

Historic Wales

**A roadmap towards Success, Resilience and
Sustainability for the Heritage of Wales**

February 2017

HISTORIC WALES

A roadmap towards Success, Resilience and Sustainability for the Heritage of Wales

1. BACKGROUND

- 1.1. On 28 September 2016, the Cabinet Secretary for Economy and Infrastructure announced that he would establish a Steering Group “to review and develop options related to the delivery of the manifesto commitment to create Historic Wales, which would bring together many of the commercial functions of Cadw and Amgueddfa Cymru-National Museum Wales” (see Terms of Reference at Appendix 1). Additional announcements by the Cabinet Secretary have confirmed that some functions of the National Library of Wales and the Royal Commission on the Ancient and Historical Monuments of Wales (the Commission) are also potentially in scope and that the independence of each institution will be maintained.
- 1.2. A Steering Group with senior representation from the four national organisations – Cadw, Amgueddfa Cymru, National Library of Wales and the Commission - as well as the three trade unions, has met five times and agreed a set of objectives, principles and recommendations which are set out below.
- 1.3. In determining its recommendations the Steering Group also gave regard to the following reports:
 - a report of a committee chaired by Professor Terry Stevens in 2015 on how Cadw could enhance its commercial operations; and
 - *Investing in the future to protect the past*, a scoping report produced by PwC to facilitate the work of an advisory group chaired by Baroness Randerson

2. Key Objectives

- 2.1. ***Help to persuade more people to enjoy and take part in creative activity:*** Greater use of heritage and cultural services, in particular to reach new audiences and communities. Greater use of digital delivery and engagement. Facilitate a greater contribution to tackling poverty through delivering elements of the Fusion Programme.
- 2.2. ***Work to improve the sustainability, reach and resilience of the national cultural institutions by developing their commercial, marketing and fundraising capacity:*** The establishment of a new Strategic Partnership which will facilitate innovative commercial services, increase income generation, make the optimum use of commercial resources and formalise collaboration in terms of appropriate commercial activities between the heritage and cultural bodies to diversify their income base.
- 2.3. ***Work with partners to enhance the visitor experience at national institution sites:*** Greater maintenance and nurturing of professional skills, together with

sustainable structures and appropriate governance arrangements which encourage greater investment in cultural and place-based regeneration projects.

3. Key Principles

- 3.1. Because of charity law, governing charters and other statutory requirements, the recommendations will respect the identity, integrity, independence and core purposes of the national institutions and be subject to the approval of their governing bodies.
- 3.2. A feasibility study and a business case will be developed for each recommendation where appropriate, and will include an analysis of the potential financial and non-financial benefits, risks and costs for each individual partner.
- 3.3. All recommendations are linked to outcomes, and are intended to work in harmony with each other rather than operate in isolation. They build on the evidence provided by the PwC report, and discussions that have taken place in recent months. In keeping with the PwC recommendation all major commercial projects or other significant proposals will be developed and tested by the new Strategic Partnership (see 4.3 below).
- 3.4. The Steering Group wants to give strong incentives to staff and institutions to increase the income they generate. This would be achieved by sustained investment by Government in the development of the institutions, and assurance that additional income will supplement, not be a substitute, for Grant in Aid.

4. RECOMMENDATIONS

- 4.1. **CADW: A NEW NATIONAL INSTITUTION FOR WALES OUTSIDE GOVERNMENT.** It is proposed that Cadw should become either a charitable body, or an executive agency, outside of government, based on a business case to identify the best option. **Action: The Welsh Government to indicate its preferred option by 30 September 2017 followed by public consultation if required.**
- 4.2. **SPONSORSHIP AND STATUTORY DUTIES.** Each of the options under 4.1 will require a review of Welsh Government arrangements for the exercise of its statutory duties and sponsorship responsibilities (through budget setting, remit letters and operational plans). This could be achieved by the creation of a new heritage division within Government that will be enhanced by including oversight of the historic environment alongside museums, archives and libraries, and thus facilitating skills, expertise and workforce development on a pan-Wales basis. **Action: To be undertaken alongside 4.1 with the Welsh Government to indicate its preferred option by 30 September 2017.**
- 4.3. **WORKING TOGETHER: A STRATEGIC PARTNERSHIP.** The senior executives of the three national institutions and Cadw, supported by full trade union engagement will form a Strategic Partnership and a formal agreement – underpinned by remit letters to the national institutions – to achieve its goals. Between April and December 2017 this group will develop business cases and/or reports for recommendations 4.4 to 4.7 and 4.9. The group will commit to drive all agreed collaborative initiatives. A full review of the role and structure of the

