



Llywodraeth Cymru
Welsh Government

**Summary Minutes of the Board
Meeting, 18 July 2014**

AGENDA ITEM:

Present:

Permanent Secretary (Chair)
Gareth Jones
Michael Hearty
June Milligan
Jeff Godfrey
James Price
Owen Evans
Andrew Goodall
James Turner
Elan Closs Stephens
Adrian Webb
Peter Kennedy
David Richards

In attendance:

Natalie Pearson
Lynne Hamilton (item 4)
Helen Morris (items 4 & 5)
Gary Davies (item 6)

Secretariat:

Emma Alexander
Catherine Evans

1. Permanent Secretary's Items [Oral]

- 1.1 The Permanent Secretary welcomed Peter Kennedy to the Board as the new Chair of the Operations Group.
- 1.2 The Permanent Secretary referred to the recent UK Cabinet Reshuffle and reminded Directors General (DGs) to ensure that their teams were aware of the changes.
- 1.3 The Permanent Secretary said that as part of the 50/50 campaign which encouraged organisations in Wales to commit to gender balance by 2020, he had signed up to aim to achieve gender balance in the Senior Civil Service by that date.
- 1.4 *Director General (DG) Exception Reports*

The Permanent Secretary invited DGs to share key issues from within their areas with Board colleagues. Issues raised included the Housing Bill, Future Generations Bill and Gender-based Violence, Domestic Abuse and Sexual Violence (Wales) Bill, the M4 announcement, the launch of the Life Sciences Hub, Jobs Growth Wales, publication of the Tackling Poverty Action Plan update, the Local Government White Paper, the Ministerial statement on Tax Devolution in Wales and Equality and Diversity. It was agreed that a further discussion on Equality and Diversity in relation to recruitment issues should be discussed with Directors General.

1.5 The Permanent Secretary congratulated Jeff Godfrey and his Legal Team following the Supreme Court's ruling on the Agricultural Sector (Wales) Bill and it was agreed that the summary of the judgment should be circulated to the Non-Executive Directors for information.

1.6 *Operations Group*

Peter Kennedy, Chair of the Operations Group, gave a brief update on the meeting held on 9th July. The Group had:

- discussed the approach to updating the Capability Plan and agreed that the online survey should be carried out at departmental level but that learning targets should not be set at this stage;
- agreed to hold a meeting in an office outside of Cardiff to which regional Senior Responsible Owners (SROs) would be invited with the aim of increasing engagement with them;
- approved the Health & Safety Annual Report for 2013-14 and agreed the Health & Safety Corporate Plan for 2013-16 with the caveat that there needed to be engagement with the Board. A discussion would be scheduled at Board in the autumn;
- discussed the distribution of markings relating to the 9-box Grid End Year Reviews and suggested that training could be provided for independent members on moderating panels and also that consideration be given to changing the shape of the grid.

1.7 Peter also noted that the Operations Group would be meeting regularly throughout the summer to discuss arrangements around the NATO Summit and key messages that needed to be conveyed to staff.

1.8 *MI Annual Report Board(14)030*

Peter Kennedy referred to the MI Annual Report, which provided a brief summary of the key trends and issues identified by Operations Group during 2013-14, arising from its oversight of monthly reports on management information. The Board noted that there had been a 17% increase in Ministerial correspondence and noted the Report.

1.9 *Board Update on Reducing Complexity Improvement Activity Board(14)032*

Natalie Pearson introduced the paper which gave an overview of the progress made on the key strands of the Permanent Secretary's Reducing Complexity priority. She highlighted the following points:

- good progress was being made on the work around improving email and record keeping;
- an action plan for the work on 'Improving Advice to Ministers' had been agreed and 'light-touch' project management arrangements to implement the improvements were being set up;
- a workshop on improving the approach to impact assessments would be held in the summer; and
- there had been lots of staff engagement via the online innovation platform.

1.10 The Permanent Secretary thanked Natalie for the update.

1.11 *Corporate Governance Committee*

Elan Closs Stephens, Non-Executive Director and Chair of the Corporate Governance Committee, gave an update on the meeting held on 3rd July. Items discussed had included a Governance Update, lessons learned from the Remodelling of Central Services, EC Structural Funds and updates from external and internal audit. The Committee noted that the end year audit reports had given substantial assurance for all DG areas.

1.12 *Senior Civil Service (SCS) Remuneration Committee*

James Turner, Non-Executive Director and Chair of the SCS Remuneration Committee, gave an update on the meeting held on 20th June. Items discussed had included nominations for the Honours Awards, progress with SCS appointments and agreeing the Annual Report.

