



**Summary Minutes of the Board
Meeting, 21 December 2012**

Agenda Item: 3

Present:

Permanent Secretary (Chair)
Bernard Galton
James Price
Michael Hearty
June Milligan
Gareth Jones
Owen Evans
Jeff Godfrey
David Richards
John Howells
James Turner
Joanna Jordan

Secretariat:

Emma Alexander
Catherine Evans

In attendance:

Natalie Pearson
Ian Gibson (item 4)
Sharon Cross (item 5)
Matthew Denham-Jones (item 6)
Peter Ryland (item 7)
Andrew Slade (item 7)

Apologies:

Adrian Webb
Elan Closs Stephens
David Sissling

1. First Minister [Oral]

- 1.1 The Permanent Secretary welcomed the First Minister to the meeting. He also welcomed Owen Evans to his first Board meeting since his appointment as Director General for Education and Skills.
- 1.2 The First Minister said he had invited the Permanent Secretary, following his appointment, to consider his own vision for the civil service in Wales. He thanked David Richards, Director of Governance, for his role as Principal Accounting Officer in the interregnum.
- 1.3 The First Minister said the civil service should be seen as an exciting place to work and should continue to strive to be better. He was pleased to have seen the first two Acts come into force, namely the National Assembly for Wales (Official Languages) Act 2012 and the Local Government Byelaws (Wales) Act 2012 and felt it was crucial to continue to focus on delivering quality legislation.
- 1.4 The Government's priorities continued to be focused on jobs, growth and tackling poverty which he emphasised was the responsibility of all departments.

- 1.5 The Permanent Secretary said he had provided the First Minister with an update on what he had been focusing on during his first 100 days in post.
- 1.6 The First Minister and Director Generals (DGs) had a discussion around some current issues such as ICT, recruitment and promotion, empowering managers to manage, welfare reform and the financial position.
- 1.7 The First Minister said it was important that DGs were as open as possible with their respective Ministers in terms of flagging up any issues within their areas.
- 1.8 The Permanent Secretary thanked the First Minister for attending.

2. Permanent Secretary's Items [Oral]

Permanent Secretary's Reviews

- 2.1 The Permanent Secretary said he had received the report on the reviews and was impressed with the professionalism and speed of the work undertaken. DGs would be discussing the report and implementing recommendations early in the New Year. It was agreed that the Permanent Secretary should write to the steering groups, on behalf of the Board, to thank them for their work.

Director General (DG) Exception Reports

- 2.2 The Permanent Secretary invited DGs to share key issues from within their areas with Board colleagues. Issues raised included the proposed purchase of Cardiff airport, flooding in north Wales, the introduction of school banding, the Organ Donation, Asbestos and Social Services Bills, the People Survey, Silk Part 1 and the report of the Laidlaw inquiry into the Intercity West Coast competition, which June Milligan, Director General for Local Government and Communities, encouraged DGs to read. It was agreed that DGs should continue to highlight such reports to colleagues.
- 2.3 Bernard Galton, Director General, People, Places and Corporate Services (PPCS), gave a brief update on the recent ICT problems. He said he would ensure that DGs were consulted on dates for planned power shutdowns.
- 2.4 Bernard Galton, DG, PPCS, also referred to a letter from Mark Serwotka, General Secretary of the Public and Commercial Services Union. It was agreed that he and the Permanent Secretary would have a separate conversation about it.
- 2.5 The Permanent Secretary said he would have a separate conversation with Michael Hearty, DG, Strategic Planning, Finance & Performance (SPF&P) following his meeting with Nick Macpherson.

Remuneration Committee

- 2.6 James Turner, Chair of the Remuneration Committee, gave a brief update on the meeting held in November. Items discussed had included a review of the honours' nominations process and a discussion with Kathryn Bishop, Civil Service Commissioner.

Legislation

- 2.7 Michael Hearty, DG, SPF&P, gave a brief update on legislation. Work was being undertaken to look at the allocation of resources between the Legislation Programme Unit and the Improvement team to assist colleagues with delivering on the programme. The Permanent Secretary said he hoped that the new Programme for Government Delivery Group would also help with this process.

