



Llywodraeth Cymru
Welsh Government

Review of Amgueddfa Cymru

by Dr Simon Thurley CBE for the Welsh Government
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Contents

1	Executive Summary	1
2	Method	4
3	Background	5
4	Visitor Performance	7
5	St Fagans National Museum of History	10
6	The Smaller Sites	11
7	National Slate Museum	12
8	National Roman Legion Museum	14
9	National Wool Museum	15
10	National Coal Museum	16
11	National Waterfront Museum	17
12	Learning, Education and Social Engagement	18
13	Museum's strategy and relationship with Government	19
14	Governance and Management	22
15	Financial Performance	24
16	Entrance Charges	28
17	Catering and Retail	34
18	Fundraising	38
19	Immediate Funding Issues	40
20	List of Recommendations	41
	Appendix 1 Review Brief	43
	Appendix 2 List of those consulted	44

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

1 Executive Summary

- 1.1 Amgueddfa Cymru - National Museum Wales (Amgueddfa Cymru) is one of the great museums of the UK. In its collections, the expertise and knowledge of its staff, its support of social and community development and its contribution to a knowledge of Welsh history and culture its achievements have been outstanding. For a century the National Museum was almost a proxy for the National Assembly championing the cause of Wales, its history and traditions. Since 1999 it has taken its place in the stable of iconic National organisations funded by the Welsh Government.
- 1.2 The Welsh Government, under successive ministers, has recognised the importance of the Museum and of culture in its widest sense to Wales. The *Wellbeing of Future Generations (Wales) Act 2015* placed culture at the heart of decision-making about the future of the nation. Most recently in its culture statement '*Light springs through the Dark*' the Government has reiterated the benefits that Wales gets from both public and private investment in culture. Museums are seen to play an important role in this. Wales was the first country in the UK to publish a museums strategy in 2010 and two years ago a review was undertaken into local museum provision. More recently a series of reviews have examined the possibilities of the Welsh Government's own funded cultural bodies working more closely together. My review of Amgueddfa Cymru should be seen in this context.
- 1.3 These are testing times for the public sector. Austerity, and now the uncertainty caused by the vote to leave the EU, are financially and strategically challenging. Feelings run high and tensions have arisen. Politicians are forced to make decisions they perhaps would prefer not to make. Directly funded, arms-length bodies, such as Amgueddfa Cymru, have had to respond to changes outside their control and sometimes outside their comfort zone.
- 1.4 At times such as these it is vital that funders and funded work closely together to well defined and publically articulated objectives. It is important that there is an appropriate division between policy and delivery; clarity over the technical framework within which objectives are delivered; assurance that the capability to deliver is sound; that a robust, but not suffocating, performance management system is in place; that feedback from users and employees is transparent and actioned appropriately.
- 1.5 These are some of the foundations upon which Amgueddfa Cymru needs to build its future.
- 1.6 This review has found a successful and thriving organisation of which Wales should be proud. I have been consistently impressed by the passion and commitment of staff and by the quality of the museums. Taking the role of visitor, over the last few months, I have been informed, inspired and amazed by great displays and wonderful objects. It has transformed my understanding of Wales and Welsh culture.
- 1.7 But this has not just been a pleasurable tour of fascinating museums. I have had a hard-edged remit to look critically at aspects of Amgueddfa Cymru's business. In this I have a small number of high level observations and a larger number of lower-level recommendations.

1. Amgueddfa Cymru should consider being more ambitious in its interpretation and tell a story that is not narrowly Welsh but more about Wales' part in the global industrial revolution.
2. The National Museum Cardiff should work much more closely with Visit Wales, Cardiff City Council and the Welsh Government to position itself as a key part of the offer for tourists to Cardiff City Region.
3. Amgueddfa Cymru prioritises support to the manager of the National Slate Museum and sets its sights on a more ambitious role for the museum in the tourism of Snowdonia expanding operations rather than reducing them and entering into partnerships with public and private sector bodies to achieve this.
4. The Welsh Government should rationalise the fragmented management of its outstanding sites at Caerleon under the management of Amgueddfa Cymru and encourage a wider local partnership to develop the town as a tourist honeypot in conjunction with the Heritage Lottery Fund.
5. The Welsh Government and Amgueddfa Cymru seek to acknowledge and understand the causes of current frustrations on both sides.
6. Then that the Welsh Government and Amgueddfa Cymru develop a shared 10 year vision for Amgueddfa Cymru with a five year focus and three year funding agreement.
7. That the Museum takes steps, including those recommended in this report, to give the Welsh Government confidence in its capability to deliver the strategy.
8. That the Welsh Government takes steps to create a policy and governance environment that will enable the Amgueddfa Cymru to deliver the new strategy.
9. I recommend that, taking account of the recommendations in this review and the views of the Welsh Government, the Director-General, with the Museum President and Trustees, reviews the skills necessary on the senior management team in order to strengthen its capability to meet the challenges it faces in the next few years.
10. That the President and the Board with the Welsh Government urgently invest in supporting the senior management team in a programme of rebuilding trust with the staff and unions.
11. The Welsh Government considers moving to an ends based policy for access to Amgueddfa Cymru rather than a means based policy. This would allow the museum to keep its eye on the desired access policy while itself determining the balance between charged and free services and the appropriate levels of charge.
12. I recommend that Amgueddfa Cymru in future charges for special exhibitions, establishes an appropriate customer relationship manager (CRM) system and a membership scheme as soon as possible.
13. Amgueddfa Cymru agrees with the Welsh Government the parameters available for its commercial development including policies on charging, opening hours and the terms and conditions of commercial staff.
14. Assuming the Welsh Government agrees flexible commercial freedoms for Amgueddfa Cymru, the Museum appoint at Executive Board level a commercial director at a salary that will attract a person of high calibre and wide experience of visitor attractions.

15. The new commercial director introduces appropriate charging regimes, CRM systems, membership schemes and management improvements in catering and retail to expedite and develop the Museum's commercial offer.
16. Amgueddfa Cymru reviews its donations strategy, improves the physical infrastructure of donation boxes, and investigates ways of making an appropriate face-to-face ask at each of its sites.
17. That the Welsh Government finds a way of providing some transitional funding for Amgueddfa Cymru as part of a jointly owned package to build a resilient business model for the future.

2 Method

- 2.1 This review is based on 68 face-to face interviews with people suggested by the Welsh Government and Amgueddfa Cymru. These interviews were held at the National Museum, Cardiff, Welsh Government offices, the National Slate Museum, the National Wool Museum, the National Waterfront Museum and National Coal Museum. I also visited St Fagans National Museum of History, National Roman Legion Museum and the collections centre, and had time to visit a small number of comparative sites.
- 2.2 This fieldwork was supplemented by a review of the Welsh Government's cultural policies, the Museum's strategies and operational plans and a wider literature and digital review covering cultural practice in Wales, Welsh museums, tourism and the arts.
- 2.3 I have been very aware that finding comparative data for Amgueddfa Cymru is difficult. Wales, and its institutions, cannot easily be compared with England and I have tried hard to find fair and illuminating comparisons throughout.

How well is Amgueddfa Cymru doing as a museum?

- 2.4 At the heart of the question I have been asked to answer is how well is Amgueddfa Cymru doing as a museum? How is it fulfilling the objectives set for it both by the Welsh Government and by its Trustees? Does it have a sound financial base? How would I rate its resilience? What opportunities are there to improve operations? I have been given limited time and asked to give a high level response to this question rather than plunge into the detail. Therefore this first section looks at the individual museums and attempts some basic benchmarking recommending some actions as a result.

3 Background

- 3.1** The National Museum of Wales was established by Royal Charter in 1907. This set the purpose of the museum as 'the advancement of the education of the public', a typically broad aim of the time. However as the charter was revised and refined in 1991 and 2006 and it has been made clear that this aim was to be achieved through 'the comprehensive representation of science, art, industry, history and culture of, or relevant to, Wales'. Or, as Lord Pontypridd said at the opening of the new museum building in Cathays Park in 1912, it was to 'teach the world about Wales and to teach the Welsh people about the fatherland'. It was to be 'a shrine... of Welsh antiquities... a monument to the healthy nationalism of the Welsh people'.
- 3.2** That original shrine has grown into a cathedral. With the addition of the Welsh Folk Museum (now St Fagans) in 1948, the Welsh Slate Museum in 1972, the Roman Legionary Museum in 1974, the Woollen Museum in 1976, Big Pit in 2001 and, finally, the opening of the National Waterfront Museum in 2005, Amgueddfa Cymru has become one of the great museums of the UK and a museum of major European importance.
- 3.3** Its collections now number more than 5 million items or groups of items with some outstandingly important individual areas. In terms of Wales its collections are unsurpassed: the Museum has the most important collection of Welsh paintings from the 18th century to the present; its Welsh social and cultural history collections cover everything from furniture and furnishings to medicine, law and order, through architecture to agriculture. The industrial collections are comprehensive in breadth and depth and illustrate Welsh industrial and working life while the transport collections are particularly strong in rolling stock, vehicles and shipping material from Wales. The archaeology collections contain the crème de la crème of a century of excavation and discovery as relating to Welsh archaeology. The natural history collections are, of course, pre-eminent for Wales particularly the important geology collections. The botany and zoology collections are of much wider importance containing comprehensive collections from Britain and some important world class groups including mollusca.
- 3.4** Its headquarters building in Cathays Park lives up to its image as a national museum – it is a hugely impressive place in one of the most important civic ensembles in the UK with a spectacular public entrance and impressive and spacious galleries. St Fagans, which is under redevelopment at the moment, has been, and will be, one of the most engaging and fascinating museums in the UK. It commands huge affection amongst Welsh people and vividly brings alive everyday life in Wales through the ages.
- 3.5** Each of the other sites is, in its way, also impressive; whether descending into the coal seams at Big Pit, admiring the action of the deafening looms at the Cambrian Woollen Mill at the National Wool Museum, splitting slates at the National Slate Museum, examining the Roman artefacts at the National Roman Legion Museum, or enjoying the interactive displays at the National Waterfront Museum.
- 3.6** As a new visitor to some of these sites, and a repeat visitor to others, I was inspired by the quality of the offer. Although the interpretation at National Slate Museum and National Roman Legion Museum urgently needs refreshing, at all the other sites I found modern, attractive, well-explained, displays; and even at National Slate Museum and National Roman Legion Museum the story was fascinating and compelling. My main criticism was a lack of ambition in the story that was being told. These sites were presented as if they

were telling part of the social history of a small country. Whereas they could be telling the story of how Wales, a small country, together with its larger neighbours England and Scotland, transformed the world in the 19th century.

- 3.7 Wales played a crucial role in the British century and its raw materials and know-how made a major contribution to the industrial revolution and the empire. Of course the human story in Wales is interesting and compelling, but so is the big picture of how Wales, as part of Britain, changed the face of the globe. This story will help make the Museum more compelling for tourists who come from outside Wales, for whom the human story of Welsh men and women is interesting but, perhaps, less compelling than an international narrative.

Recommendation 1: Amgueddfa Cymru should consider being more ambitious in its interpretation and tell a story that is not narrowly Welsh but more about Wales's part in the global industrial revolution.

- 3.8 Amgueddfa Cymru is by far and away the largest museum in Wales – indeed the largest cultural organisation in Wales - and has long provided support and advice to Wales' smaller and independent museums. There are around 160 other museums in Wales, 98 are Accredited and 44 are funded or run by local authorities. Dr. Edwards' review of local museum provision in Wales of 2015 described Amgueddfa Cymru as 'a generous and enthusiastic collaborator' and stated that, in 2010, 73% of local museums accessed services provided by the Museum. The contribution that Amgueddfa Cymru was expected to make by the stakeholders to whom I listened was not primarily in the loan of objects, though this was important, it was about sharing its expertise and knowhow with the whole of the Welsh museums community.
- 3.9 Amongst those I listened to there were mixed views about how effective the Museum was in supporting other, smaller, museums across Wales. All were agreed, however, that recently it had done less in this respect and the reason for this was a reduction in its resources and a 'turning inwards' of the institution. Yet everyone, with one voice, wanted the Museum to do more and saw it as being a crucial partner in the health of Welsh museums. Dr Edwards' report recommended that Amgueddfa Cymru should be specifically funded to undertake this task. I suspect for the health of the sector this would be a good idea.
- 3.10 The sense of Amgueddfa Cymru being part of a national cultural and intellectual ecosystem came through very strongly in discussions with the Welsh universities, with whom the Museum has a wide range of initiatives, and with S4C and other cultural bodies. Many cultural and educational organisations rely on partnerships with the Museum and without these the cultural life of Wales would be diminished. This is an important factor to be taken into account when considering the future strategy and resources of Amgueddfa Cymru.

4 Visitor Performance

4.1 In total Amgueddfa Cymru welcomes around 1.7m visitors making it, as a group, the tenth largest free visitor attraction in England and Wales. Its visitor numbers have remained fairly static for the last five years or so, although this disguises increases in the number of visitors at the National Museum Cardiff. Why visitor figures have stagnated is unclear and the recent strikes and partial closure of St Fagans do not fully explain the situation. It would be worth investigating the reasons for this more fully.

