

# Agenda – Culture, Communications, Welsh Language, Sport, and International Relations Committee

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Meeting Venue:

Committee Room 3 – Senedd

Meeting date: 17 July 2024

Meeting time: 10.40

For further information contact:

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Committee Clerk

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## Hybrid

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### Pre-meeting registration

(10.30 – 10.40)

### Public

#### 1 Introductions, apologies, substitutions and declarations of interest

(10.40)

#### 2 Ministerial scrutiny: Evidence session with the Cabinet Secretary for Economy, Energy and Welsh Language and the Cabinet Secretary for Education – CANCELLED

#### 3 Paper(s) to note

(10.40)

##### 3.1 Welsh Government international relations

(Page 1)



Attached Documents:

Ministerial International Engagement – June 2024

### **3.2 Ministerial scrutiny sessions**

(Pages 2 – 34)

Attached Documents:

Letter to the First Minister: Follow up to the scrutiny of the Welsh Government's international relations activity at the meeting on 19 June 2024 – 8 July 2024

### **3.3 Inter-Institutional Relations Agreement**

(Pages 35 – 36)

Attached Documents:

Letter copied for information from the Cabinet Secretary for Culture and Social Justice to the Chair of the Legislation, Justice and Constitution Committee: Outcome of the Interministerial Group (IMG) for Culture and Creative Industries – 9 July 2024

### **3.4 Welsh Government Draft Budget 2024–25**

(Pages 37 – 39)

Attached Documents:

Response copied for information from the Chair of the Finance Committee to the Chair of the Petitions Committee: Petition P-06-1437 Increase, don't cut, funding for the National Library, Amgueddfa Cymru and the Royal Commission and P-06-1455 Protect the junior departments of the Royal Welsh College of Music and Drama from closure feeding into scrutiny of the Welsh Government's Draft Budget 2025–26 – 9 July 2024

Response from the Cabinet Secretary for Education: Regarding the closure of Junior Conservatoire at Royal Welsh College of Music and Drama (RWCMD) – 10 July 2024

## **4 Motion under Standing Order 17.42 to resolve to exclude the public from the remainder of this meeting**

(10.40)

## **Private**

### **5 Culture and the new relationship with the European Union:**

#### **Consideration of key issues**

(10.40 – 11.30)

(Pages 40 – 68)

Attached Documents:

Key issues

### **6 International Relations Monitoring Report**

(11.30 – 11.50)

(Pages 69 – 86)

Attached Documents:

International Relations Monitoring Report – July 2024 Issue 3

### **7 Public service broadcasting update**

(11.50 – 12.10)

(Pages 87 – 90)

Attached Documents:

Discussion paper

### **8 Forward work programme**

(12.10 – 12.30)

(Pages 91 – 177)

Attached Documents:

Draft forward work programme for autumn 2024

Draft Terms of Reference for an inquiry into the impact of funding reductions for culture and sport

Public Accounts and Public Administration Committee's report 'Scrutiny of Accounts: Amgueddfa Cymru 2021–22'

**MINISTERIAL INTERNATIONAL ENGAGEMENT****JUNE 2024****INWARD VISITS**

- 12 June **Visit to Wales by EU Ambassador to the UK**  
The EU Ambassador visited Wales accompanied by the Austrian Ambassador and the High Commissioner of Cyprus. During his visit they met with the First Minister, Cabinet Secretary for Economy & Welsh Language and the cabinet Secretary for Climate Change & Rural Affairs. The meetings discussed the economic relationship between Wales and the EU, EU citizens in Wales, challenges since Brexit, the EU Trade and Cooperation Agreement, replacing EU sources of funding, Taith, Horizon Europe, the circular economy, post-Brexit agricultural policy, environmental governance, net zero and climate change.

**OUTWARD VISITS**

- 05 June **First Minister visit to Normandy**  
The First Minister travelled to Normandy to commemorate the anniversary of D-Day and to meet with Welsh veterans.
- 21 June **Minister for Economy & Welsh Language Visit to Isle of Man for BIC**  
The Minister for Economy & Welsh Language travelled to the Isle of Man for the 41<sup>st</sup> Summit of the British-Irish Council. The Summit discussed a range of political and economic developments across the administrations including various ways administrations are developing initiatives to realise the opportunities of renewable energy to stimulate economic growth and support decarbonisation efforts.

Vaughan Gething MS  
First Minister  
Welsh Government

08 July 2024

## **Annual scrutiny of Welsh Government International Relations**

Dear Vaughan,

We would like to thank you for appearing at our meeting on 19 June 2024, for scrutiny of the Welsh Government's international relations activity. This annual meeting provides an important opportunity to scrutinise this key part of your portfolio. During the meeting, we agreed to follow up on a number of matters, which are outlined below.

### **Implementation review of the UK-EU Trade and Cooperation Agreement**

During the evidence session, we discussed the Welsh Government's approach to the forthcoming implementation review of the Trade and Cooperation Agreement ("TCA"). You agreed to share information with us as we get closer to the review, which will be welcome. You also offered the Committee a technical briefing with officials for what you described as "the first round" of the review.

- 1.** Could you confirm your current understanding of the format of the TCA implementation review and the timescales for this work?
- 2.** We accept your offer of a technical briefing with officials, as described, and would welcome extending this invitation to other Senedd committees in whose remits TCA matters fall.

### **Wales-Ireland relations**

We discussed how the Welsh Government is incorporating the findings from our Wales-Ireland relations inquiry into Wales-Ireland cooperation beyond 2025, when the current Shared Statement and Joint Action Plan expires. We welcome the fact that the governments are reviewing our Committee's findings in order to inform decisions, as well as your strong commitment to engage us in

this work. We also welcome your offer to update us on this work following the next Wales-Ireland Forum in October 2024. We would like to request a technical briefing from your officials to coincide with this, setting out how you intend to progress this work (including the findings from our inquiry) beyond 2025.

### **International Strategy refresh**

You reconfirmed your predecessor's commitment for this committee to have a role in the International Strategy refresh. We would find your suggestion of a potential technical briefing useful and welcome the approach you outlined for us to consider what would work best for the Committee in discussing renewed international priorities with you. You also agreed to update the Committee in the autumn following your summer deliberations on these important next steps, which we look forward to receiving.

### **International Strategy monitoring**

The Committee welcomed the information relating to internal International Strategy monitoring, but noted that much of it is not made available to the Committee, nor is it in the public domain. As you will be aware, we have made a number of requests and recommendations designed to improve transparency and the availability of information relating to the Welsh Government's international relations since our committee was established in June 2021.

We agreed to share our list of actions set out in the Welsh Government's International Strategy and its five action plans. The list is attached at Appendix A (of this letter) and comprises actions categorised as short or medium term, which are preceded by 'we will' or which are placed in a separate actions text box.

**3.** As discussed during the session, the Committee would welcome confirmation that these are recognised actions being taken forward to deliver the International Strategy and action plans and request a progress update against the list.

### **Impact of budget reductions on the delivery of the International Strategy**

You will be aware of our scrutiny of the 2024-25 Draft Budget, where we raised serious concerns. Based on the figures provided by your predecessor, the International Relations budget has been cut by 3.5% compared with the Final Budget for 2023-24, and spending on action plan delivery was cut by almost 21% (20.8%).

**4.** What impact has this had on delivery?

During scrutiny of the Draft Budget in January 2024, the former First Minister told us that the Welsh Government's delivery partners had not yet submitted their bids for funding, but would do so in the first quarter of 2024. We raised concerns about this approach in our report on the Draft Budget.

5. Could you please confirm which organisations submitted bids, as well as their funding allocations, and whether those allocations have been increased, maintained or reduced for 2024-25?

The Committee noted that the Arts Council of Wales and other national institutions in our remit had told us that the budget cuts would affect their international work as they sought to reprioritise resources.

6. Where funding for organisations has been reduced, we would be grateful if you would please provide an outline of what actions or projects will not be delivered as a result. We would be grateful if this could include an explanation as to what effect this has on the delivery of the Welsh Government's international priorities.

### **'Wales In' years**

Following your evidence session, Members agreed to seek more information from you on the Welsh Government's 'Wales in' years.

7. We would be grateful if you could provide evaluations of previous 'Wales In' years and outline how these evaluations inform:

- decisions on which country to focus on;
- planning for future 'Wales In' years; and
- budget allocations for each 'Wales In' year.

### **Welsh Government Representative on Europe**

8. We understand that the current posting is due to conclude in January 2025. Could you provide an update on your plans for this role beyond January 2025?

### **International Relations Concordat**

As you will know, as part of the 2022 Intergovernmental Relations Review, a Concordat on international relations was in development but has never materialised.

9. We would welcome an update on the Concordat's development and confirmation of whether it is still going ahead.

We will continue to consider these matters throughout the course of the Sixth Senedd and welcome your willingness to engage with the Committee.

We look forward to receiving your response by 05 August 2024.

Yours sincerely,



**Delyth Jewell MS**  
**Committee Chair**

Croesewir gohebiaeth yn Gymraeg neu Saesneg.  
We welcome correspondence in Welsh or English.

## Appendix A

Actions: International Strategy
1. Increase our presence in EU member states and work to ensure that the European Union remains our strongest partner with whom we share many values and policy ambitions, and with whom we wish to continue to trade as efficiently as possible in the future.
2. Work with Welsh, global diaspora and alumni and significantly increase the number we reach to 500,000 connections, focusing our activity on the key themes in this strategy.
3. Coordinate our international activities and empower key Welsh organisations, including sport and culture, help open doors and enter new, difficult-to access markets to amplify the Welsh voice abroad.
4. Work with the UK Government, particularly with the Foreign and Commonwealth Office, Department for International Trade, the British Council and BBC World Service to increase their profiling of Wales.
5. Build on existing Memoranda of Understanding, by working with governments in our key partner countries and regions to develop relationships whereby Wales can benefit economically, culturally and socially.
6. Growing the contribution that exports make to the Welsh economy by 5%.
7. Ensuring Wales is recognised internationally in specific economic sectors where we are global leaders.
8. Promoting "magnet" projects, which will direct investment to specific parts of Wales.
9. Ensuring Wales is recognised for the impact of its research excellence and for being the best place in the UK for the number of graduate start-ups.
10. Become known internationally as the first country to put the UN sustainability goals into law by promoting the Well-being of Future Generations Act.

11. Offer support to countries that can learn from our experience of increasing the number of people who speak an indigenous language, which was previously under threat.
12. Be known as a world-leading nation for recycling.
13. Establish our reputation for sustainable adventure tourism.
14. Plant a further 15 million trees in the Mbale region of Uganda by 2025 – in addition to the 10 million already planted in the region. We have already helped to protect an area of rainforest twice the size of Wales.
15. Cement our reputation as a Fair Nation – a nation committed to Fair Trade, Fair Work and Fair Play, especially through our work on equality.
16. Establish our reputation as a Nation of Sanctuary committed to human rights and promoting peace.
17. Teach students in Welsh schools to be ethical, informed citizens dedicated to promoting global citizenship, as part of the new national curriculum.
18. Promote Wales as the country that inspired the NHS and holds onto its core values through being the first country in the world to have statutory health impact assessments.
19. Harness digital and social media to create and share stories from Wales with audiences around the world.
20. Enable people, businesses and organisations in Wales to share and use the brand and marketing materials.
21. Encourage UK agencies and international partner brands to work with us to extend the brand's global reach and impact through innovative co-campaigns and partnerships.
22. Continue to deliver brand-defining campaigns, programmes and projects to help Wales stand out on the world stage, in the model of the themed-years to date in tourism.
23. Develop a digital communications plan to support the international strategy.
24. Raise Wales' profile by working with Welsh diaspora, alumni and partner organisations, focusing in the first year on the USA and Japan and identifying influential Welsh people around the world. We will do this by mapping alumni and diaspora, as well as activity related to Wales taking place around the world, to create a comprehensive database of Welsh links with an aim to create 500,000 contacts in five years.

<p>25. Raise Wales' profile by coordinating our international activity with key cultural and sporting organisations to help open doors and enter new, difficult-to-access markets to amplify the Welsh voice abroad.</p>
<p>26. Demonstrate global responsibility by promoting Wales as a welcoming nation, in line with our aspiration to become a Nation of Sanctuary committed to human rights and promoting peace. We will deliver an annual event recognising the contributions made by our migrant communities who have made Wales their home and to celebrate the links between Wales and their homelands.</p>
<p>27. Demonstrate global responsibility through the study of sustainable development and ethical global citizenship as part of the Welsh Baccalaureate. This will ensure Welsh students are informed citizens.</p>
<p>28. Demonstrate global responsibility by promoting Wales as the country that inspired the NHS and holds onto its core values through being the first country in the world to have statutory health impact assessments.</p>
<p>29. Raise Wales' profile by promoting Wales internationally as a place to train, work and live for healthcare workers.</p>
<p>30. Demonstrate global responsibility by increasing global awareness of Wales as a bilingual nation. We will build on the work undertaken during the UNESCO Year of Indigenous Languages to show how we will increase the numbers and use of Welsh speakers and ensure a legacy develops as a result. We will share our success with other countries in a world where a language dies every other week.</p>
<p>31. Demonstrate global responsibility by building our participation in the Health Behaviour in School-Aged Children study.</p>
<p>32. Demonstrate global responsibility by using Curriculum for Wales 2022 so students can carry on the creative tradition of our nation and are equipped with the skills to compete in the global economy, including modern languages.</p>
<p>33. Grow our economy by working with education institutions to increase the number of international students studying in Wales and we will push for continued participation in Erasmus+ and Horizon 2020 (and any successor programmes).</p>
<p>34. Raise Wales' profile, by exploring the feasibility of teaching Mandarin in secondary schools as part of a long-term vision to establish Wales as a visitor destination for the Chinese market.</p>
<p>35. Demonstrate global responsibility by continuing our work with Vietnam to develop its educational infrastructure through training opportunities, research, collaboration and academic exchanges. We will expand this programme with other partner countries.</p>

36. Raise Wales' profile by increasing our presence in EU member states and work to ensure that the European Union remains our strongest partner
37. Raise Wales' profile by working with the Foreign and Commonwealth Office, the Department of International Trade, other UK Government departments, the British Council and BBC World Service to increase visibility of Wales.
38. Raise Wales' profile by building on existing Memoranda of Understanding, by working with governments in our key partner countries and regions to develop relationships whereby Wales can benefit economically, socially and culturally.
39. Grow our economy by increasing the contribution that exports make to the Welsh economy by 5 per cent.
40. Grow our economy by ensuring Wales is recognised internationally in specific economic sectors where we are global leaders.
41. Grow our economy by promoting 'magnet' projects which will direct investment to specific parts of Wales.
42. Grow our economy by encouraging international collaboration in research globally, where appropriate, and recognising the significant impact that Welsh research is having relative to other nations and regions and underlining our pride in being the best place in the UK for the number of graduate start-ups
43. Grow our economy by increasing the numbers of Welsh businesses exporting internationally and we will continue to support and attract inward investment to Wales.
44. Grow our economy by increasing exports supported by the Welsh Government. Our most important partner will continue to be the European Union. We will support new and existing exporters as they explore new markets, whether as part of business-as-usual activity or in response to post-Brexit arrangements.
45. Grow our economy by delivering quality foreign direct investment across Wales in line with the principles of the Economic Action Plan and through our regional teams, and other organisations across Wales including promoting our magnet projects, to deliver a clear and compelling proposition to investors.
46. Grow our economy by working with organisations, such as M-SParc, to encourage entrepreneurs, using links with Harvard University.
47. Raise Wales' profile by continuing to prioritise markets in Germany, France, Ireland and North America and develop new opportunities in Asia and the Middle East.
48. Raise Wales' profile by developing an action plan to embed relationships with our priority European partners of Brittany, Flanders and the Basque Country

49. Demonstrate global responsibility by becoming known as the first country to put the UN Sustainable Development Goals (SDGs) into law by promoting the Well-being of Future Generations Act.
50. Demonstrate global responsibility by becoming known as a world-leading nation for recycling.
51. Demonstrate global responsibility by planting a further 15 million trees in the Mbale region of Uganda by 2025, in addition to the 10 million that we have already planted.
52. Demonstrate global responsibility by offering support to countries who want to learn from our experiences of increasing the number of people to speak an indigenous language, which was previously under threat.
53. Demonstrate global responsibility by cementing our reputation as a Fair Nation – committed to Fair Trade, Fair Work, Fair Play, especially with regards to equality
54. Raise Wales' profile by promoting Wales as a centre for adventure tourism and sustainable tourism and increase visitor numbers.
55. Raise Wales' profile by respecting the potential of tourism to act as a flag-carrier for Wales on the world stage – acting as a means of introducing new audiences to Wales, of creating a sense of welcome, and of creating lifelong relations with future partners the world over.
56. Raise Wales' profile by increasing our investment in international-quality products, securing major events and in marketing Wales as a world-class tourism destination. We will do this in collaboration with the sector and using insight to inform decision-making.
57. Raise Wales' profile by developing the Visit Wales offer to promote the unique Wales Coast Path and use Welsh culture and the Welsh language as a differentiating positive factor to promote sustainable tourism to international audiences.
58. Raise Wales' profile by promoting Wales' cultural excellence and sporting reputation around the world using major events such as the Rugby World Cup in Japan as a platform to build a legacy for the future.
59. Demonstrate global responsibility by rebranding and expanding the successful Wales for Africa programme to become the Wales and Africa programme with a focus on sustainability.
60. Demonstrate global responsibility by sharing with others our experiences of addressing climate change, and learning from theirs.

61. Demonstrate global responsibility by building on our reputation as a feminist government and develop mutually-beneficial opportunities for women with our partners in Uganda and Lesotho.

62. Raise Wales' profile by using our experience with the promotion of the Welsh language to work with other countries and become the global leader in this area.

### Diaspora engagement

1. Launch initiative around St David's Day 2021.

2. Build on the initial launch to develop more support in 2021 and beyond.

3. Use the Welsh personalities to support activity at key events where Wales is showcased globally

4. In partnership, develop action plans for each envoy by December 2020 to support delivery of the International Strategy.

5. Announce second cohort of envoys by summer 2021.

6. Use the profile and influence of the envoys to support Welsh Government activity at key international events such as Expo 2020, Cyber UK, COP26 and the Olympic Games in Tokyo.

7. Have members of the business diaspora network in place in priority trading markets by September 2021.

8. In partnership with the network, develop a communications plan to promote the 'Welsh offer' within key markets.

9. Appoint external delivery partner by the summer of 2021.

10. Establish KPIs that will measure the economic benefit of engaging with diaspora and ensure that we make the 500,000 diaspora connections by 2025.

11. Provide resources to key diaspora organisations to help us promote the Welsh message in particular around St David's Day

12. Alongside key partners, develop a diaspora communications plan.

13. Establish and maintain consistent dialogue with the other devolved administrations to share best practice and discuss progress.

14. Leverage the opportunities presented by major events, such as the European football championships 2021 and the Rugby World Cup 2023, to engage with diaspora.

15. Deliver events in collaboration with Global Wales, as part of St David's Day activity 2021.
16. Develop an alumni communications plan alongside Global Wales and Welsh universities to ensure longer-term engagement with Welsh alumni by the summer of 2021.
17. Hold a minimum of three meetings per year with the individual diaspora engagement organisations to discuss progress, share best practice and decide upon areas for collaborative working.
18. Ensure that the promotion of these organisations and their work is built into communications plans with diaspora.
19. Work with our overseas network to develop country specific diaspora engagement plans for our priority markets.

