



Llywodraeth Cymru  
Welsh Government

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## Minutes of the Board Meeting, 20 July 2018

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### Present:

Permanent Secretary (Chair)  
Andrew Goodall  
Desmond Clifford  
Andrew Slade  
Tracey Burke  
David Richards  
Gawain Evans  
Peter Kennedy  
David Richards  
Jeff Godfrey  
Natalie Pearson  
Ann Keane  
Ellen Donovan  
Jeff Farrar  
Gareth Lynn  
Helena Bird

### In attendance:

Jo Salway (Item 1)  
Piers Bisson (Item 3)  
Rachel Lilley (Item 5): Aberystwyth  
University  
Simon Dean (Item 5)

### Secretariat:

Rob Jones

### Observer:

Haydn Bradley-Davies  
(STEP Placement)

### Apologies:

Gillian Baranski  
Andrew Slade

## Introduction

The Permanent Secretary welcomed everyone to the meeting and informed the Board of the resignations of Shadow Board members Lynne Schofield & Sara Rhodes, which will allow other colleagues the opportunity to experience this key development role. Peter Kennedy is leading on appointing a replacement Shadow Board member in due course. Shan also welcomed Haydn Bradley-Davies as an observer to the meeting as part of his STEP placement.

## 1. Prosperity for All: Cabinet Paper Update

1.1 Jo Salway, Head of Cabinet Office, gave the Board an overview of recent Cabinet discussions, and in particular progress of *Prosperity for All: The National Strategy*. There was a specific focus on feedback from Cabinet Ministers on the stocktake update paper and resulting discussions at Cabinet on 17<sup>th</sup> July. The key messages were:

- Discussions at Cabinet were very constructive and positive in building a consensus and momentum, with strong engagement from Ministers and evidence of positive cross-portfolio discussions, challenge, and scrutiny of the Strategy;
- Decarbonisation was identified for inclusion as the sixth priority area.
- Agreement to refocus and reinvigorate delivery on the Strategy, with a strong focus on costs, identifying Budget priorities;
- Forecasts for FY 2019/20 highlight austerity continues to cause significant financial challenges for Welsh Government, and the impact this may have on delivery of the Strategy will need to be carefully considered;
- The Permanent Secretary has a forthcoming meeting with the Leader of the House, Julie James, and the First Minister, Carwyn Jones, to discuss implementation of the Strategy.

1.2 The Board discussed the outcomes of the Cabinet discussions and next steps. The challenge of delivering on the Strategy will require a long term cultural evolution of Welsh Government working practices to ensure close collaborative cross governmental working, and a shift towards “preventative support”, ensuring alignment with the principles of the Well Being Future Generations Act (WBFG). The Permanent Secretary informed the Board that Executive Committee (ExCo) is working to identify examples of good practice of cross government working to assist in embedding this approach throughout the organisation. It was also agreed Staff would be provided with guidance on running effective meetings.

**Action: ExCo to compile good practice examples of cross government working and collaboration, and ensure staff guidance on how to run effective meetings is available. (ExCo)**

1.3 Non-Executive Directors (NED) discussed methods of monitoring progress against delivery, and cited Jamie Smiths’ (Knowledge & Analytical Services) recent work on charting interim progress as an example of good practice in this area. The NED’s noted only two years remains of this Assembly Term, and felt a timeline should be mapped, with appropriate focus on delivery against outcomes and outputs to ensure the Strategy objectives are realised.

**Action: Prosperity For All Directors Group to meet in September to create a follow up action plan, and include a mapping exercise of any overlaps with other initiatives. (Jo Salway)**

## 2. EU Transition (Brexit) Update:

2.1 Des Clifford was joined by Piers Bisson, Director EU Transition, to provide the Board with an update on Brexit matters, with a specific focus on exit preparedness. Des asked the Board to note the Non Executive Directors had met with Mark Drakeford, Cabinet Secretary Finance, on Thursday 19<sup>th</sup> July to gain a wider understanding of the political landscape in relation to Brexit.

