



# Welsh Government's response

## PAPAC report entitled Scrutiny of Accounts: Amgueddfa Cymru 2021-22

07/08/2024

This is the Welsh Government's response to the Public Accounts and Public Administration Committee's report, published June 2024, entitled Scrutiny of Accounts: Amgueddfa Cymru 2021-22

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## Cabinet Secretary's foreword

I would like to thank the Public Accounts and Public Administration Committee for its scrutiny of, and report on, Amgueddfa Cymru's Financial Report 2021 to 2022. I am pleased to see the Committee highlight areas we had identified as priorities and where progress is already being made. My response to each recommendation is set out in this document.

This was an undoubtedly challenging period for Amgueddfa Cymru. I am pleased the Committee is satisfied the decision to attempt to achieve a settlement, instead of proceeding to a tribunal, was the right course of action. The settlement delivered a reasonable outcome, allowing all parties to resolve the matter as quickly as possible and avoiding the need for a protracted dispute which would likely have resulted in a greater cost to the public purse. We, along with Amgueddfa Cymru, continue to learn lessons from these events. The Committee's report, along with the report by Auditor General for Wales and the report from the independent Tailored Review panel, have helped inform the next steps.

As the Tailored Review panel rightly pointed out in its report in July 2023, Amgueddfa Cymru has much to celebrate. It is a huge asset to the nation and is a jewel in the crown of Welsh culture. Amgueddfa Cymru is entering a new and exciting phase under the leadership of its new Chair and Chief Executive. We continue to work in partnership with Amgueddfa Cymru to strengthen and build on the fantastic work already being done to inspire and inform the people of Wales.

I am fully aware of the impact the reduction to its revenue budget for 2024 to 2025 has had on Amgueddfa Cymru. In preparing this financial year's Budget, Ministers had to make tough decisions to radically reshape spending plans. Unfortunately, there was no flexibility to prevent cuts to Amgueddfa Cymru's budget, however, I am committed to supporting Amgueddfa Cymru to thrive and not merely survive. Amgueddfa Cymru faces significant challenges in maintaining its historic and iconic buildings, with National Museum Cardiff the priority. We have been assured the national collections are currently safe. However, additional support is needed. We have identified additional funding to enable Amgueddfa Cymru to undertake urgent repairs this financial year and are working with them at pace to develop appropriate plans and identify potential funding options for the next five years. Amgueddfa Cymru's highly skilled staff are instrumental in caring for our national collections and retaining jobs must be our priority. This is why we have reprioritised revenue funding originally allocated

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to delivering the culture strategy in 2024 to 2025 to mitigate job losses within the culture sector, including at Amgueddfa Cymru.

In May we published our draft priorities for culture. These set out our priorities and ambitions for culture for the next six years. We haven't held back in our ambitions for the sector and I hope this is an indication of our commitment to continue to explore all opportunities to support Amgueddfa Cymru as one of our treasured national institutions.

**Jane Hutt MS, Cabinet Secretary for Culture, Social Justice, Trefnydd and Chief Whip**

## 1. Response

In this chapter we set out our response to the recommendations in the Public Accounts and Public Administration Committee's (PAPAC) report. PAPAC's report includes 14 recommendations, some of which are for Amgueddfa Cymru. We have carefully considered each of the recommendations for the Welsh Government and have responded to each, setting out whether they have been accepted, accepted in principle or rejected. For each response, we have also set out if there are any financial implications.

The recommendations for Amgueddfa Cymru have been included here for completeness. Amgueddfa Cymru will respond separately to these.

### Recommendation 1

**Recommendation:** 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.

This is a recommendation for Amgueddfa Cymru's consideration.

### Recommendation 2

**Recommendation:** 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.

This is a recommendation for Amgueddfa Cymru's consideration.