2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
1,656,340	1,690,026	1,745,315	1,629,196	1,685,954	1,674,807

4.2 The breakdown of visitors at each site for 2015/16 is as follows:

Visitor Admissions in 2015-16	
National Museum Cardiff	491,880
National History Museum	531,371
National Waterfront Museum	261,801
Big Pit National Coal Museum	144,813
National Slate Museum	142,150
National Roman Legion Museum	71,084
National Wool Museum	31,708

Source: Amgueddfa Cymru 2017

4.3 National Museum Cardiff numbers have been rising over the last few years from 368,000 in 2010 to nearly 492,000 in 2015, a growth of over 120,000 visitors or 34%. It would be churlish not to praise this achievement, but it must be wondered whether such an outstanding museum, in a prominent building in a capital city, could not do better. An examination of comparable museums in similar cities suggests that visitor numbers might be a bit low.

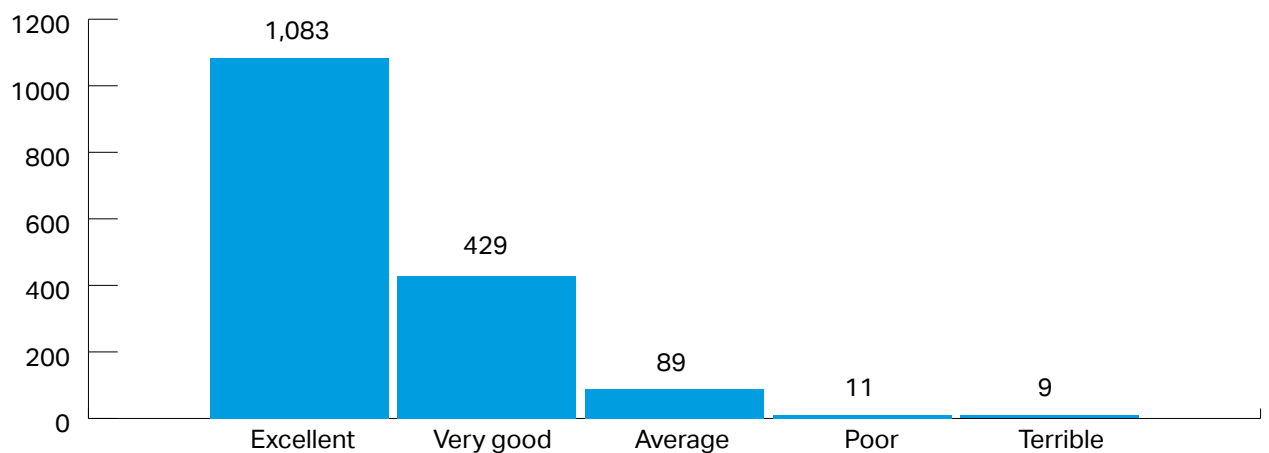
Museum	Visitor Numbers	City population
Merseyside Maritime Museum	840,000	1,381,189
Museum of Liverpool	802,000	465,700
Birmingham Museum and Art gallery	781,000	1,101,000
National Railway Museum York	733,000	200,018
National War Museum Edinburgh	679,000	495,360
Titanic, Belfast	679,000	280,892
World Museum Liverpool	671,000	465,700
Tate Liverpool	638,000	465,700
National Museum Cardiff	491,000	346,100
Ulster Museum	460,000	1,217,162
Fitzwilliam Museum	415,000	123,900

Visitor figures for major regional and national museums in the UK. Source: ALVA 2016

4.4 There could be many reasons for this apparent underachievement. One is that, as has been recently suggested, Cardiff underachieves as a cultural tourist destination in comparison with cities of similar size and importance¹. Yet it was, in 2015, the 10th most popular city for an overnight stay of one night or more only behind Cambridge, Brighton, Bristol, Oxford, Liverpool, Glasgow, Birmingham, Manchester and Edinburgh all of which are either larger or more famous for their cultural offering².

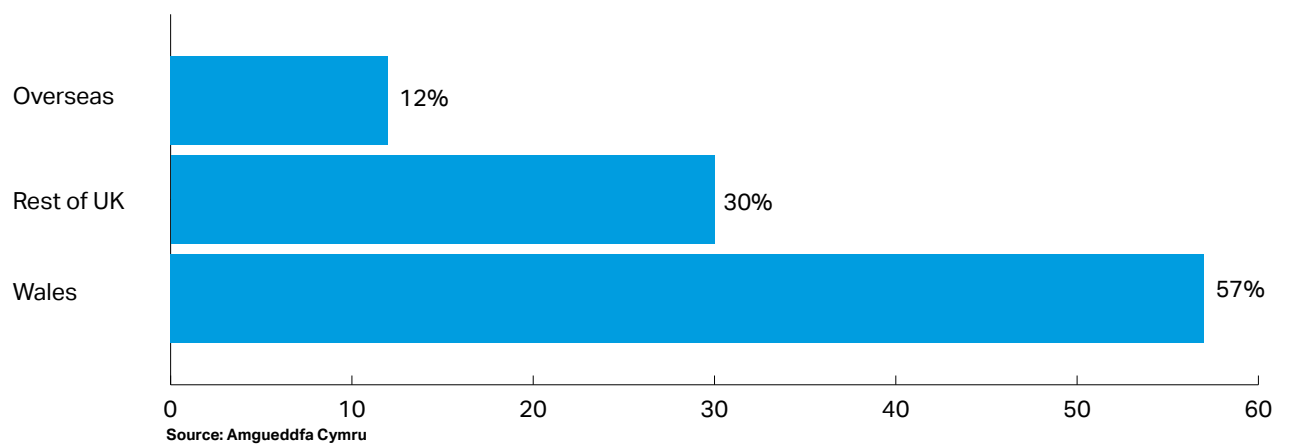
4.5 Those who visit the museum like it. The museum's own visitor research shows 8.6 out of 10 as a mean score for enjoyment and appreciation. I prefer to use the self-selecting, but very popular, views as captured on Trip Advisor which are overwhelmingly positive about the museum.

National Museum Cardiff Trip Advisor Ratings (04 April 2017)



4.6 So we have a very popular but, perhaps, under-visited attraction. Nearly 60% of the museums' visitors live in Wales. This is good in the sense that the museum is a museum for Wales, but it is also a museum that should support the tourist economy of the country and, crucially, tell its story to a much wider audience.

Geographical origin of visitors to Amgueddfa Cymru

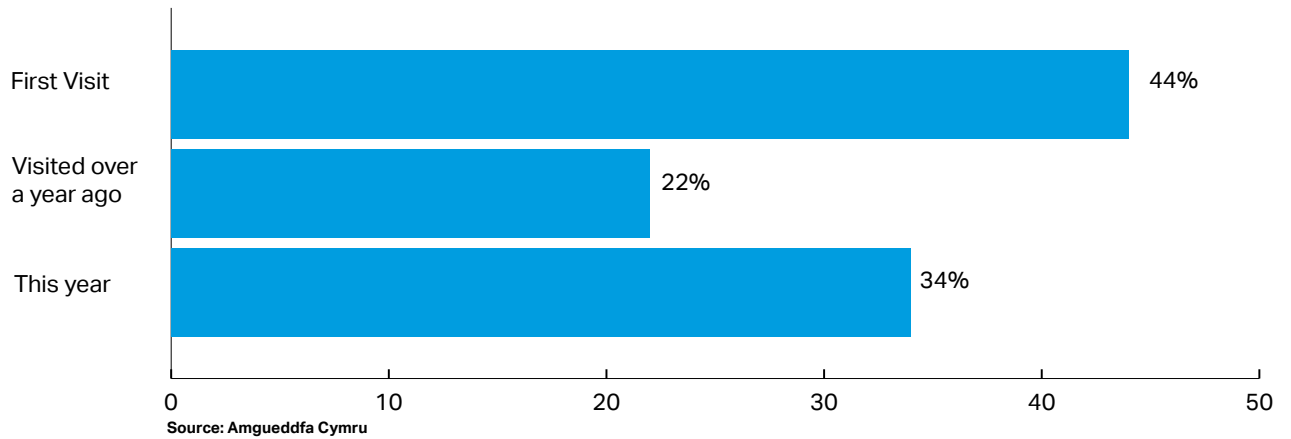


1 A Cultural Tourism Feasibility Study for the Cardiff Capital Region. Creative Tourist Consultants for Visit Wales and Cardiff Capital Regional Tourism 2015.

2 Cardiff 2015 Tourism Statistics. Visit Cardiff 2015.

- 4.7 Not only are 60% of visitors from Wales; nearly 60% of them are repeat visitors. Once again this is good in that it shows that people are enjoying the Museum and wish to return to explore it further. However it does suggest that the Museum's visitors are largely Welsh citizens visiting again and again.

Recency of Visiting



- 4.8 The impressive sixty percent loyalty is made up of visitors to St Fagans National Museum of History, National Museum Cardiff and National Waterfront Museum - at the other sites the majority of visitors are first timers presumably tourists. The big volume of visitors is from the three larger sites and so there must be opportunities to grow the visitor base outside a Welsh audience that repeat visits.
- 4.9 Both the Welsh Government and City of Cardiff Council understand the potential of the Cardiff City region for tourism and have strategies backed by investment to develop the region as a tourist hub³. St Fagans is seen as part of this but the National Museum Cardiff seems not to occupy as strong a position as it ought in the plans. Apparently 65% of visitors to Wales have no intention of visiting a museum⁴ and this is at significant variance with the motivations for visiting England, and English cities more generally, where heritage and museums are a major draw. Wales is gradually moving from being a place where the great outdoors and sport are the principal motivations for tourism but working together with tourism partners more could be done to position National Museum Cardiff as a key part of the visitor offer for the Cardiff City Region.

Recommendation 2: The National Museum Cardiff should work much more closely with Visit Wales, Cardiff City Council and the Welsh Government to position itself as a key part of the offer for tourists to Cardiff City Region.

- 4.10 I am aware that various discussions are underway about the redevelopment of the National Museum Cardiff with a new master plan. This might contribute to a re-positioning of the museum as a tourist attraction. However this is outside the scope of this report but, in section 15, below I consider the commercial potential of National Museum Cardiff.

³ City of Cardiff Council cabinet meeting: 2 April 2015 Cardiff tourism strategy and action plan Report of Director of Economic Development agenda item: 3

⁴ CyMAL survey on Beaufort Research 2011 Visit Wales Study

5 St Fagans National Museum of History

5.1 While, in terms of visitor numbers, I think, the National Museum Cardiff punches below its weight for a museum of its size and quality St Fagans has been, and will continue to be, a top performing attraction in UK terms.

Museum	Annual visitor numbers
Ironbridge	545,000
St Fagans	531,000
Black Country Living Museum	292,000
Beamish	271,000
Ulster Folk and Transport Museum	175,000
Chatham Historic Dockyard	158,000
Weald and Downland Museum	150,000
Museum of Rural Life Scotland	102,000

Comparator visitor figures for outdoor folk and industrial museums in the UK 2015-16.
Source: Annual report information.

5.2 Amgueddfa Cymru was unquestionably right to invest in this site to the level it has. In my view the finished product will be a source of huge pride for the Museum, the Welsh Government and for the people of Wales. Several people to whom I spoke thought that the Museum's investment in St Fagans had distracted it from more important issues; some said that there should have been other priorities and some have criticised the management of the project. But despite these carps the project will set a standard not only for Amgueddfa Cymru and for Wales but for the UK in terms of presentation and interpretation of an outstandingly interesting and important collection. Visitor numbers will unquestionably rise and with them will the reputation and profile of the museum. Amgueddfa Cymru estimate that visitor numbers could be as high as 850,000, after five years of full opening. This is a big increase on current figures and may, or may not, be achievable but I'm certain that they will get a long way towards this ambitious target. Under section 15 below I consider the commercial aspects of this and the opportunities it presents.