Operations Group

- 2.8 John Howells, Chair of the Operations Group, gave a brief update on the November meeting where items discussed had included iShare, the use of the 9 box grid results and staff numbers. It was agreed that John Howells should write to DGs, on behalf of Operations Group, to seek assurance on affordability moving forward.

3. Minutes of 30th November and Matters Arising [Board(12)063]

- 3.1 The minutes of the meeting held on 30th November were agreed as an accurate record.

4. Review of Corporate Risks [Board(12)064]

- 4.1 Michael Hearty, DG, SPF&P introduced the paper, which asked the Board to agree the list of corporate risks and to each risk being assigned an owner. He hoped to take a draft Risk Register to the Corporate Governance Committee (CGC) in January. If the CGC was content, it would be brought back to the Board for final approval.

- 4.2 The following points were made in discussion:

The register showed greater coherence between the Cabinet and civil service's priorities;
Progress had been made but it was crucial to ensure that the CGC and the Non-Executive Directors were content with the register;
A broader conversation about the risk culture should be scheduled for a future meeting.

- 4.3 It was agreed that the following changes should be made to the risk register:

A form of words around ICT systems resilience should be provided to Michael Hearty for inclusion in the register;
The list should be separated into policy and corporate risks;
The register should include a third, non-strategic, heading/category. It was agreed that Michael Hearty would speak to DGs individually to capture items under this category;

The capacity and capability of the organisation to handle change should be added;
The risk on managing public money should capture *Managing Welsh Public Money* responsibility for securing value for money as well as financial accounting issues;
The Silk Commission and other big changes on the horizon should be added to the register;
The risk around stakeholders should include reference to partners in Wales.

- 4.4 It was also agreed that a provisional list of risk owners would be circulated to DGs.

5. People Survey 2012 [Board(12)065]

- 5.1 Sharon Cross, Corporate Research, introduced the paper, which informed the Board of further analysis from the People Survey 2012 and provided an opportunity for discussion about how the organisation should respond to the results.

- 5.2 The following points were made in discussion:

Overall the results were positive, although there were still areas for improvement;

In its response to the survey, the Board should focus on tools and technology, leadership and managing change and taking action;

A paper for the Board should be prepared setting out the potential areas of focus in relation to ICT;

Spotlight surveys would be undertaken to try to find out further information behind some of the responses given;

Taking local action in response to issues raised could have a greater impact on staff than purely corporate action;

Consideration should be given to greater engagement with middle managers across the organisation as they were often at the heart of change.

- 5.3 It was agreed that communications to staff around action being taken in response to the survey would be linked to communications around the Permanent Secretary's Reviews and also highlight work already in hand to address some of the issues raised.

6. Financial Management Performance Report [Board(12)066]

- 6.1 Matthew Denham-Jones, Head of Budgetary Control and Reporting, gave an oral update on the Month 8 financial position and noted that some figures had been circulated but a full report would be circulated to the Board in the New Year once the figures had been finalised.

- 6.2 The Board discussed the implications arising from the latest position and the Permanent Secretary thanked Matthew Denham-Jones for the update.

7. Foreign Exchange Risk[Board(12)067]

- 7.1 Andrew Slade, Director, EU Policy and Funding, introduced the paper which updated the Board on the risk to Welsh Government funds should the Euro weaken against Sterling.
- 7.2 He said that the end of a programme management period was approaching and with the added uncertainty regarding the exchange rate, planning assumptions had been changed to a rate of €1.25 to build in more flexibility. The team had also spoken to all departments with projects and identified priorities for delivery. If the exchange rate increased to €1.30 or above, the department would have to revisit its commitments.
- 7.3 Following a discussion, it was agreed that the option of committing funds in Euros in some areas should be explored and advice provided to the Board for consideration.

8. Any other business

- 8.1 No other items of business were raised.

Board Secretariat, 3 January 2013