



**Summary Minutes of the Board
Meeting, 22 March 2013**

Agenda Item: 2

Present:

Permanent Secretary (Chair)
Bernard Galton
Owen Evans
James Price
June Milligan
Gareth Jones
Jeff Godfrey
David Richards
Elan Closs Stephens
James Turner
Adrian Webb
David Sissling
Lynne Hamilton

In attendance:

Natalie Pearson
Hugh Rawlings (item 3)
Martin Sollis (item 4)
Rhodri Asby (item 5)

Apologies:

Michael Hearty
John Howells

Secretariat:

Emma Alexander
Catherine Evans

1. Permanent Secretary's Items [Oral]

Cabinet Reshuffle

- 1.1 The Permanent Secretary briefly referred to the Cabinet reshuffle which had seen the addition of two new Cabinet Ministers and highlighted the Government's commitment to tackling poverty by appointing a Minister for Communities and Tackling Poverty. For the benefit of the Non-Executive Directors, he asked the Director Generals to outline any changes to their areas as part of their exception reports.

Director General (DG) Exception Reports

- 1.2 The Permanent Secretary invited DGs to share key issues from within their areas with Board colleagues. Issues raised included the impact of the reshuffle, the UK budget, public sector pay, Natural Resources Wales, the creation of the University of South East Wales, Jobs Growth Wales and the development of Welsh Language Standards.

Review Steering Group

- 1.3 David Richards, Chair of the Steering Group, said that the redesign of the central services was in hand and a draft plan was due to be sent to the Permanent Secretary the following week.

Remuneration Committee

- 1.4 James Turner, Non-Executive Director and Chair of the Remuneration Committee, gave a brief update on the meeting held in February. Items discussed had included interim proposals for SCS structures.

Operations Group

- 1.5 In the absence of the Chair of Operations Group, David Richards, Director of Governance, gave an update on the February meeting. Items discussed had included the Reviews, succession planning, mandatory training for finance skills and ICT.

Governance

- 1.6 David Richards gave a brief update on governance issues and said that a register of joint arrangements across the organisation was being drawn up.

Legislative Programme Board

- 1.7 The Permanent Secretary briefly referred to the Legislative Programme Board which had met the previous day. Items discussed had included the Control of Dogs Bill and the Education Bill.

Corporate Governance Committee

- 1.8 Elan Closs Stephens, Non-Executive Director and Chair of the Corporate Governance Committee briefly referred to the recent Corporate Governance Training Day. She said it had been a worthwhile day and she thanked the Permanent Secretary and her Non-Executive Director colleagues for attending.

Programme for Government Delivery Group

- 1.9 The Permanent Secretary said the Programme for Government Delivery Group had met the previous day and discussed work relating to the Tackling Poverty Action Plan which would be submitted for Cabinet approval.

2. Minutes of 22nd February and Matters Arising [Board(13)013]

- 2.1 The minutes of the meeting held on 22nd February were agreed as an accurate record.

3. The Silk Commission Process: Some Internal Implications for the Welsh Government [Board(13)014]

- 3.1 Hugh Rawlings, Director, Constitutional Affairs & Inter-Governmental Relations, introduced the paper, which was provided for the Board's information. He said that staff needed to be kept informed and he

would continue to hold sessions for staff on Silk. He also said that work was needed to build up the Treasury function, although the exact shape and resources needed would depend on the UK Government's response to Silk I.

- 3.2 Hugh said that the Commission was expected to publish its report on Silk Part II in the Spring of 2014.
- 3.3 The Board discussed the implications of Silk and the need to ensure the appropriate skills and resources in the organisation. The Permanent Secretary thanked Hugh Rawlings for facilitating the discussion.

4. NHS Finances [Board(13)015]

- 4.1 Martin Sollis, Director of Finance, introduced the paper, which provided an update on NHS financial risks in 2012/13 and 2013/14 and beyond.
- 4.2 Martin reminded the Board of the Welsh Health Service financial position in the context of the Comprehensive Spending Review 2010 and the continuing Austerity and NHS pressures.
- 4.3 He said that regular discussions were taking place with Chief Executives and Directors of Finance to manage the end of year position for 2012-13 and this would continue to be monitored closely.
- 4.4 For 2013-14, 3 year plans were being drawn up by each LHB based on the challenging financial outlook and it was clear that while plans were at an early stage, the scale of challenge was significant and organisations would need to be supported through this process to ensure that any changes rightly focused on maintaining service quality and patient safety.
- 4.5 The Board noted the challenges facing the NHS and the mitigating actions. Members commented that the delivery of the current range of NHS Services would be exceptionally difficult within a flat cash settlement and in the absence of additional revenue resources very significant options for change would need to be considered. They also noted that these matters were the subject of current discussions with SPF&P and Ministers as part of the ongoing budget discussions. The Permanent Secretary thanked Martin Sollis for the update.

5. Sustainable Development Bill [Board(13)016]

- 5.1 Rhodri Asby, Deputy Director, Sustainable Development, delivered a presentation on sustainable development, which complemented the Board paper on the development of the Sustainable Development Bill.
- 5.2 The following points were raised:

- There was a connection between sustainable development and wellbeing;
- Sustainable development should be the organising principle behind all programmes and policies;
- Sustainable development needed to be better understood;
- The Sustainable Development Bill would provide an opportunity to integrate the policy gateway and bring different strands together;
- The Bill would outline a framework for how best to do things;
- A practical explanation of the Bill was needed, specifying the behaviours that needed to change;
- The Bill would impose a set of values on the public service;
- The Bill provided an opportunity for coherence, in bringing together a number of duties.

5.3 The Permanent Secretary thanked Rhodri for the presentation and it was agreed that consideration should be given to scheduling a further discussion with the Board or DGs on this issue.

6. Monthly Finance Report [Oral]

6.1 Lynne Hamilton, Director of Finance and Procurement, said that due to the timing of the meeting, it had not been possible to provide a written report but once the figures had been finalised, a full report would be circulated to the Board and discussed at the Director General meeting on 11th April.

6.2 Lynne Hamilton gave an oral update on the Month 11 financial position. The Board discussed the implications arising from the latest position and the Permanent Secretary thanked Lynne for the update.

7. Any other Business

7.1 No other items of business were raised.

Board Secretariat, 26 March 2013