1.13 *Legislative Programme Board*

David Richards, Director of Governance and Chair of the Legislative Programme Board gave a brief update following a recent meeting. He said that a review had previously been commissioned into the remit of the Legislative Programme Board and concluded that only minor changes were needed.

1.14 David noted that Helen Morris had taken up post as the new Deputy Director for Corporate Governance and Assurance. He also noted that the Permanent Secretary's Private Secretary would be leaving to take up an SCS post in September. The advert for the Private Secretary position would be issued shortly and he asked DGs to encourage staff with the appropriate skills to apply.

For decision

2. Draft Minutes of 20th June and Matters Arising [Board(14)033]

2.1 The minutes of the meeting held on 20th June were agreed as an accurate record.

3. Corporate Governance Committee Annual Report 2013-14 [Board(14)034]

- 3.1 Elan Closs Stephens, Non-Executive Director and Chair of the Corporate Governance Committee introduced the report, which provided a summary of the Committee's work during 2013-14 and provided an assurance opinion to the Principal Accounting Officer.
- 3.2 Elan highlighted the following points:
- the Report provided a comprehensive list of activity undertaken by the Committee over the year;
 - a total of 396 recommendations had been reported as discharged across the organisation during 2013-14 however, the number of recommendations that were overdue for implementation had increased from 34 (in 2012-13) to 45;
 - the Wales Audit Office was satisfied with the level of commitment shown by the main Corporate Governance Committee and the wider corporate governance network.
- 3.3 The Board noted the Report and approved the Committee's revised Terms of Reference.
- 3.4 The Permanent Secretary thanked Elan for the Report.

4. Draft Year End Accounts and final 2013-14 Outturn [Board(14)035] 2014-15 Period 3 Report [Board(14)036]

- 4.1 Lynne Hamilton, Director of Finance & Commercial, introduced the draft Welsh Government Annual Accounts for 2013-14 which were due to be signed by the Permanent Secretary on 22nd July 2014. She highlighted the following points:
- there were no major areas of concern and no material issues likely to result in the 2013-14 Accounts being qualified;
 - the Public Accounts Committee would be inviting the Permanent Secretary to be scrutinised on the Annual Accounts in the autumn.
- 4.2 On behalf of the Board, the Permanent Secretary thanked Lynne and her team for all their hard work. He also asked DG colleagues to convey their thanks to Heads of Finance and their teams.

Financial Management Performance Period 3 Report Board(14)036

- 4.3 Lynne Hamilton introduced the report on the Welsh Government's 2014-15 forecast outturn and reserves position as at 30 June 2014 (month 3).

- 4.4 Following a brief discussion about the implications arising from the forecast outturn, the Permanent Secretary thanked Lynne for the report.

For discussion

5. Review of Corporate Risks [Board(14)037]

- 5.1 The Permanent Secretary welcomed Helen Morris, the recently appointed Deputy Director for Corporate Governance and Assurance to her first Board meeting.
- 5.2 Helen introduced the paper, which asked the Board to note the discussion by the Corporate Governance Committee on the Risk Register, review the corporate risks and decide if the proposed new risks should be added.
- 5.3 Following discussion, the Board agreed to add two new risks to the Register.
- 5.4 The Permanent Secretary noted that Ian Gibson, Head of Corporate Governance Unit, would usually have attended for this item and, on behalf of the Board, he asked that thanks be conveyed to Ian for his hard work and positive contribution over the years, as he was due to retire in the summer.
- 5.5 The Permanent Secretary thanked Helen for the paper.

6. Update on NATO Summit [Oral]

- 6.1 Gary Davies, Head of European and External Affairs Division, gave a brief update on preparations for the forthcoming NATO Summit and said that, in terms of the Welsh Government's role, arrangements were in hand and there were currently no areas of concern.
- 6.2 The Permanent Secretary thanked Gary for the update and it was agreed he should be kept informed.

7. ICT Review: Findings, Actions & Next Steps [Oral]

- 7.1 Michael Hearty, Director General, Finance & Corporate Services, gave an update on the ICT Review, which had focused on six industry standard headlines.
- 7.2 The following points were made in discussion:
- a further discussion would be welcomed on how the organisation was using the ICT resources available to it and how it benchmarked against other civil service organisations;
 - the Corporate Governance Committee planned to discuss ICT in the autumn.

7.3 The Permanent Secretary thanked Michael for the update.

**8. SCS Remuneration Committee Annual Report 2013-14
[Board(14)038]**

8.1 James Turner, Non-Executive Director and Chair of the SCS Remuneration Committee presented the report which summarised the issues considered by the Committee between 1 April 2013 and 31 March 2014.

8.2 The Board noted the report and the Permanent Secretary thanked James for the paper.

9. Any other Business

9.1 No other items of business were raised.

Board Secretariat, 24 July 2014