<b>Priority regional relationships and networks</b>
1. Deepen partnership with Brittany on cyber security with a focus on developing academic partnerships between Welsh and Breton Higher Education Institutions and organising a visit by a Breton cyber delegation to Wales
2. Continue to develop the agri-food relationship and reprogramme the cluster study visit.
3. Continue working in partnership with Brittany (and other European countries) on current INTERREG projects, including the Atlantic Healthy Food Eco-system project (AHFES) and the ValuSect project.
4. Facilitate an inward visit on marine energy to Wales with a view to consolidating relationship and identifying common strengths.
5. Continue to share intelligence with the Regional Government of Brittany on the impact of COVID-19 with a focus on sharing intelligence on health and the tourism sector.
6. Promote and share learning on our approach to implementing the Sustainable Development Goals through the Well-being of Future Generations Act framework.

7. Share learning on decarbonisation and recycling.
8. Provide a strong Welsh flavour to the UK Government's "Les Voisins on Tour" initiative when it visits the Breton cities of Brest, Rennes and St Malo.
9. Explore the possibility of re-organising the visits from Welsh Further Education colleges to Brittany that were postponed due to COVID-19.
10. Host a conference on cultural rights and cultural democracy for the Breton Vice President for Culture, and a delegation from the museum sector, and progress cultural connections.
11. Continue to build on existing relationships between the Welsh and Breton educational and youth sectors.
12. Develop three sustainable and durable cultural, sporting and/or creative partnerships between Wales and Brittany with at least one to have a focus on the Welsh and Breton languages.
13. Establish three collaborative projects in the priority economic sectors.
14. Organise annual political-level meeting between Wales and Brittany and hold one Wales Week in Brittany and a "focus on Brittany" activity in Wales.
15. Welsh Government Ministerial visit or virtual visit to the Basque Country.
16. Continue to share intelligence on the impact of COVID-19 with a particular focus on economic resilience and mitigating vulnerabilities.
17. Progress co-operation with the Basque Government on language planning with Basque representatives to visit Wales for the General Assembly of the Network to Promote Linguistic Diversity and associated conference on language and culture.
18. Share experience and learning on the development of the Cymru Wales brand at the next Euskadi Basque Country Day in the Basque Country and continue exchanges on approaches to diaspora engagement.
19. Invite a Basque Minister and companies to Innovation conferences during 2021 and organise a visit from the Basque Cyber Cluster.
20. Invite the Basque Life Sciences cluster to Wales and run a medical devices pilot between both countries.
21. Share information on SMART Innovation Productivity operation, the Welsh Knowledge Transfer Partnership and Open Innovation model and the Cardiff Universities data health check.
22. Arrange a "dissemination" event to be held in 2021, as part of the Interreg Cohes3ion project, which will involve the Basque Country

23. Invite the Basque Digital Innovation Hub and the Welsh Advanced Manufacturing Research Centre (AMRC) to collaborate on projects with the aim of developing a future MoU.
24. Continue to work together and collaborate on tax and health policies, where appropriate, to help deliver for our respective communities.
25. Share learning on our approach to implementing the UN Sustainable Development Goals (SDGs) through the Well-being of Future Generations Act, decarbonisation in the period leading to COP26 and recycling.
26. Invite IKERBASQUE to Wales to share best practice on attracting global scientific talent to our respective countries.
27. Issue a dedicated call for projects focusing on Research & Innovation to complement that published in mid-2020 by the Basque Country.
28. Develop and support three sustainable and durable public diplomacy, soft power or policy led collaboration projects.
29. Establish two durable collaborative initiatives in the field of Innovation involving SMEs.
30. Facilitate and support the relations between respective Cyber and Life Sciences clusters with a view to delivering innovation and commercial outcomes.
31. Invite the Basque Country to participate in future Welsh Government Innovation conferences
32. Explore Basque policies and innovation in the energy sector, with a focus on marine energy and local ownership commitments in energy generation.
33. Organise an annual political level meeting.
34. Hold one Wales Week in the Basque Country and one "focus on the Basque Country" activity in Wales.
35. Develop and deliver a Memorandum of Understanding with an initial focus on tech and cyber security.
36. Work with the UK Government to host a mission from Flanders on cyber security to Cyber UK which will take place in Wales in 2021.
37. Explore the legacy of Wales Remembers/Cymru'n Cofio and support the relationship between the Flemish Peace Institute and Wales' new Peace Institute/Yr Academi Heddwch.
38. Continue work to identify potential areas for collaboration in relation to health, linking to the work of the World Health Organisation's European Regions for Health Network (RHN).

39. Develop two collaborative cyber projects between Wales and Flanders.
40. Promote and share learning on our approach to implementing the Sustainable Development Goals through the Well-being of Future Generations Act framework.
41. Explore potential for two further collaborative projects in the other areas identified in the MoU
42. Select successful projects for the first joint Wales-Québec Call for Proposals in autumn 2020 which will focus on sustainability, economic development, and research & innovation, with responding and contributing to the recovery efforts for COVID-19 at the core of each project selected.
43. Facilitate a series of digital events in response to shared learning around COVID-19.
44. Work with the Québec Delegation in London to facilitate collaboration between Québec and Team Wales on the impact of COVID-19 and beyond. Québec has expressed an interest in collaborating with Wales on a COVID Biobank in addition to other key industrial sectors.
45. Continue to plan with Wales Arts International to bring a delegation of Welsh artists to Montréal in May 2021 for the biennial CINARS festival of performing arts, and highlight Wales as part of promotional activity around this.
46. Establish a work stream regarding French immersion education and adult teaching of French in Québec with the policy aim of establishing a policy exchange between the Office Québécois de la langue française and relevant divisions of the Welsh Government and its partner organisations.
47. Re-orient work with Aerospace Wales and Aéro Montréal on joint activity around Farnborough with collaboration on preparing our respective supply chains for a post-COVID-19 world, and the future of the aerospace industry.
48. Develop the relationship with the Québec Government and commence a programme of Ministerial visits
49. Deepen collaboration between Genome Québec and the Cardiff University Biobank, encouraging further expansion of collaborative projects between Québec, the Digital Health Ecosystem Wales and SAIL Databank.
50. Develop a partnership with a Québec-based party in the field of neurology, building on the strength of CUBRIC in Cardiff, in collaboration with the Chief Scientific Advisor's office.
51. Promote and share learning on our approach to implementing the Sustainable Development Goals through the Well-being of Future Generations Act.

52. Consider the International networks in which the Welsh Government participates in the light of the future UK-EU relationship.
53. Provide support for the engagement of Welsh organisations in international networks when there are clear benefits to Wales and alignment with the Welsh Government priorities.
54. Welsh Government to maintain leadership positions in at least two international networks.
55. Create new international network of regional cultural agencies involving initially all our priority regions.

<b>International Relations through Public Diplomacy and Soft Power</b>
1. We will agree a shared action plan with the Future Generations Commissioner to align activities internationally, utilising connections at the United Nations and platforms such as the World Expo in Dubai and COP26 to promote and demonstrate how a well-being of future generations approach can help drive positive action on the world's greatest problems.
2. We will build on the success of the "Future is now" event held in Berlin earlier this year as part of Wales in Germany 2021.
3. We will continue our joint work with Ireland and build on the first visit of representatives of the Future Leaders Academy to Dublin and the ongoing relationship with Ireland's UN Youth representatives. We will build on the Future Generations focus at this year's St David's Day activity in Ireland through continued cooperation and shared commitment to Sustainability, which will be reflected in our joint Statement of Intent with Ireland.
4. We will build on the role the Future Generations Leadership Academy can play in promoting the Well-being of Future Generations Act across the world.
5. We will continue to play an active role in the Regions4SD network, sharing and engaging with regional and sub-national governments committed to sustainable development.
6. We will continue to play an active role in the Well-being Economy Government Network, sharing Wales experience with other countries to put well-being at the heart of our economy
7. Our international offices will identify opportunities to promote the Well-being of Future Generations Act in countries annually.
8. We will put the Future Generations focus at the core of our ongoing engagement with the EU, and its Member States and regions, in Brussels.

<p>9. We will continue to be an active member of the Under2Coalition Steering Group for Europe, the global community of state and regional governments committed to ambitious climate action in line with the Paris Agreement.</p>
<p>10. We will continue to engage with our valued stakeholders and citizens as we work to develop and deliver our second Low Carbon Delivery Plan and play a full part in the UN Climate Change Conference,</p>
<p>11. Through action outlined in our Wales and Africa Action Plan we will help to address the devastating impact that climate change is having on parts of the African continent.</p>
<p>12. In response to the climate emergency, we will raise our ambition of our emissions targets, and increase Wales' 2050 emissions reduction target to 95%. We will ask Senedd Cymru to put this into law</p>
<p>13. We will share our experience and learnings through our existing international networks, through our MoUs and our Declaration of Intent with key partners.</p>
<p>14. We will demonstrate to our international partners how we have gone from the worst country in recycling to one of the best in a short amount of time.</p>
<p>15. We will reflect the actions of the Race Equality Action Plan, where relevant, in our work internationally.</p>
<p>16. We will recognise and celebrate our diverse and vibrant communities in Wales through digital campaigns and events, celebrating days such as Diwali, and underlining our relationships with Bangladesh, Poland and Ireland in particular.</p>
<p>17. We will promote our commitment to diversity through encouraging partnerships such as the Welsh Government – Alabama partnership.</p>
<p>18. We will work with our key partners to promote our shared values and principles, e.g. International Pride Week, International Peace Day, International Women's Day, Windrush Day and through events in Wales.</p>
<p>19. We will explore supporting the Peace Academy of Wales, including how to facilitate connections with other Peace Institutes globally</p>
<p>20. We will, through our Wales and Africa Action Plan, promote the concept of a Fair Nation, linking Fair Trade, diversity and inclusion and supporting women's empowerment in Lesotho and Uganda.</p>
<p>21. We will commission an independent rapid review of current international health activity and the existing international health infrastructure in Wales. The review will include mapping the role of the Welsh Government and its interface between key organisations involved in international engagement in Wales with a view to developing recommendations to further support the delivery of the International Strategy</p>

22. We will mark the centenary of the Wales Peace Petition working with partners in Wales and the US in 2023-24.
23. We will continue to develop links with the UN through the UK mission, World Bank and UNESCO to help promote our values internationally
24. We will develop strategic partnerships with Wales Arts International and British Council Wales to ensure better alignment of activities internationally, including ensuring cultural presence at Welsh Government-led international activations such as Wales in Germany Year 2021 and World Expo in Dubai 2021-22.
25. Where appropriate, we will support partner-led activations, such as Year of Wales at Celtic Connections in 2022, Wales in Venice and Wales in Edinburgh and associated legacy programmes. We will also work with the British Council to ensure that Wales is well represented in its UK in Australia 2021 initiative.
26. We will support the delivery of a national virtual event led by BBC Wales in early 2021
27. We will develop a global virtual St David's Day with a range of partners in 2021 and continue to deliver and support Wales Week activities. We will provide resources to the FCDO, British Council and Embassies to promote our messages.
28. We will ensure Welsh representation at key cultural networking events for global audiences such as ISPA, (International Society for Performing Arts) IETM (International network for contemporary performing arts) and Aerowaves.
29. We will invite international partners and delegations to experience our culture first-hand, including at our Eisteddfodau and Hay Festival, focussing on the links between culture, well-being, youth and community.
30. We will work in partnership with the British Council to encourage Welsh content in British Council Cultural Seasons, particularly when they align with our strategic priorities.
31. We will undertake an activity mapping exercise over the next five years to better align and amplify Wales' presence internationally with our partners.
32. We will provide Wales' arts and sports organisations with resources to amplify our message. We will build better relationships with key excellent amateur organisations so that they can perform on behalf of our nation when they go abroad.
33. We will support the work of Creative Wales internationally across the priority sub-sectors of film and TV; digital and gaming; music; and publishing with the Books Council of Wales.
34. We will support Creative Wales to promote Wales' diverse, creative and innovative communities to the world during Festival 2022.

35. We will through our Priority Regional Relationships and Networks Action Plan encourage cultural collaborations between Wales and priority regional relationships.
36. We will engage with UNESCO during its preparations for a decade of indigenous languages from 2022.
37. We will disseminate our video introducing the Welsh language to the world to our international offices for their use as part of public diplomacy.
38. We will host the international Network to Promote Linguistic Diversity (NPLD) conference in Wales in the summer of 2021
39. We will play a leading role in championing the interests of minority languages globally, and be an active participant in the UNESCO decade of indigenous languages.
40. We will continue through our bilateral agreements with Ireland, Quebec, Brittany and the Basque Country, to share experiences and learnings on language planning.
41. We will continue to play a leading role in the work of the international Network to Promote Linguistic Diversity
42. We will work on developing a MoU between Wales and Japan to cement the legacy of the 2019 Rugby World Cup, and use the Olympics/ Paralympics as a platform to raise further the profile of Wales in Japan.
43. We will partner with the Football Association Wales (FAW) to make the most of opportunities to showcase Wales in the lead up to and during Euro 2021.
44. We will utilise the Commonwealth Games 2022 and, if Wales qualify, the Qatar FIFA World Cup 2022 to promote Wales, working with relevant partners to deliver this activity.
45. We will look to promote Wales during the Rugby World Cup in 2023 and Olympics /Paralympics 2024, both of which will be held in France.
46. We will work with our Major Events team and sector lead bodies to attract international sporting, as well as business and cultural events to Wales.
47. We will convene stakeholders to promote international sporting events to maximise resources and impact.
48. We will encourage and develop further collaborations between sports and arts at key events.
49. We will support Future Generations Future Leaders network activity internationally at the UN Youth Forum in New York and One Young World Summit in Munich in 2021.

50. We will support Global Wales' (the Welsh Universities global partnership group) post COVID-19 marketing messages utilising our networks internationally, including the fact that there are more business start-ups from universities in Wales compared to other parts of the UK.
51. We will ensure youth play a central part of our major events – e.g. Wales in Germany, World Expo and COP26.
52. We will attend and participate in Atlantic Rim Collaboratory Summit to continue exchanging good practice and learn from other members.
53. Where possible, we will collaborate on joint events and initiatives with Global Wales in priority countries, focusing on North America, India and Vietnam.
54. We will support the Urdd's work internationally through a strategic partnership.
55. We will encourage Youth Parliament international links and facilitate introductions internationally.
56. We will engage with alumni internationally through a Diaspora Engagement Action Plan in partnership with Welsh universities.
57. We will continue to provide our young people with the opportunities to gain international experience through the Seren network and Global Wales Discover, and provide opportunities for young people from the US, Vietnam, India, and the EU to study in Wales through scholarships such as Gilman, Fulbright, Chevening and the Global Wales Postgraduate Scholarship Programme.
58. We will continue, through our Priority Regional Relationships and Networks Action Plan, to encourage innovation and collaboration, through initiatives such as a joint call for projects with the Government of Québec and through a new Cyber and Tech MoU with the Government of Flanders.
59. We will through the chairing of the 2020 Vanguard Initiative, continue to encourage collaborative projects, promoting take-up of key enabling technologies.
60. We will continue, through our international network and partners, to share learnings on COVID-19 to aid our recovery.
61. We will showcase our Universities world leading research capabilities at World Expo in Dubai 2021-22.
62. Through our joint Statement of Intent with Ireland, we will launch the inaugural St David's Day and St Patrick's Day lectures in Ireland and Wales.
63. We will produce resources to demonstrate the impact of Welsh research, illustrating the success of our universities output.

64. We will continue the Sêr Cymru programme until March 2023 and explore ways to continue the programme beyond 2023 (end of ERDF funding period) with continued international focus in relevant areas.
65. Our international network will continue to support our universities through facilitating international introductions and encourage partnerships globally.
66. We will hold two meetings a year to ensure we are coordinating our activities across Welsh Government and with other organisations working abroad, including education, civil society, sports and cultural organisations.
67. We will convene Stakeholder Working Groups around specific events such as Wales in Germany 2021, World Expo Dubai 2021-22 and COP26.
68. We will continue to encourage cultural, research and educational collaborations and exchange through our existing Memorandum of Understanding and Declaration of Intent. We will publish a new joint statement and action plan with Ireland in autumn 2020.
69. We will, where appropriate, work in partnership with UK Government departments and the British Council to help deliver this action plan and promote Wales' distinct and diverse assets.
70. We will further strengthen our relationships with the diplomatic corps in London, and the Consul Generals and Honorary Consuls in Wales, focusing on our key strategic relationships.
71. We will ensure that our international offices incorporate this plan into their Business Planning, focusing on the areas in this plan where they will add most value in their respective geographies.
72. We will build Return on Influence metrics into our evaluations of key events and activity internationally (e.g. World Expo Dubai 2021-22 and Wales in Germany 2021).
73. We will evaluate the results of the Anholt survey and consider how we can use surveys to track Wales' ranking relative to other countries, over the next five years.
74. We will evaluate our actions against the goals of the Well-being of Future Generations Act, and undertake an integrated impact assessment for all our action plans.

Wales and Africa

1. Plant and nurture at least 25 million trees in Uganda by 2025 to support alleviation of poverty and tackle climate change.
2. Support the development of a major pan-African Tree Planting project through groups across Wales, and seek the support of the UK government to deliver it.
3. Strengthen our Grants Scheme with a greater emphasis on adding value between partnerships whilst measuring and recognising their contribution.
4. Promote the adoption of fair and ethical trade across Wales and the concept of a Fair Nation, linking Fair Trade, diversity and inclusion.
5. Support the delivery of the commitments of the NHS Wales Charter for International Health Partnerships.
6. Support a pilot Gender Equality Programme in both Lesotho and Uganda.
7. Promote and achieve the highest standards in Safeguarding ensuring that the voice and agency of the poor and excluded groups is always considered in how the programme operates.
8. Use global opportunities such as Wales in Germany 2021, World Expo Dubai 2021-22, the annual World Health Organisation Assembly and COP26 to promote the Welsh Government's approach to international development as a globally responsible nation and to forge new partnerships.
9. We will support the distribution of over 3m trees every year in Uganda – one for every person in Wales with a target of 25m by 2025.
10. We will work closely with partners to continue to professionalise and strengthen key aspects of the project programme and to drive up standards, particularly in governance, gender and safeguarding.
11. We will support an improved data capture system in Uganda to better track the location and survival rates of the trees that are distributed for monitoring and evaluation purposes.
12. We will support the development of a major pan-African Tree Planting project with groups across Wales, and seek the support of the UK government to deliver it. We will also promote the concept to other governments and organisations around the world, including at COP26.
13. The Welsh Government will continue to fund capacity building for civil society with an enhanced focus on Safeguarding quality, anti-racist practices, solidarity amongst marginalised groups and sustainable development that builds resilience to global pandemics and climate change.
14. We will extend the Grants Scheme under its current arrangements for a further year in 2021-22 and conduct a review of how the impact of small grants can best be delivered and captured.

15. We will give consideration to focusing the next round of grants, due to be opened in early 2021, on helping partnerships adapt to the challenges of COVID-19 and the Climate Emergency
16. During the period of ILO programme suspension, we will review our ILO recruitment, safeguarding and reporting procedures. We will also consult with our African ILO partners about ways to further improve the impact of placements and investigate ways of enhancing placements through the use of IT to deliver against the International Strategy.
17. We will relaunch the programme with an emphasis on encouraging members of the African diaspora to volunteer.
18. We will investigate the possibility of opening the programme in Somaliland.
19. We will support partner organisations to deliver on the Welsh Government's commitment to be a Feminist government by funding gender specific partnerships between Wales, Lesotho and Uganda.
20. The Welsh Government will continue to work closely with both projects to ensure that maximum impact and publicity is achieved.
21. We will continue to work cross-departmentally, focussing on procurement, education and business, to deepen understanding and support for Fair Trade.