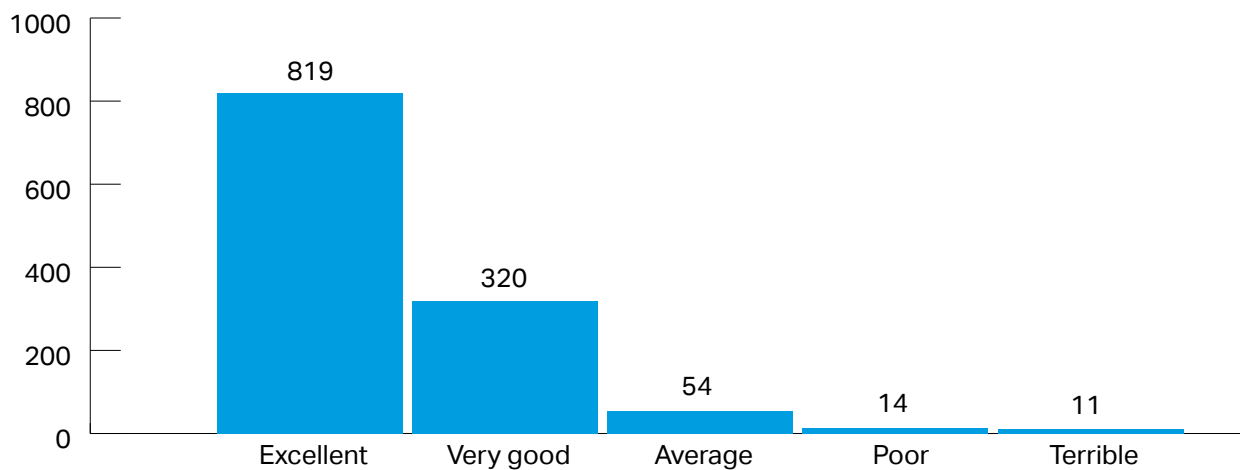
6 The Smaller Sites

- 6.1** As far as the other sites are concerned I found, in my interviews, three distinct views of Amgueddfa Cymru, each passionately held. For some Amgueddfa Cymru was a great encyclopaedic museum and its collections in Cardiff were paramount; there was a feeling that the other sites, which were seen as 'heritage' rather than museums should be passed off, for instance, given to Cadw to run. For a second group Amgueddfa Cymru's strength lay in the industrial museums that powerfully spoke of the history and culture of Wales; for this group large collections of French impressionist painting, for instance, were an irrelevance for the Museum, which they thought should be concentrating on the unique economic and social history of the Welsh people. For a third group the Museum, in all its aspects, was vital for it to be the museum for Wales and the Welsh, covering both geographically and thematically the whole of the nation.
- 6.2** This reviewer believes that the process that started in the 1970s of expanding the Museum beyond Cathays Park was ahead of its time. It was an early recognition of the uniqueness of Welsh history in the 19th century and for me the three industrial museums, the National Waterfront Museum and the National Roman Legion Museum are an essential part of Amgueddfa Cymru's ability to call itself a National Museum. This is not only in its ability to tell the story (though this is very important) it is in the fact that it can reach the whole population of Wales and not just be a museum of the south east.
- 6.3** Amgueddfa Cymru has sophisticated, well-structured Audience Development Plans for all its sites. These analyse the market and strengths and weaknesses of each location and set out clearly audience development objectives. I will not repeat the analysis that these plans contain but confine myself to my own observations.

7 National Slate Museum

- 7.1 The National Slate Museum is situated in the centre of a tourist honey-pot and attracts 142,000 visitors⁵. This is a good number of visitors for an attraction of its size – Kenilworth Castle, for instance, in the centre of a large population conurbation, a much larger site with a higher profile only gets 117,000 visitors. In terms of its local competitors it does well too. The Snowdon Mountain Railway gets 130,000, Electric Mountain gets 70,000 and Penrhyn Castle 112,000.
- 7.2 Despite the fact that the museum’s interpretation is tired and old-fashioned the museum is much enjoyed by its visitors, I suspect mainly because of the excellent live demonstrations. The Trip Advisor scores are again overwhelmingly positive and the museum’s own enjoyment and appreciation scores are 9.1 out of 10.

National Slate Museum Trip Advisor Ratings (04 April 2017)



- 7.3 The people who I spoke to in North Wales were passionate about the museum remaining part of Amgueddfa Cymru, seeing it as crucial in serving the local population. The range of partnerships it has formed is extremely impressive and it fully participates in the various tourism initiatives in the region and works with the local authorities. There is an exciting and ambitious bid for World Heritage Site status in play. Even if this comes to nothing, the partnerships that it has generated, and the interrogation of the significance of the region, will stand Llanberis in very good stead for the future. The manager of the site is creative, energetic and inspirational and recognised by all the regional partners as the key to Amgueddfa Cymru’s work in the north. There is also a sense that he is very much on his own as the museum’s focus is, at the moment, in the south east of the country.
- 7.4 I felt that there as a real opportunity at the National Slate Museum for Amgueddfa Cymru to create a gateway to the whole slate landscape. The land round about the museum is owned by Gwynedd Council and there is definitely an opportunity for Amgueddfa Cymru to form a proper and dynamic partnership with them and the National Park Authority. The Museum should investigate expanding operations to create a greater critical mass – in particular by taking on management of the Quarry Hospital Museum and integrating it

⁵ This figure is from a manual clicker at the door and may or may not be reliable.

into the visit. This is currently run by the National Park. In exchange for taking on a greater role the Council might allow the museum to manage the car park and take the revenue of £4 per car per day. Meanwhile lottery money could transform the visitor experience.

Recommendation 3: Amgueddfa Cymru prioritises support to the manager of the National Slate Museum and sets its sights on a more ambitious role for the museum in the tourism of Snowdonia expanding operations rather than reducing them and entering into partnerships with public and private sector bodies to achieve this.

7.5 I will cover the commercial performance and opportunities for the National Slate Museum in section 15 below.

8 National Roman Legion Museum

- 8.1 Caerleon is an extremely attractive small town of around 5,000 people containing Roman monuments and collections of international significance. These monuments and collections are currently shown in a disconnected way by two separate organisations funded by the Welsh Government. As an outsider it is baffling that Amgueddfa Cymru and Cadw both operate sites in the town and that, despite some co-operation, the two operations have not been merged into a seamless visitor experience.
- 8.2 The National Roman Legion Museum is a fine building of 1850 with various later additions and contains an excellent collection urgently in need of re-display. A garden and reconstructed Roman rooms are popular with schools and families, but are also looking a bit tired. The museum receives 70,000 visitors a year, mainly tourists and mostly families.
- 8.3 Cadw has a number of guardianship monuments in the town and its own separate museum for the baths. Other than an excellent guidebook the interpretation provided by Cadw in the amphitheatre and fortress is limited and badly maintained. The legionary baths received a lottery grant in 2010 and displays there are modern and attractive. The baths receive around 40,000 visitors a year.
- 8.4 It is worth reiterating that despite horrible traffic problems Caerleon is an extremely charming place whose interest and attractiveness is only enhanced by the fact of the remarkable Roman remains. In my view Cadw should enter into a local management agreement with the museum and the Amgueddfa Cymru should take over running the whole experience. I suggest this rather than Cadw taking it on as the collections are a key component of the site and this is where the museum's expertise lies.
- 8.5 The local authority should be brought into partnership and help sort out the awful parking and traffic problems. There are opportunities for local businesses to benefit from a more coherent and carefully constructed visitor offer. There is also an opportunity for the Heritage Lottery Fund (HLF) to fund an ambitious project that brings together the whole town including a heritage townscape initiative. A separate bid to the HLF by Amgueddfa Cymru alone should be strongly discouraged.

Recommendation 4: That the Welsh Government should rationalise the fragmented management of its outstanding sites at Caerleon under the management of Amgueddfa Cymru and encourage a wider local partnership to develop the town as a tourist honeypot in conjunction with the Heritage Lottery Fund.

- 8.6 The commercial performance of Caerleon and the commercial opportunities that exist are considered below in section 15.

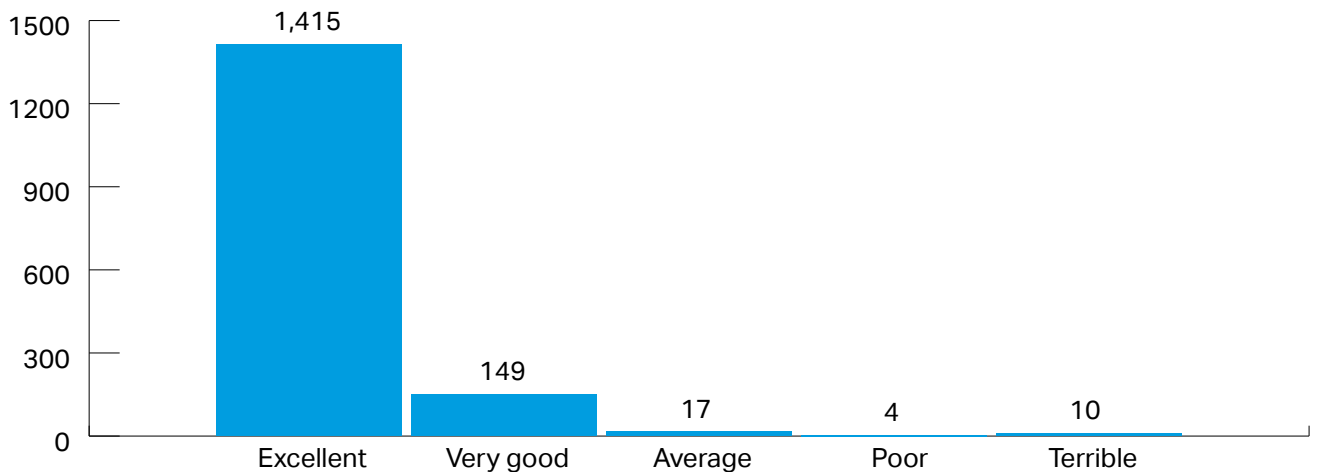
9 National Wool Museum

- 9.1 Like the National Slate Museum the National Wool Museum provides a double function. It tells the story of an important part of Welsh history and industry but it also gives Amgueddfa Cymru representation in a part of the country where it would otherwise be absent.
- 9.2 The National Wool Museum gets 31,000 visitors a year, a very respectable number for a place that is relatively remote and in competition with some of the best coastline in the UK. It underwent a major refurbishment in 2002-4 with £2.8m of Lottery money. Numbers doubled after the investment and Amgueddfa Cymru re-located many of its textile collections there. It is a great visit balancing history and contemporary manufacture.
- 9.3 As well as playing an important part in providing cultural interest for visitors to this part of Wales it has an outstanding community programme with a number of committed and energetic volunteer groups. It plays an important part in linking the history of the area and its trades with the Welsh language. There was a feeling amongst those to whom I spoke that the HQ of Amgueddfa Cymru in Cardiff was a distant and slightly disconnected place that didn't really appreciate the museum. However I don't think that this outweighed the high affection and regard that the museum was held in the region. As with the other sites I shall deal with the commercial and financial issues separately.

10 Big Pit National Coal Museum

- 10.1** Big Pit National Coal Museum is one of five coal mining museums in the UK and one of only two that let visitors underground; it is part of the Blaenavon World Heritage Site. Visitors have been on a slight downward trend over the last few years but, in 2014/15, attracted nearly 145,000 visitors. Because around 90% want to experience an underground tour there is a limit on the numbers the site can take – 180 an hour and at peak season no more than 800 a day. The number of tours is determined by the number of guides qualified to take people down. The National Mining Museum in England, that is part of the Science Museum Group, and which is also free, gets 138,000 visitors a year. Arguably there is more to see at the National Museum at Wakefield, so the Big Pit does well against its most obvious comparator.
- 10.2** Big Pit has had a roller-coaster ride as a visitor attraction but, in recent times, the HLF grant of 2004 made a significant difference to its visitor infrastructure and led to the museum becoming UK museum of the year in 2005. However the fundamental issue is that it is a very expensive attraction to maintain as all the statutory issues relating to mining and access below ground have to be met.
- 10.3** The majority of visitors to the museum are from outside Wales and the impression given by the inspirational underground tours is of an authentic Welsh experience. This is reflected in the excellent ratings that the museum gets from visitors.

Big Pit National Coal Museum Trip Advisor Ratings (04 April 2017)



- 10.4** In my view the problems facing this museum are primarily technical – funding the cost of necessary safety and maintenance and securing a new generation of guides as the current generation retire. Amgueddfa Cymru is fully aware of these challenges and is clear about the steps that have to be taken to meet them. Once again the commercial aspects will be dealt with in section 15 below.

11 National Waterfront Museum

- 11.1** This is the newest of all the museums in Amgueddfa Cymru, physically a combination of an old listed warehouse and a modern extension opened in Swansea in 2004. The purpose of the new museum is to tell the story of Wales' industrial and maritime heritage. Visitor numbers were 262,000 in 2016/17 and of these nearly 80% were from Wales. This reflects the low level of tourism in Swansea and the high level of community engagement provided by the museum. 74% of visitors have been before, reinforcing the community nature of the museum.
- 11.2** The years around 2000 were the high point of high-tech museum interactivity and the museum embodies all that was fashionable in museology then. Although less than 15 years old the National Waterfront Museum is showing its age. The displays are confusing and lack strong, clear themes and narratives; they are confusingly laid out and, though Amgueddfa Cymru has in store many spectacular objects, the National Waterfront Museum is low on knock-out artefacts. While it may have done the job ten years ago the museum is urgently in need of a re-think.
- 11.3** The museum is a much used community space and a substantial part of its programme is jointly run with Swansea Council and various community groups, charities and education institutions. These institutions, some of which I interviewed, highly value the museum, but it is the case that for some of the groups that visit it the displays are essentially wallpaper.
- 11.4** A re-display needs to rely more on great artefacts, give a stronger sense of narrative and bring in themes that were not properly covered: in particular I would have thought, Swansea's own very important industrial story – copper. The strong community mission of the museum need not be undermined by this, indeed a redisplay could strengthen a sense of ownership and enrich the usage of the spaces by its users.
- 11.5** The City and County of Council Swansea is a key partner for the National Waterfront Museum and for Amgueddfa Cymru in Swansea. Its plans for the continuing redevelopment and regeneration of the waterfront will draw the museum into a massive development project. This provides a huge opportunity to ensure that the museum continues to play an active and positive role in the lives of the people of Swansea and South Wales. The museum is very aware of this opportunity and should ensure that it applies enough focus and senior management time on it to lever the maximum advantages.

