



Llywodraeth Cymru  
Welsh Government

## Board Meeting: 15 July 2016

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### AGENDA ITEM: 3

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<b>Title of paper:</b>	<b>Board Annual Report 2015-16</b>
<b>Purpose of paper:</b>	To provide the Board with a short Annual Report on their work during 2015-16.
<b>Action required by the Board:</b>	The Board is asked to <b>discuss</b> and <b>agree</b> the content of the draft Annual Report.
<b>Paper prepared by:</b>	Board Secretariat

## **Board Annual Report, April 2015-March 2016**

### **Role and remit of the Board**

#### **1. Role**

1.1 The role of the Board was to:

- provide effective leadership and governance for the Welsh Government Civil Service;
- oversee delivery of the Welsh Government's agreed strategic aims and objectives and ensure departmental objectives are aligned;
- provide assurance on the effective structures and allocation of resources across the organisation and ensure the organisation is fit for purpose for future & emerging demands and functions, via the delivery and oversight of Preparing for the Future;
- oversee implementation of, and the Welsh Government's compliance with, the Well-being of Future Generations Goals;
- work with the Corporate Governance Committee to assess and manage risk and maintain a transparent system of prudent and effective corporate controls;
- oversee implementation of the organisation's commitment to ensuring and promoting equality of opportunity and eliminating discrimination, harassment and victimisation;
- agree a corporate strategy to maintain a healthy and safe environment for staff and visitors;
- monitor and measure progress and performance against organisational benchmarks and high performing characteristics;
- oversee the internal communications approach with staff on organisational priorities and expectations, notably with reference to the People Survey;
- endorse the remit of its Sub-Committees, maintain oversight of their activities and agree arrangements for exception reporting.

### **Sub-Committee Structure**

During 2015-16, the Board was supported by:

- the **Audit and Risk Committee (ARC) (previously the Corporate Governance Committee)** which is chaired by a Non-Executive Director. The function of the committee is to assist the Board to monitor and review both the risk, control and governance processes which have been established, and the associated assurance processes in place within the organisation. During the year, the structure of the Committee was revisited and the Chairs from each of the Group ARCs became members to increase communication and cross-working between the Committees;
- the **Remuneration Committee** which is responsible for the Senior Civil Service (SCS) Pay Strategy, overseeing the process of assessment and moderation for SCS members and agreeing the recruitment

processes for all SCS posts. This is also chaired by a Non-Executive Director;

- the Operations Committee became a formal Board Sub-Committee during the year with the Chair appointed to the Board. It continued to support the Board with the Chair attending Board meetings to provide two-way feedback. The Operations Committee is responsible for taking decisions on strategic operational issues and for referring and advising the Board on operational issues outside its agreed delegation.

The Sub-Committees have all reported regularly to the Board orally and will provide a written Annual Report to the Board on their work over the year as part of the end of year assurance process.

### **Registration of Board interests**

The Board Secretariat maintains a Register of Board Members' Private Interests and this is updated at least annually.

### **Board Members' expenses**

Expenses of Board Members are published on the Welsh Government internet site on a regular basis. These cover costs claimed back in respect of their expenditure on travel, accommodation and subsistence during the course of Welsh Government business.

### **Board Membership**

The Permanent Secretary implemented changes to the senior structure of the organisation from 1<sup>st</sup> July and these are reflected in the composition of the Board during the financial year 2015-16 which is set out below.

The Board met on a monthly basis in 2015-16 with the exception of June & August 2015 and February 2016.

		Attendance
Sir Derek Jones KCB	Permanent Secretary	9 of 9
Gillian Baranski**	Chief Executive, CAFCASS Cymru and Board Equality & Diversity lead	6 of 6
Gawain Evans***	Finance Director	3 of 5
Owen Evans	Deputy Permanent Secretary, Education & Public Services	8 of 9
Sioned Evans****	Chair, Operations Committee	3 of 3
Jeff Godfrey	Director, Legal Services	6 of 9
Dr Andrew Goodall	Director General, Health and Social Services/ Chief Executive NHS Wales	9 of 9
Peter Kennedy*	Human Resources Director	9 of 9
Natalie Pearson*	Deputy Director,	9 of 9

	Engagement and Innovation	
James Price	Deputy Permanent Secretary, Economy, Skills and Natural Resources	8 of 9
David Richards	Director, Governance	8 of 9
Ann Keane**	Non-Executive Director	2 of 2
Professor Elan Closs Stephens CBE	Non-Executive Director	8 of 9
James Turner	Non-Executive Director	9 of 9
Professor Sir Adrian Webb	Non-Executive Director	9 of 9

\* Board Member from September 2015, but in attendance at earlier meetings

\*\* Board member from September 2015

\*\*\* Board member from October 2015

\*\*\*\* Board member from December 2015

\*\*\*\*\* Started in post in January 2016

The following were Board members until the end of June 2015:

Michael Hearty	Director General, Finance and Corporate Services	2 of 2
Gareth Jones OBE	Director General, Natural Resources	2 of 2
Dr June Milligan	Director General, Local Government and Communities	2 of 2

The Permanent Secretary is also a member of the Civil Service Board. He is shadowed in this role by a member of Welsh Government staff as a development opportunity and they are in attendance at Board meetings. The Welsh Government Shadow Board member in 2016 was Christopher Dawson.