Strategic Partnership will be undertaken jointly by the Sponsor Division and the Partnership two years after its establishment. **Action: Establishment of the Strategic Partnership by April 2017**

4.4. COLLABORATIVE DELIVERY OF COMMERCIAL FUNCTIONS: The Strategic Partnership will collaborate to improve all commercial revenue streams where feasible and appropriate, including but not limited to: retail (including online), food and beverages, and venue hire **Action: Strategic Partnership to identify the functions and means of delivery by 30 September 2017.**

4.5. COLLABORATIVE DELIVERY OF BACK OFFICE FUNCTIONS. The Strategic Partnership will investigate the potential for collaborative delivery – while protecting jobs and expertise - of back office functions including HR and IT systems, policies and procedures. **Action: Strategic Partnership to produce a report on outcome of investigation by 31 December 2017.**

4.6. CULTURAL TOURISM. Joint marketing of national campaigns and events, possibly through an 'Historic Wales' brand, working within and as part of a wider 'Visit Wales' brand to build on the success of recent campaigns and cultural tourism initiatives. **Action: planning by Strategic Partnership with the Welsh Government by 30 September 2017.**

4.7. DEVELOPMENT OF BLAENAVON WORLD HERITAGE SITE. The Strategic Partnership (alongside Torfaen local authority and Visit Wales) will pilot a more collaborative partnership model at the Blaenavon Industrial Landscape World Heritage Site to enhance and promote existing and potential UNESCO sites in Wales and other heritage tourism hotspots. **Action: Strategic Partnership to produce a feasibility study with Torfaen local authority by 31 December 2017.**

4.8. A CULTURAL SECTOR SKILLS STRATEGY. The Strategic Partnership and the Museums, Archives and Libraries Division of Welsh Government, in collaboration with other stakeholders, will lead on the development of a skills strategy to enhance workplace opportunities for staff in the culture and heritage sector in Wales. **Action: Strategic Partnership and the Museums, Archives and Libraries Division to develop a strategy by October 2018.**

4.9. HISTORIC WALES. The appropriate use of the term 'Historic Wales' (and alternatives) will be tested against a number of options using market research, taking account of the cultural role and areas of expertise of the national institutions. For example, consideration could be given to using such a term under recommendations 4.1, 4.3 and 4.6. **Action: Strategic Partnership to undertake market research by 31 December 2017.**

5. NEXT STEPS

5.1. Consideration of the report of the Steering Group by the Cabinet Secretary and the respective Boards of the national institutions by March 2017.

5.2. If the report is accepted, progress work to develop business case on options for the positioning of Cadw outside of Welsh Government. March – September 2017 followed by public consultation if required.

5.3. Strategic Partnership to be formed by April 2017, initially to undertake business cases and/or research for collaborative initiatives of the three national institutions. April – December 2017.

5.4. Implementation of the remaining agreed actions to be taken forward from October 2017.

APPENDIX 1: Steering Group Terms of Reference and Membership

APPENDIX 2: Strategic Partnership – Organogram

APPENDIX 3: Benefits and Outcomes

APPENDIX 1:

Heritage Services in Wales

Terms of Reference for the Steering Group

Role and scope

Working within the broad framework directed by the Cabinet Secretary for Economy and Infrastructure, the Steering Group will review and develop options related to the delivery of the manifesto commitment to create Historic Wales, which would bring together many of the commercial functions of Cadw and Amgueddfa Cymru — National Museum Wales.

The steering group will draw upon the findings of the PwC report, *Investing in the future to protect the past*, and agree which organisations and functions fall within the scope of the review, which may also include the National Library of Wales and the Royal Commission on the Ancient and Historical Monuments of Wales. The group may also consider alternative proposals which could potentially achieve the same goals and fully realise the commercial potential of Wales' heritage bodies and organisations, whilst protecting their independence, individual identity, integrity and core purpose.

The group will ensure that staff consideration is integral to decision-making and that Historic Wales, in whatever form they recommend it is constituted, provides real opportunities for staff engagement, development and career progression.

The group will fully consider the wider sectoral context, including the Well-being of Future Generations Act and the need for cost-effective delivery.

The review will consider which commercial functions are core to each organisation and which could potentially be merged under Historic Wales.