2.2 The Board were updated on and discussed the following:

- Publication of the UK Government White Paper on Brexit and subsequent implications;
- Recently published WG Brexit Policy Documents - Securing Wales' Future;
  - Brexit and Our Land;
  - Reforming UK funding and fiscal arrangements after Brexit.
- Inter-governmental relations, including;
  - Implications of the forthcoming Supreme Court Hearing on the Scottish 'Continuity Bill';
  - Inter-governmental agreement and frameworks;
  - Brexit legislation (including the Withdrawal Agreement and Implementation Bill) and associated pressures.
- Brexit Preparedness, in particular, 'no deal' planning, and it's implications on;
  - Service sectors
  - Finance
  - Workforce
  - Supply chains, in particular agriculture
  - EU re-patriotisation
  - ICT/Systems
- Pressures in relation to finance & resourcing.

2.3 Des highlighted to the Board the Securing Wales' Future documents are produced using a collaborative cross government approach, with appropriate external consultation, and asked the Board to note a recent Western Mail editorial which is complimentary of WG's approach in Brexit preparations. In addition the Brexit and Our Land paper, which sets out a blueprint for the future of rural Wales after 2020 and was launched at the Royal Welsh show, has been commented on positively at the House of Lords as an example of good practice. The Board congratulated the EU Team on this recognition of their hard work and in producing well considered, evidence based documents to support preparations for Brexit.

**Action: The Board noted a paper would be prepared to address the above issues for consideration at Cabinet Sub-Committee in September. (EU Transition Team)**

### **3. Finance Report**

3.1 Gawain Evans, Director Finance, presented the monthly finance report. The report focuses on budgetary pressures facing the Welsh Government in 2018-19 and the level of reserves available for potential funding, which was discussed in detail. The report format has been enhanced to include a stronger narrative on future forecasting and variances in response to Board members comments at the previous meeting.

3.2 The Board discussed the decision by Mark Drakeford, Cabinet Secretary Finance (CSF), to announce allocations from reserves and underspends in the autumn and the need for Welsh Government to provide greater certainty over the Period 5 and 6 forecast submissions. In the past CSF has been critical of Welsh Government identifying underspends too late in the financial year. Gawain Evans highlighted that his team would be scrutinising groups over the Period 5 and 6 submissions to ensure that we were better able to advise CSF on these potential further allocations. The Board agreed that this additional challenge was appropriate and should be a feature of in year reporting more generally.

**Action: Further scrutiny of Period 5 and 6 submissions to ensure sound advice is provided to CSF to advise on further allocations.**

3.3 Board members noted the improvements made to the presentation of the paper, and the Permanent Secretary thanked Gawain and his team.

### **4. Welsh Government Annual Accounts 2017-18**

4.1 Gawain presented the Board with the three sections that now comprise the draft annual Welsh Government Accounts for 2017-18:

- Part 1: Welsh Government overview
- Part 2: Governance and remuneration, accountability and SORO
- Part 3: Financial statements.

4.2 The final version is still in production and the finalised accounts will be supplied to the Wales Audit Office (WAO) at slightly later date than first envisaged. They are now set to be supplied to the WAO in the 1<sup>st</sup> week of September. The delay is due to the trialling of a new approach to producing the accounts this year, which has not been as smooth as was anticipated due to a number of unforeseen circumstances. Mitigations

have been agreed to ensure next year the process is sufficiently robust, including acquisition of an appropriate financial accounting system, and the allocation of more staff resource. However, it is important to note the deadline shift does not impact upon statutory requirements, and the accounts will still be provided in a timely fashion.

- 4.3 The Board noted the accounts had been thoroughly reviewed and scrutinised in detail at the Audit and Risk Assurance Committee (ARAC), a sub committee of the Board, and the Permanent Secretary expressed her gratitude for the constructive challenge from the Non Executive Directors at this forum.
- 4.4 The Board discussed potential improvements to the readability of the document, in particular Part 1, to make it as user friendly as possible. However, Ministers have made clear the purpose of the document is to concisely and objectively illustrate how public money has been spent. There are separate reporting streams, for example, through the Well-being of Future Generations Act and its Milestones, with which to measure outputs against strategic objectives.
- 4.5 The Board noted the Governance Improvements section of the paper would potentially be an area of challenge, and agreed to discuss assurance mechanisms and lessons learnt at its next meeting in September.

