

29 June 2022

Dear Deputy Minister

Thank you for your letter dated 26 May regarding the possible changes to the Library's pension scheme.

The Library is fully aware of the risks involved in making changes to the pension scheme and it is an issue that the Board has considered in depth. However, the Board is also aware of the risks involved in not addressing this issue, which cannot be ignored. The Library is working closely with the unions on this matter in an attempt to resolve the issue and avoid a similar financial crisis as occurred in early January and February 2021 when staff morale was low, relationships with the unions were challenging, and which produced negative publicity for the Library and Welsh Government.

Of the options available to the Library, our understanding is that, at this point, the unions would support the application to join the PCSPS. However, it is fully realised that there is no guarantee that the Cabinet Office will agree to give the Library access to the scheme even if the Welsh Government supported our application. It should also be noted that admission to the PCSPS would only likely address the issue of the cost of future service for active members, and many of the risks and costs of the current Library scheme will remain for several years or even decades.

Should our application fail and the current financial outlook persist, then the Board of Trustees will have to consider very carefully the options available to reduce the Library's operational costs, including the cessation of the current pension scheme.

We would welcome further urgent discussions on this matter with your officials and with staff from the Public Bodies Unit.

Yours sincerely



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