<b>Export Action Plan</b>
1. Make our temporarily expanded network of International Trade Advisers (ITA), a permanent feature of our team in Wales. The network is based pan-Wales and will ensure there are experts 'on the ground' in all parts of Wales providing advice and support on exports to businesses.
2. Through our overseas based staff, promote their respective markets, the export opportunities available to Welsh businesses and the support they can provide via a new and ongoing programme of one-to-many webinars and one-to-one video conferences with Wales based companies.
3. Ensure the ITA network works alongside our Business Wales service, which provides support to micro business, SMEs and business with high growth potential who have exporting as a business priority.
4. Continue to provide a telephone helpline service and digital platform for all in-bound micro and SME enquiries including exporting, through our Business Wales service.

5. Deliver a renewed export exemplar marketing campaign showcasing our successful exporters to inspire other businesses.
6. Follow up with businesses which have received support from the Welsh Government Economy Futures Fund under the Exports and Trade Call to Action to ensure export support is readily available to them to support achievement of their objectives.
7. Ensure our support for exports (across all export journey steps) will be conditional and we will be clear from the outset our expectation that in return for our support, businesses will need to provide a return on investment as well as supporting our efforts to broaden our reach to other businesses in Wales.
8. Proactively identify businesses with 'untapped export potential' (including through our Business and Regions Teams) to encourage exporting.
9. Pilot an innovative 'new exporter' programme to provide intensive support to a small number of businesses with the ambition and potential to become new exporting businesses from Wales (as a means to grow the number of businesses exporting in Wales on a regular and sustainable basis).
10. Deliver an annual Export Conference to promote the benefits of exporting to businesses across Wales, providing an opportunity for them to find out about market opportunities, export procedures and the support available from Welsh Government and our delivery partners.
11. Increase the number of businesses that we are engaging with on exports.
12. Increase our capacity to support exporters through EU Transition, using in house, outsourced and partner expertise to help resolve both short and longer term issues and challenges.
13. Undertake a proactive and targeted campaign to contact existing Welsh exporters (including our Major Exporters) to ascertain the impact of COVID-19 on their export business and put in place an appropriate package of export programme support.
14. Continue to deliver our International Trade Development (ITD) programme to support market research/qualification, and ensure it is adapted to ascertain the post COVID-19 markets landscape, what it means for businesses, and thereby providing vital intelligence on how to prepare for the future.
15. Develop a new framework for 'Export Clusters' in Wales to systematically build capacity and capability for exporting on a one-to-many basis. This will initially be a pilot programme for one of our key sectors and will build on the model of the Food and Drink Wales Export Club.
16. Deliver (in conjunction with delivery partners) a structured programme of in-Wales events/seminars (on a virtual basis in the immediate term) to raise

<p>awareness of market opportunities and export processes on a one-to-many basis.</p>
<p>17. Bolster our digital support for exports by introducing new online 'bite-size' training modules on export topics within the Business Wales Business Online Support Service (BOSS) for businesses that are new to exporting; and our Export Zone, including our new Export Hub providing in-depth guidance on all aspects of exporting.</p>
<p>18. Deliver dedicated support to exporters through our International Manager for Hire (IM4H) grant programme which will help mitigate the risks of exiting the EU and build resilience capability to help safeguard existing business with the EU and/ or identify further opportunities in non-EU markets</p>
<p>19. Help and encourage companies to develop their export capabilities through an Export Training Grant providing targeted support for staff to undertake accredited exportrelated training.</p>
<p>20. Expand our International Trade Development (ITD) programme to include e-commerce advice for exporters, particularly to support online platforms for selling and marketing.</p>
<p>21. (subject to a successful pilot) Expand our Export Cluster programme to include more key sectors.</p>
<p>22. Encourage SMEs to use Welsh Government's SMARTCymru programme to 'innovate to export' in order to improve market readiness and strengthen intellectual property.</p>
<p>23. Deliver targeted and regular communication/newsletter updates as a means to further 'reach out' to our Welsh businesses, providing regular updates on market trends and emerging opportunities.</p>
<p>24. Continue to deliver our International Trade Opportunities (ITO) programme to support businesses in identifying suitable in-market customers. We will ensure the programme is adapted to support businesses which may have lost significant international sales due to COVID-19, to help them 're-connect' with international customers or find new ones to 'replace' those lost. We will also offer the ITO programme on a fully subsidised basis for a time limited period.</p>
<p>25. Introduce a new 'virtual meeting arranging' service through the ITO programme as a means to further enable businesses to meet with potential customers/partners in overseas markets.</p>
<p>26. Place a greater emphasis on our Welsh Government Overseas Offices identifying potential business opportunities in their respective markets that could be matched with and contested by Wales based businesses.</p>

<p>27. Ensure our London office will facilitate connections with representatives from overseas markets including embassies, high commissions and chambers of commerce to support Welsh exporters.</p>
<p>28. Deliver a new online 'Buy from Wales' directory that will enable overseas buyers to contact Welsh suppliers more easily as a means to facilitate greater trading opportunities.</p>
<p>29. Support major exporters by providing strategic intelligence and insight, introductions and advice to exploit opportunities in new markets.</p>
<p>30. Maximise our cultural and sporting relations, soft power and economic diplomacy to full effect to showcase our major exporters in their strategic markets.</p>
<p>31. Review our overseas trade events programme to focus on the markets and sectors outlined earlier in this plan whilst also embracing those major cultural and sporting events that can provide opportunities for our exporters.</p>
<p>32. Introduce the delivery of new 'virtual market visits' working closely with our Overseas Offices and where necessary with other in-market partners including DIT and Chambers of Commerce. This will further support our broader commitments on sustainability and encouraging less international travel.</p>
<p>33. Continue to offer our Overseas Business Development Visit (OBDV) grant support to assist businesses to travel independently to develop new export business. In the immediate term, we expect a reduction in the demand for this, given travel restrictions, however, where businesses are able to travel, we will expand the eligibility for the grant (for a limited period) to support businesses to recover business in existing markets (as well as for new business opportunities) as a means to further support export recovery.</p>
<p>34. Through our Overseas Offices, deliver in-market events and activities, for example, briefings, making in-market contacts (DIT, chambers, clusters, networks), online pre-mission webinars to support businesses preparation.</p>
<p>35. Through our Overseas Offices, provide 'on the ground' support to Welsh businesses undertaking export focused visits to their region whether as part of a visiting trade delegation or independently.</p>
<p>36. Use any presence at overseas exhibitions as a means to also promote Wales as a premier location for inward investment, particularly where there is alignment between either the sector focus of the event or the market where the event is held with Wales' core investment propositions.</p>
<p>37. Through our Overseas Offices, identify in market export activities within their regions, to directly inform overall planning for trade events and particularly in</p>

<p>conjunction with other in-market partners, such as DIT, chambers, and cluster networks.</p>
<p>38. Through our Overseas Offices, showcase products and services and use office facilities (where possible) to facilitate in-market meetings and events.</p>
<p>39. Commission future research on priority target export markets and sectors to ensure that our activity, including our events programme, is focused on the right markets and opportunities (particularly to better understand the post-COVID-19 landscape). This will also take into account opportunities linked to the UK's developing trade policy and future trade agreements.</p>
<p>40. Engage regularly with DIT in the UK and overseas to share best practice and align delivery of support.</p>
<p>41. As part of our Diaspora Plan, work with the business focussed diaspora in key markets who can support 'opening doors' to export opportunities for Welsh businesses, by identifying potential in-market opportunities and supporting Welsh business interests in overseas markets.</p>
<p>42. Work with partners including Chambers of Commerce; representative bodies such as the Federation of Small Businesses (FSB), Institute of Directors (IOD) and the Confederation of British Industry (CBI), and intermediaries including accountancy and legal firms to deliver events and awareness sessions.</p>
<p>43. Work with UK Export Finance (UKEF), the Development Bank of Wales and others to ensure that exporters in Wales have access to finance for their export contracts.</p>
<p>44. Ensure that Welsh businesses have sight of and access to supply chain opportunities generated by UKEF's support for major overseas projects.</p>
<p>45. Work with sector organisations in Wales and across the UK to deliver our Export Cluster programme.</p>
<p>46. Bring partners together periodically and as part of our Export Conference to share experiences of supporting exporters and to explore opportunities to refine our support to meet current and future needs.</p>
<p>47. Host UK government staff and teams (including DIT) visits to Wales to raise awareness of Welsh export capabilities.</p>

Mike Hedges MS  
Chair  
Legislation, Justice and Constitution Committee  
Senedd Cymru

[SeneddLJC@senedd.wales](mailto:SeneddLJC@senedd.wales)

9<sup>th</sup> July 2024

Dear Mike

### **Outcome of the Interministerial Group (IMG) for Culture and Creative Industries**

In accordance with the inter-institutional relations agreement, the first meeting of the Culture and Creative Industries Inter-Ministerial Group (IMG) was held virtually on 2 May 2024. As lead Cabinet Secretary for this IMG I attended the meeting on behalf of the Welsh Government.

The Rt Hon Lucy Frazer KC, former Secretary of State for Culture, Media and Sport, attended for the former UKG and chaired the meeting. Gordon Lyons MLA, Minister for Communities, attended for the Northern Ireland Executive and Angus Robertson MSP, Cabinet Secretary for Constitution, External Affairs and Culture, attended for the Scottish Government.

The group agreed the Terms of Reference before discussing upcoming major cultural domestic and international events across the Devolved Governments. It was recognised securing visas for artists and performers smoothly would be essential to the success of many of these events.

The current funding pressures and financial challenges the cultural and creative sector is experiencing was discussed. Members reinforced with the UK Government the importance of respecting and applying out-of-London and out-of-England television production targets.

Members discussed published and upcoming culture strategies across the four nations, recognising the opportunities for sharing best practice.

Areas to celebrate were highlighted including the continued success of the screen industry in all four nations, increased tax relief for creative industries announced at the latest Budget, early successes across the UK from initiatives introduced under the Creative Industries Sector Vision, and the positive reception to adding screen studies to the Scottish school curriculum.

Members agreed to share best practice and learning to help the sector overcome the challenges it currently faces.

The Scottish Government offered to host the next meeting and officials will now work together to identify a specific date and suitable agenda items.

I am also copying this letter to Rebecca Evans MS, Cabinet Secretary for Finance, Constitution and Cabinet Office, the Rt Hon Elin Jones MS Llywydd and the Culture, Communications, Welsh Language, Sport, and International Relations Committee.

Yours sincerely,



**Lesley Griffiths AS/MS**  
**Ysgrifennydd y Cabinet dros Ddiwylliant a Chyfiawnder Cymdeithasol**  
**Cabinet Secretary for Culture and Social Justice**

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Jack Sargeant MS  
Chair, Petitions Committee  
Tŷ Hywel  
Cardiff Bay  
CF99 1SN

9 July 2024

Dear Jack,

Petition P-06-1437 Increase, don't cut, funding for the National Library, Amgueddfa Cymru and the Royal Commission and P-06-1455 Protect the junior departments of the Royal Welsh College of Music and Drama from closure

Thank you for your letters of 26 June 2024, that relate to petition [P-06-1437](#) and petition [P-06-1455](#) respectively.

The Committee will be holding its annual budget priorities debate this year in Plenary on 17 July, where there will be an opportunity for the Senedd to mention these issues so as to influence the Welsh Government's budgetary choices for 2025-26.

The petitioners may also be interested in the Committee's consultation on the budget, which will be launched in the autumn. We would welcome responses highlighting the issues raised to inform scrutiny by Senedd Committees of the Draft Budget later in the year.

As you will be aware, the Finance Committee takes a strategic approach to the scrutiny of the Draft Budget, with policy Committees taking a lead on specific areas within their remits. I have copied this letter to the Culture, Communications, Welsh Language, Sport and International Affairs Committee so they are aware of these issues.

Yours sincerely,



**Peredur Owen Griffiths MS**  
Chair of the Finance Committee



Delyth Jewell MS  
Committee Chair  
Culture, Communications, Welsh Language, Sport, and International Relations Committee

10 July 2024

Dear Delyth

Thank you for your letter of 28 June to the Cabinet Secretary for Culture and Social Justice, regarding the closure of Junior Conservatoire at Royal Welsh College of Music and Drama (RWCMD). I am responding as this matter falls within my Ministerial portfolio.

The RWCMD wrote to me in advance of the launch of a staff consultation in response to the financial challenges faced by the college. This consultation involved proposals to stop some of its present work with young people of school ages, specifically the Young Acting and Young Music weekend courses.

I know this proposal will have caused apprehension for all those involved. However, as an autonomous body, the RWCMD is responsible for its own academic affairs, including delivery of their courses, and decisions on financial management. It would not be appropriate for the Welsh Government to intervene in such matters.

These courses are subsidised by the RWCMD and are not funded directly from HEFCW (Medr from 1 August) or the Welsh Government. The RWCMD notes that the subsidy in 2023/24 for the direct costs of teaching and administering these courses is in excess of £200,000. This is in addition to the fees paid by the majority of participants. There are also indirect costs associated with supporting these weekend activities including safeguarding, safety and security, technical operations support and fundraising for scholarships and bursaries which are excluded from this total.

RWCMD has stated that it remains fully committed to providing opportunities in music and theatre for young people, and to creating pathways into professional training. It proposes to continue to deliver a number of areas of project work, including a series of weekend immersive workshops in music, the National Open Youth Orchestra residency, and holiday courses in production arts.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

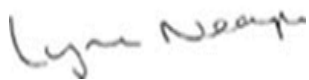
**Back Page 38**  
We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

As part of its role in supporting music education, the College is considering how to align activity with the Welsh Government's [National Plan for Music Education](#), and in particular providing learners with opportunities to progress in playing an instrument or singing. This is focused on developing and nurturing young people's talents and ambitions, regardless of where they are from, what their needs are, or their background – that is to say, the broadest possible range of learners, and not only the more talented.

In May, Lesley Griffiths MS, Cabinet Secretary for Culture and Social Justice, launched a consultation on the draft priorities for culture in Wales 2024-2030. The draft priorities fully acknowledge the financial challenges faced by the sector but also look to the future by setting the direction and articulating how we can harness the talent, creativity and collaboration we have within our sector.

Welsh Government Officials have met with the RWCMD to discuss its proposals and I met with Helena Gaunt, the Principal of the RWCMD earlier this week.

Yours Sincerely,



**Lynne Neagle AS/MS**  
Ysgrifennydd y Cabinet dros Addysg  
Cabinet Secretary for Education

# Agenda Item 5

By virtue of paragraph(s) vi of Standing Order 17.42

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By virtue of paragraph(s) vi of Standing Order 17.42

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# Scrutiny of Accounts: Amgueddfa Cymru 2021-22

June 2024



The Welsh Parliament is the democratically elected body that represents the interests of Wales and its people. Commonly known as the Senedd, it makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

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# **Scrutiny of Accounts:** Amgueddfa Cymru 2021-22

June 2024



# About the Committee

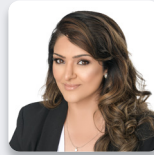
The Committee was established on 23 June 2021. Its remit can be found at:  
[www.senedd.wales/SeneddPAPA](http://www.senedd.wales/SeneddPAPA)

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Current Committee membership:



**Committee Chair:  
Mark Isherwood MS**  
Welsh Conservatives



**Natasha Asghar MS**  
Welsh Conservatives



**Mike Hedges MS**  
Welsh Labour



**Rhianon Passmore MS**  
Welsh Labour



**Adam Price MS**  
Plaid Cymru

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## Chair's Foreword

The Public Accounts and Public Administration Committee scrutinised Amgueddfa Cymru's Financial Reports in response to widely publicised issues at the organisation, which exposed serious governance issues that led to significant costs for the public purse, as part of a novel and contentious settlement.

The Committee was extremely concerned by the evidence heard about the governance arrangements that were in place at Amgueddfa Cymru and how, ultimately, they proved to be wholly unsatisfactory in resolving a foreseeable risk. In this case, this was in response to a dispute between two senior parties, a possibility that could occur in any organisation and should have been resolved at the earliest opportunity, in a sensitive and considered way.

We have grave concerns about the processes that have been adopted throughout this dispute, not least in the interactions between Amgueddfa Cymru and the Welsh Government. More work needs to be done to ensure that this situation is not repeated at Amgueddfa Cymru, or any other public body.

In the context of these major issues, it is hugely concerning that the Welsh Government's Tailored Review programme is in the process of being adapted to a self-assessment style of review. The Committee is concerned that this approach will prove to be inadequate in identifying and resolving potentially serious governance issues, such as those exposed by the situation at Amgueddfa Cymru. The Committee will consider this issue further with the Welsh Government.

Throughout the scrutiny process, the Committee was concerned about the availability of crucial information that would have helped us to more effectively and promptly scrutinise the serious issues under consideration. In future, the Committee encourages all bodies to reflect on the candour of their dealings with this Committee and all Senedd Committees, but also with the Auditor General for Wales, who plays a vital role in our scrutiny of major issues of importance and significant public interest.

Finally, it is concerning to hear about the challenges facing Amgueddfa Cymru in meeting budgetary pressures, which is likely to lead to a significant

loss of jobs at the organisation, as well as a risk to our national collections and sites of national importance. We look forward to hearing how the Welsh Government is going to meet the challenge of preserving these sites and collections and how Amgueddfa Cymru is responding to the considerable budgetary pressures that they face.

**Mark Isherwood MS**

Chair, Public Accounts and Public Administration Committee

## Recommendations

**Recommendation 1.** Amgueddfa Cymru should ensure that all future Financial Reports are laid in both English and Welsh before the Senedd, concurrently, in the future, regardless of whether they are laid within the specified statutory window for doing so.....Page 13

**Recommendation 2.** Amgueddfa Cymru should provide the Committee with a copy of their updated grievance policies, highlighting how these have changed since the time of the original grievances raised by the former Director General and former Chief Operating Officer. Amgueddfa Cymru should explain the reason for any amendments and set out further information on the process of amending the policies.....Page 31

**Recommendation 3.** The Welsh Government should consider implementing a system of reviewing the grievance policies at all of its arm's length and sponsored bodies, to ensure they are robust and fit for purpose as a matter of urgency. The Welsh Government should assist these bodies in amending these policies, where there are issues identified, and update this Committee about its progress in auditing the policies currently in place. ....Page 33

**Recommendation 4.** Future referrals to the Charity Commission by the Welsh Government should be communicated to this Committee at the earliest opportunity after a referral, to ensure the Committee is fully informed about any governance or organisational failures at public bodies..... Page 34

**Recommendation 5.** We endorse recommendation 3 of the Auditor General's Public Interest Report and recommend that the Welsh Government clarifies processes within *Managing Welsh Public Money* to address scenarios clearly whereby itself is an involved party, particularly given the disconnect between the guidance and the calling in procedure guidance..... Page 43

**Recommendation 6.** The Welsh Government should set out a specific target date for publishing an updated version of *Managing Welsh Public Money* and keep this Committee informed of its progress in doing so. .... Page 44

**Recommendation 7.** The Welsh Government should share with the Committee the outcome of the thematic work on resolving similar situations at other arm's length bodies as soon as possible..... Page 44

**Recommendation 8.** We recommend the Welsh Government provide the Committee with details of the appointment process adopted for the appointment of the former President of Amgueddfa Cymru to a new role reviewing Cadw. This could include the timeline for initially approaching the former President, whether any other potential candidates were considered for the role and, if not, why not. In addition, the response should set out whether any advice was sought, including legal, as part of the appointment process. ....Page 50

**Recommendation 9.** Amgueddfa Cymru should set out any recommendations from the Tailored Review panel that are “no longer under consideration” and set out why this is the case..... Page 59

**Recommendation 10.** The Welsh Government should update the Committee once the rollout of its self-assessment model for reviewing arm's length bodies is concludes. They should provide further details about its own evaluation of the benefits and downsides of implementing such a system of review. .... Page 59

**Recommendation 11.** The Committee asks Amgueddfa Cymru to explain how it is managing the reduction its staff to meet the budget shortfall, including providing information about, and a copy of, its workforce strategy or plan. Amgueddfa Cymru should also explain how the organisation anticipates its workforce will look following the cuts in staffing.....Page 70

**Recommendation 12.** Amgueddfa Cymru should provide information about its voluntary severance scheme. This should include the criteria for assessing applications to ensure that requisite skills and experience are being retained by the organisation, as well as the anticipated cost and savings, together with the timetable for its completion.....Page 71

**Recommendation 13.** Amgueddfa Cymru should set out the arrangements being put in place to support staff wellbeing and, in particular, if additional support, specific measures or arrangements are being provided during this challenging period. ....Page 71

**Recommendation 14.** The Committee requests that the Welsh Government provides an update about discussions with Amgueddfa Cymru regarding the

additional funding required to protect National Museum Cardiff, including how much additional funding will be made available and when will this package of funding be put before the Senedd for agreement. If considerations are ongoing, the Committee would welcome notification that this is the case, together with an indication of when decisions are likely to be made and when the Welsh Government is expecting to be able to share the information requested..... 71

## 1. Introduction

**1.** There have been concerns relating to governance at National Museum for Wales (branded as Amgueddfa Cymru which will be referred to as 'Amgueddfa Cymru' throughout this report) since 2022. These concerns were initially reported in the Welsh Government's Tailored Review of Amgueddfa Cymru, with further concerns raised through the Auditor General for Wales ('Auditor General') reports on Amgueddfa Cymru's Financial Reports for 2020-21 and 2021-22.