Objectives

1. Peer review the business case development for the creation of Historic Wales;
2. Agree the purpose, form and function of Historic Wales and those organisations that fall within its scope;
3. Deliver an implementation plan including timeline and delivery resource for the creation of Historic Wales.

Frequency of meetings

The group will meet monthly and report back to the Cabinet Secretary with a business case by January 2017, which will inform a public consultation. The group will proactively support the consultation process and will consider the responses prior to finalising the report to the Cabinet Secretary.

Membership

Director for Wales – National Trust – Chair

Director, Culture, Sport and Tourism – Welsh Government

Chief Executive and Board representative – Amgueddfa Cymru — National Museum Wales

Chief Executive and Board representative – National Library of Wales

Chief Executive – Royal Commission on the Ancient and Historical Monuments of Wales (RCAHMW)

National Officers – PCS, Prospect, FDA

TUS (Chair) – Welsh Government

Director of Corporate Services – Welsh Government

Deputy Director – Cadw/Museums, Archives and Library Division – Welsh Government

Deputy Director – Cadw (Commercial and Property) – Welsh Government

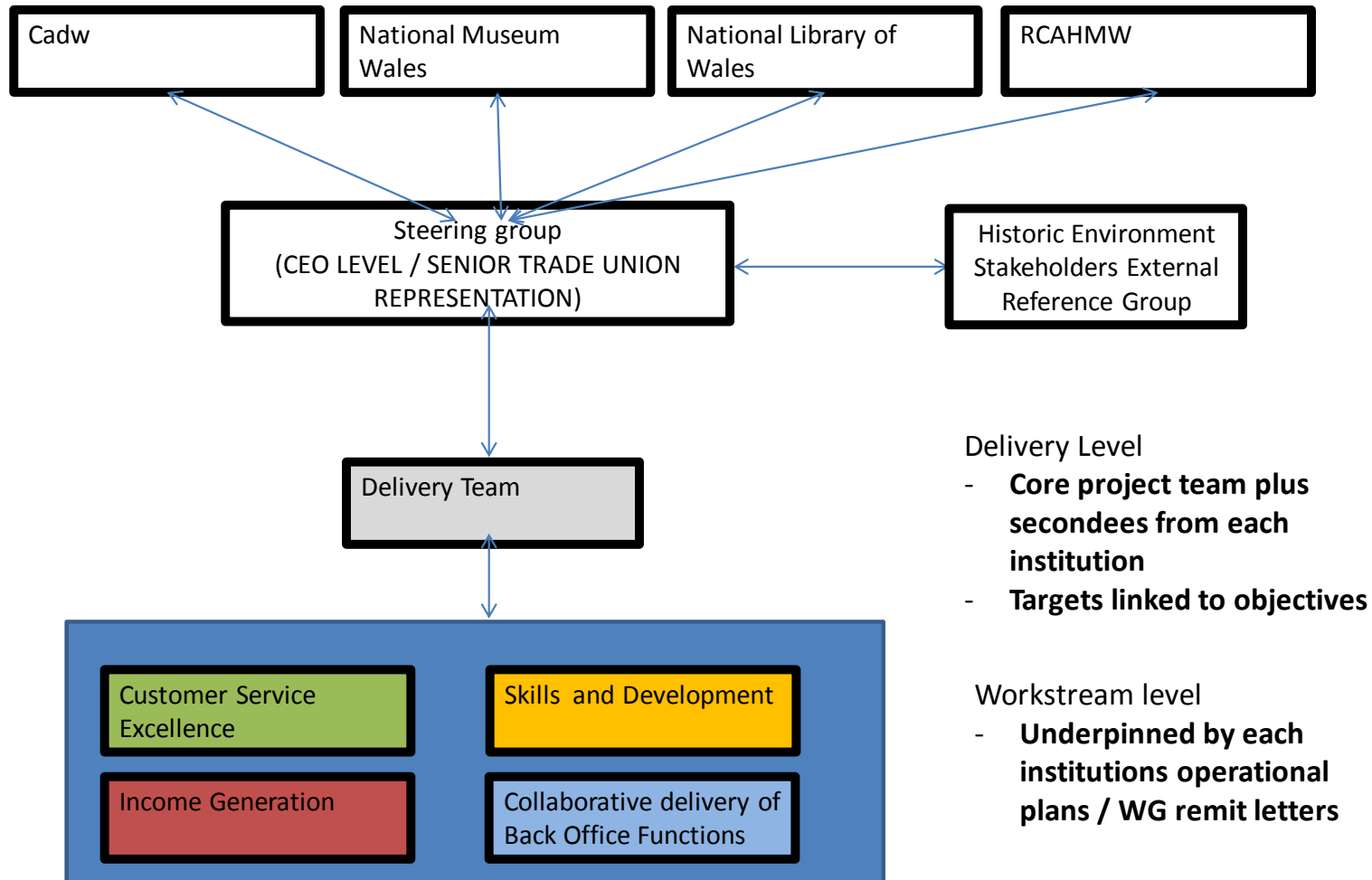
Supported by

Legal and functional specialists

Secretariat provided by Welsh Government

Independent – Director of Development (National Trust)

APPENDIX 2: STRATEGIC PARTNERSHIP – ORGANOGRAM



APPENDIX 3

1. **CADW: A NEW NATIONAL INSTITUTION FOR WALES OUTSIDE**

GOVERNMENT. It is proposed that Cadw should become either a charitable body, or an executive agency, outside of government, based on a business case to identify the best option.

The PwC report recommended a new model for Cadw as a body outside of Government (PwC Options 2 and 3). The PwC Report also identified opportunities for greater and more formal collaboration between the national institutions and Cadw, and the creation of Cadw as a new charity (combination of PwC Options 1 and 2). The PwC report identified a number of possible benefits from Cadw as a new charity, including the opportunity to get additional income from Lotteries, commercial sponsorship and other fundraising, as well as the recovery of VAT. The report also highlighted some of the challenges, such as the requirement for legislation and complex issues relating to charity law.

A combination of PwC Options 1 and 3 identified greater and more formal collaboration between the national organisations, together with a new model for Cadw outside Government as a Government Agency but with staff still members of the Civil Service, or with analogued Terms and Conditions. The combination of PwC Options 1 and 3 would enable the early establishment of Cadw as a separate body.

Outcomes delivered: A more successful, resilient and sustainable future for Cadw. Greater opportunities and increased income and profit for other national institutions through working in partnership with Cadw as a sister organisation.

