

**From:** Karen Harrison **On Behalf Of** David Anderson  
**Sent:** 25 April 2016 09:39  
**To:** George, Andrew (ESNR-Tourism, Heritage & Sport-Cadw)  
**Cc:** Clark, Kate (ESNR-Tourism, Heritage & Sport-Cadw); David Anderson  
**Subject:** FW: Review of Heritage Services  
**Importance:** High

Dear Andrew,

First, may I re-emphasise our commitment to working together with Government and other cultural and heritage organisations to develop the commercial potential of Wales's heritage assets. The partnership we have developed over the last 6 months with the National Library, CADW and the Royal Commission has already demonstrated the value of this approach.

I note that the Labour Party in Wales, as part of its election campaign, has proposed that many of the commercial functions of CADW and Amgueddfa Cymru should be managed by a new organisation, 'Historic Wales'. I also note that the National Library and the Royal Commission - although part of the Review - have been omitted from that proposal.

As, so far as I am aware, the report of the Randerson Report has not yet been completed, may I add a few further comments in addition to those I sent to you on 6 April (below).

First, may I re-emphasise my fundamental concern that, as CADW is the main focus for the report, the review has not yet been able to analyse in any depth the commercial operations of Amgueddfa Cymru, the National Library and the Royal Commission, nor consider the implications of the Options for our organisations.

I fully appreciate that a lot of work had to be completed in a very short time. However, a consequence of this is that the full financial, legal and governance implications - and the financial costs and benefits of any changes of the different Options - for Amgueddfa Cymru have not yet been adequately addressed.

The detailed commercial evaluation is a substantial and essential piece of work that is needed before any business decisions can be made. We really need to quantify both the set up costs and the projected operating profits and losses of any new entity, and the wider impacts on the finances and operations of each of the organisations, including Amgueddfa Cymru.

Without this, a really central piece of evidence - the business case for any recommendations - will be missing. We really need rigorous financial modelling. As it stands at present, this is the hole in the doughnut.

We are very happy to work with you to investigate the commercial, legal and governance implications. Please do get in touch when you are ready to take this forward.

All best wishes,  
David

David Anderson,  
Director General, Amgueddfa Cymru - National Museum Wales

[Karen Harrison](#)

EA to David Anderson  
Cyfarwyddwr Cyffredinol  
Director General  
Amgueddfa Cymru - National Museum Wales  
Parc Cathays / Cathays Park  
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**From:** Karen Harrison **On Behalf Of** David Anderson

**Sent:** 06 April 2016 17:14

**To:** Andrew George; David Anderson; J Randerson; Linda Tomos; Katie Antippas; James Quance (PCW); Christopher Catling (RCAHMW); J Albert

**Cc:** Jason Thomas, Manon Antoniazzi; Kate Clark

**Subject:** RE: Review of Heritage Services

Dear Andrew

My apologies that I have not responded before your deadline yesterday. A glitch in my ipad software means that I can neither send nor receive emails and this communication has been dictated by phone through Karen, my PA, at the first subsequent opportunity.

The following are my comments, which I hope are still in time for you to consider :

1. Firstly, I want to congratulate you for having undertaken such a wide-ranging report in such limited time. It really is an achievement to have provided such extensive analysis when working under these restrictions.
2. Amgueddfa Cymru is, of course, a heritage organisation but I should stress that it is, equally importantly, a national institution for science and the environment, and a national institution for historic and contemporary art and design; these important identities, quite understandably, lay outside the scope of your report
3. Commercial activities are integral to the functions of Amgueddfa Cymru, not a bolt-on. For example, any decision on admission charges for exhibitions or fees for services has an impact on our audience strategies and will impact upon the success or otherwise of our inclusion programmes, and vice versa. For this reason, it is vital that any framework for strategic management of commercial development at the Museum operates within a wider framework that balances all key corporate priorities
4. On page 3 "This report focusses on CADW and in particular its property operations, and looks at opportunities to grow commercial income through a different organisational structure for managing the properties in its care". In this context, it is entirely appropriate that analysis of CADW operations in the report is much more extensive than that for Amgueddfa Cymru, the Library, or the Royal Commission. However, because the prime focus is CADW, it is possible that an optimal commercial solution for CADW may be sub-optimal for one or more of the other organisations. For this reason, as we go forward in considering the recommendations of the report, it is essential that the other organisations involved, including Amgueddfa Cymru, look at these from the broader perspective of their overall impact on the whole of its operations. In other words, what may be best as a mechanism for addressing CADW's needs should be set alongside what may be best for addressing other organisations' requirements.
5. On page 8, option 3, I feel it would be helpful to separate the proposal into two separate options. First, the option to create a new entity to develop the commercial potential of CADW alone. Secondly, the option to establish a body to achieve commercial synergies between the four leading national heritage bodies in Wales. I believe this distinction is

essential if we are to analyse this proposal carefully. I believe there would be significant potential conflicts of interest if one organisation (whether the Museum, CADW, or any other) both runs the full range of services, including commercial development, of its own site, and attempts to coordinate the commercial dimension of other partners.