12 Learning, Education and Social Engagement

- 12.1** Amgueddfa Cymru is a leader in this area of museum activity. This is important as the Welsh Government has been clear that it wants the museum to participate in social and economic programmes. In 2014 Baroness Andrews produced her report *Culture and Poverty: Harnessing the Power of the Arts, Culture and Heritage to Promote Social Justice in Wales* which outlined how culture and heritage organisations can develop stronger ties with poverty policies such as the Welsh Government's Communities First programme. In response, the Government launched its programme Fusion: Tackling Poverty through Culture. At the same time the Welsh Government was working on The Well-being of Future Generations (Wales) Act 2015. This embedded culture in long term policies to improve the well-being of people in Wales.
- 12.2** Amgueddfa Cymru has responded to these initiatives by launching its vision *Inspiring People Changing Lives* which sets out to 'inspire people through our museums and collections to find a sense of well-being and identity, to discover, enjoy and learn bilingually, and to understand Wales' place in the wider world'. The Museum has a detailed delivery plan, its Community Engagement Strategy and its Learning and Participation Strategy both of which embed community participation and involvement in the Museum's outreach policies.
- 12.3** I heard nothing but praise and enthusiasm from people who have worked with the Museum in this area. It has shown strong leadership amongst other cultural bodies. One person who I listened to told me that the Museum 'has both the expertise and the passion' to make the programme really successful. Amgueddfa Cymru now has partnerships with over 200 charities and community organisations. One of these told me that Amgueddfa Cymru's participatory mode is leading practice it was, I heard, 'for people, about people, with people'.

13 Museum's strategy and relationship with Government

- 13.1** There was a lack of knowledge of, and understanding of, the Museum's strategy amongst those to whom I listened. At one end there were those who thought the Museum had no real long term vision or strategy. A senior figure in Welsh culture told me that 'the Museum feels beleaguered and needs a clearer blueprint for the future'; the unions thought the Museum fundamentally lacked a future vision and leadership. A senior museum specialist believed that the strategy of the Museum was now inwards looking, in that it had turned away from its role in helping the wider museum community; in North Wales there was a feeling that it had re-trenched into the south east. The Welsh Government felt that its work on a forward strategy had been done in isolation from Government.
- 13.2** The Museum currently does not have an approved Strategic Plan, but I have a copy of its draft 10 Year Strategy, and the Operational Plan shows a summary of this. To my mind the plan is over complicated and does not address some of the key issues of capability. It is perhaps not surprising that people are unclear about the Museum's direction – its 'Vision Map' is dense and lacks a clear message. I will recommend below that the Museum readdresses its strategy in the light of this review.
- 13.3** In addition, a combination of cuts to its grant in aid and the responsibility for delivering the huge St Fagans project has caused the Museum to somewhat look inwards. A low-level self-obsession with its own problems and preoccupations have recently disconnected it from some of its natural supports and led to a certain lack of ambition.
- 13.4** More seriously, however, there has been a breakdown in the relationship between the Welsh Government and Amgueddfa Cymru. The Museum feels that it is not being listened to in terms of its funding requirements and that the Welsh Government is not clear about what a national museum is for. Within Amgueddfa Cymru there is a sense of it being underappreciated and misunderstood. There is a strong feeling within the Museum that it was betrayed by the Government over the dispute with the unions and that the unions took advantage of the Assembly elections to influence ministers against the Museum.
- 13.5** On the other side there is a feeling within the Welsh Government that the Museum is a 'problem child', that it lacks the competence to run itself effectively and that the dispute with the unions was a symptom of this. There is a feeling that it has failed to properly consult with and involve the Government in its future plans.
- 13.6** Its funding agreements are annual and each year an extremely detailed operational plan has to be submitted. The current year's plan is 90 pages long with more targets than I could easily count and a huge amount of operational detail. A former Trustee of the Museum thought 'there cannot be the capability or capacity in Government to think it can run things like this'. I would agree there is no real way the Government can monitor such a detailed document. Pinning the Museum down to such a tightly defined programme inhibits innovation, prevents opportunities being taken and limits room for manoeuvre. Compiling such a huge document took a vast amount of management time tying the director and senior staff up for months. Part of the reason for any management failings is the sheer amount of time taken to manage upwards.

- 13.7** Several people characterised the current situation as a breakdown in the arms-length principle. A large number of the people I listened to emphasised that the Museum was a Royal Charter body and a charity and should have greater independence of action from the Government. Examples were cited of inappropriate levels of political engagement in the Museum's operational activity, one person who I interviewed, and who had run a major cultural body in Wales, described the Museum as being 'constantly second guessed by ministers and civil servants'. One partner of the Museum, who thought the Government was holding the Museum back, described Amgueddfa Cymru as a 'prize fighter being sent into the ring with one arm tied behind their back and their legs in splints'. Autonomy, another person told me, is agility.
- 13.8** It is essential, if the Museum is going to manage itself out of the problems that it currently has, that management is liberated from such a cumbersome control mechanism. Once the Welsh Government is assured of an appropriate level of management expertise and competence in Amgueddfa Cymru a performance monitoring regime should be formulated based on a small number of clearly articulated outcomes measured by a small number of Performance Indicators.
- 13.9** It is imperative that the Museum and the Government rebuild their broken relationship and restore appropriate norms of interaction between themselves. This means that the Museum must seek to take the Welsh Government with it as it plans for the future and seek to convince the Government that it has the competence to deliver the service that the Government wants for Wales. On the other side the Government needs to be much clearer about what it wants from the Museum and acknowledge the relationship between the resources provided and the services expected.
- 13.10** The first priority is for Amgueddfa Cymru and the Welsh Government to be absolutely open about the problems between them. The air needs to be cleared and everyone should understand the current frustrations and the cause of them. Without an honest confrontation of the problems it will be hard to move forward. This exercise needs to involve senior management and Trustees of the Museum and politicians and senior civil servants in the Welsh Government.
- 13.11** Once this has been achieved the second priority is to develop a proper shared vision for the Museum in which both Amgueddfa Cymru and the Government have confidence. This strategic vision would set out the respective roles and responsibilities of the Museum and its principal funder. It would be clear as to what the Government wants from the Museum; it would be clear about medium-term funding commitments; it would be clear about the freedoms that the Museum needs to develop its commercial offer.
- 13.12** Such a ten year vision needs to have a five year focus and three year milestones linked to a three-year funding agreement. A small number of genuinely key performance indicators should be agreed for monitoring purposes. For this approach to be successful the Government will need to be clear that the Museum has
- the will, ambition and imagination to deliver it
 - the capability to deliver it
 - the financial resources to deliver it.
 - for this approach to be successful the Museum needs to be clear that the Government

- has signed up to a long term vision that will not materially change
- is clear about the financial issues that this implies
- has created the governance environment for it to deliver.

13.13 In terms of the policy environment for this to take place:

- The Welsh Government should be clear what it means by free access to the museums and agree an access policy with Amgueddfa Cymru that allows it flexibility to broaden access whilst also developing its commercial offer. This point will be clarified below.
- The Welsh Government should be clear with Amgueddfa Cymru about the degree of harmonisation required in the Museum's terms and conditions of employment and recognise the implications of the policy.
- The Welsh Government should move away from a one year settlement with one year operational plans and agree a three year framework as is common for the large cultural NDPBs in England
- The Welsh Government agree a package of 'freedoms' similar to those agreed by DCMS and the Treasury with the English Nationals that will allow Amgueddfa Cymru to develop its commercial activities outside some of the restrictions of central Government.

13.14 I recommend the following in order:

Recommendation 5: That the Welsh Government and Amgueddfa Cymru seek to acknowledge and understand the causes of current frustrations on both sides.

Recommendation 6: That the Welsh Government and Amgueddfa Cymru develop a shared ten year vision for Amgueddfa Cymru with a five year focus and three year funding agreement.

Recommendation 7: That Amgueddfa Cymru takes steps, including those recommended in this report, to give the Welsh Government confidence in its capability to deliver the strategy.

Recommendation 8: That the Welsh Government takes steps to create a policy and governance environment that will enable Amgueddfa Cymru to deliver the new strategy.

14 Governance and Management

- 14.1 I had the pleasure of meeting the President twice and several of the Museum's Board, present and past, and I was impressed by the level and breadth of expertise that existed. Going forward the President and the Government might want to have regard to the need to strengthen the board's expertise in commerce and fundraising, two key areas of weakness identified in this report.
- 14.2 I was also impressed by the senior staff. However I felt that the senior management team did not have the appropriate mix of skills for the Museum to fulfil its potential. In addition to the Director General, the senior team currently comprises two joint acting directors of collections and research, a director of finance and resources, a director of gallery development and visitor experience and a director of learning and engagement.
- 14.3 With the exception of the director of finance and resources the executive team comprises educationalists and curators; there is no expertise in commerce, communications, advertising, promotion, PR or fundraising. Below, in section 15, I shall go on to emphasise that the Museum's commercial offer is seriously under-developed and I shall recommend that a commercial director is urgently recruited for the senior management team.
- 14.4 Even with this addition to the executive the balance of the team would still seem very heavily weighted to what might loosely be called the educational and curatorial side of the Museum's business. While this is fundamental to the Museum's mission it cannot be a successful modern institution without wider skills being represented on the senior management team. Most museums of this size have on the senior management team, a director of marketing who would be responsible for marketing and PR, new media, and communications. Such a post would considerably help Amgueddfa Cymru which, in my view, struggles in effective corporate communication.

Recommendation 9: Therefore I recommend that, taking account of the recommendations in this review and the views of the Welsh Government, the Director-General, with the Museum President and Trustees, reviews the skills necessary on the senior management team in order to strengthen its capability to meet the challenges it faces in the next few years.

- 14.5 The industrial action taken over the last eighteen months has been extremely damaging, not only to the Museum's reputation, but to relationships between management and the unions and relationships between the Museum and the Welsh Government.
- 14.6 As an outsider I have two observations to make: the first is that the Museum should never have got itself into a situation where it was dealing with a series of strikes. Of course there was an issue at stake, but the Museum's management should have never allowed it to degenerate into a stand-off. Many public sector bodies have dealt with change programmes much larger than that facing Amgueddfa Cymru without industrial action on this scale.
- 14.7 Labour relations were described by one person that I interviewed as 'labyrinthine, byzantine, restrictive and stuck in the 1970s', another described the Museum's employment policies as 'archaic' and thought it was 'paying out lots of money to support old-fashioned working practices. So the Museum was right to tackle terms and conditions of employment, but in doing so something went seriously wrong.

- 14.8** In addition, and this is my second observation, it does seem as if there was a level of involvement in the dispute by the Welsh Government that many who I listened to inside and outside the Museum thought was inappropriate. I have already dealt with the issue of the Government’s close involvement in the management of the Museum.
- 14.9** Senior management urgently need to rebuild trust and respect with the staff and, in doing this, they need to be publicly supported by both civil servants and politicians in the Welsh Government. The current team needs to demonstrate that it is changing and, recruiting some new expertise onto the board, might be a good way to demonstrate that. In addition to posts for commerce and marketing it might be considered whether the director of HR might attend senior management team meetings.

Recommendation 10: That the President and the Board, with the Welsh Government, urgently invest in supporting the senior management team in a programme of rebuilding trust with the staff and unions.

- 14.10** There is a perception amongst some of the Museum’s stakeholders that there has been a significant erosion of expert staff in recent rounds of cost saving and redundancy. It is notoriously hard to judge the appropriate level of curatorial staffing for a museum. The number of expert staff required depends on a balance between the size, range and type of collections and the extent and ambition of the Museum’s forward programme. Benchmarks are almost impossible because every museum is different in terms of collection and forward aspiration.
- 14.11** However as the table below shows the job losses in the curatorial area have been at around the level of 12% (headcount) and, despite this, in my view, the Museum is well-staffed by a good level of highly qualified experts. In terms of academic performance the curatorial staff have around 20 PhDs amongst them and produce 60-70 peer reviewed papers a year. One could always have more expert staff, but the numbers shown here look fit for purpose.