### **Non-Executive Directors**

The Board included Non-Executive Directors who contribute an external perspective and provide advice and challenge to the Board.

Elan Closs Stephens was Chair of the Corporate Governance Sub-Committee and James Turner chaired the Remuneration Committee, with the other Non-Executives being members.

The Non-Executive Directors have also been engaged in work outside formal Board and Committee meetings – such as serving on programme boards for major strategic projects, participating on recruitment panels and mentoring and attending meetings with members of the Senior Civil Service - thus also contributing to the wider work of the organisation.

### **Board Business**

The following account provides an overview of business conducted by the Board during the financial year 2015-16. The Board received regular feedback on the work of its Sub-Committees and delegated matters, where appropriate, to those Sub-Committees.

In the last financial year, the Board:

- implemented a new item to allow Board members to monitor **progress in key delivery areas**. Topics covered included Summer 2015 Exam Results, the Chief Medical Officer's Annual Report, Housing, Higher & Further Education and the Welsh European Funding Office;
- considered, in light of changes to the organisation's senior structure, their own **role** and agreed to implement changes to the structure and content of their agendas as well as a revised Terms of Reference. The Board also undertook a review of their **effectiveness**;
- reviewed, on a regular basis, the organisation's high level **risks** and shared information on departmental risks. The Board also considered a revised format to the Corporate Risk Register and referred this to the Audit and Risk Committee for further discussion;
- discussed progress with the **Preparing for the Future** programme, including feedback from the Oversight Group and consideration of the work being undertaken by the workstream on Flexible and Productive Working;
- discussed a progress report on **Flexible Working** in advance of the Merthyr pilot commencing;
- were updated on information risks and planned activity on **information assurance** as well as considering issues relating to **cyber security**;
- monitored **financial management** via regular reports to the Board, challenging colleagues on the work in hand to manage the overall position. The Board also discussed the **Annual Accounts** for the organisation in advance of their being signed by the Principal Accounting Officer and Auditor General for Wales;
- received regular oral reports from, and endorsed the Annual Reports of, the Board's **Corporate Governance and Remuneration** Sub-Committees. These reports formed part of the assurance process to the Board and Principal Accounting Officer in advance of the Annual Accounts being submitted for signature. They also continued to be kept informed about issues being taken forward by the Operations Committee;
- ratified the **Location Strategy 2015-20** and agreed that plans should be put in place to proceed with the implementation phase;
- agreed the priorities and next steps for **ICT and Digital** Priorities;
- agreed the **Health, Safety and Wellbeing Annual Report**;
- supported preparations for the next Government in the context of the **Well-being of Future Generations Act** requirements and agreed the arrangements for implementation, making use of existing governance structures;

- supported recommendations on **Equality and Diversity**, including the establishment of a Diversity & Inclusion Steering Group, development of a Diversity Action Plan and making Unconscious Bias training mandatory for those involved in interviewing. They noted that the organisation had been placed 17th in the Stonewall Workplace Equality Index and 4th in Wales, moving from 34th place and 6th place respectively last year. Also, the PRISM Network, championed by the Permanent Secretary, had been awarded “Network of the Year” at the Welsh Stonewall Awards in January. The Board also held a positive separate session with representatives from the Staff Networks to provide the opportunity for exploring in more detail some of the issues faced and identifying action that could be taken forward to improve the position;
- continued to keep under review the work in hand to prepare for implementation of the **Welsh Language Standards**;
- received regular updates on corporate **Management Information**, **Foreign Exchange** issues and **Workforce** data;
- agreed to the identification of **complaints** leads in each Group and to future reports to the Board to review complaints and wider organisational data to identify trends and learning; and
- shared information on a range of current issues which included progress with the **Legislative Programme**; the **City Deal**; the early **People Survey** Results; NHS performance; and RIFW.

### **Working Lunches**

The Board also shared experiences with, and learnt from, external organisations at a number of working lunch events with guest speakers.

### **Communicating the work of the Board**

The Internal Communications team had regular meetings with the Permanent Secretary to identify the key areas for communication and handling.

Board agendas, minutes and papers were made available to the public and to all staff via the internet site six weeks after each meeting.

### **Board visibility**

The Permanent Secretary and Deputy Permanent Secretaries/Director participated in Open Forum events in locations across Wales to enable staff to engage directly with them.

Board members also participated in online engagement with the organisation – for example, via the Online Forum and Exchange.

### **Board Secretariat June 2015**