2. **SPONSORSHIP AND STATUTORY DUTIES.** Changing the status of Cadw will require a review of Welsh Government arrangements for the exercise of its statutory duties and sponsorship responsibilities. This could be achieved by the creation of a new heritage division within Government that will include oversight (through budget setting, remit letters and operational plans) of the historic environment as well as museums, archives and libraries, thus facilitating skills, expertise and workforce development on a pan-Wales basis.

This Division would be constituted to serve as a vehicle for the development of pan-Wales policies, as well as the delivery of social benefits derived from heritage and culture across Welsh Government departments - including research, education, conservation, community engagement, access and inclusion. The Division could also play a key role in terms of the heritage sector workforce development.

Outcomes delivered: Greater public participation in heritage and cultural services, with an emphasis on increasing income generation and profit, as well as widening access and deepening participation, for example through the Fusion programme. A skilled workforce with greater job opportunities.

3. **WORKING TOGETHER: A STRATEGIC PARTNERSHIP.** The senior executives of the three national institutions and Cadw, supported by full trade union engagement will form a Strategic Partnership and a formal agreement – underpinned by remit letters to the national institutions - to achieve its goals.

The Recommendations contained in this report will form the basis of a formal written agreement between the partners with partnership agreements and Memorandum of Understanding around specific collaborations. The four partners will commit to work together to develop partnership initiatives for which there is a business case, and to jointly bid to Welsh Government and other funding sources where possible to take forward new initiatives.

The objective of these plans will be to significantly increase the number of tourists to the nation's museums and heritage sites. This, in turn, will increase income and profit for the four partner institutions – and for Wales as a whole – to support investment in further development.

Outcomes delivered: Effective strategic partnerships between the four national cultural heritage institutions. Increased income and profit for individual institutions, and increased tourist spend in Wales.

4. **COLLABORATIVE DELIVERY OF COMMERCIAL FUNCTIONS:** The Strategic Partnership will collaborate to improve all commercial revenue streams where feasible and appropriate, including but not limited to: retail (including online), food and beverages, and venue hire.

The PwC report identified potential opportunities for a more collaborative approach to delivery of specific commercial functions required to improve performance and extend usage.