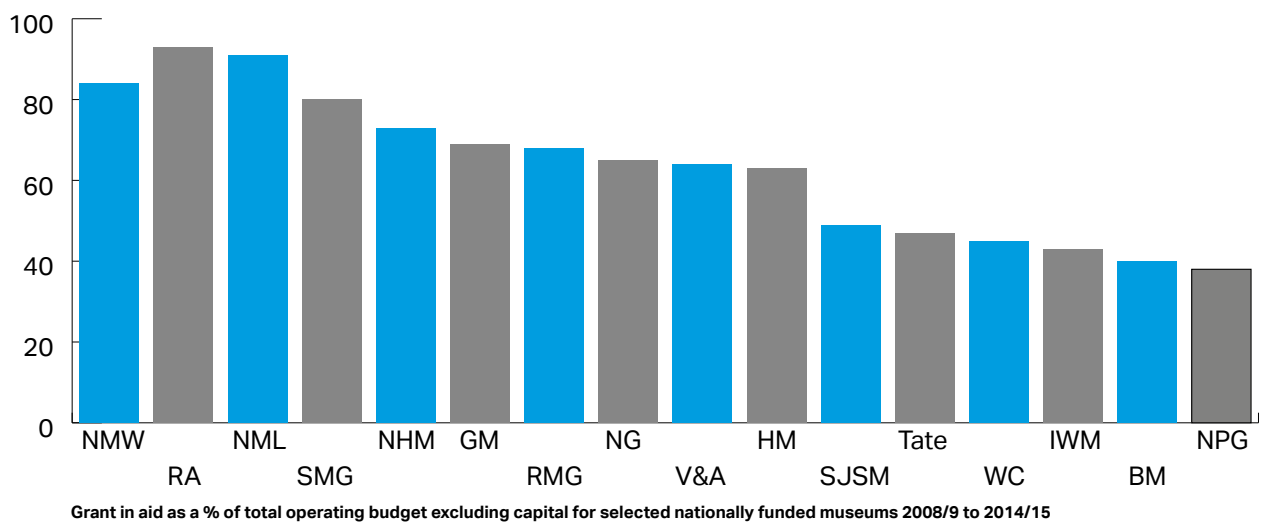
	2017 Headcount	FTE	2016 Headcount	FTE	2015 Headcount	FTE
Art	10	8.46	9	8.57	12	11.46
Collection Services	30	27.9	33	30.74	32	30.78
History and Archaeology	34	30.4	35	32.87	37	35.26
Natural Sciences	28	26.1	30	28.31	34	30.09
Total	102	92.9	107	100.49	115	107.5

FTE Curatorial Staff 2015-17 Source: Amgueddfa Cymru

15 Financial Performance

15.1 We now need to turn to Amgueddfa Cymru's financial performance. One of the issues in assessing this is finding fair and appropriate comparators. The first possible peer group to consider is the nationally funded museums in England. What is clear, using this measure, is that Amgueddfa Cymru, together with the Royal Armouries and the National Museum Liverpool, are the most dependent on Grant in Aid of the group. The Royal Armouries, whose headquarters is in Leeds, is a special case as its operating model passes all commercial income to its joint venture partner. Consequently I would set aside The Royal Armouries in this comparison. This leaves Amgueddfa Cymru and Liverpool at the top of the list. I have taken Amgueddfa Cymru's total operating cost to be £26.9m and its grant in aid to be £22.64m (core GiA of £21.8m plus other government grants of £0.84m), this gives an 84.1% reliance on grant in aid.

GIA as % of total income for 2015-16 Baseline



Key:

NMW	Amgueddfa Cymru	V&A	Victoria & Albert Museum
RA	Royal Armouries	HM	Horniman Museum
NML	National Museums Liverpool	SJSM	Sir John Soane's Museum
SMG	Science Museum Group	Tate	Tate Gallery Group
NHM	Natural History Museum	WC	Wallace Collection
GM	Geffrye Museum	IWM	Imperial War Museum
RMG	Royal Museums Greenwich	BM	British Museum
NG	National Gallery	NPG	National Portrait Gallery

15.2 Another peer group is the national museums of Scotland, Northern Ireland and the Republic of Ireland. Here I have used their statutory accounts to do a similar calculation. These accounts bracket together commercial income with all other types of income including research grants etc, so the percentages represent the proportion of other income rather than strictly self-generated or commercial income. Amgueddfa Cymru's performance in this measure is very similar to the National Museum of Scotland.

	GIA	Other income*	% other income	Note
Amgueddfa Cymru	£22,640,000	£4,240,000	18.7%	Statutory Accounts
National Museum of the Republic of Ireland	£13,586,912	£809,727	4.26%	Statutory Accounts
National Museum of Northern Ireland	£12,182,171	£2,387,143	15.04%	Statutory Accounts
National Museum of Scotland	£22,397,000	£4,620,000	20.6%	Statutory Accounts

Grant in aid and self-generated income of our National Museums. Source: annual reports.

*** Figures exclude donations and capital fundraising**

15.3 Since 2012 the Museum has experienced cuts in core GIA revenue in cash terms of 11% revenue. This point has been made consistently to me through the process of my review. However it is important to remember that Amgueddfa Cymru is not the only National Museum to have been cut. The table below shows the cuts faced by the DCMS funded Nationals. The average cut to these institutions has been 20% between 2008/9 and 2014-15. In the same period average income has risen amongst the same group by just over 10%.

	GIA % change	Total income % change
British Museum	-15.20%	39.90%
Imperial War Museum	-33.70%	34.30%
National Maritime Museum	-14.10%	11.30%
National Museums Liverpool	-8.80%	-36.10%
Natural History Museum	-18.00%	3.20%
Science Museum Group	8.30%	10.50%

GIA and Total income for selected national museums percentage change from 2008/09 to 2014/15. Source: DCMS

15.4 The situation in local government in the UK has been very similar. Since 2006, local government spending on museums has reduced by 11%. However the level of reduction is extremely uneven with a small number receiving cuts of 50% or more and a larger number with much smaller amounts. The averages are not that great compared to many public services – perhaps 7% since 2003-4 and 11% since 2006⁶.

15.5 It is important to see cuts to Amgueddfa Cymru in this UK-wide context because the Museum's 11% cut is half the average cut of the National DCMS funded museums and just a fraction under the average for local authority museums in England. I do not have comparative figures for Scotland and Northern Ireland. It is also important to emphasise that while the DCMS Nationals have averaged a 20% fall in GiA their total income has increased by an average of 10% due to improvements in commercial performance.

15.6 Within the limits of this review, and the limits of the data available, the analysis set out above shows that Amgueddfa Cymru is significantly more reliant on grant in aid than the English nationals but, in comparison with Scotland its reliance is about the same.

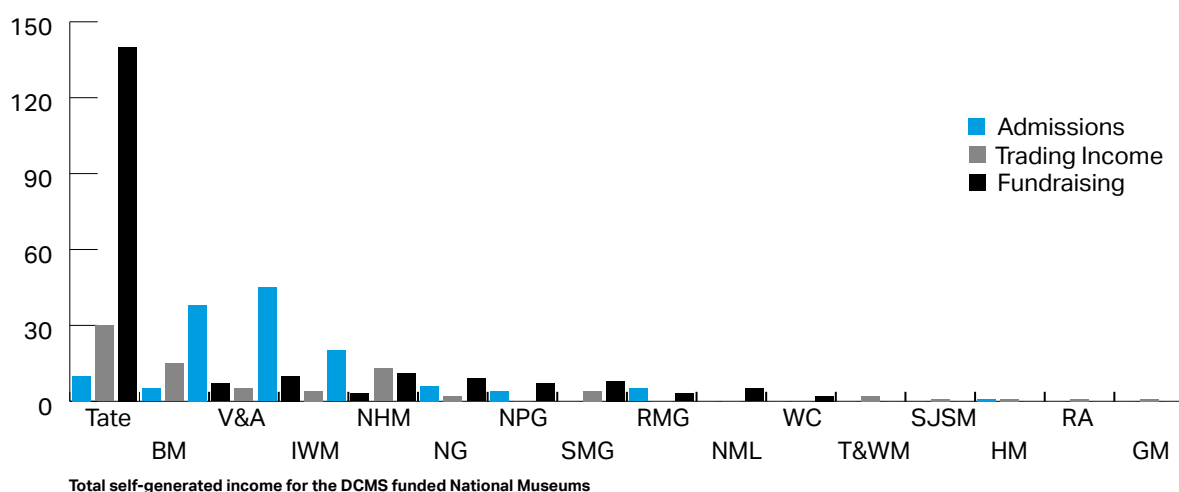
⁶ Adrian Babbidge 'Museums and Heritage', *Cultural Trends*, 24, (2015), pp.21-7.

However it is also the case that the proportion of Amgueddfa Cymru's turnover that is payroll is unusually high. The norm amongst the UK Nationals is around 60%, for Amgueddfa Cymru it is around 80% and rising. When another 10% of turnover is taken for utilities and other fixed costs the Museum's discretionary spend is around 10%.

- 15.7** The effects of this situation on Amgueddfa Cymru are pernicious. Very high reliance on grant in aid, abnormally high fixed costs, with minimal ability to backfill through self-generation, leaves the Museum highly vulnerable to cuts which are no more than the average faced by publically funded museums across the UK. The response of the Museum to this is to threaten to cut deeply into programme. It is likely that this is their only option.
- 15.8** The problem is that Amgueddfa Cymru is a fundamentally uncommercial organisation. It does trade, and it has its trading company, but its whole outlook and mentality is uncommercial and its focus is on the non-financial outputs. This is not a criticism, it is a statement of fact. Welsh politicians and the Trustees of the Museum have to decide how commercial, or otherwise, the Museum should be in future. At the moment the Museum does not have the right skills, attitudes, policies or freedoms to properly exploit commercial opportunities. If it is to reduce its dependence on government and become more resilient it will be necessary for the Welsh Government and the trustees to agree the commercial parameters within which it wants the Museum to operate.
- 15.9** Clarity on what free access means, clarity on the freedoms which the Museum has to employ people on its own terms, clarity about what, if anything, the Historic Wales proposals will mean for the Museum – all these are matters of policy that need to be agreed before the executive can make any progress on commercial development.
- 15.10** For the purposes of the following sections I have to make an assumption; and that is that the Government and the Trustees wish the Museum to be more resilient. Arts Council England defines resilience as a process, rather than a characteristic: 'Resilience is the vision and capacity for organisations to anticipate and adapt to economic, environmental and social change by seizing opportunities, identifying and mitigating risks, and deploying resources effectively in order to continue delivering quality work in line with their mission⁷.'
- 15.11** On this definition resilience is the central daily concern of the vast majority of museums. Independent museums, without the luxury of public subsidy have, as a fundamental requirement, the need to balance their books. In the past this has made them more alive to issues of resilience than those who rely on receiving public subsidy.
- 15.12** Apart from Adrian Babbidge's research into museums commercial performance, there is no industry-wide repository of information on the financial performance of museums. The National Museums Directors Council (NMDC) states that on average its members raise 45.6% of their own revenue, this figure is considerably higher than Babbidge's calculation of the equivalent income figures from local authority museums that stands at around 13%. Not only is local authority commercial performance considerably less impressive than that of the Nationals, but Babbidge's figures show that they have barely improved over the last decade. His figures for independent museums tell a very different story. Although his analysis is only based on a sample of 40 independents it shows that over the last decade commercial income at independent museums has grown from

⁷ *Research to Understand the Resilience, and challenges to this, of Local Authority Museums*, (Arts Council, England 2015), p.7; *Great Art and Culture for Everyone 2010-2020*, (Arts Council, 2013)

around 60% of the total to 70%, while local authority grants have reduced from 9.5% to 6.5%⁸.



Key:

Tate	Tate Gallery Group	RMG	Royal Museums Greenwich
BM	British Museum	NML	National Museums Liverpool
V&A	Victoria & Albert Museum	WC	Wallace Collection
IWM	Imperial War Museum	T&WM	Tyne & Wear Museum
NHM	Natural History Museum	SJSM	Sir John Soane's Museum
NG	National Gallery	HM	Horniman Museum
NPG	National Portrait Gallery	RA	Royal Armouries
SMG	Science Museum Group	GM	Geffrye Museum

15.13 On any of these measures the commercial performance of Amgueddfa Cymru is extremely poor. That is not to say that there are no sparks of exciting entrepreneurship at the Museum such as the excellent relationship forged with Grand Circle and the cruise ship companies at the National Slate Museum, but even great ideas like this are not properly supported and the charges levied are well under a market rate.

15.14 In common with all National Museums Amgueddfa Cymru has a commercial trading arm which operates retail, catering, car parking, licensing, and corporate hire. In 2015/16 NMGW Enterprises Ltd reported a profit before gift aid to Amgueddfa Cymru of £419,000 and a recharge contribution of £162,000. This is around £100,000 less than was reported in 2014/15 of £521,228. The extent of the commercial under-performance of the Museum is masked by the fact that the majority of profit from the trading arm comes from the operation of two car-parks; one in National Museum Cardiff which has a profit of £79,000 and at St Fagans that has a profit of £261,000. Without these the total trading profit would only be £79,000, an low level for a museum of its size and potential.

15.15 I now need to turn to the issues that require resolution if the Museum is to become more resilient.

⁸ Adrian Babbidge/Egeria consulting analysis of England Local Authority spending 2006/7 to 2015-16 in cash terms On the following period see Adrian Babbidge, 'UK Museums: Safe and Sound', *Cultural Trends*, 37, (2000), pp.3-35; Adrian Babbidge, 'Forty Years on', *Cultural Trends*, 14, (2005), pp.3-66.

16 Entrance Charges

16.1 There are few issues of museum policy that raise stronger feelings than the issue of charging visitors an entrance fee. In England and Wales Governments have made the policy decision that for the museums that they fund there will be no entrance charge. In England this is universally interpreted that there is no charge for access to the core permanent collections. Almost all National Museums charge for special exhibitions, displays and for events, tours and re-enactments. In Wales there was more ambiguity but in 2015 First Minister Carwyn Jones announced that “there will be no payment for entry into any of the National Museums attractions”. My understanding is that the National Museum has only ever charged for one exhibition, *Treasures* and a second *Dino Babies* that has just opened.

16.2 Before we look at the potential for charging at Amgueddfa Cymru I want to take a much broader look at charging across the UK. For the non-nationals there is a very mixed economy. Around half of all museums charge for general admissions only; 3% charge for specific exhibitions only; 12% charge for both; 43% do not charge at all for any sort of admission. Charging is more common amongst independent museums.