**2.** In his Report on Amgueddfa Cymru's Financial Report 2020-21 (January 2022), the Auditor General noted, late in the audit process, concerns were raised with auditors about the clarity of the respective roles and responsibilities of the Trustee Board and the Executive<sup>1</sup>. The Auditor General paused his audit and Amgueddfa Cymru updated its Annual Governance Statement to set out information about the matter.

**3.** In March 2022, Wales Online reported a dispute between Amgueddfa Cymru's senior management team and its board of trustees. It reported a source who suggested the relationship between the former President (Roger Lewis) and the former Director General (David Anderson) was "at rock bottom"<sup>2</sup>. It also reported that meetings of the board of trustees had not taken place since September 2021 and "communication takes place via email".

**4.** These concerns continued throughout 2021-22 and into 2022-23, having a "significant impact" on, and demanding time from, senior members of staff and Trustees dealing with processes, including:

- Grievances;
- Employment tribunal claims; and
- An issue raised under the Whistleblowing procedure<sup>3</sup>.

**5.** Amgueddfa Cymru stated it had relied on legal support and advice, which resulted in "significant cost" in 2021-22 and 2022-23<sup>4</sup>.

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<sup>1</sup> Amgueddfa Cymru - National Museum Wales, Financial report 2020/21, page 47

<sup>2</sup> 'Wales' national museums body riven by internal dispute', Wales Online, 5 March 2022

<sup>3</sup> Financial Report of the Board of Trustees of the National Museum of Wales, page 41

<sup>4</sup> Financial Report of the Board of Trustees of the National Museum of Wales, p40

**6.** In his regulatory opinion on Amgueddfa Cymru's Consolidated Accounts 2021-22 the Auditor General set out that he had 'significant concern' about Amgueddfa Cymru's decision-making from September 2021 to March 2022, when all of Amgueddfa Cymru's board business was conducted by email<sup>5</sup>. As such, on 29 September 2023, the Auditor General qualified his 'regularity' audit opinion on Amgueddfa Cymru's Consolidated Accounts 2021-22.

**7.** In November 2023, the Auditor General published a Public Interest Report (PIR) on 'Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales'. The report expanded on the reasons for the Auditor General's qualification.

**8.** In the PIR, the Auditor General set out that he had been unable to satisfy himself that Amgueddfa Cymru's trustees discharged their legal responsibility to make sound and informed decisions in the best interests of Amgueddfa Cymru when they:

- decided to engage in a mediation/negotiation process with its Director General/Accounting Officer;
- decided to delegate responsibility for approving the settlement arrangements to two trustees; and
- set the terms of the delegations.

**9.** The PIR also concluded that there was insufficient documentation for the Auditor General to be able to satisfy himself that the decision-making process, which resulted in the payment to the former Director General, had complied with charity law.

**10.** These findings, together with the concerns raised previously regarding governance arrangements at Amgueddfa Cymru, prompted the Committee to undertake an inquiry into these matters and our findings are set out in this report.

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<sup>5</sup>Amgueddfa Cymru - Financial Report 2021-22, page 60

## Delay in Accounts

**11.** The Chief Executive of Amgueddfa Cymru, Jane Richardson, approved and signed the Financial Report for 2021-22 on 21 September 2023, 10 days after taking up the post, on 11 September 2023. This was approximately eighteen months after the year-end to which it relates. Charity Commission guidance suggests that this should be done within 10 months of their year-end which, for Amgueddfa Cymru, would have been January 2023. These delays related to the audit process, which was caused by the issues that required further attention.

**12.** Whilst the Chief Executive was not in post for the period covered by the Financial Report, as the Accounting Officer who approved and signed them, she is accountable to the Senedd for the stewardship of resources, under paragraph 3.1.2 of *Managing Welsh Public Money*<sup>6</sup>. As she was new to the role, the Committee asked the Chief Executive about the actions she took, before signing off the accounts, to ensure she was confident in doing so. She explained:

*"It was important that I was able to look in real detail at these accounts before signing them off, so I took the whole matter very seriously. I was confident that the two previous accounting officers had been content to sign them off. That gave me some confidence, but I also sought assurance from our director of corporate resources, our head of finance, the treasurer on our board of trustees, legal advice and our colleagues in Welsh Government. I was also pleased—. We've had, obviously, very extensive contact with Audit Wales over the previous period, and I was confident that Audit Wales had signed off the financial elements of the accounts. So, although it had obviously been complicated and delayed, I was confident that I could sign off those accounts with confidence".<sup>7</sup>*

**13.** Amgueddfa Cymru explain the delays in finalising the Financial Report were due to the time taken to address concerns raised by senior executives

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<sup>6</sup> *Managing Welsh Public Money* is a document that sets out the main principles for managing resources and is primarily aimed at organisations within the boundary of the Welsh Government's consolidated accounts, but the principles should hold true across the whole of the Welsh public sector.

<sup>7</sup> RoP, 16 November 2023, p36

about the clarity of roles and responsibilities<sup>8</sup>. The nature of these issues is also covered in later sections of this report.

**14.** The Committee noted the Welsh and English versions of the Financial Report were not laid before the Senedd concurrently. This was also the case for the 2022-23 Financial Report.

## **Our View**

**15.** It is disappointing to note that the Welsh and English versions of the Financial Report were not laid concurrently before the Senedd, particularly as this was repeated for the 2022-23 version. The Committee believes this should be addressed for future Financial Reports, to ensure that these crucial documents are available in both languages concurrently.

**Recommendation 1.** Amgueddfa Cymru should ensure that all future Financial Reports are laid in both English and Welsh before the Senedd, concurrently, in the future, regardless of whether they are laid within the specified statutory window for doing so.

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<sup>8</sup> [Financial Report of the Board of Trustees of the National Museum of Wales](#), p41

## 2. Public Interest Report

**16.** In his Public Interest Report ('the PIR'), published in November 2023, the Auditor General noted the former Director General told auditors he had been "raising governance concerns with both Amgueddfa Cymru's President and the Welsh Government without success since December 2020"<sup>9</sup>. In the PIR, the Auditor General states he has seen several items of correspondence to confirm governance concerns had been communicated internally and to the Welsh Government<sup>10</sup>.

**17.** In June 2021, the former Director General and the former Chief Operating Officer submitted separate complaints to the Welsh Government about:

*"... alleged inappropriate actions and behaviour on the part of the former President. The former Director General and the former Chief Operating Officer considered that some of the former President's behaviour towards them constituted bullying and discrimination"<sup>11</sup>.*

**18.** When asked when the Welsh Government became aware of concerns about governance, the Director General for Economy, Treasury and Constitution, told the Committee:

*"I think it would have been the spring of 2021. Largely, I think, in that context linked to the annual review process for the president"<sup>12</sup>.*

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<sup>9</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p12

<sup>10</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p12

<sup>11</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p11

<sup>12</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p122

**19.** Further clarity was provided by the Director for Culture, Sport and Tourism, who explained:

*“Every chair of an arm’s-length body is meant to have a performance review at the end of the year. I would have been involved in that performance review for [the former Amgueddfa Cymru President] Roger [Lewis], with Nicky, who was my deputy director in the culture division. In that review, some concerns were raised from the senior executives there”<sup>13</sup>.*

**20.** Although Amgueddfa Cymru’s grievance policy did not provide a route for considering their grievances, in September 2021, the former Director General and the former Chief Operating Officer both submitted grievances to the Head of Human Resources at Amgueddfa Cymru. As the substance of these grievances was deemed to be similar to the June 2021 complaints, the officers were advised to await the outcome of the earlier complaints<sup>14</sup>. Both parties submitted further grievances to Amgueddfa Cymru in January 2022 about alleged bullying and discriminatory treatment by the former President<sup>15</sup>.

**21.** In October 2021, the former Director General also submitted claims to an employment tribunal, against Amgueddfa Cymru, their former President and the Welsh Government. The former Director General also submitted a claim in August 2022, which included “allegations of victimisation, disability discrimination and suffering detriment as a consequence of making protected disclosures”<sup>16</sup>, against Amgueddfa Cymru and its former President.

**22.** The Auditor General found that between September 2021 and November 2022, the Trustees of Amgueddfa Cymru held online meetings to discuss the consequences of the grievances raised, but no contemporaneous minutes were kept of these meetings or a written record of the decisions taken<sup>17</sup>.

<sup>13</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p125

<sup>14</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales](#), November 2023, p11

<sup>15</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales](#), November 2023, p8

<sup>16</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales](#), November 2023, p8

<sup>17</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales](#), November 2023, p16

**23.** In terms of clarifying when concerns about governance started to emerge, the Welsh Government told the Committee, in 2019, it had no concerns regarding governance issues explaining:

*“... in 2019, in terms of the relationship between Welsh Government and the national museum, the relationship was really strong. It was really good. The museum were leading on a number of different collaborative projects with Welsh Government. The exact timing of this, again, I’ll have to provide you with the detail on, but they led on the exceptional work with St Fagans, which led to them winning the museum of the year. The work of the museum was completely interwoven with where we were”<sup>18</sup>.*

**24.** The Committee also heard:

*“When we appointed Roger [Lewis]... the way we went out to market, was, I guess, telling the story of an ambitious museum at the time”<sup>19</sup>.*

## **Welsh Government’s response to the complaints**

**25.** The Auditor General notes that, at the time of the dispute, Amgueddfa Cymru did not have adequate policies in place to deal with concerns raised by its senior officers and/or against a non-executive Board member<sup>20</sup>.

**26.** This resulted in the former Director General and the former Chief Operating Officer submitting separate complaints to the Welsh Government in June 2021 relating to alleged inappropriate actions and behaviour on the part of the former President.

**27.** The former Director General and the former Chief Operating Officer considered some of the former President’s behaviour towards them to constitute bullying and discrimination. The complaints followed earlier tensions in the relationships with the former President.

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<sup>18</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p118

<sup>19</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p120

<sup>20</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales](#), November 2023, p11

**28.** In his PIR the Auditor General concludes:

*“In such circumstances it is important that public bodies have both informal and formal arrangements in place to resolve issues early, prevent matters escalating and avoid a breakdown in relationships. Amgueddfa Cymru had an established grievance policy and procedure, but it only applied to staff employed by Amgueddfa Cymru.”*

**29.** The PIR goes on to set out why these policies were not adequate to deal with the complaints of the former Director General and the former Chief Operating Officer.

**30.** The Welsh Government told the Auditor General, on receipt of the complaints, and several occasions subsequently, it offered both complainants the opportunity of informal resolution to the dispute, but the offers were not taken up.<sup>21</sup>

**31.** The Welsh Government dealt with the complaints made in June 2021 under its own complaints-handling process, as the former President had been appointed by the Welsh Government<sup>22</sup>.

**32.** The Welsh Government appointed an independent investigator to examine the complaints, who in November 2021 issued a report. The findings of this report are summarised later in this report when considering the new role of the former President of Amgueddfa Cymru.

**33.** The Deputy Minister for Arts and Sport wrote to Amgueddfa Cymru in February 2022, following her consideration of the Welsh Government’s investigation. The letter explained the findings would not be shared with Amgueddfa Cymru whilst there was an ongoing employment tribunal claim. The Auditor General said:

*“The Deputy Minister’s letter set out actions that needed to be taken in the light of investigation findings. She stated her expectation that Amgueddfa Cymru would expedite the grievance process for both the former Director General and the*

<sup>21</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p11

<sup>22</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p7

*former Chief Operating Officer. She also informed Amgueddfa Cymru that she would be: 'registering with the [Charity] Commission my grave concerns about the current operation of the Museum and inviting the Commission to exercise its statutory regulatory powers'<sup>23</sup>.*

**34.** When asked by auditors how the letter addressed the former Director General's concerns, the Auditor General reports the Welsh Government said:

*"... it had sought to address concerns by offering informal mediation, holding weekly catch-ups between the then Director General and the Welsh Government's Head of Human Resources and remaining in regular contact with the then President. Furthermore, the Welsh Government brought forward a tailored review of Amgueddfa Cymru's governance arrangements to August 2022 which reported in July 2023, setting out several recommendations for improving the existing arrangements"<sup>24</sup>.*

**35.** The Auditor General reported:

*"In my view the length of time understandably needed to undertake such a wide-ranging [tailored] review meant that more immediate action was also necessary"<sup>25</sup>.*

## Mediation

**36.** The former Director General agreed to mediation in August 2022, on the condition that he selected the mediator<sup>26</sup>. Amgueddfa Cymru agreed to this and the mediation commenced in October 2022.

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<sup>23</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p19

<sup>24</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p12

<sup>25</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p13

<sup>26</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p21

**37.** However, the Auditor General’s PIR notes there were some uncertainties regarding the commencement of the mediation. The PIR report states:

*“The former President told my auditors, that as early as July 2021 he had proposed engaging in a mediation process, however the then Director General and the then Chief Operating Officer had refused to agree to the proposal.*

*The former Director General has told my auditors that he, the Welsh Government, the Board of Trustees and the President had all agreed in May 2022 to judicial mediation (ie mediation presided over by an Employment Tribunal judge) in November 2022. However, Amgueddfa Cymru maintain that while judicial mediation was proposed in March 2022 the former Director General did not consent to this. The Welsh Government told my auditors that it made multiple offers of mediation in respect of the dispute”<sup>27</sup>.*

**38.** In his PIR, the Auditor General goes on to say only after receiving a letter from the Board of Trustees in August 2022 did the former Director General agree to an alternative form of mediation on condition he could select the mediator.

**39.** The Auditor General states:

*“Given the situation and the need to resolve the matter, Amgueddfa Cymru’s Board of Trustees agreed in principle to appoint and pay the costs of a mediator chosen by the former Director General”<sup>28</sup>.*

**40.** Furthermore, in the PIR, the Auditor General states that on 28 September 2022, Amgueddfa Cymru’s Head of HR and its external legal advisor met the former Director General’s nominated mediator. Following the meeting, his nominated mediator was appointed and the mediation

<sup>27</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p21

<sup>28</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p21

process began in October 2022. In the PIR, the Auditor General concludes he was:

*“unclear whether Amgueddfa Cymru’s Board of Trustees or officers of Amgueddfa Cymru made the decisions to enter the mediation process and to appoint the former Director General’s nominated mediator”<sup>29</sup>.*

**41.** The Auditor General was also unclear as to when exactly those decisions were made.

**42.** The Committee asked the Welsh Government about the significant delay between the original complaints being raised, in Summer 2021 (after the former Director General and former Chief Accounting Officer raised concerns in Spring 2021) and the mediation in October 2022. The Committee also noted the delay between the investigator’s report being issued, in November 2021, and the Deputy Minister for Arts and Sport writing to Amgueddfa Cymru following her consideration of the investigation, in February 2022.

**43.** The Director General for Economy, Treasury and Constitution told the Committee this was an “incredibly busy and hectic period” of engagement with Amgueddfa Cymru, stating:

*“... we had complaints into the system, we took legal advice, we had conversations with all parties, we talked about mediation at a very early stage, and we had engagement with the board and the trustees. We then clarified, I think, that not all parties were willing to engage in mediation, so we moved to the next step, which was to appoint an independent investigator. The auditor general in his report rightly records—and I think this was probably one of the first things that we encountered with all of this—that we don’t have a ready process in place, or didn’t at the time anyway, to allow us to deal with, effectively, a breakdown of*

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<sup>29</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales](#), November 2023, p21

*relations between the senior executives and the non-executives*<sup>30</sup>.

**44.** When asked about the complexities associated with Amgueddfa Cymru’s governance, the Director General for Economy, Treasury and Constitution explained:

*“I think the point to make here in the museum context is that it is quite a complicated arm's-length body in relation to its governance arrangements. So, you have a royal charter, it's a charity, it's also an arm's-length body of Welsh Government; we make some of the appointments to the board, but not all of them in the way that we would with a classic arm's-length body; there are different rules that apply in relation to what consideration trumps another consideration in terms of the treatment of the organisation and issues around governance. So, we had to tread very carefully through all of this”*<sup>31</sup>.

**45.** The Director General for Economy, Treasury and Constitution summarised the Deputy Minister’s intention to resolve the dispute, summarising her thoughts as follows:

*“Look, we've now had this process, it clearly finds that there's been a breakdown of relations. It suggests that people could have come at this in a slightly different way, but, fundamentally, we need to resolve this breakdown in relations.’ And that was when the Deputy Minister was saying, ‘Please can all parties come together and try and get this sorted?’”*<sup>32</sup>.

**46.** He noted there was an “awful lot of discussion going on between us and the museum and the parties” between May 2021 and the early part of 2022, explaining there was “weekly discussion, or certainly every 10 days, with the key parties in terms of their well-being and checking in with them”<sup>33</sup>.

<sup>30</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p132

<sup>31</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p136

<sup>32</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p137

<sup>33</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p139

**47.** He noted there were “attempts to try and mediate going on throughout that process”<sup>34</sup> and noted whilst the perception had been that there was not much happening between the spring of 2021 and early 2022, the “reverse is the case and there was an awful lot going on through this period”<sup>35</sup>.

**48.** The Auditor General confirmed the Welsh Government was party to the Settlement Agreement<sup>36</sup>. Amgueddfa Cymru told the Committee on 16 November 2023:

*“The Welsh Government were in the room in terms of agreeing the settlement. So, the Welsh Government were part of that discussion. It had to be a three-way discussion. So, they were as close to it as the Amgueddfa trustees were”<sup>37</sup>.*

**49.** The Welsh Government’s former Director of Human Resources, Amgueddfa Cymru’s former Director General and former President, another trustee and their representatives attended mediation during the week commencing 14 November 2022<sup>38</sup>.