**Action: Board to consider Governance Improvements, assurance mechanisms, and lessons learnt at September Board meeting. To include consideration of: Pinewood Studios, Arms Length Bodies Review, & Grants Management. (Helen Morris)**

## 5. Sub Committee Reports:

### **Audit & Risk Assurance Committee (ARAC) - Annual Report**

- 5.1 Ann Keane, NED, provided the Board with the key updates contained within the ARAC Annual Report:
- ARAC membership changes, including appointment of Ann as Chair.
  - Revised approach to ensure Corporate Risk Register alignment with Business Objectives
  - Shortage of staff resource in Internal Audit: external recruitment exercise is underway to address this.
  - Head of Internal Audit report produced and feedback on this incorporated into the draft WG annual accounts

- The ARAC are content to provide reasonable assurance to the Permanent Secretary in her role as Principal Accounting Office, on the adequacy of the governance arrangements

**Senior Civil Service (SCS) Remuneration Committee:**

5.2 Jeff Farrar, Chair of the Committee, gave the Board a brief update on the following matters recently discussed at SCS Remuneration Committee:

- Temporary Duties Allowances
- SCS 2020 Diversity & Inclusion Targets

**Legislative Programme Board:**

5.3 David Richards, Director Governance, gave the Board a brief update on LPB matters, including:

- The Counsel General, Jeremy Miles AM, attended the most recent meeting on 19<sup>th</sup> July. He outlined his priorities with regard to improving the accessibility of the law and discussed these with LPB members, as well as matters relating to the delivery of legislation.
- Overall Review of the programme is the programme is currently progressing well, however there are a number of challenges likely to arise in the near future, significantly in relation to EU legislation as a potential outcome of Brexit negotiations.
- Capacity to deliver the programme in full is a concern, and this has been highlighted to ministers.

**6. Mindfulness Session**

6.1 The Board were joined by Professor Rachel Lilley, Institute of Geography, History, Politics and Psychology at Aberystwyth University, for a presentation and working practice session on mindfulness in the workplace. Further information and a video of this session will be made available on the Intranet and published for all staff.

**Action: Provide additional Mindfulness materials to the Board (Rachel Lilley)**

**Action: Publish video of the Mindfulness session to the intranet and associated materials (Natalie Pearson).**

**Permanent Secretary's Private Office, 20 July 2018**

## Actions arising at Board meeting, 20 July 2018

ACTION	LEAD OFFICER	LATEST POSITION
<b>Prosperity For All</b>		
ExCo to compile good practice examples of cross government working and collaboration, and ensure staff guidance on how to run effective meetings is available.	ExCo / PS Secretariat	In Progress, scheduled for 11 October ExCo.
Prosperity For All Directors Group to meet in September to create a follow up action plan, and include a mapping exercise of any overlaps with other initiatives.	Jo Salway	On-going
<b>EU Transition</b>		
The Board noted a paper would be prepared to address the above issues for consideration at Cabinet Sub-Committee in September.	Des Clifford/Piers Bisson/ EU Transition Team	Complete
<b>Finance Report &amp; Annual Accounts</b>		
Further scrutiny of Period 5 and 6 submissions to ensure sound advice is provided to CSF to advice on further allocations.	Gawain Evans	On-going
Board to consider Governance Improvements, assurance mechanisms, and lessons learnt at September Board meeting. To include consideration of: Pinewood Studios, Arms Length Bodies Review, & Grants Management.	Helen Morris	Scheduled for next Board meeting on 28 September
<b>Mindfulness</b>		
Provide additional Mindfulness materials to the Board	Rachel Lilley/PS secretariat	Complete
Publish video of the Mindfulness session to the intranet and associated materials	Natalie Pearson	Complete

**Outstanding Actions 2017-18**

<b>ACTION</b>	<b>LEAD OFFICER</b>	<b>LATEST POSITION</b>
<b>Location Strategy</b>		
Ensure lessons learned from Merthyr Tydfil, in particular the agile working pilot programme, are incorporated into the strategy.	Paul Sullivan	In hand.
Capture and consider lessons learned over establishment of Welsh Revenue Authority.	Paul Sullivan	In hand.
Location Strategy proposals to be updated and prepared for consideration by the incoming First Minister.	Paul Sullivan	In hand, work ongoing