Museum Type	Number of responses	% that charge for entrance
Independent	216	63
Local Authority	57	37
University	9	11
Other (specified)	27	70
Other (not specified)	2	50
Total	311	57

Percentage of museums of each type that charge for admission in England.

Source: DC Research, Assessing the Impact of Charging for Admissions Survey of 311 museums.

16.3 Charging regimes are typically quite sophisticated allowing those who can't afford to pay to have access to the core collections. An example of this is the Norfolk Museum Service, a large and successful service with a turnover of £7m. The majority of this comes from the county council (£2.4m), from district councils (£1m) and from Art Council England (£1.6m). There is also a £2m gross commercial contribution £1.4m of which is mainly comprised of entrance fees. There are 400,000 visitors at the service's ten sites and half of these pay for admission. The service can choose its own concession structure and schools, people from the armed forces, carers and other groups gain free access; there are a number of free days and there is an annual pass for regular visitors. The view from services such as Norfolk's is often 'you can have a great service or you can have a free service'.

16.4 The opposing point of view is put by Greater Manchester Museums group, an active and effective collaborative grouping of museums around Manchester, they are quite clear that the key to their effectiveness was that they were free. They feel that charging would be impossible and would destroy their role as a community resource and their family audience.

16.5 There has been quite a lot of research into the impact of admission charges on museum audiences. A study in 1997 reported 'It is unclear whether, and to what extent, the introduction of charges affects the total number of visitors, their social composition,

or their propensity to return. Museums that have introduced general admission charges recently report both reductions and increases in visitor numbers, and only marginal alterations to the social profile of visitors⁹. More recently a substantial report by the Association of Independent Museums concluded that charging makes little difference to the overall socio-economic mix of museum visitors and museums that do charge perceive that charges have only a moderate deterrence to visitation¹⁰.

- 16.6** There have been a number of museums that have either imposed charges or taken them off recently. Research published in 2016 showed that since 2013 11% of a sample of over 300 museums had imposed admission changes; however in the same period 17% moved from charging to free¹¹. The York Museums Trust was set up in 2002 with 50% of its running costs covered by a revenue grant from the city council. It has now grown its income and can manage with only 10% from the local authority. The Trust has a turnover of £6.5m and makes 45% of this from admissions. After the refurbishment of their art gallery it was decided to introduce an entrance charge there of £7.50. Before this, while free, the gallery had 180,000 visitors, in the first year after the imposition of charges it got 91,000. Visitors are rising again but the evidence from here is that people were deterred from visiting by the charge.
- 16.7** Since the Welsh Government committed itself to free access to museums in 2001 visitor numbers to the seven sites have more than doubled, but as at the London Nationals, the increase in visitors may be largely accounted for by repeat visitors. As has been explained above in the largest museums in the Amgueddfa Cymru group repeat visitors make up the largest segment of the audience. However Amgueddfa Cymru has also noted that the proportion of lower socio-economic groups visiting has expanded to around 30% of the total and this may be directly attributable to free access.
- 16.8** Museums, like those in the Norfolk service, combine charging, discounts, season tickets and free admission in a combination that achieves their objective to provide wide and fair access. There are a number of Welsh examples for imaginative access policies. The one operated by Cardiff Council is perhaps the most relevant. The council operate Cardiff Castle visited by 300,000 people a year. The *Castle Key* scheme allows council tax payers in Cardiff to gain access to their castle free. 70% of residents are aware of the scheme and 34% have a *Castle Key*. Ownership of a key is highest amongst the BME population, people over 55 and people not in full-time employment. 25% of holders use their key at least once a month in the summer months¹². Such a scheme allows income to be generated from admissions while guaranteeing entry to those whom the council have decided are a priority.
- 16.9** In this case, in a discussion about access, charges are a means not an end. In other words the end is the access policy that the institution wishes to pursue and charging one of the means of affecting it. This ultimately must be right, there is no moral reason why people should get free access to museums – if there was there would be a much greater question over why people were charged to visit cathedrals or state-owned heritage sites. Equally sincere trustees and politicians believe in charging and free access - what matters is whether their admissions policy achieves its objectives.

9 S. Bailey, P. Falconer, M. Foley, G. McPherson, & M. Graham, 'Charging for Admission to Museums and Galleries: Arguments and Evidence', *Museum Management and Curatorship*, 16, (1997), pp. 355-369. Also see for Wales <https://www.aim-museums.co.uk/wp-content/uploads/2017/04/Exploring-the-Evidence-The-Impact-of-Charging-or-Not-for-Admissions-on-Museums-Summary-Report-for-Wales.pdf>

10 *Taking Charge – Evaluating the Evidence: The Impact of Charging or Not for Admissions on Museums* (AIM, August 2016)

11 *Taking Charge – Evaluating the Evidence: The Impact of Charging or Not for Admissions on Museums* (AIM, August 2016)

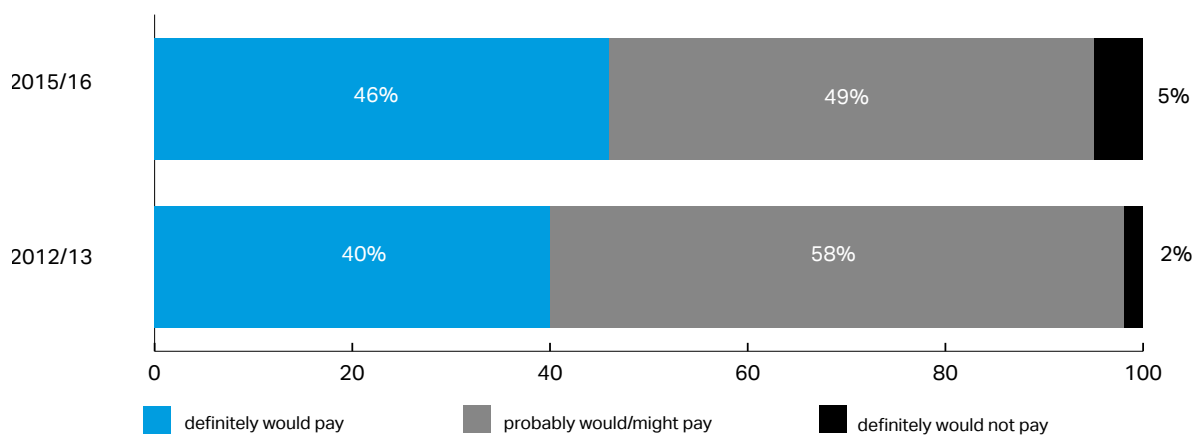
12 Cardiff Debate. Park, Leisure and Culture Attractions report Cardiff Research centre 2014.

16.10 Of the many people I spoke to none felt that there was any reason why all the services provided by Amgueddfa Cymru should be free. There were many who thought it strange that the Museum should charge for educational visits and not for its more discretionary and commercial services. One senior figure thought that barriers to visit the Museum were not financial but were cultural and educational; several thought that while the core offer should be free all the extras should be charged at a commercial rate. There was no objection from the unions for charging for specific parts of the Museum visit.

Recommendation 11: That the Welsh Government considers moving to an ends based policy for access to Amgueddfa Cymru rather than a means based policy. This would allow the Museum to keep its eye on the desired access policy while itself determining the balance between charged and free services and the appropriate levels of charge.

16.11 Under such a policy as is recommended it is likely that access to the core collection and permanent displays would remain free, as they are in all other National Museums. What would change is the charges levied for the 'extras'. The most important of these are special exhibitions. Research recently undertaken for the Museum shows that visitors are not resistant to charges for special exhibitions and most are not opposed to charges for events (see below).

Percentage of visitors willing to pay for entry to temporary exhibitions



Source: Amgueddfa Cymru

16.12 The National Museum Cardiff introduced an entrance charge for its *Treasures: Adventures in Archaeology* exhibition in 2016. It is worth looking at this in some detail. The show was scheduled to run for 238 days but, because of industrial action, that closed the museum for a number of days, the show ran for only 189. The target number of visitors was 36,000, but largely because of the strike it only achieved 26,000. If visitors had remained at a consistent level, and the show had not lost 49 open days, it would have probably attracted around 33,000 visitors. In terms of visitor response it was very successful, 95% of people thought 'great', 'amazing', 'informative', etc.

16.13 The table below shows that the numbers of people prepared to pay to see the show exceeded the initial expectation as did the ticket revenue, even considering the much shorter exhibition run. What the table does not show is that at the same time that

Treasures was running the museum also was showing *Quentin Blake: Inside Stories* an extremely popular free exhibition. Also running was the exhibition about worms: *Wriggle*. The quality of the exhibitions was clearly very high and the content very popular (I personally only saw the excellent *Wriggle*), and these two shows must have cannibalised some of the audience for *Treasures*. Given the fact that market research data, and the practical experience of *Treasures*, shows that people are happy to pay for access to exhibitions all three shows could have been charged for.

- 16.14** Very few temporary shows make an absolute profit (although *Wriggle* which was a low-cost, long-run exhibition might have paid for itself). Most require sponsorship, and the original idea was that *Treasures* would attract £80,000 for a headline sponsor. In the end the Welsh Government stepped in to secure the show with sponsorship of £44,000.

***Treasures: Adventures in Archaeology Exhibition* summary of income and costs**

Income	Projected	Actual
Number of days open	238	189
% paying visitors	30	48
Number of visits	36,000	26,228
Ticket income	£64,800	£71,297
Welsh Government grant	£44,500	£44,500
Total income	£109,300	£115,797

Exhibition Direct Costs	Projected	Actual
Exhibition build, take-down and courier costs	£195,200	£195,200
Museum assistants staffing	£96,000	£64,631
Sub total	£291,200	£259,831
Indirect costs		
Marketing, press, events	£40,000	£40,817
Total direct and indirect costs	£331,200	£300,648

Difference	£221,900	£184,851
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- 16.15** In the end costs were lower (because of the strike) and the total bill for the show was £184,000. If full budgeted sponsorship had been secured this would have reduced to £144,000. If all three shows on at the time had been charging the Museum would have recouped even more costs.
- 16.16** It is important to emphasise at this point that charging for exhibitions is not only about recouping some of the cost of putting them on (and with sponsorship potentially covering all costs). Charging introduces a transactional relationship between the Museum and its visitors. This opens up other opportunities. The first of these is the opportunity to establish a proper Customer Relationship Management (CRM) system. This is the basis of most commercially successful businesses today. A CRM system would be used to manage and analyse all the interactions that visitors have with the Museum which could include ticket sales, shop transactions, the website, telephone, direct mail, marketing materials and social media. The system would help the Museum develop commercial relationships with visitors as well as understanding their preferences better. To run a CRM system it is necessary to have a transactional relationship with visitors. Simply offering

the opportunity to sign up to a corporate e-newsletter, as now happens, will not build a proper database. The Museum has very good and active social media platforms and these would play an important role in building CRM data.

16.17 The second thing that charging for exhibitions allows is the formation of a proper membership scheme. This is because membership schemes essentially work on the basis of granting free (or heavily discounted) access to charged events. Most museums of the size of Amgueddfa Cymru have a large and profitable scheme, the charge ranges from nearly £100 at the Royal Academy in London to £25 in National Museums Liverpool. There is no reason why Amgueddfa Cymru should not have a scheme at the level of around £40 per annum. Such a scheme yields significant income and builds support.

Royal Academy London	£97
National Art Pass	£65
National Trust	£64.80
V&A	£64
British Museum	£64
Natural History Museum	£62
National Gallery	£55
English Heritage	£54
Cadw	£44
Sir John Soane's Museum	£40
National Museums Scotland	£39
National Museums Liverpool	£25

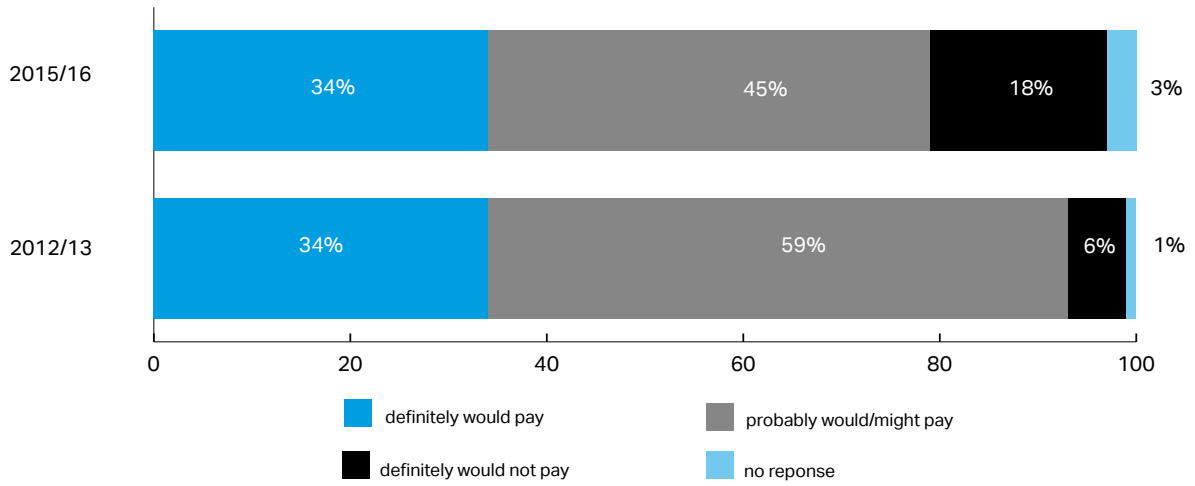
16.18 Of course it must be remembered that Amgueddfa Cymru currently has a friends scheme that is a separate charity charging £20pa and this currently has around 1,000 members. It donates around £20-25,000 a year to the Museum. Membership is overwhelmingly for retired people who can attend events in the daytime in the working week. Most museums have taken such friends schemes in-house as the membership programme needs to be integrated with the Museum's CRM systems etc.