There is potential for collaboration and partnerships on retail, food and beverages, online commerce and venue hire. The PwC report suggested as one option that Amgueddfa Cymru's Enterprises Company might be used to facilitate collaboration. The Company's Board includes highly knowledgeable private sector leaders with experience in high street retail, visitor attractions, food and catering and online commerce, whose expertise could be invaluable.

Outcomes delivered: Development of strong and effective partnerships. Best practice in delivery of commercial services jointly developed and shared between the national institutions. Increased income and profit for individual institutions. Potential for greater synergies and better use of buildings and other assets.

5. **COLLABORATIVE DELIVERY OF BACK OFFICE FUNCTIONS.** The Strategic Partnership will investigate the potential for collaborative delivery – while protecting jobs and expertise - of back office functions including HR and IT systems, policies and procedures.

The centrally managed procurement framework for public services, the National Procurement Service, provides opportunities for collaboration – for example the joint commissioning of legal and audit services already occur between Amgueddfa Cymru and the National Library of Wales. The National Library of Wales recently took over responsibility for the Commission's payroll management and the co-location of the Commission at the National Library of Wales has provided both financial and service benefits to both organisations.

Outcomes delivered: Potential for savings through economies of scale, while protecting jobs and expertise.

6. **CULTURAL TOURISM.** Joint marketing of national campaigns and events, possibly through a 'Historic Wales' brand, working within and as part of a wider 'Visit Wales' brand to build on the success of recent campaigns and cultural tourism initiatives.

After a number of successful years selling Wales to the world, there is now an opportunity to build on this success and to achieve significant growth in the number of visitors from beyond Wales' borders, specifically linked to cultural tourism. Whilst Visit Wales should continue to lead on this work, all four national institutions should remain key strategic partners in taking this forward, alongside other stakeholders such as the National Trust, Historic Houses Association, Welsh Archaeological Trusts, Natural Resources Wales, Glandwr Cymru and the Welsh National Parks.

A potential significant project could be to develop a 'Warm Welsh Welcome' at heritage sites across Wales. This could improve participating organisations' capacity to provide a better visitor service as well as a consistent, authentic and memorable experience for visitors to Wales. Another partnership project might be a Citizen's Heritage Card for Wales, with an offer developed in collaboration between institutions. This could be supported by a heritage magazine or even comic, featuring content by each institution.

Outcomes delivered: Increase in visitors to Wales who are engaged with culture and heritage, with consequent increased income for Wales and profit for cultural and heritage organisations. Better marketing of Wales' heritage and improvement in the quality of service offered.

7. **DEVELOPMENT OF BLAENAVON WORLD HERITAGE SITE.** The Strategic Partnership (alongside Torfaen local authority and Visit Wales) will pilot a more collaborative partnership model at the Blaenavon Industrial Landscape World Heritage Site to enhance and promote existing and potential UNESCO sites in Wales and other heritage tourism hotspots.

Some World Heritage Sites and other cultural hotspots of Wales have significant unfulfilled potential as tourist attractions. The national cultural institutions could play a more active and strategic role in their promotion. The pilot would focus on the promotion of Blaenavon Industrial Landscape World Heritage Site. It could comprise a Strategic Partnership between Cadw, Amgueddfa Cymru and the relevant local authorities (principally Torfaen) to coordinate the joint marketing and events at the sites. The principle of collaborative action is already established at Caerleon, where Amgueddfa Cymru provides education services to all schools visiting the historic sites managed by Cadw as well as the National Roman Legion Museum.

Outcomes delivered: Greater collaboration between participating institutions. Increased income generation and profit for individual bodies, and increased tourist spend in Wales.

8. **A CULTURAL SECTOR SKILLS STRATEGY.** The Strategic Partnership and the Museums, Archives and Libraries Division of Welsh Government, in collaboration with other stakeholders, will lead on the development of a skills strategy to enhance workplace opportunities for staff in the culture and heritage sector in Wales.

There are many areas of professional specialisms which are at risk in the context of declining public sector funding. This agenda extends beyond the national organisations into local authority and third sector organisations. The development of partnerships by national institutions provides an opportunity to develop a shared workplace development strategy to enable shared training programmes, placements, internships, apprentices and volunteering opportunities to maintain and develop professional skills and competences.

There are also opportunities to build on the recommendations of the Edwards Review of Local Museums, to link professional skills between the Amgueddfa Cymru and local museums.

Outcomes delivered: A skilled workforce with wider job opportunities. Greater public participation in heritage and cultural services, with an emphasis on widening access and deepening participation, including the Fusion programme.