### Recommendation 3

**Recommendation:** 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.

**Response:** Reject

Grievance policies, together with other HR policies, are the responsibility of individual Accounting Officers. The Advisory, Conciliation and Arbitration Service (ACAS) provides a statutory code of practice on disciplinary and grievance procedures. Our arm's length bodies must follow a full and fair procedure in line with the ACAS Code of Practice for any discipline or grievance cases. We will provide advice where it is required.

**Financial Implications:** There would be significant staff cost in reviewing the grievance policies of each Welsh Government public body.

#### **Recommendation 4**

**Recommendation:** 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.

**Response:** Accept

Future referrals to the Charity Commission will be communicated to the Committee and the Auditor General even if it is on a private basis.

**Financial Implications:** There are no financial implications.

#### **Recommendation 5**

**Recommendation:** 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.

**Response:** Accept

We will address this in the updated version of Managing Welsh Public Money.

**Financial Implications:** There are no financial implications

## Recommendation 6

**Recommendation:** 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.

**Response:** Accept

We have very recently identified resource to support the team responsible in undertaking the update to Managing Welsh Public Money. This piece of work is in its initial planning stage. We will provide the Committee with a more detailed timetable for the update to Managing Welsh Public Money in September 2024.

**Financial Implications:** Currently none but additional resource (staffing) may be required once the plan has been fully developed.

## Recommendation 7

**Recommendation:** 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

**Response:** Accept in Principle

We believe there may have been a misunderstanding of what we are producing. We are developing guidance for raising a concern or complaint against a Chair of a public body in Wales. We will share this guidance with the Committee when it has been finalised.

**Financial Implications:** There are no financial implications in sharing the guidance.

## Recommendation 8

**Recommendation:** 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.

**Response:** Accept in principle

Roger Lewis was asked to Chair a time limited task and finish group to review the governance arrangements for Cadw. The appointment of the Chair and members of this task and finish group were not classed as public appointments. It is common practice for members and Chairs of task and finish groups to be selected because of their specialist knowledge and experience of the subject of interest. Roger Lewis brought a strong and highly relevant mix of commercial, public service and heritage experience to the review. He also put together a strong and authoritative task and finish group, with recognised expertise in their respective fields, to support him in the review.

**Financial Implications:** There are no financial implications.

### **Recommendation 9**

**Recommendation:** 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

This is a recommendation for Amgueddfa Cymru's consideration.

### **Recommendation 10**

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

**Response:** Accept

We will provide further details to the Committee once the rollout of the Self-Assessment Model is concluded.

**Financial implications:** There are no financial implications in terms of providing the update.

### **Recommendation 11**

**Recommendation:** The Committee asks Amgueddfa Cymru to explain how it is managing the reduction in 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.

This is a recommendation for Amgueddfa Cymru's consideration.

### **Recommendation 12**

**Recommendation:** 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.

This is a recommendation for Amgueddfa Cymru's consideration.

### **Recommendation 13**

**Recommendation:** 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.

This is a recommendation for Amgueddfa Cymru's consideration.

### **Recommendation 14**

**Recommendation:** 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.

**Response:** Accept

On 10 July, the former Cabinet Secretary for Culture and Social Justice issued a written statement<sup>1</sup> on additional funding to ensure Wales' cultural institutions

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<sup>1</sup> [www.gov.wales/written-statement-additional-funding-protect-and-preserve-wales-national-treasures](http://www.gov.wales/written-statement-additional-funding-protect-and-preserve-wales-national-treasures)

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are protected and preserved. In the statement, the Cabinet Secretary announced that we are providing additional funding this financial year, with £1.3m of this earmarked for National Museum Cardiff. Our investment will ensure repairs can be carried out this financial year whilst we continue to work closely with Amgueddfa Cymru to develop plans to address the wider maintenance issues at the site over the coming years. We will update the Senedd and the Committee when the appropriate business case has progressed.

**Financial Implications:** Amgueddfa Cymru estimates an additional £30m is required to address the maintenance issues at National Museum Cardiff.