Recommendation 12: On the basis of the evidence presented here I recommend that Amgueddfa Cymru in future charges for special exhibitions, establishes an appropriate CRM system and launches a membership scheme as soon as possible.

16.19 Amgueddfa Cymru currently has no discernible policy to guide charging for events. Some are free, some are charged for. There needs to be clarity as what events are for: are they to increase footfall? To raise money? To celebrate Welsh culture? To open up the collection? To bring in new audiences? Or a combination of the above. The Museum believes it is hard to charge for events in terms of logistics as there is a feeling against closing parts of the Museum for a charged-for activity. There is also apparently a need to request permission for the Welsh Government if Amgueddfa Cymru wants to charge for a large-scale event. In most National Museums events fall into the same category as exhibitions – in other words a charge is levied and members get a discount. Visitors to the

Museums are currently slightly more resistant to paying for events than exhibitions, but it is likely that parts of the events programme could be easily and sensibly brought within a pay barrier.

Percentage of visitors willing to pay for events (eg family activities, workshops, talks & guided tours)

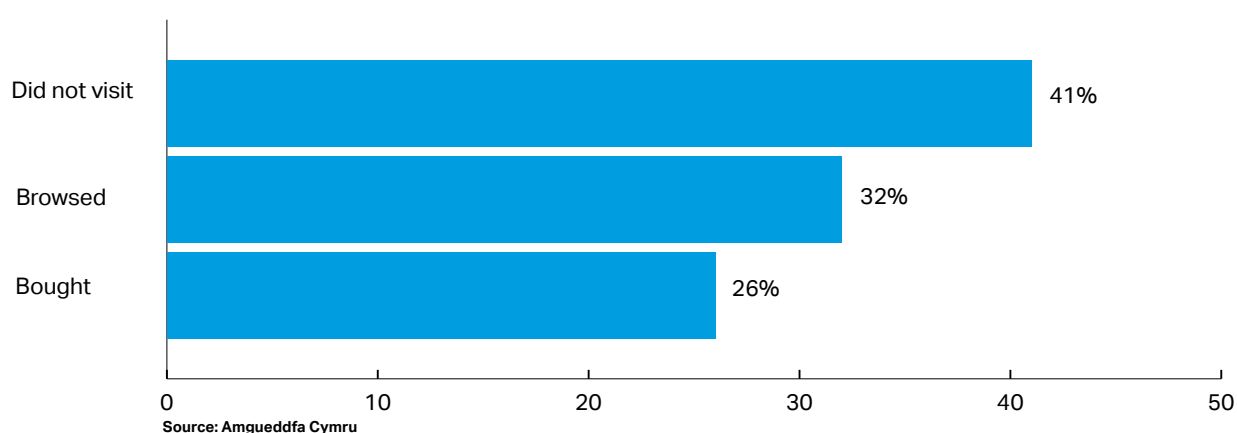


Source: Amgueddfa Cymru

17 Catering and Retail

- 17.1** It is notoriously hard to establish benchmarks for the performance of catering and retail, partly because of the differences between locations, but largely because such information is commercially sensitive and often not released. However it is possible to make some general observations about trading at Amgueddfa Cymru.
- 17.2** At St Fagans, the National Museum Cardiff and the National Waterfront Museum catering is franchised on a contract that still has another eight years to run. The contractor makes its money through the National Museum Cardiff, in particular through events. Catering at the National Waterfront Museum loses the contractor money and a new restaurant will be opened at St Fagans. The Museum keeps catering in-house at the National Wool Museum where it loses around £24,000 a year, at the National Slate Museum where it loses around £4,500 a year and at Big Pit where it loses £28,000 a year. To these figures have to be added the apportioned central costs which increases the losses everywhere. The majority of visitors do not visit the café.
- 17.3** It would be easy to believe that closing the loss-making cafés was the answer, but these outlets are a crucial part of the visitor experience at Big Pit, National Wool and National Slate Museums, and closure would diminish the visitor experience. Efforts have been made to get the cafés to break even and at the National Slate Museum better management is already making a difference. At the National Wool Museum keeping the cafe open when visitor numbers is low may not be the best option and a seasonal offer might bring down losses significantly. The cafe at Big Pit is very attractive and franchise there might be an option.
- 17.4** The shops, after taking into account central costs, probably only just make a profit. A surprisingly high proportion of visitors do not even visit the shops and a large number who do, do not make a purchase.

Use of Museum shops



- 17.5** Some of the shops are poorly located. At the National Waterfront Museum, there is no adequate location for the shop and the number of entrances and exits make it impossible to channel visitors through one. At the National Museum Cardiff the shop is tucked away in a slither of left-over entrance hall. At the National Slate and National Wool Museum and Big Pit the shop is better located and a new shop is under construction at St Fagans. Location is not the only problem, one tourism professional who I listened to described

'the impoverished nature of the merchandise and the inadequacy of the breadth and range of merchandise'. I am not qualified to give anything other than an amateur view on this but the spend per head figures would tend to indicate that the shops have not got their offer right. Only at Big Pit and the National Wool Museum is the spend per head over £1, which must be considered a very weak performance. I have had access to Cadw's spend per head figures; at no significant site is the figure under £1 and the average across the estate is £1.50. The average at English Heritage sites is closer to £2.

Shops	Spend per head
St Fagans	£0.70
National Museum Cardiff	£0.54
National Wool Museum	£2.01
National Roman Legion Museum	£0.69
National Slate Museum	£0.91
National Waterfront Museum	£0.20
Big Pit National Coal Museum	£1.61

Source: Amgueddfa Cymru

17.6 One of the problems that the in-house trading has is the cost of staffing. Staff in its shops and cafés are very expensive compared to high street retailers. From April 1 next year the hourly rate paid by the Museum will be £9.47; as a comparison Next, Topshop and Sainsburys all pay under £8 and M&S under £9. On top of the hourly rate comes a very generous employment package, for instance the current employer contribution to the pension scheme is 21.3%. Most employees would consider 10% as quite generous. Then there are the Museum's employment overheads, also more expensive than on the high street. These costs reduce margins and will depress profits even if the merchandise range and shop locations can be improved.

17.7 The total picture for the museum's trading activity is poor, particularly if the contribution made by car parking is discounted.

	Retail profit before central costs	Catering profit/loss before central costs	Total trading profit less car parking
St Fagans	21,333	27,000	10,000
National Museum Cardiff	33,728	113,059	145,273
National Wool Museum	4,022	-23,383	-67,557
National Roman Legion Museum	2,509	1,086	17,176
National Slate Museum	6,125	-4,588	-57,247
National Waterfront Museum	1,439	-18,646	69,579
Big Pit National Coal Museum	9,920	-28,681	132,612

Performance of catering and retail at individual Amgueddfa Cymru sites 2015/16. Source: Amgueddfa Cymru

- 17.8** However car parking is big business and as all the Museum's sites, other than the National Museum Cardiff, can only feasibly be reached by car at present, parking is an important issue. A more focussed and strategic approach to parking could yield the Museum much higher revenues. In particular it would be worth considering parking at St Fagans now before the new attractions open. There is currently a £5 charge for cars at St Fagans and coaches are free. The revenue from this is just over £260,000. Visitors are charged £5 to park and a small number take advantage of an annual pass that costs £35. An alternative strategy would be to sell every car entering a pass for £10. Visitors could convert this pass into an annual pass by registering their details on a database either in the visitor reception or at home. This would increase the yield from one-off tourists and give all repeat visitors freedom to come on multiple visits without a charge. It would also allow data capture for hundreds of thousands of visitors. Similar schemes could be introduced at Big Pit and, if a deal could be done on the car park at the National Slate Museum, there also.
- 17.9** Most coach parties are businesses and the tourists they bring have paid for a round trip. For example trips to St Fagans are run by Bakers Dolphin from Taunton & Bristol from £19.50pp and Richards Bros from Haverfordwest & Newport from £14pp. Days out to Big Pit are run by Door2Door from Western Super Mare/Taunton/Bristol from £20pp; and Bakers Dolphin from Taunton & Bristol areas from £19.50pp. Coach parties also currently get discounts in the shop and restaurants. There is no reason why each tourist coach should not be charged at a commercial rate: £50 a coach would put £1 on the individual ticket price for day trippers but a more realistic charge per coach would be £100 to park. For an outstanding day out these parking charges are vastly less than charged by competitor attractions: Day tickets at Beamish are £19 for an adult; Ironbridge £22.50 and the Weald & Downland Museum £13.50. Family prices for all these start at £35.
- 17.10** On the cost side the biggest problem with the operation commercially is that there is no alignment between visitor flows and staffing. The National Waterfront Museum and St Fagans are open all year, the National Museum Cardiff is open all year but closed on Mondays, the National Roman Legion Museum closes on Sunday mornings and the National Wool Museum closes on Mondays in the winter. The staff overhead is carried whether there are visitors or not. On some low season days visitors to some of the sites are a dozen or so.
- 17.11** One option open to management is to align opening hours to the times to which people want to visit. For Big Pit, National Slate Museum, National Wool Museum and National Roman Legion Museum opening times could be from Easter to October half term; St Fagans could open weekends only from 1 November to 1 March except for Christmas events. These sorts of winter closures are common practices by the National Trust, English Heritage and most independent museums.
- 17.12** For this to be successful it would be necessary to change the terms and conditions of the front of house staff. The scheme could work on the basis of seasonal labour (as Cadw do) or on annualised hours. The latter is much better in terms of staff retention and quality as people retain loyalty and expertise though the closed periods. Annualised hours was discussed during the negotiations for the weekend review and was not completely ruled out by the unions.

17.13 The following table is for illustrative purposes only. It shows the approximate cost savings for closing sites during winter and just for January and February. This is not a recommendation but an illustration of how by aligning staffing with visitation significant savings could be made. Picking and choosing from a menu savings could be in the region of £600-800,000 a year.

	NMC	St Fagans	Big Pit	NWM	NSM	NRLM	NWMS	Total
Headcount	129	149	45	10	14	7	41	395
Salaries (£000)	4,354	5,001	1,557	263	554	219	1,288	13,236
Operating	681	645	221	75	97	42	774	2,535
Total costs	5,035	5,646	1,778	338	651	261	2062	15,771
Closing one third of year	368	365.6	175.6	36.4	53.2	13.4	95.4	1,107.60
Closing January and half of February	92	91.4	43.9	9.1	13.3	3.35	23.85	276.90

17.14 The way to deal with the under-performing commercial performance for Amgueddfa Cymru is to appoint, at executive board level, a commercial director with experience of running commercial operations at a major visitor attraction. Their role would be to introduce the systems and charging policies, recruit the appropriate staff, look into terms and conditions, revitalise stock and menus etc.

17.15 I recommend the following in order:

Recommendation 13: Amgueddfa Cymru agrees with the Welsh Government the parameters available for its commercial development including policies on charging, opening hours and the terms and conditions of commercial staff.

Recommendation 14: Assuming the Welsh Government agrees flexible commercial freedoms for Amgueddfa Cymru, the Museum appoints, at Executive Board level, a commercial director at a salary that will attract a person of high calibre and wide experience of visitor attractions.

Recommendation 15: The new commercial director introduces appropriate charging regimes, Customer Relationship Management systems, membership schemes and management improvements in catering and retail to expedite and develop the Museum’s commercial offer.

