

28 January 2022

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Annwyl Dawn,

Budget Settlement 2022/23-2024/25 and the Supplementary Budget

We are grateful to you for the constructive and useful meeting we had with you and your colleagues on 13 January.

We expressed our thanks to you that the Library's baseline Grant in Aid included the £1M which had been allocated on a temporary basis in 2021/22. This is a major step forward to implement the recommendations of the Tailored Review that the Library is funded on a sustainable basis.

The Library is anxious to build on this positive relationship in order that it can deliver on its strategic plan and your remit letter for the benefit of all the people of Wales. To this end, in the period before the Supplementary Budget is published, we thought it would be beneficial to draw your attention to two critical areas that will need to be addressed as part of this budget

Pay and pensions

The first area includes pay and pensions. It is absolutely vital that there is a level playing field for funding of pay awards for bodies like the Library that are not linked to Civil Service terms and conditions. The Library is anxious to follow Welsh Government pay guidance, in particular for the lower paid: 45% of the Library's staff are paid on salaries which are less than the equivalent pay in the "Team Support" pay grade. However, the evidence of recent years is that to follow pay policy the Library has had to lose a third of its staff to balance its budget, and this is clearly not sustainable. It is sincerely hoped that the Supplementary Budget will include sufficient funds for future pay awards, and that this will be added to the baseline to meet the costs in subsequent years.

It is also a similar position in respect to pension costs where bodies in the Civil Service Scheme have previously had increases in employer's costs funded. The Library's Scheme is in a very similar position, and will be facing an increase in costs currently estimated at £500K – adding about 7% to salary costs from April 2023 (this was also the estimate submitted as part of the budget planning round). If the

Library does not secure additional funding, then it will have no option other than to radically change or even close the current Scheme entirely. Again, we would urge Welsh Government to consider providing this as funding in the Supplementary Budget, or at the very least the issue is drawn to the attention of the DSG working group chaired by Peter Kennedy looking at parity for pay and pensions.

Capital Budget

The second area of concern includes the capital budget. The allocation provided in the budget settlement is insufficient to cover the basic needs of maintaining a building and at the same time delivering the Welsh Government's strategic aims for decarbonisation. We estimate that the shortfall to achieve the minimum baseline over the period of the budget is £2.5M. Although we understand that there is another £2M being held centrally by CyMAAL for the Library and the Museum, there will clearly still be a large shortfall even if the Library gets a share of this. The decarbonisation of the Library rests almost entirely on the ability to replace outdated and complex mechanical and electrical systems for heating and cooling the building, and this requires significant investment.

The other major concern for capital is the Library's storage capacity, which is estimated to run out by 2024. We have a Scheme to construct further storage capacity that will be ready to be put out to contract by early 2022/23. This would also provide essential additional storage for the Royal Commission and potentially for the CADW archive that requires relocation. Capital funding for this project is becoming a major concern for the Library, as the last large-scale investment in expanding capacity was made over 25 years ago.

I fully understand the pressures that are put on the Welsh Government to provide funding from all corners of Wales, and that it is very difficult to ration out the resources fairly. However, the funding pressures that were highlighted a year ago leading to the additional £1M temporary funding are still very much evident, and we would like to work in partnership with the Welsh Government to develop a sustainable basis for funding the Library in the future.

Yn gywir iawn,



Ashok Ahir
Interim President