**50.** The Welsh Government’s former Director of Human Resources was one of the signatories to both the Heads of Terms<sup>39</sup> and the Settlement Agreement<sup>40</sup>. When asked about what delegated powers and authority was provided to the former Director of Human Resources to resolve this issue, the Director General explained<sup>41</sup>:

- He was the director answerable for human resources within the Welsh Government, as well as the director leading on public bodies, appointments and “other corporate services matters”, having a “kind of dual role in this regard as part of the Permanent Secretary’s group”.

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<sup>34</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p139

<sup>35</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p140

<sup>36</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales](#), November 2023, p9

<sup>37</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p126

<sup>38</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales](#), November 2023, p26

<sup>39</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales](#), November 2023, p26

<sup>40</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales](#), November 2023, p28

<sup>41</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p154

- His close working relationship with the Finance Director, as well as with the Director General for Economy, Treasury and Constitution and the Director for Culture, Tourism and Sport, in the Welsh Government’s sponsor Branch for Amgueddfa Cymru.
- His role in drawing in expertise from the Corporate Governance Unit, as well as from his public bodies teams and pay teams.

**51.** The Director General for Economy, Treasury and Constitution also told the Committee the Director of Human Resources had played a role “behind the scenes to try and mediate the situation”<sup>42</sup>. He noted the former Director of Human Resources was involved in the mediation, on behalf of Welsh Ministers, because the former President was a Welsh Government Minister appointment to the Amgueddfa Cymru board<sup>43</sup>.

**52.** The Director General for Economy, Treasury and Constitution confirmed he did not consider there was a conflict of interest in the roles undertaken by the former Director of Human Resources<sup>44</sup>.

**53.** The Welsh Government contributed £40,500 to the overall cost of the Settlement Agreement, comprising<sup>45</sup>:

- £20,500 towards external services for the mediation process.
- £10,000 towards the compensation for injury to feelings.
- £10,000 towards the payment for loss of office.

**54.** The Director General for Economy, Treasury and Constitution described the outcome as a “reasonable one”, whilst acknowledging they would have preferred not to be in the situation at all<sup>46</sup>.

**55.** The Auditor General noted the expected contribution towards the settlement from insurance included £38,000 already paid towards the compensation for injury to feelings and an expected £93,230 towards the costs of external legal and professional services. When asked why it could not recover more of the legal costs through insurance, Amgueddfa Cymru noted

<sup>42</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p155

<sup>43</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p155

<sup>44</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p159

<sup>45</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p10

<sup>46</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p166

its policy had only covered certain elements of the dispute<sup>47</sup>. The Chief Executive explained:

*“... it’s really important to remember that, when the settlement was being agreed—well, when that agreement was happening through that mediation—the insurers were on the phone. So, the trustees were coming back to talk to the insurers. The reason the insurers were happy to give the go-ahead from their perspective was that they also knew that, if we didn’t reach a settlement, the financial exposure was much greater and therefore their own exposure as insurers was much greater”.*

**56.** Amgueddfa Cymru told the Committee the organisation had acted under legal advice it had received, with the Chief Executive explaining:

*“There were multiple grievances raised, and therefore, of the multiple grievances that were raised, through the investigation and the independent advice that we were able to secure, only four were upheld, and they were governance technicalities. Under legal advice, because of the sensitivity of some of the claims and the unknowns of a tribunal, and the fact that these specific claims had unlimited financial liability—if they had been capped, then you could have weighed up, ‘Well, this is the maximum that you might be exposed to’—because they weren’t capped, the legal advice was that we shouldn’t pursue the tribunal route. That does not mean that we accept that there was a case”<sup>48</sup>.*

**57.** The Chief Executive went on to say a tribunal case would have taken a further year to conclude and it was felt to be “not sustainable for the organisation”<sup>49</sup>. She agreed, had the case gone to an employment tribunal, it may have cost more than double the value of the Settlement Agreement<sup>50</sup>. She explained that it was a “very sensitive settlement”, which if reopened could potentially “expose the organisation to unlimited financial liability”<sup>51</sup>.

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<sup>47</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p141

<sup>48</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p167

<sup>49</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p118

<sup>50</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p154-155

<sup>51</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p33

**58.** The Committee asked Amgueddfa Cymru about the settlement sum that, essentially, provided the former Director General with 22 months of notice, instead of the 12 months specified in the employment contract, as noted in the Auditor General’s PIR<sup>52</sup>. The Chief Executive explained this was “one of the details where we have a different interpretation”, going on to say:

*“... the actual settlement with the director general was for a period where there was, obviously, a transition—there needed to be a transition where he was still handing over to the senior team. His responsibilities needed to be passed on; you’d always have that. So, there were some months over that winter where he was just helping to brief his team about how they could lead the organisation, and then the settlement agreement was for 12 months full-time and six months part-time. As we said, the 12 months was a contractually agreed amount, so the six months is what was in addition. And in any negotiation, one side might ask for one amount and the other side might suggest another, and you have to come to a conclusion. So, that was part of the settlement that happened through that mediation, to have 12 months full-time and then six months part-time”<sup>53</sup>.*

**59.** When asked about the potential for the case to be reopened, as noted above, and concerns about the settlement closing off that liability, the Director General for Economy, Treasury and Constitution explained:

*“I think the point that colleagues from the museum were probably making was that if we do something that opens up the settlement agreement, all bets are off, because you’re starting again with a number of processes. The settlement agreement capped off the exposure of the museum and the Welsh Government at that point in relation to the matters that would have gone to tribunal, and that was on the basis of pretty complicated and complex legal advice and legal judgments”<sup>54</sup>.*

<sup>52</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales](#), November 2023, p34

<sup>53</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p137

<sup>54</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p163

**60.** He went on to say:

*“The concern is that if we start to comment on things that are part of the settlement agreement, or divulge information that we don't have authority to divulge, because part of the settlement agreement says, 'You shall only divulge stuff with our agreement', you risk unpicking that settlement agreement, and then questions about liability can change, and that could lead to very significant additional costs”<sup>55</sup>.*

**61.** In its letter to the Committee, the Welsh Government said Audit Wales had not provided examples where governance failures had led to “loss or damage to Amgueddfa Cymru”. When asked to clarify these comments, the Director General for Economy, Treasury and Constitution explained:

*“No, not in my view. It flows from a breakdown in relationships. And I think the reason I made that point in my letter was that there's nothing inherently going on within the museum or how it's managing its finances or other points that is a particular problem; the problem is that the whole thing, in terms of the operation of the museum, is being affected by this breakdown in relations between the most senior executive and the most senior non-executive leaders within the organisation”<sup>56</sup>.*

**62.** When asked to clarify this further, since, for example, the practice of holding closed meetings of the board and meetings not being minuted suggested governance failures, he stated:

*“They are departures from the established practice, so to that end to your question they are points that needed to be addressed. They don't have a bearing on the operation of the accounting officer, in this case the director general of the museum, I don't think, in the way that you've just described them. That's slightly different from saying that the organisation was failing to spend public money successfully or managing these other things correctly. And I don't know all of the*

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<sup>55</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p165

<sup>56</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p205

*circumstances, particularly in a situation where you've got a breakdown in relations, that led to those private meetings happening"<sup>57</sup>.*

**63.** When asked whether more robust governance arrangements would have helped mitigate the issues caused by a breakdown of relationships such as this, he explained addressing this issue, in “process terms”, was the “key learning” from the situation. Despite this, he noted it wouldn't necessarily have avoided all the issues they had to address, because the parties would've had to have agreed to mediate and engage in any process to resolve the dispute<sup>58</sup>.

### Legal advice

**64.** When asked about what the legal advice had told Amgueddfa Cymru about the probability of settlement, the Chief Executive explained, as there were different claims, there were differing estimates for success<sup>59</sup>. She confirmed that for some elements, it was estimated that there was a chance that Amgueddfa Cymru would be successful<sup>60</sup>.

**65.** The Committee subsequently contacted Amgueddfa Cymru to request sight of the legal advice it obtained, or a summary of it, to satisfy the Committee that an evaluation of the costs of settlement versus the potential costs of being unsuccessful at an employment tribunal, had been fully considered by Amgueddfa Cymru and its legal team.

**66.** Amgueddfa Cymru provided the Committee with a summary of the legal advice received on 24 November 2023. It was agreed that this summary would be considered by the Committee in private, for confidentiality reasons. This summary was provided with strict restrictions on the use of the information.

**67.** The Committee wrote back to Amgueddfa Cymru on 19 December 2023 to challenge the parameters in which the information was shared, with

<sup>57</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p207

<sup>58</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p254

<sup>59</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p174 and p176

<sup>60</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p178

the legal restrictions precluding the Committee from sharing the documentation with the Auditor General<sup>61</sup>.

**68.** They responded on 1 March 2024<sup>62</sup>, providing further information on a confidential basis including the full legal advice as well as the business case for the severance payment to the former Director General. This information was also shared with the Auditor General.

**69.** The Committee agreed to review this documentation on a confidential basis and to only communicate a view based on the information seen.

**70.** The Auditor General wrote to the Chief Executive of Amgueddfa Cymru on 13 March 2024, setting out his concerns about the documentation provided to him as part of the audit of the Financial Report, with the business case not presented to Auditors<sup>63</sup>. He went on to say:

*“... to have been unsighted of such a fundamental document, which you subsequently drew on in correspondence to the PAPAC, is very concerning to me.*

*I am grateful, therefore, for your confirmation that Amgueddfa Cymru has identified learning from this experience and will be improving the way in which you provide information to my audit team in future”.*

## Settlement

**71.** The former Director General’s “second set” of tribunal claims were resolved in December 2022, via a mediation process<sup>64</sup>. Under the terms of the Settlement Agreement, the total potential costs of the payments to, or in relation of, the former Director General were £325,698, with further external

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<sup>61</sup> Letter from Chair of Public Accounts and Public Administration Committee to Chair of Amgueddfa Cymru, 19 December 2023

<sup>62</sup> Letter from Chair of Amgueddfa Cymru to Chair of Public Accounts and Public Administration Committee, 1 March 2024

<sup>63</sup> [Letter from Auditor General for Wales to the Chief Executive of Amgueddfa Cymru](#), 13 March 2024

<sup>64</sup> [Financial Report of the Board of Trustees of the National Museum of Wales](#), p41

legal and other professional costs of £419,915, at the time of the PIR<sup>65</sup>. The potential costs of £325,698 comprised the following elements<sup>66</sup>:

- £225,698 for salary costs, including pension and national insurance contributions, for the period 17 November 2022 to 30 September 2024.
- £50,000 for compensation for injury to his feelings, paid tax-free on 19 December 2022.
- £20,000 termination payment for the loss of office on 30 September 2024, to be paid tax-free.
- £30,000, as a maximum, for travel, subsistence, and other expenses (subject to provision of appropriate invoices) for the period 1 April 2023 to 30 September 2024.

**72.** The following key dates are relevant to the Settlement Agreement with the former Director General:

<b>Date</b>	<b>Event</b>
<b>17 November 2022</b>	Director General agrees to cease his duties, save for six prior engagements that were to be fulfilled.
<b>5 December 2022</b>	Settlement Agreement agreed between the Director General and Amgueddfa Cymru.
<b>8 December 2022</b>	Director General completes the last of his pre-existing engagements.
<b>9 December 2022 to 31 March 2023</b>	Director General not required to discharge any function on behalf of Amgueddfa Cymru during this period.
<b>6 January 2023</b>	Amgueddfa Cymru announces Director General will step down from his role in April 2023 <sup>67</sup> .
<b>1 April 2023 to 31 March 2024</b>	Director General legally employed by Amgueddfa Cymru and retains existing pay and conditions, but takes up a new role as National Museum Wales' Emeritus Fellow and Visiting Professor at Cardiff

<sup>65</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p10

<sup>66</sup> [Financial Report of the Board of Trustees of the National Museum of Wales](#), p59

<sup>67</sup> [Amgueddfa Cymru Press Release, "David Anderson To Step Down As Director General Of Amgueddfa Cymru - Museum Wales"](#), 6 January 2023

Date	Event
	University. He is not accountable to Amgueddfa Cymru when performing this new role.
<b>1 April 2024</b>	Director General to reduce working hours to two days per week.
<b>30 September 2024</b>	Director General's employment with Amgueddfa Cymru to terminate.

## Auditor General's qualified regularity opinion

**73.** In his Audit Certificate and Report to the Senedd about the Financial Report for 2021-22, the Auditor General notes he is unable to satisfy himself the trustees of Amgueddfa Cymru:

*“discharged their legal responsibility to make sound and informed decisions in the best interests of National Museum of Wales” when they:*

- *decided to engage in a mediation/negotiation process with its Director General;*
- *decided to delegate responsibility for approving the settlement arrangements to two trustees; and*
- *set the terms of the delegations.”<sup>68</sup>*

**74.** The Auditor General notes there is insufficient documentation for him to satisfy himself about the decision-making process, and specifically about whether the payments being made to the former Director General complied with charity law. He specifically notes the requirement to act in a charity's best interests, act with reasonable care and skill and protect the charity's assets and reputation.

**75.** He reports significant concern about Amgueddfa Cymru's decision-making between September 2021 and March 2022, when all Board business was conducted by email, stating:

<sup>68</sup> [Financial Report of the Board of Trustees of the National Museum of Wales](#), p52

*“Specifically, I am concerned that minutes were not prepared on a contemporaneous basis for a decision to proceed to mediation and delegate responsibility for this process to two Trustees. There is no evidence to confirm that National Museum of Wales took advice on the likelihood of success of a claim in the employment tribunal, risks and likely value of the claim. In addition, there is no evidence that the Board of Trustees placed any parameters or limitations on the settlement that could be reached under the delegation, or that they agreed the mechanism for keeping the full Board informed of progress made”<sup>69</sup>.*

**76.** Whilst acknowledging Amgueddfa Cymru sought external advice throughout the employment dispute, the Auditor General says the absence of this evidence means he was unable to satisfy himself that Trustees were “properly informed or advised when considering the prospects of the employment claim”<sup>70</sup>.

**77.** As such, the Auditor General qualified his regularity audit opinion relating to the payment to the former Director General<sup>71</sup>.

## **Our View**

### **Grievance policies and governance**

**78.** The Committee is concerned that Amgueddfa Cymru’s grievance policy, at the time, did not have adequate policies in place to deal with concerns raised by its senior officers and/or against a non-executive Board member. The Committee would like reassurance that the policies in place at Amgueddfa Cymru have been suitably reviewed and amended to ensure it now has suitable arrangements to resolve issues at the earliest possible instance, prevent matters from escalating and avoid a breakdown in relationships.

**Recommendation 2.** Amgueddfa Cymru should provide the Committee with a copy of their updated grievance policies, highlighting how these have changed since the time of the original grievances raised by the former Director General and former Chief Operating Officer. Amgueddfa Cymru

<sup>69</sup> [Financial Report of the Board of Trustees of the National Museum of Wales 2021-22](#), p60

<sup>70</sup> [Financial Report of the Board of Trustees of the National Museum of Wales 2021-22](#), p60

<sup>71</sup> [Financial Report of the Board of Trustees of the National Museum of Wales 2021-22](#), p58

should explain the reason for any amendments and set out further information on the process of amending the policies.

**79.** Whilst we note the evidence provided by the Director General for Economy, Treasury and Constitution to the Committee, we disagree entirely that governance failures did not lead to “loss or damage to Amgueddfa Cymru”.

**80.** Whilst the Welsh Government indicates these issues were a consequence of a “breakdown in relationships”, it was clear that the governance structures in place at Amgueddfa Cymru were wholly unsuitable for resolving the issues between the parties.

**81.** We note that the findings of the independent investigator highlighted several examples of poor governance including the Board of Trustees holding closed sessions without officers, including the former Director General and Chief Operating Officer, and failure to deposit the minutes and agendas of the closed meetings. As such, we find it surprising that the Welsh Government does not acknowledge itself that there were broader governance issues within Amgueddfa Cymru.

**82.** It is particularly concerning, given that contemporaneous board minutes and records were not kept over a significant period that was relevant to the dispute.

**83.** We are astonished that because of the workplace adjustments agreed, regular meetings of the Amgueddfa Cymru Board of Trustees did not take place during the period September 2021 to May 2022. Board business was conducted by email. We are deeply concerned by the Auditor General’s PIR which states:

*“While the Board acceded to these email arrangements, in my view they constituted poor governance practice with a detrimental effect on Board efficiency, effectiveness, and proper decision-making. Board members were not aware of others’ views and therefore could not make decisions based on*

*collective knowledge, which resulted in a lack of proper collective scrutiny of decisions”.<sup>72</sup>*

**84.** We find it hard to understand why this approach was deemed to be appropriate for such a long period and at a time when Amgueddfa Cymru was facing internal difficulties at its most senior level. Our view is that during this time the role of the Board was critical to good governance and yet the approach adopted undermined its ability to fulfil its role.

**85.** The potential breakdown of a relationship, such as the one in this instance, should have been foreseen as a risk, as this is not an example that’s unique to Amgueddfa Cymru and could arise at any body.

**86.** The Committee will consider the subject of Tailored Reviews later in the report, and set out its serious concerns about the way the Welsh Government oversees the operation of its arm’s length and sponsored bodies. However, it is also imperative that the Welsh Government ensures that the grievance policies in place at all of these bodies are robust and fit for purpose, to avoid any risk of similar breakdowns in relationships from spiralling into a dispute of this nature, which then leads to significant financial cost to the public purse.

**Recommendation 3.** The Welsh Government should consider implementing a system of reviewing the grievance policies at all of its arm’s length and sponsored bodies, to ensure they are robust and fit for purpose as a matter of urgency. The Welsh Government should assist these bodies in amending these policies, where there are issues identified, and update this Committee about its progress in auditing the policies currently in place.

### **Charity Commission referral**

**87.** The Committee notes that the Deputy Minister for Arts and Sport had “grave concerns” about the operations at Amgueddfa Cymru in February 2022, which led to her making a referral to the Charity Commission. She invited the Commission to “exercise its statutory regulatory powers”, given the extent of the issues at Amgueddfa Cymru.

**88.** The Committee feels, in future, referrals to the Commission must be communicated to this Committee, as well as the Auditor General, even if this

<sup>72</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales](#), November 2023, p15

is on a private basis. This Committee, along with other Senedd Committees, has a vital role when a breakdown in operations of this level is detected and, as such, should be informed of major issues such as those at Amgueddfa Cymru at the earliest possible opportunity.

**Recommendation 4.** Future referrals to the Charity Commission by the Welsh Government should be communicated to this Committee at the earliest opportunity after a referral, to ensure the Committee is fully informed about any governance or organisational failures at public bodies.

## Settlement

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**89.** The Committee remains unconvinced by the evidence provided by Amgueddfa Cymru about the settlement figure agreed, given that the sum was based on a notice period of 22 months, instead of the 12 months specified in the former Director General's contract of employment. Whilst the current Chief Executive explains this related to a transition period, the former Director General recused himself from the role with "immediate effect" on 17 November 2022.

**90.** The Committee concurs with the Auditor General's view that the terms of the settlement were certainly "novel" and "contentious". Amgueddfa Cymru has not been able to demonstrate it acted in the best interests of the public purse, as shortcomings in its governance processes and internal procedures for handling disputes left the organisation exposed to the risk of an employment dispute becoming litigious, which resulted in significant financial costs.

**91.** Having considered the private legal advice, the Committee is satisfied that the decision to attempt to achieve a settlement, instead of proceeding to a tribunal, was the right course of action. However, matters should never have reached the point by which they could only be resolved in this costly manner.

