

Board Paper to note



Llywodraeth Cymru
Welsh Government

Minutes of the Board Meeting, 11 October 2019

Present:		In attendance:
Shan Morgan Ellen Donovan Ann Keane Jeff Farrar Gareth Lynn Andrew Goodall Tracey Burke Andrew Slade Des Clifford Peter Kennedy Natalie Pearson Gawain Evans Robin Bradfield Charlotte Cosserat Andrew Jeffreys Helen Lentle		Secretariat: Chloe Hendry
Apologies: David Richards		

1. Welcome

The Permanent Secretary welcomed everyone to the meeting, including Charlotte (Shadow Board member) to her 3rd meeting and Robin Bradfield of TUS. The Permanent Secretary noted Andrew Slade's apologies for the first half of the meeting.

2. Delivering FMs priorities- providing additional challenge

2.1 The Permanent Secretary gave feedback from recent engagement and meetings with the First Minister. This included the meeting with the Non-Executive Directors regarding the First Minister's priorities and opportunities to add further value to the existing Challenge Sessions. The Permanent Secretary highlighted they were positive meetings and explained the First Minister discussed the Non-Executive Directors holding Welsh Government to account, ensuring external challenge and evidenced-based decisions are made.

2.2 During those discussions the First Minister had indicated the Non-Executive Directors should provide added challenge for the six cross-cutting areas from the Programme for Government, with the addition of decarbonisation, poverty and biodiversity. The First Minister had also emphasised the importance of social partnership, biodiversity and one public service in recent events and meetings, as well as austerity, Brexit and climate change.

2.3 The Permanent Secretary reflected on the six areas that had already been through Permanent Secretary-led challenge sessions and acknowledged the external challenge the Non-Executive Directors would provide, over and above the cross-governmental work that is taken forward in this area.

2.4 The Non-Executive Directors commented that the discussions were both useful and constructive. Additionally they reflected on the opportunity to bring in-depth topical matters or individual policy priorities to Board, which arise from Challenge Sessions.

2.5 Board members welcomed the fresh perspective the Non-Executive Directors could provide and a discussion was had as to how this could add further momentum and energy to manifesto priorities, as well as focusing on Brexit.

2.6 Further Board discussion surrounded opportunities for reporting back mechanisms (over and above the Permanent Secretary's bilateral

meetings with the First Minister), the potential for inviting the relevant Special Advisor to Challenge Sessions and considerations were given to having 'deep-dive' sessions which link to risk and mitigation.

- 2.7 There was recognition of the links with the corporate progress management system work that is being undertaken to improve the consistency of its use and that it will also help to improve the feedback mechanism to Ministers. The Board also discussed the need for no additional bureaucracy to be added to the challenge session process, over and above what already exists. Andrew Jeffreys provided an update on the current budgeting process, the different ways of working within that space and the learning and experiences gained from it.
- 2.8 The Board agreed to go forward with a pilot programme of the priority areas, as outlined by the First Minister and include two Non-Executive Directors at each pilot Challenge Session. It was also agreed that deep-dives will be undertaken by the Board from the next meeting onwards, as required.
- 3.1 Des Clifford provided a recap on the Welsh Government policy regarding Brexit. Des acknowledged 'Brighter Future' which was published two weeks ago, and the continuation of the preparations for the possibility of leaving the EU with 'no deal' on 31 October. Des described 43 statutory instruments that are being prepared and the work that was taken forward for the Supreme Court case.
- 3.2 Des gave an update on the recent political developments and the engagement and the work that is continuing with UK Government, as well as outlining the law in relation to an extension, as written in the legislation. Des reflected that there remain a series of short, medium and long-term issues for WG, not least the replacement of EU funding, the economy and the future of the United Kingdom and devolution.
- 3.3 Des brought attention to the publication 'Reforming our Union', from the 10 October. He provided an overview of the document, which encompasses 20 points to stimulate discussion, after the outcomes of exiting the EU.
- 3.4 The Permanent Secretary welcomed comments from the Board.
- 3.5 Board members discussed the upcoming changes in the increasing shifts in the short-term crisis response unit, ECCW and the new operations committee, which is being implemented to deal with a new 'business as

usual' after exiting the EU. Members reflected on Ministerial awareness of resource constraints and the stretch within the organisation, with all parts of the organisation being affected, directly or indirectly, by Brexit.

