determine service users' future service requirements and expectations.

10. Conversations with key stakeholders

Conversations will be conducted either via workshops or face-to-face in the interviewees preferred language. Where an interviewee is unable to attend personally they can propose a deputy or make use of video or telephone conferencing.

The Group will agree on relevant interviewees and identify their relevance to the panel.

The panel will determine whether any further conversations are required.

All conversations will be held in the strictest confidentiality. If any information received could identify an interviewee or an organisation, it will only be included in the report once agreement is received by the interviewee.

Appendix A: Governance documents

Form and Substance

Royal Charter and Statutes, Regulations, Strategic Plan 2017-2021, Remit letter/ SPIs (agreed objectives and targets as stated in the Strategic Plan).

Governance

Governance Framework, Annual Business and Operational Plan, Annual Report, Annual Accounts, Partnership Framework Management Agreement, Board and subgroups (i.e. ARAC) minutes, Risk Register, External and Internal Audit Reports/Plans, their Recommendations and Trustees and management's response and action plan, Performance Reports (Outcomes).

Reviews and Surveys

WAO National Library of Wales - Review of Governance (2016)

Performance reviews of staff and Board members and Chair, Pay Review, BBC Project Board, Beaufort Research, Wavehill Report

User Service Survey (2019)

Benchmark exercise

Appendix B: Timetable

The timetable will be agreed in consultation with the Board of Trustees, Welsh Government and Panel members' availability.

Please note slippage on the original timetable, which will be considered when evaluating the Tailored Review process and planning a programme in consultation with WGSB and Sponsor Leads.

Actions	By when completed
Initiate discussion on scope, remit, ToR and timetable	March 2019
Agree scope, remit and ToR and timetable	May 2019
Survey launched	July 2019
Workshops	September 2019
Benchmark completed	August 2019

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Survey results analysed and report produced	September 2019
Panel conversations with stakeholders	September 2019
Draft Report produced	October 2019
Translation	October 2019
Translated final report to NLW Board	October 2019
Final Report and NLW Board feedback to sub group of Efficiency Board	November 2019
Report and feedback challenged by Efficiency Board in dialogue with President and AO of the NLW and the AO of ESNR	November 2019
Efficiency subgroup report and make recommendations to the Ministers	November 2019
Publish redacted report	November 2019
Review Pilot TR and agree programme of TRs with Sponsor Leads	January 2020

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