**92.** Whilst this matter has now concluded, the role of the Welsh Government in settlement talks needs to be considered further and the process for agreeing the financial terms of settlements must be clearer, particularly given the Committee's concerns around Ministerial Advice. The Committee will deal with this issue later in this report.

## Disclosure and candour

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**93.** We note the evidence provided by Amgueddfa Cymru’s current Chief Executive in which she stated the settlement was “very sensitive” and, if reopened, could expose them to significant additional liability. At points, the settlement was noted to be live. However, this was only in the sense that payments linked to the finalised settlement were still being made.

**94.** Whilst the Chief Executive’s comments are noted, we wish to emphasise that Senedd Committees always reserve the right to scrutinise settlements such as this one when they believe the situation merits scrutiny. This also extends to the work of the Auditor General, and it is essential that Amgueddfa Cymru, and all other public bodies, provide full candour to the Committee and the Auditor General, along with full cooperation, to ensure that public scrutiny is effective and timely.

**95.** All public bodies must ensure that documentation and evidence is provided in a timely fashion, with only reasonable necessary restrictions around the disclosure and publication of said information. Whilst the Committee does not intend to make a related recommendation, these are points that we wish to emphasise strongly as it is essential in facilitating effective parliamentary and audit scrutiny.

**Conclusion 1.** The Committee believes all public bodies should ensure they act with full candour when engaging with this Committee, as well as the Auditor General for Wales and his office, as well as provide all reasonable evidence required by both parties to facilitate its scrutiny, at the earliest opportunity.

### 3. Welsh Government's role and response

#### Requirements

**96.** The Auditor General notes, in the PIR, the requirements in the Welsh Government's calling-in procedures are not the same as those specified by *Managing Welsh Public Money* guidance, with the report setting out the practical differences in approach required by the two. He says:

*"While it might be argued that the Welsh Government's revised calling-in arrangements set out in its letter of July 2019 supersede the requirements of Managing Welsh Public Money, the contradiction between the two is not conducive to robust stewardship of public money"*<sup>73</sup>.

**97.** He concludes it would have been:

*"... prudent for it to have considered the proposals under the requirements on the Welsh Government for special payments in Managing Welsh Public Money regardless of the revised calling in arrangements for arm's length bodies"*<sup>74</sup>.

**98.** He adds, under *Managing Welsh Public Money*, as a special severance payment, the Settlement Agreement would have required approval from the First Minister<sup>75</sup>. When asked about why the Welsh Government didn't do this, the Director General for Economy, Treasury and Constitution explained that was a "slight lack of clarity about which internal process trumped the other one"<sup>76</sup>. He went on to say:

*"... all the things that we would expect to do within both those sets of procedures were effectively done. So, you'd talk to the finance leads within the organisation, corporate governance*

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<sup>73</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p33

<sup>74</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p34

<sup>75</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p34

<sup>76</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p215

*colleagues, public bodies colleagues, pay colleagues, et cetera; all of those colleagues were consulted, legal advice was sought, external legal advice was sought, so all of those things happened. I think, ultimately, all this comes down to was, I think, one set of arrangements says that the advice should go directly to the First Minister and the other says it should go to the lead Minister with the accounting officer... being sighted. In the end, the process that was followed was the second of those and the First Minister was copied into the advice. I have no reason to believe that the decision would have been any different had we followed that other route, but that is one of the things that we're seeking to clarify in this revised set of guidance around both 'Managing Welsh Public Money' and the arrangements that apply for disputes in public bodies"<sup>77</sup>.*

**99.** The Auditor General raised concerns about the “clarity and robustness of processes for scrutiny of proposals relevant to the calling-in arrangements for arm’s length bodies where the Welsh Government is itself a directly involved party”.<sup>78</sup>

**100.** In the PIR, the Auditor General recommended :

*“Drawing on the learning from the employment dispute at Amgueddfa Cymru, the Welsh Government should work with its arm’s length bodies to ensure grievance policies and whistleblowing policies address the scenario of concerns that are raised by their most senior officers and/or that are directed at Board members and ensure broad consistency of approach. [Recommendation 2]*

*The Welsh Government should clarify the procedures to be followed in circumstances such as the employment dispute at Amgueddfa Cymru where it is itself a party to novel, contentious,*

<sup>77</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p215

<sup>78</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p34

*or repercussive proposals arising from its arm's length bodies. [Recommendation 3]"<sup>79</sup>.*

**101.** When asked whether public bodies had adequate policies in place to deal with concerns such as these, Amgueddfa Cymru told the Committee:

*"... our understanding is that in many cases in Wales they don't, because this has caused a lot of thought and reflection. And I know Welsh Government have developed their own policy to address this situation, and they shared that with us, as the chief executives of the various public bodies"<sup>80</sup>.*

**102.** In relation to the contradictions between *Managing Welsh Public Money* and the calling-in arrangements, the Director General for Economy, Treasury and Constitution noted that other colleagues were working on revising the guidance, explaining:

*"What I can say, just to repeat the point from earlier, is that we accept entirely the auditor general's recommendation that we should get this set of guidance tidied up and make sure it dovetails better—not, though, because I think there was any great problem of principle here in how things were managed internally. All of the relevant people were spoken to and all of the relevant advice was sought. But it would be good to clarify those points"<sup>81</sup>.*

**103.** In correspondence to the Committee the Director General for Economy, Treasury and Constitution confirmed that Welsh Government accepted Recommendation 3 of the Auditor General's PIR stating:

*"We fully agree with the Auditor General's recommendations and had already identified these actions as areas of priority for Welsh Government. A draft 'Guidance for managing concerns and complaints against senior leaders in the Public Sector in Wales' has been developed and was presented to the Chief Executives*

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<sup>79</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p37

<sup>80</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p71

<sup>81</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p209

*of Welsh Government Arm's Length Bodies on 5 October 2023. Once initial comments have been received, the intention is for the draft to go to formal consultation with members of Welsh Government's Devolved Sector Group.”<sup>82</sup>*

## **Welsh Government guidance to Amgueddfa Cymru and Ministerial Advice**

**104.** The Auditor General was not provided with evidence of any specific written advice from the Welsh Government to Amgueddfa Cymru about the Settlement Agreement, albeit the Welsh Government's Director of Human Resources was involved in the mediation process and was a signatory to the Heads of Terms and Settlement Agreement.

**105.** The Auditor General saw internal e-mail exchanges between the Welsh Government's sponsor division and its Corporate Governance Unit concerning the Settlement Agreement, but adds that the “extent of the Public Bodies Unit's involvement is not clear”<sup>83</sup>.

**106.** The sponsor division issued Ministerial Advice to the Deputy Minister for Arts and Sports and Chief Whip, dated 6 December 2022, which was copied to the First Minister, the Counsel General, the Minister for Economy, the Minister for Social Justice and the Welsh Government's Permanent Secretary. This advice summarised the outcome of the mediation and the Settlement Agreement, saying it “raised novel and contentious issues”, before adding:

*“Officials involved in the mediation agreement believe that the package can be justified in order to reach an agreement and help resolve the ongoing situation”<sup>84</sup>.*

<sup>82</sup> Letter from the Director General for Economy, Treasury and Constitution to the Chair of PAPAC, 23 November 2023

<sup>83</sup> Auditor General for Wales, Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales, November 2023, p34

<sup>84</sup> Auditor General for Wales, Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales, November 2023, p34

**107.** The advice described the compensation for injury to feelings and loss of employment as “reasonable”<sup>85</sup>. When asked how this was calculated, the Director General for Economy, Treasury and Constitution explained:

*“It was calculated on the basis of legal advice and our assessment of what was feasible in terms of bringing the parties to a settlement agreement and costs that Welsh Government thought it could bear and our understanding of what we thought the museum could bear from its reserves, effectively, to manage the process out”<sup>86</sup>.*

**108.** While it outlined the financial implications for the Welsh Government<sup>87</sup> it didn’t set out the “significant and full total value of the settlement”<sup>88</sup>. However, the advice didn’t set out the related employment costs resulting from the Settlement Agreement or explain that the former Director General’s contractual notice period was 12 months<sup>89</sup>. On these points, the Director General for Economy, Treasury and Constitution explained:

*“I think it could have provided more advice, more detail, but there were limits on what could be provided. The main issue that we needed the Minister to be content with, or satisfied with, was that the process had been [properly]handled, that the outcome could be followed through on and that the components of Welsh Government money into that process could be met. And I think I'm right in saying that there were discussions... as to whether we could meet the relatively small sums of money that fell to Welsh Government from our budgets within the group, and we concluded that we could do that. So, on the core of what the advice needed to provide, the Minister had what was needed to make a decision, but I think I would accept the auditor general's*

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<sup>85</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales](#), November 2023, p35

<sup>86</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p217

<sup>87</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales](#), November 2023, p35

<sup>88</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales](#), November 2023, p34

<sup>89</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales](#), November 2023, p35

*finding that we could have provided more information in that MA [Ministerial Advice]”<sup>90</sup>.*

**109.** The advice did not seek overall approval for the Settlement Agreement but it did ask the Deputy Minister to issue letters to both the former President and former Director General thanking them for their service and to agree to a temporary change in arrangements for the duties of President, as well as issue a statement on the changes to the Board<sup>91</sup>. The statement was issued on 9 December 2022<sup>92</sup>.

### Subsequent response

**110.** The Welsh Government has undertaken thematic work subsequently, to consider new approaches to dealing with similar situations arising at arm’s length bodies in the future. The Director General for Economy, Treasury and Constitution explained:

*“What we’ve got now is something that we can use and deploy in these situations. We are actually out in the process of trying to formalise that into something that’s recognised across the piece”<sup>93</sup>.*

**111.** When asked about what this work had told them, he explained:

*“We’ve learned that you need to be clearer about the kinds of processes that you will deploy off the shelf for these kinds of situations. We’ve learned a bit more about how we tidy up our internal governance and the auditor general makes a recommendation in his report about clarifying how the interplay between, for example, ‘Managing Welsh Public Money’ and our—what were then called—calling-in procedures in respect of arm’s-length bodies, how those dovetail and work together, and what takes precedence, and I think that’s entirely fair. That’s a point*

<sup>90</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p219

<sup>91</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p35

<sup>92</sup> Welsh Government, [Written Statement: Update on Amgueddfa Cymru](#), 9 December 2022

<sup>93</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p136

*that we need to get sorted out and colleagues are working on that*<sup>94</sup>.

**112.** He explained the Welsh Government was in the process of codifying some of the lessons they have learned as a consequence of the issues at Amgueddfa Cymru<sup>95</sup>. Despite this, the Director General for Economy, Treasury and Constitution went on to say:

*“... I think it is fair to say that the museum did have all these policies and procedures in place for internal complaints, and as far as I understand, they were appropriately followed. What you've got in this instance is a breakdown in relationships between an employee of the museum, who is subject to the museum's procedures, and a ministerial appointment, who also has powers vested in them in relation to the charter and also has responsibilities associated with being a trustee, as the head of a charity. And it's that kind of interplay that the processes didn't allow for—not readily, anyway”*<sup>96</sup>.

## **Our view**

### **Ministerial Advice and Managing Welsh Public Money**

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**113.** The Committee is alarmed to note that the Ministerial Advice provided to the Deputy Minister for Arts and Sport didn't set out the “significant and full total value of the settlement”. As noted earlier in this report, the Committee has serious concerns about the terms of the settlement and considers that the Deputy Minister was placed in an invidious position because of the incomplete information provided in her advice.

**114.** The Committee believes that the issues around Ministerial Advice are clouded by the confused guidance of *Managing Welsh Public Money* and the Welsh Government's calling-in procedures. The confusion around which process applied meant that the matter was referred to the Deputy Minister. However, the *Managing Welsh Public Money* guidance suggested that the approval of the First Minister was required had it been classified as a special severance payment. The Committee believes that the optimal approach

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<sup>94</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p142

<sup>95</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p143

<sup>96</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p146

from a governance perspective would have been to defer to the highest level of review and led to the *Managing Welsh Public Money* guidance being followed.

**115.** *Managing Welsh Public Money* sets out the main principles for managing resources and states it:

*“is primarily aimed at organisations within the boundary of the Welsh Government’s consolidated accounts, but the principles should hold true across the whole of the Welsh public sector. This document aims to explain how to handle public funds with probity and in the public interest”.*

**116.** *Managing Welsh Public Money* is intended to guide the whole of the Welsh Public Sector on the handling of public funds with probity and in the public interest. It should be kept updated and not conflict with other guidance. Where other guidance exists, the Welsh Government should set out clearly the hierarchy of guidance and our view is that *Managing Welsh Public Money* should sit at the top of that hierarchy, given what it purports to do.

**117.** The Committee has been told over many years that *Managing Welsh Public Money* is due to be reviewed and updated, however, the current guidance has not been updated since 2018. The guidance is wholly out of date in many areas and has proven to have insufficient procedures in place, which led to the issues outlined above on Ministerial Advice and the Welsh Government’s approval of the settlement.

**118.** Furthermore, we believe that relying on the updated guidance to address recommendation 3 of the Auditor General’s report may not be enough, because the issue of concern is the disconnect between *Managing Welsh Public Money* and the Welsh Government’s calling-in procedures. The Welsh Government’s response to the recommendation also fails to address the issue relating to the approval of the payment process in circumstances whereby the Welsh Government is itself party to the situation.

**Recommendation 5.** We endorse recommendation 3 of the Auditor General’s Public Interest Report and recommend that the Welsh Government clarifies processes within *Managing Welsh Public Money* to address scenarios clearly whereby itself is an involved party, particularly given

the disconnect between the guidance and the calling in procedure guidance.

**119.** Our predecessor committee, the Public Accounts Committee, was told in April 2020 that a planned update to the guidance had been delayed because of the COVID-19 pandemic. It is unacceptable that there has been no conclusion of this work in the four years that have since passed.

**120.** The Welsh Government must now set an unambiguous target for publishing an updated version of *Managing Welsh Public Money*. This target has to be as specific as possible, to provide assurance not only to this Committee but also to the Auditor General and the public.

**Recommendation 6.** The Welsh Government should set out a specific target date for publishing an updated version of *Managing Welsh Public Money* and keep this Committee informed of its progress in doing so.

### **Thematic work**

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**121.** As noted above, the Director General for Economy, Treasury and Constitution has explained that the Welsh Government is undertaking some thematic work, to consider new approaches to dealing with similar situations arising at arm's length bodies in the future<sup>97</sup>.

**122.** The Committee looks forward to hearing about the conclusions of this work, as processes must be simplified, but also be robust and fit for purpose. We note the Director General's comment that Amgueddfa Cymru had all of the "policies and procedures in place for internal complaints", however, these policies and procedures were wholly insufficient. Accordingly, we look forward to hearing about the lessons learned from Amgueddfa Cymru's situation as part of this work.

**Recommendation 7.** The Welsh Government should share with the Committee the outcome of the thematic work on resolving similar situations at other arm's length bodies as soon as possible.

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<sup>97</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p142-143

## 4. Governance changes

### Former President

#### Appointment, remuneration and departure

**123.** Roger Lewis took up the role of President on 15 April 2019<sup>98</sup>, which was subsequently announced by the Welsh Government, on 29 April 2019<sup>99</sup>. This was the first time the post had been remunerated<sup>100</sup>. No other members of the Board of Trustees were remunerated in 2021-22<sup>101</sup>.

**124.** When asked about the focus for the former President at the time of his appointment, the Director General for Economy, Treasury and Constitution told the Committee:

*“... we're always working with our bodies in the heritage and cultural sector to think about income generation, what you might do around that, because of the pressure on public money”<sup>102</sup>.*

**125.** In December 2022, the Welsh Government announced that Roger Lewis would leave his role as President at the end of that month, three months before the end of the 2022-23 financial year and the end of his contracted term<sup>103</sup>. It is important to note that the early departure of the former President was part of the terms of the settlement agreement. Dr Carol Bell, who had been the Vice-President since 2016, was appointed Acting President from 1 January 2023<sup>104</sup>.

**126.** On the Welsh Government’s independent investigator’s report from November 2021, initiated following complaints by the former Director General and former Chief Operating Officer, the Auditor General states:

<sup>98</sup> Amgueddfa Cymru Financial Report 2019-20, p24

<sup>99</sup> Welsh Government, [Roger Lewis appointed as President of Amgueddfa Cymru](#), 29 April 2019

<sup>100</sup> [Financial Report of the Board of Trustees of the National Museum of Wales 2019-20](#), p28

<sup>101</sup> [Financial Report of the Board of Trustees of the National Museum of Wales 2021-22](#), p26

<sup>102</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p115

<sup>103</sup> Welsh Government, [Written Statement: Update on Amgueddfa Cymru](#), 9 December 2022

<sup>104</sup> [Financial Report of the Board of Trustees of the National Museum of Wales 2021-22](#), p26

*“While not finding that the then President had clearly breached the terms of his appointment, it found that his behaviour had not always reached the highest standards and that his actions had left him open to accusations that he had not always been as objective and open as he could have been”<sup>105</sup>.*

**127.** In February 2023, the independent grievance investigation officer, appointed to address the grievances of the former Director General and former Chief Operating Officer, issued his report<sup>106</sup> (separate from the report noted above, which related to the Welsh Government investigation). The report did not find the former President had breached the Nolan Seven Principles of Public Life. The Auditor General notes the independent grievance investigation officer did not uphold “many of the grievances” but upheld some aspects in part or in full, including<sup>107</sup>:

- the former President publicly and privately undermined the former Director General, Chief Operating Officer and other staff when meetings were called in breach of the Regulations of the Board of Trustees.
- the Board of Trustees held closed sessions without officers, including the former Director General and Chief Operating Officer, being invited to attend and failed to deposit the minutes and agendas of the closed meetings.
- the former President undermined the former Director General by suggesting, in an email he sent to him on 21 May 2021, that he was incorrect about the contentions he made in respect of closed meetings, and that he had no role in governance issues.
- on some occasions specified in the report, the former President’s actions broke the trust that is essential between the Trustees and staff.

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<sup>105</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p8

<sup>106</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p14

<sup>107</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p14

**128.** When asked about the Welsh Government's original response to these findings, the Director General for Economy, Treasury and Constitution explained:

*"... that report also found that the former president had neither breached the terms of his appointment nor breached the Nolan principles, and I think I'm right in saying that the investigation report suggested that all parties could perhaps have approached things differently, so I would hesitate to say anything more on that, really. There's nothing there that would have triggered any particular action, other than for the Deputy Minister, off the back of comments received from the parties, to write to them in the early part of 2022, saying, 'Please can you all come together and try and get this mediated through?'"<sup>108</sup>.*

## New role

**129.** The Ministerial Advice from December 2022, prepared by Welsh Government officials, included an agreement for the former President to lead a governance review of the status of Cadw<sup>109</sup>, which the Welsh Government announced on 14 December 2022<sup>110</sup>. The Deputy Minister for Arts and Sport said in the announcement:

*"I have asked Roger Lewis to chair this Cadw review in recognition of his many years of experience in the cultural, business, and civic life of Wales. The intention was always to undertake such a review when the new governance arrangements for Cadw were established in 2017 and I am pleased that Roger has agreed to lead on it, working closely with the current Chair of Cadw Jane Richardson.*

<sup>108</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p242

<sup>109</sup> Auditor General for Wales, [Governance arrangements relating to an employment dispute at Amgueddfa Cymru - National Museum Wales](#), November 2023, p35

<sup>110</sup> Welsh Government, [Welsh Government review of Cadw to be led by Roger Lewis](#), 14 December 2022

*Roger's experience of commercial operations will complement the heritage expertise that already exists across the current Board membership and staff at Cadw*<sup>111</sup>.