3.6 Andrew Jeffreys provided an overview of the Welsh Government's funding position in relation to Brexit.

3.7 Andrew Slade joined the Board and gave an update from the recent HoDs meeting.

4. Finance Report

4.1 Gawain Evans gave an overview of the finances contained within the report, and also provided feedback from a recent meeting he had with the Minister for Finance and Trefnydd, where the Minister asked for indications of additional 'No Deal Brexit' costs. Gawain explained there is a wider piece of work to ensure there is no double counting and also reiterated the Minister's stipulation for groups to continue to break-even.

4.2 In addition, Gawain recognised and congratulated the teams on the effort have put in to result in being at the top of the league table of all other Government departments.

4.3 The Board discussed the purpose of the standing agenda item of the finance report, and challenged where and how they could provide additional added-value in their role as Board members.

4.4 The Board welcomed expertise on the specific items members should consider when scrutinising the financial report and noted there could be repercussions in the fall-out of Brexit.

ACTION 1: Gawain to produce a checklist of the types of searching questions the Board could consider when reviewing the finance report.

4.5 Further discussions were had surrounding the other methods of scrutiny for the finance report, and the role of the finance sub-committee and other forums, such as Ministerial scrutiny processes, were outlined to members by Gawain.

4.6 The Board agreed for Gawain to flag any concerning parts of the finance report to Board members.

ACTION 2: GE and AJ to provide the Board with a side of A4 outlining all of the scrutiny processes of the finances and the rigour of the controls.

5. Perm Sec Items & Sub-Committee Updates

5.1 The Permanent Secretary reflected on the recent Public Accounts Committee meeting on the annual accounts of Welsh Government and set out the potential focusses of the upcoming sessions in late October and early November. The Permanent Secretary expressed her thanks to Gawain Evans and his team for their help with the preparation and the revisions to the accounts that had been made since the previous year.

5.2 Ann Keane gave an update on the recent work of the Audit and Risk Assurance Committee and outlined that a new Terms of Reference will be taken to the next meeting, which is occurring the week commencing 14 October.

5.3 Jeff Farrar provided an overview on the work the remuneration committee has been focusing on; particularly with regards to succession planning, within the current resourcing pressures.

5.4 The Permanent Secretary acknowledged David Richards' apologies.

6 AOB

6.1 Before opening 'Any Other Business' up to the Board, the Permanent Secretary expressed thanks to Jeff Farrar for the work he has done on Key Performance Indicators for Welsh Government. She noted Knowledge and Analytical Services are currently working on it, to ensure a more robust way of looking at the progress in WG, without being burdensome.

6.2 A short discussion was had around the outstanding actions from the previous meeting, particularly the baseline review and revealed the actions are in hand.

6.3 Peter Kennedy provided a short overview of the information on the dashboard in the papers to note, and members agreed the need for long-term sustainability in the organisation.

6.4 The Permanent Secretary thanked Helen Lentle for joining the Board as Director of Legal Services and closed the meeting with a summary of actions taken.

Actions arising at Board meeting

Board Paper (19)044

ACTION	LEAD OFFICER	LATEST POSITION
ACTION 1: GE to produce a checklist about the types of questions the Board should have in their head when reviewing the finance report, to ensure VFM.	Gawain Evans	On-going – Will report back to Board in January.
ACTION 2: GE and AJ to provide the Board with a side of A4 outlining the scrutiny process of the finances and the rigour of the controls.	Gawain Evans and Andrew Jeffreys	On-going - Will report back to Board in January.

Actions brought forward from 13 September 2019

ACTION	LEAD OFFICER	LATEST POSITION
ACTION 1: Statistics to be circulated on capability and capacity of Welsh language staff within the organisation and updates on progress to be reported annually.	Secretariat	Complete
ACTION 2: Welsh Government action plan to be circulated to the Board.	Secretariat	Complete
ACTION 3: Include a substantive Board agenda item at the next meeting on the period 5 finance report	Secretariat	Complete – on agenda 11/10/19
ACTION 4: Invite Non-Executive Directors to the Baseline Review Workshop and involve Board in the discourse phase of the project.	Natalie Pearson	On-going