

Grŵp yr Ysgrifennydd Parhaol
Permanent Secretary's Group



Llywodraeth Cymru
Welsh Government

Ein Cyf/Our Ref:

24 July 2019

Dear Colleague

DAO (Wales) 02/19 - Calling-in Arrangements

As you will know, the Public Bodies Unit has been working to review calling-in arrangements for public bodies in order to bring efficiency savings in terms of time and resource taken up in Welsh Government and the public bodies themselves and to allow Chief Executives as Accounting Officers to take their own decisions and be accountable for them.

Officials have met recently with the First Minister to discuss this and he made some helpful suggestions on managing the transition to the new arrangements. Therefore, we have agreed with the First Minister transitional arrangements to provide assurance to him and the Permanent Secretary that the removal of the calling-in procedures does not pose any risk to the Welsh Government, or to the effective delivery of the Government's Programme. These are interim arrangements to provide the Welsh Government with baseline data by which it can assess the volume of issues where responsibility is being transferred and to be sighted on the approach each body is taking to the new arrangements. The intention of the transitional arrangements is to keep the Welsh Government informed of how the new process is working in practice, rather than the continuation of a mechanism for approval by the Welsh Government.

We have agreed with the First Minister that for this year we will put in place **Approval, Pre-notification and Notification** arrangements for decisions previously the subject of calling-in arrangements.

Accounting Officers in public bodies will be accountable for the decisions requiring notification. The Welsh Government may give advice on issues requiring pre-notification, as set out in Table B, but it is ultimately for the Chief Executive to take the decision. In the event of the Body deciding to disregard Welsh Government's advice, the sponsor may

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



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recommend to the Minister that a discussion is held with the Chair - with the Minister reserving the right to overrule a decision falling into this category where the Body has chosen for no justifiable reason to disregard Welsh Government advice.

The exceptions will be the decisions contained in Table A where the Welsh Government will be responsible for the decision.

Table A Approvals

Decision	Approval
Appointment of Chief Executive	Additional Accounting Officer and Minister
Business Plan	Minister
<p>For Public Bodies classified as central Government organisations for accounting purposes:</p> <ul style="list-style-type: none"> a) Cash carry-over in year in excess of 4% of total Grant-In-Aid/ cash awarded b) Cash carry-over end of year in excess of 2% of total Grant-in-Aid/cash awarded c) Establishing new subsidiary companies/joint ventures d) Any borrowing, lending, guarantees, indemnities or investment related to public money e) Retention of receipts over and above that set out in funding letter. <p>Any decision set out in legislation as requiring consent of Welsh Ministers e.g. The Natural Resources Body for Wales (Establishment) Order 2012 requires Ministerial approval of an annual corporate plan</p>	<p>Welsh Government Finance Director</p> <p>Minister</p>
Redundancy arrangements based on the Civil Service Compensation Scheme (bodies with Civil Service Pension)	Head of Pay and Remuneration who will seek advice of the Minister as appropriate.

Table B Pre-notification Arrangements

CEOs should notify their sponsor of any proposed decisions falling under the following categories as and when they arise to allow Welsh Government to provide appropriate advice. Should the Body decide to disregard Welsh Government’s advice, the sponsor may escalate the matter to the Minister, who reserves the right to overrule a decision taken by a Public Body which, after discussion, is not justifiable.

These decisions should also form part of a ‘stocktake’ discussion at quarterly monitoring meetings:

Decision	Pre-notification Action	Further Advice
<p>Novel, contentious or repercussive proposals in line with Managing Welsh Public Money, including, but not restricted to, proposals that:</p> <ul style="list-style-type: none"> • Are non-standard for the sector • Are politically sensitive and/or likely to attract negative media attention • Could result in unwelcome consequences for the organisation and/or for the wider public sector • Could set a precedent for the sector and wider public sector 	<p>Sponsor, in conjunction with the appropriate policy teams, to prepare advice to discuss with Public Bodies Unit, who will seek written advice of the Corporate Governance Centre of Excellence and any other Body with expertise in the issue.</p>	<p>Additional Accounting Officer and Minister, as appropriate</p>
<p>Any course of action considered by the Board that would contravene the principles of regularity, propriety, prudent and economic administration,</p>	<p>Sponsor to prepare advice to Additional Accounting Officer</p>	<p>Additional Accounting Officer</p>

efficiency and effectiveness and which the CEO has advised against.		
Policy or practice change that has wide financial implications	Sponsor to prepare advice to Head of Budgetary Control copied to Public Bodies Unit	Minister, as appropriate
Staff remuneration & terms and conditions	Sponsor to submit proposals to Head of Pay and Remuneration, Public Bodies Unit on: <ul style="list-style-type: none"> • changes falling outside WG public sector pay principles; • organisational design changes likely to lead to severances 	Minister, as appropriate
Anything that might affect the future level of resources required, e.g. potential budget pressures or underspends	Sponsor to consider	Welsh Government Finance Director, as appropriate

Other Notification Arrangements

During the transition period, CEOs should notify sponsors at their quarterly monitoring meetings of any other decisions they have made or are likely to make in the next quarter that would previously have been referred to the Welsh Government.

Welsh Government Officials' Attendance at Board meetings

Officials also discussed with the First Minister the issue of WG officials attending Board meetings. Although the requirement for sponsors to attend Board meetings has been removed (except in the case of WG-owned companies), WG officials will reserve the right to attend Board meetings should they wish to provide advice or raise a concern on any issue. Advance copies of agendas and papers should therefore be provided to the sponsor in good time. In the case of WG-owned companies, a Welsh Government official must attend Board meetings on behalf of Ministers as shareholder.

I hope the above clarification is helpful.

Best regards,

Julia

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