**130.** When asked whether the former President's new role was related to his departure from Amgueddfa Cymru, the Director General for Economy, Treasury and Constitution explained:

*"We needed somebody to undertake the review of Cadw who had Roger's type of experience. It is certainly the case that he couldn't have done that while he was the chair of the museum, because there would have been a conflict, but I can't say anything more than that"*<sup>112</sup>.

**131.** When asked about the appropriateness of the appointment, given the investigator's findings from November 2021, he stated:

*"... nothing was found that said that the individual concerned had breached either Nolan, the principles of operating in public life, or breached the terms of his appointment. So, there is no reason why you wouldn't appoint, I think, on that basis"*<sup>113</sup>.

## New appointments

### Chief Executive

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**132.** On 11 September 2023, Jane Richardson took up the post as Amgueddfa Cymru's new Chief Executive, a retitled role. On 16 November 2023, she told the Committee she had "only recently taken up the role full time within the past few days" but had been able to "do some part-time work from early September to familiarise myself with the organisation, so that I could hit the ground running when I did start"<sup>114</sup>.

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<sup>111</sup> Amgueddfa Cymru, [Financial Report of the Board of Trustees of the National Museum of Wales 2021-22](#), p26

<sup>112</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p244

<sup>113</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p246

<sup>114</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p36

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## Chair and Vice-Chair

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**133.** In August 2023, the Welsh Government announced the appointment of a new Chair and Vice-Chair for Amgueddfa Cymru (retitled roles), with Kate Eden appointed as Chair on 1 September 2023 and Rhys Evans as Vice-Chair, who had not started the role at the time of the Financial Report<sup>115</sup>.

## Trustees

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**134.** There has been a significant change in the membership of the Amgueddfa Cymru Board over 2022-23 and beyond. At the time of completing its Financial Report for 2021-22, except for the Chair and Treasurer, seven of the Trustees had been appointed by the Welsh Government, with only two of them in post before April 2021<sup>116</sup>.

## Our view

**135.** Whilst acknowledging that the former President was not found to have breached the terms of his appointment, the Committee is concerned by the decision to appoint him to a new role in the area of heritage and culture, given the situation that developed at Amgueddfa Cymru.

**136.** We note that the independent investigation did not find that the former president breached the Nolan Principles that public officials are expected to uphold. However, in our opinion it did uphold some serious aspects in part or in full, including that the former president "publicly and privately undermined the former director general, chief operating officer and other staff when meetings were called in breach of the regulations of the board of trustees".

**137.** We are particularly alarmed that the Auditor General for Wales concluded that the former President "had not always reached the highest standards and that his actions had left him open to accusations that he had not always been as objective and open as he could have been".

**138.** The Committee were told by Amgueddfa Cymru the dispute and subsequent settlement was a live issue, with the risk of reopening the settlement and subsequent significant additional cost noted. It's therefore

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<sup>115</sup> Welsh Government, [New Chair and Vice-Chair for Amgueddfa Cymru announced](#), 8 August 2023

<sup>116</sup> Amgueddfa Cymru, [Financial Report of the Board of Trustees of the National Museum of Wales 2021-22](#), p25

troubling that the former President was invited to participate in the review of Cadw, remaining within the heritage sector, given the concerns emanating from Amgueddfa Cymru. Indeed, the Tailored Review panel made recommendations that asked Amgueddfa Cymru to work with Cadw in relation to the capital investment required to preserve its collection of historic estates.

**139.** As noted above, the Committee has concerns about the Ministerial Advice provided in this situation and is surprised to note the advice recommended the former President's appointment, given these concerns. We are also concerned that the appointment does not appear to have been made through a recruitment process which raises further questions about the openness and transparency of the appointment.

**140.** We note in a letter sent to us by the Permanent Secretary, in relation to the Committee's scrutiny of the Welsh Government's Accounts 2022-23, that appointments at Cadw are not regulated (listed on the Public Appointments Order in Council 2023 and subject to the public appointments code) but they comply with the regulations voluntarily. The Committee is undertaking an inquiry into Public Appointments in Wales and will be considering these regulations. As such it would be useful for the Committee to be provided with clarification on the process adopted for the appointment of the former President of Amgueddfa Cymru to the review of Cadw.

**Recommendation 8.** We recommend the Welsh Government provide the Committee with details of the appointment process adopted for the appointment of the former President of Amgueddfa Cymru to a new role reviewing Cadw. This could include the timeline for initially approaching the former President, whether any other potential candidates were considered for the role and, if not, why not. In addition, the response should set out whether any advice was sought, including legal, as part of the appointment process.

**Conclusion 2.** The Committee is concerned by the appointment of the former President to his role reviewing Cadw and questions the rationale for doing so in the same sector as Amgueddfa Cymru, given the issues that occurred at that organisation. The Committee believes that a more robust appointment system is required, to ensure there is increased transparency and accountability around appointments such as these in the future.

**141.** As noted above, the Committee is currently engaged in a separate inquiry on Public Appointments and reserves the right to consider the former President's new appointment as part of this inquiry, as it links to many of the issues that the Committee has identified as part of that inquiry.

## 5. Tailored Review

### Process and delays

**142.** In January 2022, the Permanent Secretary told the Committee Amgueddfa Cymru would be part of the Welsh Government tailored review process<sup>117</sup>.

**143.** The first workshop with Amgueddfa Cymru’s senior executive team for the tailored review took place on 21 March 2022<sup>118</sup>. The Welsh Government appointed the five members of the Tailored Review Panel (“the panel”) in August 2022 and it met that month. The Welsh Government anticipated it could take “up to six months to complete from this point”<sup>119</sup>.

**144.** It “quickly became apparent” that the panel would not complete its work by Christmas 2022<sup>120</sup>. The panel decided, with the support of Amgueddfa Cymru and the Culture and Sport Partnership Team within the Welsh Government, to produce an interim report before Christmas, which focussed on corporate governance.

**145.** The Committee had been keeping a close watching brief on the progress of the tailored review and in October 2022 the Permanent Secretary confirmed:

*“an interim report will be shared by Christmas and advises that the review will conclude no later than 1 March 2023, although working to an earlier completion date, dependent on scheduling the necessary interviews within Panel members’ availability. Publication will follow after scrutiny by the Welsh Government Challenge Panel”.*<sup>121</sup>

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<sup>117</sup> RoP Public Accounts and Public Administration Committee, 26 January 2022, p65

<sup>118</sup> [Letter from the Permanent Secretary of the Welsh Government to the Chair](#), 29 March 2022

<sup>119</sup> [Welsh Government letter to the Public Accounts and Public Administration Committee](#), 29 March 2022

<sup>120</sup> Amgueddfa Cymru, [Final report of the Tailored Review Panel](#), 13 July 2023, p6

<sup>121</sup> [Letter from the Permanent Secretary of the Welsh Government to the Chair](#), 31 October 2022

**146.** In November 2022, the Committee noted its concern that the Tailored Review process would not conclude until March 2023 and requested a copy of the interim report<sup>122</sup>. In response, the Permanent Secretary said:

*“... it was never the intention to share the [interim] report wider than the partnership team within the Welsh Government and the Museum itself. The intention of the interim report is to get feedback on the panel’s findings to date which will then feed into the final report which will be a published document”<sup>123</sup>.*

**147.** When asked whether bringing forward the tailored review process was the correct response to the concerns raised around governance, the Director for Culture, Tourism and Sport said it was, explaining:

*“As soon as the governance issues were brought to our attention, our response as the Welsh Government was, ‘We need to look into this. We need to investigate this. We need to look into the governance issues that are there in detail’. So, it started off with the principle of, ‘This is a review into governance of the national museum’. But it became evident really quickly that that actually is a tailored review, because all tailored reviews are tailored to the individual organisations. So, the terminology of what we were doing shifted really quickly from, ‘This is a governance review of the museum’ into ‘This is now the second tailored review’. So, I think the answer is that, yes, it was the right thing to do, because it was looking at the specific set of circumstances that had arisen, but then the terminology became ‘the second tailored review’”<sup>124</sup>.*

**148.** The panel published its final report on 13 July 2023, over 15 months after the first workshop, just under seven months after the original deadline of December 2022 and over four months after the revised deadline of 1 March 2023. On this delay, the Director General for Economy, Treasury and Constitution explained:

<sup>122</sup> Letter from the Chair to the Permanent Secretary of the Welsh Government, 16 November 2022

<sup>123</sup> Letter from the Permanent Secretary of the Welsh Government to the Chair, 13 December 2022

<sup>124</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p51

*"I think the timetable was ambitious... I think everybody concluded that the original timetable was just not achievable, that they needed time to prepare the ground properly, and then have time to do their work. I think it's fair to say that we had to negotiate all of that quite carefully because of the breakdown of relations. In a body where there is no breakdown of relationships between the non-execs and the executive, getting terms of reference for a review agreed is a relatively straightforward matter normally, but we weren't in that territory"<sup>125</sup>.*

**149.** The Director for Culture, Tourism and Sport expanded on these points, noting the Welsh Government had learned lessons from the tailored review of the National Library of Wales. Although it appears these lessons were learnt after the commitments were given to the timescales for review of Amgueddfa Cymru. This tailored review had moved too quickly initially, which meant it actually took longer to complete as "they weren't clear on exactly what they were setting out to achieve"<sup>126</sup>. He went on to say:

*"... more time was then spent setting out and agreeing the terms of reference. That was done in a very thorough way... as a consequence of then spending so much time on agreeing the terms of reference, it meant that the deadline to complete had to move, although the final report would have been better. So, the next lesson learnt here is that I think there's a sweet spot in all of this, where you spend the right amount of time on the terms of reference, but, ideally, I think you work within some fixed parameters to enable everything to move ahead. We've been learning as we go through all of this"<sup>127</sup>.*

## **Terms of reference**

**150.** As per its Terms of Reference, the aim of the tailored review was to:

*"... provide a robust challenge to and assurance on the continuing need for individual organisations (form and function)*

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<sup>125</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p258

<sup>126</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p263

<sup>127</sup> RoP, Public Accounts and Public Administration Committee, 29 November 2023, p263

*and where this is agreed, to review its capacity for delivering more effectively and efficiently, including potential saving efficiencies and contribution to economic growth”<sup>128</sup>.*

**151.** It noted it would “asses in particular” the following points:

- the control and governance arrangements in place to ensure Amgueddfa Cymru is aligned with the Welsh Government’s control and governance frameworks and in the context of Amgueddfa Cymru being a registered charity, that these directives are optimal for the organisation’s effectiveness.
- Amgueddfa Cymru’s current 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, and/or play a greater role in Welsh society.
- the relationship with the Welsh Government, including the potential for Amgueddfa Cymru to make a greater contribution to Welsh society and economy.

## Findings and recommendations

**152.** The panel published its Final Report on 13 July 2023. This included 77 recommendations, which the panel said should form a “programme of work”<sup>129</sup>. As well as those to acknowledge Amgueddfa Cymru’s work and regarding implementation, the recommendations were made under five main themes:

- Governance (which the Tailored Review Panel said was the “most important topic” for its consultees and to which it “devoted considerable space” in its report) – 26 recommendations;
- Equality, diversity, and inclusion – 6 recommendations;
- Partnerships and relationships – 17 recommendations;
- Contribution to economy and society – 23 recommendations; and

<sup>128</sup> Amgueddfa Cymru, [Final report of the Tailored Review Panel](#), 13 July 2023, p72

<sup>129</sup> Amgueddfa Cymru, [Final report of the Tailored Review Panel](#), 13 July 2023, p79

- Opportunities for investment, growth, and shared services - 3 recommendations.

**153.** The panel said:

*“It has been suggested to us that we should prioritise some of our more far-reaching recommendations. On balance, we decided not to do so since we wanted all our proposals to be considered in the round”<sup>130</sup>.*

**154.** A large proportion of the recommendations were made to Amgueddfa Cymru, some jointly to Amgueddfa Cymru and the Welsh Government, and others to the Welsh Government alone.

## **Governance recommendations**

**155.** The panel notes that the work was “commissioned to coincide with recent events” at Amgueddfa Cymru, as their “existence is in the public domain and because we needed to know about them in general terms in order to carry out our review”<sup>131</sup>.

**156.** The Tailored Review panel recommended:

*“In the light of recent experience we propose, subject to legal consideration, a dispute resolution process with a series of steps designed to create time and space for investigation and earlier resolution of complaints, grievances or formal disagreements at the top of the institution. We set out a number of corporate governance reforms... designed to improve decision making and transparency, to comply more fully with good governance guidance and practice and to make fuller use of the skills, experience and talents of trustees and senior managers”<sup>132</sup>.*

**157.** The final report sets out a draft dispute resolution process for consideration if informal and mediation processes are exhausted. It goes on to make further corporate governance recommendations, including:

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<sup>130</sup> Amgueddfa Cymru, [Final report of the Tailored Review Panel](#), 13 July 2023, p2

<sup>131</sup> Amgueddfa Cymru, [Final report of the Tailored Review Panel](#), 13 July 2023, p2

<sup>132</sup> Amgueddfa Cymru, [Final report of the Tailored Review Panel](#), 13 July 2023, p4

- The post of treasurer should be discontinued (Recommendation 15).
- A finance director of Amgueddfa Cymru should be appointed (Recommendation 16).
- Amgueddfa Cymru's committee structure should be reviewed as set out in detail in the report (Recommendation 20).
- Trustees and senior executives should hold a workshop to rebuild relationships and learn from recent events (Recommendation 24).

## Response

**158.** Amgueddfa Cymru told the Committee on 16 November 2023 a task and finish group had been established to deliver the recommendations<sup>133</sup>, in line with the panel's recommendation (Recommendation 77). It also said 20 recommendations had been "completed, or are no longer under consideration"<sup>134</sup>.

**159.** When asked whether a prioritisation exercise had been undertaken, the Amgueddfa Cymru Chair explained:

*"We haven't prioritised them, but we've collated them in a number of different ways. So, there are a number of corporate governance and strategic board level recommendations, where only the board can make a decision against those. And, then, there are a number of operational or business-as-usual recommendations, if you like, which are where the senior executive team can, essentially, carry on with those, and that will be reported to the board at regular intervals, but don't necessarily require a decision from the board"<sup>135</sup>.*

**160.** The Chief Executive explained each recommendation was being treated as an individual project, with resources and individuals allocated to delivering it<sup>136</sup>. However, she noted the challenge around resourcing, as some

<sup>133</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p195

<sup>134</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p198

<sup>135</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p198

<sup>136</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p196

of the recommendations have a “very big price tag next to them”, and there will be ones they will “struggle” to deliver without financial support.

**161.** The Chair confirmed the dispute resolution process, recommended by the panel, had been implemented, along with a series of other recommendations which, in her words:

*“... fundamentally shifts the way in which the chair and the chief exec work together, that it's much clearer about the roles and responsibilities, and that Jane [Chair] and I, I think, give our full commitment to ensuring that no breakdown in relationship—which is from where this stemmed—would ever be repeated under our tenure”<sup>137</sup>.*

## **Future for Tailored Reviews**

**162.** At a meeting on 14 December 2023, the Welsh Government’s Chief Operating Officer told the Committee that the review model for arm’s length bodies would move to a new self-assessment model, or the Handy Assessment Risk Tool (HART). This new model was described by the Chief Operating Officer as being “much more appropriate”, explaining:

*“We aim to review the self-assessment model early in the new year and then pilot it and roll it out to organisations following on from that, and that then forms the risk assessment process that would lead into a tailored review programme around specific organisations”<sup>138</sup>.*

**163.** He explained that the reviews of individual organisations had been paused whilst they implemented and adapted the self-assessment model. This work would also be a part of the Welsh Government’s aforementioned thematic work in this area, which set out lessons learned following the dispute at Amgueddfa Cymru.

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<sup>137</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p185

<sup>138</sup> RoP, Public Accounts and Public Administration Committee, 14 December 2023, p66

## Our view

**164.** The Committee notes that 20 of the recommendations made by the Tailored Review panel are “completed, or are no longer under consideration”. The Committee would like clarity about what recommendations are “no longer under consideration” and why this is the case.

**Recommendation 9.** Amgueddfa Cymru should set out any recommendations from the Tailored Review panel that are “no longer under consideration” and set out why this is the case.

**165.** The Committee are concerned by the move towards a self-assessment approach for reviewing arm’s length bodies, particularly given the serious failings that occurred at Amgueddfa Cymru at the most senior level. A light-touch approach may lead to issues such as the one that occurred at Amgueddfa Cymru not being detected by the Welsh Government, which could lead to problems escalating significantly.

**166.** Whilst we note that the thematic work being undertaken by the Welsh Government will include further information about the rollout of the self-assessment model, we ask that the Welsh Government also provides the Committee with an additional update about its evaluation of the programme separately from the thematic work’s final output, as we consider this to be serious issue that merits robust scrutiny.

**Recommendation 10.** The Welsh Government should update the Committee once the rollout of its self-assessment model for reviewing arm’s length bodies is concludes. They should provide further details about its own evaluation of the benefits and downsides of implementing such a system of review.

## 6. Financial Report

### Financial position

**167.** Amgueddfa Cymru's group income was £38.3m in 2021-22 and, of this, £31.2m related to its revenue and capital Grant-in-Aid (GIA) from the Welsh Government. Over this period, it received other government grants of £1.8m, which included Welsh Government grants of £1.2m (compared to £606k for 2020-21) and £356k from the UK Coronavirus Job Retention Scheme (compared to £3.2m for 2020-21).

**168.** Amgueddfa Cymru also raised funds through donations and legacies (£1.3m), other trading activities (£1.9m) other activities (£1.7m) and investments (£86k).

**169.** It noted it had “almost trebled” its non-government income generation over the 5 years to 31 March 2020 and had “plans in place and under development for further growth in the future”<sup>139</sup>.

**170.** However, its total expenditure was higher than its income in 2021-22, meaning it reported consolidated net expenditure for the year of £515k (compared to net expenditure of £2.2m in 2020-21)<sup>140</sup>.

**171.** It reports a “growing structural deficit”, diminishing revenue reserves and “significant preventative and backlog essential maintenance requirements”. It remains “dependent on Welsh Government funding to sustain the majority of its activities”<sup>141</sup>. It goes on to say:

*“Based on our current operating models and structures available our revenue (public unrestricted) reserves are sustainable for the next ten years, however inflationary pressures on both staff and*

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<sup>139</sup> Amgueddfa Cymru, [Financial Report of the Board of Trustees of the National Museum of Wales](#), p23

<sup>140</sup> Amgueddfa Cymru, [Financial Report of the Board of Trustees of the National Museum of Wales](#), p6

<sup>141</sup> Amgueddfa Cymru, [Financial Report of the Board of Trustees of the National Museum of Wales](#), p23

*non-staff costs are likely to reduce this period. We are reviewing our financial position regularly with Welsh Government*<sup>142</sup>.

**172.** The Tailored Review panel acknowledges Amgueddfa Cymru's use of reserves to supplement its day-to-day spending but suggests these will not last for a decade, saying:

*"On present trends reserves will be exhausted by 2025/26 unless there is a significant increase in GIA. AC therefore needs to align income with expenditure in the short term through the implementation of a financial strategy and an organisational culture geared to income generation and cost control"*<sup>143</sup>.

**173.** The panel goes on to say projected income and expenditure "need to be brought into line over time" and a "more strategic approach to budget setting is clearly required"<sup>144</sup>.