18 Fundraising

- 18.1** There is a consensus amongst philanthropic funders that their financial support for museums is part of a mix together with commercial revenues and public money. Trusts and Foundations, as well as individuals, see themselves as part of a funding partnership with the funded institution. It is also clear that funders do not like to be seen to be filling funding gaps left by public money, nor are philanthropic funds likely to be put towards institutions that are under threat or struggling to survive. Philanthropy is thus not the answer to any financial difficulties that museums might be facing, but is part of a larger picture of economic sustainability.
- 18.2** The fact that relationships and networks are important to fundraising does mean that philanthropy works best in areas of affluence. Of the people I listened to there was a universally held view that Wales was a particularly difficult environment for fundraising. It was pointed out to me several times that there was only one FTSE 100 company based in the country (Admiral Insurance). However this is a problem faced by many provincial cities in the UK. Recent work for DCMS on this subject with which I was engaged revealed that there were mixed views as to whether it was possible to raise substantial sums of money from individuals outside London and the south east. Some museums felt that it was impossible for them; others thought it was a matter of focus, networks and know-how. Sheffield Museum's project *Going Public* concluded that 'with energy and enthusiasm, spliced with the necessary expertise, rigour and professionalism the marriage between public institution and private can be happy fruitful and enduring'¹³.
- 18.3** What is certain is that there is a lack of confidence in fundraising in Wales and that it is relatively weak in models for successful mixed funding models. The St Fagans development has been largely funded through grants from trusts and foundations, public sector grants and the HLF; there has been little engagement with the corporate sector or support from high net worth individuals. However I was told that the Welsh National Opera has raised around £2m pa mainly from individuals and so there are clearly people around who might help.
- 18.4** One of the obstacles to effective fundraising is the fact that the Museum is so reliant on the Government for its funding. The reaction of individuals in such circumstances is 'why are you asking me for the money, surely the Government pays'. This is where improving the commercial performance of the Museum comes in. Without Amgueddfa Cymru demonstrating that it can help itself by having a dynamic commercial arm individuals, and some companies, will not consider the Museum as being sustainable. Building up relationships with potential donors and sponsors as the Museum's commercial confidence grows will lead, in the medium term, to the ability to ask for support.
- 18.5** Donations are, or should be, the other side of the free admission coin. However in none of the museums is Amgueddfa Cymru up-front about donations. Donation boxes are tucked away and nobody has responsibility for asking visitors to contribute. Across the group the average donation is less than a 5p per visitor although at Big Pit, where there is more of an ask, donations hover around 15p. The National Museums Liverpool, who are also free achieve 7p but at the Science Museum Group average donations are now 50p a head due to a focussed and systematic programme of asking visitors to donate.

¹³ Louisa Buck, *Going Public. International Art Collectors in Sheffield*, (Museums Sheffield, 2015)

Year	Total	Average per visitor
2005/06	83,624	0.062
2006/07	73,032	0.048
2007/08	75,524	0.045
2008/09	65,120	0.043
2009/10	77,140	0.047
2010/11	83,229	0.050
2011/12	84,648	0.050
2012/13	86,613	0.050
2013/14	85,339	0.052
2014/15	81,261	0.048
2015/16	86,120	0.051
2016/17 (to date)	67,064	0.058

Total donations received in donation boxes at all sites in Amgueddfa Cymru. Source: Amgueddfa Cymru

- 18.6** Being explicit about the cost per visitor to run each museum and publicising a suggested donation per head is what many organisations now do. It is quite possible to introduce this without making people who genuinely cannot afford 20p or 50p feel uncomfortable. Starting with, say, a 20p per head target would, if met, raise over £300,000 a year.

Recommendation 16: That Amgueddfa Cymru reviews its donations strategy, improves the physical infrastructure of donation boxes, and investigates ways of making an appropriate face-to-face ask at each of its sites.

19 Immediate Funding Issues

- 19.1** In this final section I need to address the immediate question of the Museum's finances over the next few years. Looking forward Amgueddfa Cymru is in the midst of a £2.77m cost reduction and income generation plan to meet reductions in grant in aid already announced. It needs to be able to plan for the future and the Museum has shared with me a carefully worked series of financial scenarios.
- 19.2** In the immediate term there are three key issues that will determine the short term financial position of the Museum. The first is whether the £730,000 one-off increase in grant in aid to the Museum awarded in October 2016 was, indeed, a one off revenue subsidy or, whether it will be renewed in future years. The second is whether the Museum's request for additional grant in aid for the increased running costs of the renewed St Fagans museum will be met. The Museum estimates that costs will rise by around £500,000 a year, £400,000 in staffing costs and £100,000 in utilities. The third is whether it has the capability to raise the additional commercial income it aspires to within the plan.
- 19.3** This report has suggested that though Amgueddfa Cymru is a great Museum staffed by great people, much loved and enjoyed by millions its business model is essentially broken. It is too reliant on GiA, its fixed costs are too high, it does not have the freedom or capacity to generate its own income, and has dysfunctional relationships with its principal funder and with the unions. These problems need time to be addressed. In the short term, if the Museum and the Welsh Government are willing to roll up their sleeves and agree a jointly-owned improvement plan, the Museum should be given some financial breathing space.

Recommendation 17: In the short term the Welsh Government should find a way of providing some transitional funding for Amgueddfa Cymru as part of a jointly owned package to build a resilient business model for the future.

20 List of Recommendations

1. Amgueddfa Cymru should consider being more ambitious in its interpretation and tell a story that is not narrowly Welsh but more about Wales' part in the global industrial revolution. **Section 3, page 6**
2. The National Museum Cardiff should work much more closely with Visit Wales, Cardiff City Council and the Welsh Government to position itself as a key part of the offer for tourists to Cardiff City Region. **Section 4, page 9**
3. Amgueddfa Cymru prioritises support to the manager of the National Slate Museum and sets its sights on a more ambitious role for the museum in the tourism of Snowdonia expanding operations rather than reducing them and entering into partnerships with public and private sector bodies to achieve this. **Section 7, page 13**
4. The Welsh Government should rationalise the fragmented management of its outstanding sites at Caerleon under the management of Amgueddfa Cymru and encourage a wider local partnership to develop the town as a tourist honeypot in conjunction with the Heritage Lottery Fund. **Section 8, page 14**
5. The Welsh Government and Amgueddfa Cymru seek to acknowledge and understand the causes of current frustrations on both sides. **Section 13, page 21**
6. Then that the Welsh Government and Amgueddfa Cymru develop a shared 10 year vision for Amgueddfa Cymru with a five year focus and three year funding agreement. **Section 13, page 21**
7. That the Museum takes steps, including those recommended in this report, to give the Welsh Government confidence in its capability to deliver the strategy. **Section 13, page 21**
8. That the Welsh Government takes steps to create a policy and governance environment that will enable the Amgueddfa Cymru to deliver the new strategy. **Section 13, page 21**
9. I recommend that, taking account of the recommendations in this review and the views of the Welsh Government, the Director-General, with the Museum President and Trustees, reviews the skills necessary on the senior management team in order to strengthen its capability to meet the challenges it faces in the next few years. **Section 14, page 22**
10. That the President and the Board with the Welsh Government urgently invest in supporting the senior management team in a programme of rebuilding trust with the staff and unions. **Section 14, page 23**
11. The Welsh Government considers moving to an ends based policy for access to Amgueddfa Cymru rather than a means based policy. This would allow the Museum to keep its eye on the desired access policy while itself determining the balance between charged and free services and the appropriate levels of charge. **Section 16, page 30**
12. I recommend that Amgueddfa Cymru in future charges for special exhibitions, establishes an appropriate Customer Relationship Management (CRM) system and a membership scheme as soon as possible. **Section 16, page 32**

13. Amgueddfa Cymru agrees with the Welsh Government the parameters available for its commercial development including policies on charging, opening hours and the terms and conditions of commercial staff. **Section 17, page 37**
14. Assuming the Welsh Government agrees flexible commercial freedoms for Amgueddfa Cymru, the Museum appoints at Executive Board level a commercial director at a salary that will attract a person of high calibre and wide experience of visitor attractions. **Section 17, page 37**
15. The new commercial director introduces appropriate charging regimes, Customer Relationship Management systems, membership schemes and management improvements in catering and retail to expedite and develop the museum's commercial offer. **Section 17, page 37**
16. Amgueddfa Cymru reviews its donations strategy, improves the physical infrastructure of donation boxes, and investigates ways of making an appropriate face-to-face ask at each of its sites. **Section 18, page 39**
17. That the Welsh Government finds a way of providing some transitional funding for Amgueddfa Cymru as part of a jointly owned package to build a resilient business model for the future. **Section 19, page 40**

Appendix 1

Review of Finance and Operations at Amgueddfa Cymru - National Museum Wales

Outline Brief

Amgueddfa Cymru - National Museum Wales ("the Museum") is facing challenging times as a result of the ongoing squeeze on public finances. The Cabinet Secretary for Economy & Infrastructure wishes to undertake a review of its operations and finances. The review will encompass the following:

- A review of the Museum's strategy and operations, including the operation of its seven sites across Wales, together with other activities and priorities, and looking at the efficiency of these operations;
- A review of management and staffing arrangements, including staff structures. Identify any gaps;
- Highlight KPIs by which the organisation is managed, including details of historical performance against targets and benchmarking;
- Highlight the main sources of income and how income is generated, and review the Museum's plans for increasing income streams. Review whether there are further opportunities for increasing income streams and generating additional profits;
- A review of the current financial position and financial forecasts;
- To review steps currently being undertaken to operate within likely budget levels in the future, including but not limited to staffing levels and potential closure of some sites;
- To review options for the organisation's sustainability, to include but not limited to an overview of strategies for marketing and communication, business operation, methods of fundraising, and an appraisal of the ongoing and future risks and opportunities facing the Museums.

Exclusions

- This is intended to be a relatively quick review and will be separate from the work of the Historic Wales steering group which is looking at the most appropriate structures for the heritage sector in Wales in the longer term. However, the author will wish to be aware of the Steering Group's findings.
- Capital maintenance requirements – these will be looked at separately by the Welsh Government's property officials.

Appendix 2

The following people were consulted in the preparation of this report (surname A-Z):

David Alston (Arts Council Wales)

David Anderson (Director General – National Museum Wales)

Manon Antoniazzi (Director, Culture, Sport & Tourism – Welsh Government)

Richard Bellamy (Heritage Lottery Fund)

Richard Bevins (Joint Acting Director of Collections & Research)

Elaine Canning (Swansea University)

Richard Carter (Chair of the Friends of Amgueddfa Cymru)

Ruth Cayford (Visual Arts Manager, Cardiff Council)

Kim Collis (West Glamorgan Archive Service)

Tom Cosson (Senior Culture & Poverty Adviser – Welsh Government)

Mike Cowley (fundraising team, The Wallich)

Sarah Crawley (Director, Barnardos Cymru)

Carole-Anne Davies (former Museum Trustee, Director of Design Commission for Wales)

Pip Diment (Acting Head of Exhibitions and Programmes, Amgueddfa Cymru)

Haydn Edwards (former Vice President of Amgueddfa Cymru)

Elisabeth Elias (President of Amgueddfa Cymru)

Roland Evans (Gwynedd Council Senior Manager for Economy and Community)

June Francois (Head of Marketing, Amgueddfa Cymru)

Heledd Fychan (Corporate Affairs and Advocacy Manager, Amgueddfa Cymru)

Steve Greuter (Wrexham Museum)

Diane Gwilt (Joint Acting Director of Collections & Research, Amgueddfa Cymru)

Eurfyl ap Gwilym (Chair of Audit Committee, Amgueddfa Cymru)

Kenneth Hamilton (Cardiff University)

David Hastie (Swansea Festival and Locws)

Peter Hill (PCS Union)

Rob Holt (Visit Wales - Welsh Government)

Catrin Hughes Roberts (S4C Director of Partnerships)

Jerry Hunter (Pro Vice Chancellor Bangor University)

Dafydd James (Head of Digital Media, Amgueddfa Cymru)

Huw Jones (Mine Manager of Big Pit, Amgueddfa Cymru)

Martin Kayman (Cardiff University)

Lesley-Anne Kerr (Head of Museums Development Team, MALD – Welsh Government)

Janice Lane (Director of Gallery Development and Visitor Experience, Amgueddfa Cymru)

Hannah Lawson (PCS Union)

Bethan Lewis (Site Manager of St Fagans, Amgueddfa Cymru)

Chris Llewellyn (Welsh Local Government Association)

Richard Nicholls (Development Director, Amgueddfa Cymru)

Kevin Mason (National Slate Museum round-table)

Steph Mastoris (Site Manager, National Waterfront Museum, Amgueddfa Cymru)

Laurie Pavelin (Treasurer, Amgueddfa Cymru)
Dai Price (Site Manager of Big Pit, Amgueddfa Cymru)
Victoria Provis (Chair of the Development Board, Amgueddfa Cymru)
Anthony Richards (Swansea Creative Learning Partnership)
Mark Richards (former Director of Operations, Amgueddfa Cymru)
Dafydd Roberts (Keeper of the National Slate Museum Site, Amgueddfa Cymru)
Amanda Roderick (Mission Gallery)
Victoria Rogers (Welsh Museums Federation President)
Dai Smith (former Chair of Arts Council Wales)
Deborah Spillards (Head of Gallery Projects)
Terry Stevens (tourism consultancy, Stevens & Associates)
Shavanah Taj (PCS Union)
Geraint Talfan Davies (Cardiff Stakeholder)
Catrin Taylor (Communications Manager, Amgueddfa Cymru)
Jason Thomas (Deputy Director, Cadw & MALD – Welsh Government)
John Thomas-Ferrand (Derek Williams Trust)
Claire Thomas-Hanna (HR NMW)
Linda Tomos (National Library of Wales)
Peter Wakelin (Cardiff Stakeholder)
James Watkins (Head of Museums, Archives & Library Division – Welsh Government)
Ann Whittall (Site Manager of National Wool Museum)
Sian Wiblin (PCS Union)
Neil Wicks (Deputy Director General and Director of Finance, Amgueddfa Cymru)
William Wilkins (Artistic Adviser to the Derek Williams Trust)
Karen Willans (MALD – Welsh Government)
Emma Williams (Swansea Museum)
Gareth Williams (former Museum Trustee, Chair of AC-NMW Patrons)
Nia Williams (Director of Learning and Engagement, Amgueddfa Cymru)
Sioned Williams (Gwynedd Council Head of Economy & Community)