6. On page 9, option 4, it would be helpful if we bear in mind that there are one-to-one synergies between organisations as well as collective synergies. For example, Amgueddfa Cymru and the National Library share many common functions around collections, display, conservation, digitisation, and research. Likewise, Amgueddfa Cymru and CADW are the two national heritage organisations with the closest synergies around sites and visitor management, and tourism development.
7. On page 18, I would be grateful if you also note that the National Collection Centre at Nantgarw is also part of the Amgueddfa Cymru family.
8. On page 20, the financial data on St Fagans is untypical. The heavy investment that we are making for the redevelopment programme means that we appear to have more money than we do in practice for the year-by-year operation of the Museum.
9. On page 23, the commercial partnership that we have already established has demonstrated (I believe) the value and potential of collaboration between the national heritage bodies that is driven and managed by the organisations working voluntarily and in partnership. The group has, however, operated in the context of uncertainty about its future, pending the outcome of the review led by Baroness Randerson. I believe that, if option 1 were endorsed by the review, then we would certainly want to move forward swiftly with stronger and better defined arrangements for governance, management, investment and criteria for success.
10. On page 34, I want to stress that principles 1 to 3 also apply to Amgueddfa Cymru.

Unfortunately, as I was on leave last week, I have not been able to read the whole document in depth. However, I felt it was important to try to send you such comments as I could make in the time available.

With best regards  
David Anderson

Karen Harrison  
EA to David Anderson  
Cyfarwyddwr Cyffredinol  
Director General  
Amgueddfa Cymru - National Museum Wales  
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**From:** Andrew George  
**Sent:** 01 April 2016 09:28  
**To:** David Anderson; J Randerson; Linda Tomos; Katie Antippas; James Quance (PCW); Christopher Catling (RCAHMW); J Albert  
**Cc:** Jason Thomas, Manon Antoniazzi; Kate Clark  
**Subject:** Review of Heritage Services

Dear all,

The original invitation below to seek comments on an 80 page report over the Easter holidays proved to be over-optimistic so we have extended the deadline.

Therefore we would be grateful if we could receive comments on the draft report by close of play on Tuesday 5 April please.

Andrew

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**From:** George, Andrew (ESNR-Tourism, Heritage & Sport-Cadw)

**Sent:** 29 March 2016 16:32

**To:** 'David Anderson (National Museum Wales); J Randerson; Linda Tomos (National Library Wales); Antippas, Katie (TUS); James Quance - Project Senior Manager, LLP; Chris Catling (RCAHMMW); J Albert;

**Cc:** Thomas, Jason (ESNR-Economy Skills and Natural Resources); Antoniazzi, Manon (ESNR-Tourism, Heritage & Sport, Tourism & Marketing); Clark, Kate (ESNR-Tourism, Heritage & Sport-Cadw)

**Subject:** Review of Heritage Services

Dear Baroness Randerson,

I attach a near final draft of the PwC report for your and copy recipients' comments.

We are still working with PwC on the finer detail of the drafting, but we thought it best to invite comments on the main thrust of the report at this stage in order to meet the deadline for presenting the report to the Deputy Minister ahead of purdah.

I would be grateful if you or copy recipients could send any comments to me by close of play on Wednesday 30 March please.

Please note that as it is still a work in progress this draft is not a public document and should not be shared electronically.

Andrew

**Andrew George**

Cyfarwyddwr Cynorthwyol: Llywodraethu a Rheoli Gwybodaeth / Assistant Director:  
Governance and Information Management

Gwasanaeth Amgylchedd Hanesyddol (Cadw) / Historic Environment Service (Cadw)  
Adran yr Economi, Gwyddoniaeth a Thrafnidiaeth / Department of Economy, Science and  
Transport

Llywodraeth Cymru / Welsh Government