**174.** The Thurley report<sup>145</sup>, an independent review of Amgueddfa Cymru's governance, management and finances, noted their reliance on government funding and made recommendations about commercial developments and income generation. The Tailored Review panel concluded that many of these recommendations had yet to be implemented. The panel says "Income generation should be embedded in the culture across the organisation", noting "We have seen AC's response to Thurley and our report builds upon it"<sup>146</sup>.

**175.** In her pre-appointment hearing before the Culture, Communications, Welsh Language, Sport and International Relations Committee ("CCWLSIR Committee") on 12 July 2023 the then preferred candidate for Chair of Amgueddfa Cymru, Kate Eden, said:

*"It's very clear that we can't look to sources of public funding to solve all our problems at the moment. So, we have to be open around income generation and the different elements that*

<sup>142</sup> Amgueddfa Cymru, [Financial Report of the Board of Trustees of the National Museum of Wales](#), p23

<sup>143</sup> Amgueddfa Cymru, [Final report of the Tailored Review Panel](#), 13 July 2023, p60

<sup>144</sup> Amgueddfa Cymru, [Final report of the Tailored Review Panel](#), 13 July 2023, p61

<sup>145</sup> Welsh Government, [Review of National Museum Wales \(Thurley Report\)](#), 1 June 2017

<sup>146</sup> Amgueddfa Cymru, [Final report of the Tailored Review Panel](#), 13 July 2023, p58

*might be open to us... I would look to trusts, donations, foundations, et cetera, and explore the relationships that we have with them as a first means of income generation*<sup>147</sup>.

**176.** She went on to say “cutting our cloth accordingly at the moment will be a theme that I know we're going to have to return to a number of times in the museum over the next couple of years”<sup>148</sup>.

**177.** When asked to reflect on the ongoing financial position, the Chair told the Committee:

*“I think everybody's aware that the financial situation is very challenging at the moment across the Welsh public sector, and we are actively modelling a number of financial scenarios for the coming year. We have just appointed an interim chief financial officer who is working on a long-term financial strategy, and we also have an income-generation strategy being pulled together at the moment”*<sup>149</sup>.

**178.** The Chief Executive elaborated on this, telling the Committee:

*“There has been a change in visitor behaviour [following the pandemic], there's been a change in the commercial model. Income streams that have previously performed well for us now don't, like corporate hire. So, we're having to rework our commercial model and be really clear on our strategic priorities, so that we can reshape the organisation, in effect, to be able to deliver those in a very challenging financial environment”*<sup>150</sup>.

## **Pension deficit**

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**179.** Amgueddfa Cymru operates a defined benefit pension scheme, available to all permanent staff, underpinned by a Crown Guarantee.

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<sup>147</sup> RoP, Culture, Communications, Welsh Language, Sport and International Relations Committee, 12 July 2023, p64

<sup>148</sup> RoP, Culture, Communications, Welsh Language, Sport and International Relations Committee, 12 July 2023, p75

<sup>149</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p221

<sup>150</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p222

**180.** Between 2018 and 2022 (as at 31 March of those years), the deficit in the pension scheme increased from £37.4m to £57.3m, albeit this is down on the deficit as of 2020, which stood at £69.2m<sup>151</sup>.

**181.** Amgueddfa Cymru said it made an “additional one-off payment of £750,000” to the pension scheme in 2021-22, with the deficit decreasing by £1.6m compared to the balance a year earlier (£58.9m)<sup>152</sup>. It goes on to say:

*“The plan will remove the deficit over a period of eight years from the valuation date. The next triennial actuarial valuation is due as at 31 March 2024”<sup>153</sup>.*

**182.** When asked whether this was achievable given other financial pressures, the Chief Executive told the Committee:

*“I’m really pleased to say that, thanks to some very good decisions made by our pensions board, the pension situation has changed significantly. So, it is now operating in a surplus position. So, as we’ll be reflecting in future accounts, that pressure is no longer live for us, which is extremely helpful”<sup>154</sup>.*

**183.** Amgueddfa Cymru’s Financial Report for 2022-23, which was laid before the Senedd on 26 January 2024, reported a pension scheme deficit of £2.4m at 31 March 2023. It noted this represented a “positive movement of £54.9m”, compared with the deficit balance of £57.3m at 31 March 2022. It explained the movement was due to changes in assumptions adopted for the actuarial valuation of the pension scheme for accounting purposes:

*“The Scheme’s obligations decreased by £88.4m due to actuarial gains, resulting from an increase in the HM Treasury-mandated discount rate used and a decrease in future inflation assumptions. The value of the Scheme’s assets decreased by*

<sup>151</sup> Amgueddfa Cymru Financial Reports 2018-19, 2019-20, 2020-21 and 2021-22

<sup>152</sup> Amgueddfa Cymru, [Financial Report of the Board of Trustees of the National Museum of Wales](#), p24

<sup>153</sup> Amgueddfa Cymru, [Financial Report of the Board of Trustees of the National Museum of Wales](#), p25

<sup>154</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p225

*£33.5m due to actuarial losses, also resulting from the change in assumptions on discount rate and inflation*<sup>155</sup>.

## **Risk to national collections**

**184.** The Tailored Review panel recommended the Welsh Government should work with Amgueddfa Cymru, with advice from Cadw, to produce a long-term view of the capital investment needed in its Welsh Historic estate over the next 25 years<sup>156</sup>.

**185.** The focus of Amgueddfa Cymru's capital work during 2021-22 was on an essential maintenance works plan, alongside an acceleration of its digital programme. This included addressing a roof fire from April 2021 at the National Museum Cardiff<sup>157</sup>.

**186.** It notes it has "identified as essential over the next 10 years" over £50m of preventative and backlog maintenance, noting that "increased grant-in-aid for the five years to 2021/22 represents total capital investment of £16m"<sup>158</sup>. In a letter to the CCWLSIR Committee from February 2023, Amgueddfa Cymru noted:

*"There are significant structural issues within Amgueddfa Cymru's buildings that means there is an ongoing risk to National Collections"*<sup>159</sup>.

**187.** Amgueddfa Cymru identified a maintenance backlog of at least £65m from surveys completed during 2022, with £15m of these deemed to be "critical that are in need of urgent repair"<sup>160</sup>. It also noted significant investment was needed in its Mechanical, Electrical and Plumbing infrastructure at the National Museum Cardiff, requiring investment of £25m over the next seven years, based on the cheapest estimate. This means a total of £90m of additional capital funding would be required over the

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<sup>155</sup> [Financial Report of the Board of Trustees of the National Museum of Wales, 2022-23](#), p19

<sup>156</sup> [Amgueddfa Cymru, Final report of the Tailored Review Panel](#), 13 July 2023, p62

<sup>157</sup> [Amgueddfa Cymru, Financial Report of the Board of Trustees of the National Museum of Wales](#), p12

<sup>158</sup> [Amgueddfa Cymru, Financial Report of the Board of Trustees of the National Museum of Wales](#), p12

<sup>159</sup> [Letter from Amgueddfa Cymru to the Chair of the Culture, Communications, Welsh Language, Sport and International Relations Committee](#), 22 February 2023

<sup>160</sup> [Letter from Amgueddfa Cymru to the Chair of the Culture, Communications, Welsh Language, Sport and International Relations Committee](#), 22 February 2023

remainder of the decade to provide assurance over the national collection, with Amgueddfa Cymru noting:

*“This would require careful planning to allow the museum to resource properly over a number of years and it is appreciated that this funding would likely come from a range of sources”<sup>161</sup>.*

**188.** The Chair told the CCWLSIR Committee protecting the national collection was “clearly a pressing need”, adding:

*“I appreciate that there has been an uplift in the capital grant for this year, but there's still a shortfall. So, I think that's certainly one area that I would like to explore with the Deputy Minister upon appointment, to look to see how we might be able to close that gap through funding from the Welsh Government where that might be appropriate and available. But then I think the museum has a job of work to do as well to identify other funding streams, because it's clear that the scale of the need at the moment outlies the available expenditure”<sup>162</sup>.*

**189.** When asked about meeting the shortfalls, the Chief Executive told the Committee:

*“We need to be talking to Welsh Government, we need to be talking to funders. But I was discussing this with Welsh Government senior colleagues just a few days ago, and they've asked us to submit a brief to enable them to better understand what the pressure is. My colleagues are forming that at the moment”<sup>163</sup>.*

**190.** When asked whether there was a risk not funding and delivering some of the required works to the estate could lead to the public being denied

<sup>161</sup> Letter from Amgueddfa Cymru to the Chair of the Culture, Communications, Welsh Language, Sport and International Relations Committee, 22 February 2023

<sup>162</sup> RoP, Culture, Communications, Welsh Language, Sport and International Relations Committee, 12 July 2023, p47

<sup>163</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p211

access on the grounds of health and safety, the Chief Executive confirmed this was the case<sup>164</sup>.

## Performance reporting

### Background

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**191.** The previous Senedd's Public Accounts Committee recommended Amgueddfa Cymru should comply with best practice in "reporting its performance against aims and objectives, using infographics to improve communication and understandability"<sup>165</sup>.

**192.** In December 2021, the Deputy Minister for Arts and Sport, and Chief Whip issued the Term of Government Remit Letter for Amgueddfa Cymru for 2021-26. This set out Amgueddfa Cymru's key objectives and said:

*"For each of these key deliverables my officials will work with you to determine, and agree appropriate performance indicators in advance of the financial year 2022-23"<sup>166</sup>.*

### Performance 2021-22

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**193.** Amgueddfa Cymru reports performance against its Key Performance Indicators (KPIs) in its Financial Report. The measures are broadly the same as those which Amgueddfa Cymru has reported its performance against since at least 2017-18, although in 2021-22 it added a measure about the number of volunteer hours<sup>167</sup>.

**194.** Amgueddfa Cymru reports it has exceeded its 2021-22 KPIs for every measure except for that for net income<sup>168</sup>. It explains museum closures and restrictions on visitors had a "significant impact" on its trading income and profits.

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<sup>164</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p218

<sup>165</sup> Public Accounts Committee, Scrutiny of Accounts 2017-18, p72

<sup>166</sup> Letter from Deputy Minister for Arts and Sport, and Chief Whip to President of Amgueddfa Cymru, 22 December 2021, p4

<sup>167</sup> Amgueddfa Cymru, Financial Report of the Board of Trustees of the National Museum of Wales, p11

<sup>168</sup> Amgueddfa Cymru, Financial Report of the Board of Trustees of the National Museum of Wales, p11

**195.** The results show:

- Number of visits – 674,814, against a target of 672,000.
- Number of website visits – 2,241,982 against a target of 1,750,000.
- Number of formal education visits – 122,707 (including virtual classrooms and downloads of resources) against a target of 70,000.
- Volunteer hours – 23,138 against a target of 15,000.
- Total net income from research and charging, trading company profits and recharges and unrestricted revenue raising - £1,377,000 against a target of £1,640,000.

**196.** In December 2021, the former Director General told the CCWLSIR Committee that Amgueddfa Cymru had been discussing its KPIs with Welsh Government officials, to reflect the changes in the way it was working<sup>169</sup>. The former Director General said:

*“We are very committed to taking forward work in this area as part of our core work, and it will be part of our discussions with Welsh Government on measuring performance. We envisage that these reports will include a combination of qualitative and quantitative measures”.*

**197.** When asked for her assessment of Amgueddfa Cymru’s performance in 2021-22, the Chief Executive explained:

*“We achieved all our KPIs, we continued to be the biggest provider of learning outside of the classroom, we continued to push on the 'Anti-racist Wales Action Plan' and delivered some really exciting new initiatives on inclusivity. Our visitor numbers have recovered post COVID to a degree that we are content with, and our commercial income has grown even beyond that. So, I think, in terms of performance for 2021-22, we are content, and I*

<sup>169</sup> Letter from Amgueddfa Cymru to the Chair of the Culture, Communications, Welsh Language, Sport and International Relations Committee, 15 December 2021

*think we should be congratulating our team for delivering that in very difficult circumstances*<sup>170</sup>.

**198.** On the reform of their KPIs, the Chief Executive explained they continued to review their KPIs as they “reflect on the previous year's performance”<sup>171</sup>.

## **Staff**

**199.** In her pre-appointment hearing on 12 July 2023, the Chair told the CCWLSIR Committee its staff was Amgueddfa Cymru's “most important stakeholder”, noting that one of her “first jobs” would be to:

*“... get out there and be visible in the organisation, across the locations, to meet staff, and to listen to them very carefully, and to understand their experiences of what it feels like to be working in the museum at this time”*<sup>172</sup>.

**200.** When asked about this commitment, the Chair explained she had started the “process of visibility and outreach to all of our staff”, noting she and the Chief Executive were embarking on a programme of site visits over the coming months to visit every site and conduct one-to-one or group sessions with the staff at those sites<sup>173</sup>. She went on to note staff briefings, which would hopefully be held monthly, would allow members to ask questions of the Chair. She went on to say:

*“... we have been really heartened by the fact that, despite the really challenging times, the senior executive team and the trustees have managed to protect the rest of our staff from any of those difficulties. As a result, it was a surprise to our staff to hear and to read about those difficulties when the report was published. So, we are really proud of the way in which the team*

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<sup>170</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p252

<sup>171</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p260

<sup>172</sup> RoP, Culture, Communications, Welsh Language, Sport and International Relations Committee, 12 July 2023, p38

<sup>173</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p272

*has handled that and has managed to keep the place going...<sup>174</sup>.*

## Subsequent developments

**201.** On 14 April 2024, in a press interview to BBC Radio Wales' Sunday Supplement, the Chief Executive of Amgueddfa Cymru stated at least 90 jobs would be cut following a significant reduction in the budget, with a voluntary severance scheme to be undertaken<sup>175</sup>. She noted the grant to Amgueddfa Cymru had reduced by £3m, but it was operating an ongoing year-on-year deficit of £1.5m. This meant it had to address an overall deficit of £4.5m.

**202.** During the same interview, the Chief Executive was reported raised concerns about the condition of Amgueddfa Cymru's estate, in particular the National Museum Cardiff, the reporting suggesting the possibility that the site could close unless work was done to rectify the issues facing the building.

**203.** In response to a question during Plenary on 17 April 2024, which asked whether the Cabinet Secretary for Culture and Social Justice would "commit to working cross party here in the Senedd with Amgueddfa Cymru... to not only assess the risk to our national collections, but to put in place a plan to safeguard them and commit to adopting a new approach to culture and heritage for the remainder of this Senedd term"<sup>176</sup>, she said:

*"I think we have to recognise the budget situation, and we are where we are, we're only at the start of the financial year now, but what I have made very clear to officials is I want them to continue to work very closely with the museum, with the chair and chief exec, to make sure they bring forward a business plan. I would like to see that business plan certainly by the middle of next month to see what we can then do. I don't have a great budget, as you know, but I don't think it is just a matter for me; I think it is a cross-Government issue, but every Cabinet Secretary will tell you that, but I'm very, very clear that this is an iconic*

<sup>174</sup> RoP, Public Accounts and Public Administration Committee, 16 November 2023, p273

<sup>175</sup> BBC News, [Museums cut 90 jobs and may close Cardiff building](#), 14 April 2024

<sup>176</sup> RoP, Plenary, 17 April 2024, p167

*building, these collections are not ours, we just look after them as we pass through...<sup>177</sup>.*

**204.** She subsequently went on to say:

*"I want to reassure everybody that the national museum is not closing"<sup>178</sup>.*

## **Our view**

**205.** The Committee has been concerned to hear about the financial pressures facing Amgueddfa Cymru and the tough decisions that will inevitably follow to meet the cuts in the organisation's budget. We note the Chief Executive's comments that around 90 jobs will be lost, with a voluntary severance scheme in operation. For context, the average number of Amgueddfa Cymru employees in 2022-23, excluding workers engaged in its pool arrangements, was 710<sup>179</sup>. Whilst the Committee appreciates the extremely challenging financial pressures facing Amgueddfa Cymru, it's disappointing to see so many jobs being lost.

**206.** Given the significant budget shortfall and the consequence for its staff, the Committee is concerned about the loss of skills, expertise, knowledge and experience at Amgueddfa Cymru, which given the nature of areas of its work, may not be easily replaced.

**207.** As such, the Committee would welcome further information from Amgueddfa Cymru about how the organisation is managing the reduction in its staff to meet the budget shortfall, including workforce strategy or plan and how it envisages the reshaped organisation will look. In addition, the Committee would welcome information about the voluntary severance scheme. These should include the criteria for assessing applications and how these ensure that aspects of Amgueddfa Cymru's operations are not disproportionately affected, the anticipated cost and savings as well as the timetable for its completion.

**Recommendation 11.** The Committee asks Amgueddfa Cymru to explain how it is managing the reduction its staff to meet the budget shortfall,

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<sup>177</sup> RoP, Plenary, 17 April 2024, p170

<sup>178</sup> RoP, Plenary, 17 April 2024, p185

<sup>179</sup> [Financial Report of the Board of Trustees of the National Museum of Wales, 2022-23, p43](#)

including providing information about, and a copy of, its workforce strategy or plan. Amgueddfa Cymru should also explain how the organisation anticipates its workforce will look following the cuts in staffing.

**Recommendation 12.** Amgueddfa Cymru should provide information about its voluntary severance scheme. This should include the criteria for assessing applications to ensure that requisite skills and experience are being retained by the organisation, as well as the anticipated cost and savings, together with the timetable for its completion.

**208.** The Committee notes the challenges facing Amgueddfa Cymru and, in particular, by its staff. We acknowledge difficult decisions are required. However, we are concerned about the impact on staff and their wellbeing. This coming soon after the media coverage surrounding the settlement agreement for the former Director General. We would therefore like to hear more about how senior officers are prioritising staff wellbeing and the support being put in place for them.

**Recommendation 13.** Amgueddfa Cymru should set out the arrangements being put in place to support staff wellbeing and, in particular, if additional support, specific measures or arrangements are being provided during this challenging period.

**209.** The Committee considers the National Museum Cardiff is of vital national importance. As such, it notes and welcomes the Cabinet Secretary for Culture and Social Justice's statement that it will not close and that an accommodation will be made to budgets to ensure this.

**210.** Whilst this news is welcome, the Committee would like to know more about how this is going to be achieved given the capital and revenue resources required for such an assurance. Therefore, the Committee requests an update from the Welsh Government about discussions with Amgueddfa Cymru regarding the additional funding required to ensure the National Museum Cardiff remains open. This should confirm how such changes will be put before the Senedd. If considerations are ongoing, the Committee would welcome notification that this is the case, together with an indication of when decisions are likely to be made and when the Welsh Government is expecting to be able to share the information requested.

**Recommendation 14.** Page The Committee requests that the Welsh Government provides an update about discussions with Amgueddfa Cymru

regarding the additional funding required to protect National Museum Cardiff, including how much additional funding will be made available and when will this package of funding be put before the Senedd for agreement. If considerations are ongoing, the Committee would welcome notification that this is the case, together with an indication of when decisions are likely to be made and when the Welsh Government is expecting to be able to share the information requested.

## Annex 1: List of oral evidence sessions.

The following witnesses provided oral evidence to the committee on the dates noted below.

Transcripts of all oral evidence sessions can be viewed on the [Committee's website](#).

Date	Name and Organisation
<b>16 November 2024</b>	<p><b>Jane Richardson</b> Chief Executive, Amgueddfa Cymru</p> <p><b>Kate Eden</b> Chair, Amgueddfa Cymru</p>
<b>29 November 2024</b>	<p><b>Andrew Slade</b> Director General – Economy, Treasury and Constitution, Welsh Government</p> <p><b>Jason Thomas</b> Director – Culture, Sport and Tourism, Welsh Government</p>