



Summary Minutes of the Board Meeting, 28 November 2014

Present:

Permanent Secretary (Chair)
Gareth Jones
Michael Hearty
June Milligan
James Price
Owen Evans
Andrew Goodall
James Turner
Adrian Webb
Peter Kennedy
David Richards
Jeff Godfrey

In attendance:

Natalie Pearson
Lynne Hamilton (items 1&2)
Peter Ryland (item 2)
Allan Boyd (item 3)
Helen Morris (item 4)
Paul Sullivan (item 5)

Apologies:

Elan Closs Stephens

Secretariat:

Emma Alexander
Catherine Evans

For discussion

1. **Financial Management Performance Period 7 [Board(14)053]
Financial Management Forecasting Paper [Board(14)054]**
 - 1.1 Lynne Hamilton, Director, Finance and Commercial, introduced the report on the Welsh Government's 2014-15 forecast outturn and reserves position as at 31 October 2014 (month 7).
 - 1.2 Following a brief discussion about the implications arising from the forecast outturn, the Permanent Secretary thanked Lynne for the report.

Financial Management Forecasting Paper

- 1.3 Lynne Hamilton introduced the paper which asked the Board to note the ongoing work by the Heads of Finance (HoF) network and endorse and discuss the recommendation contained in the paper. She said the HoFs had recognised a lot of good practice across the organisation but there was still some work to be done.

- 1.4 Following a brief discussion, the Board endorsed the principle of strengthening budget holder accountability as recommended in the paper.

For decision

2. Foreign Exchange Risk [Board(14)055]

- 2.1 Peter Ryland, Deputy Director, Programme Performance and Finance, introduced the paper which updated the Board on risks to Welsh Government funds in respect of Euro/Sterling exchange rates and audit issues. The paper presented a single planned approach to manage both issues.
- 2.2 Following discussion, the Board agreed to the planned approach in principle, subject to discussions with the Wales Audit Office and Ministerial approval. They also requested work be undertaken on a long-term strategy.

3. Security Update [Oral]

- 3.1 Allan Boyd, Welsh Government Security Adviser gave a short update on security issues. Following a brief discussion, the Permanent Secretary thanked him for the update.

4. Risk Management Policy and Framework [Board(14)056]

- 4.1 Helen Morris, Deputy Director, Corporate Governance and Assurance, introduced the paper which asked the Board to approve the revisions made so far to the draft risk management policy and framework including the statement on risk appetite, confirm its agreement to the proposed changes to the risk register format and commission her to undertake the further changes to the Risk Essentials document around Annex 1 and to draw up some worked examples to support Annex 5.
- 4.2 She highlighted the following points:
 - The layout could be improved and the register contained too many detailed risks;
 - She suggested that a risk be defined as a barrier that could prevent the achievement or delivery of an objective;
 - Inherent risks should be reduced to residual risks through the current measures in place. There should be a separate column for 'future mitigating actions' if current measures did not achieve the desired outcome;
 - Failure of a control was not in itself a risk.
- 4.3 The following points were raised in discussion:

- The Board was comfortable with its risk register but welcomed a fresh perspective;
- It was agreed that it would be good to see some examples worked into the suggested revised framework;
- Consistency of approach to risk management was needed across the organisation.

4.4 The Permanent Secretary said it would be important to see examples worked into the framework and for this to be shared in correspondence to allow the Board to comment and populate with suggested portfolio examples. The final proposals should be brought back to the Board for approval as part of a session on reviewing risks.

5. Welsh Government Administrative Estate – Location Strategy [Board(14)057]

5.1 Paul Sullivan, Head of Facilities Management, introduced the paper which asked the Board to note the imminent successful delivery of the current Location Strategy 2010-2015; consider and agree the aims, principles and proposals for the next five-year phase of the Location Strategy 2015-2020; and note the intention to formally consult with the TU Side on the proposed new Strategy 2015-2020.

5.2 He highlighted the following points:

- The current location strategy had transformed and improved the estate and also contributed to achieving some of the objectives in the Climate Change Strategy;
- The new strategy was a continuation of the current approach and had been developed collectively based on departmental location plans;
- The final version of the new strategy would be brought back to the Board before March 2015 once consultation with the TU Side was complete.

5.3 Following a discussion, on behalf of the Board, the Permanent Secretary thanked Paul and his team for delivering the current strategy. The Board agreed the aims of the new strategy in principle, subject to Ministerial comment and approval.

5.4 It was agreed that a response should be issued to the Trade Union Side following comments raised about the strategy.

6. Draft Minutes of 26th September and Matters Arising [Board(14)058]

6.1 The minutes of the meeting held on 26th September were agreed as an accurate record.

7. Permanent Secretary's Items (Oral)

Health, Safety and Wellbeing Corporate Plan 2013-16 [Board(14)059]

7.1 Peter Kennedy, HR Director, introduced the paper which asked the Board to approve the Health, Safety and Wellbeing Corporate Plan 2013-16. As it was a three-year plan, there was no legal requirement for the Plan to be resubmitted to the Board, however, it was an opportunity for the Board to be sighted on progress. He noted that further work was needed to update the action schedule accompanying the Plan.

7.2 The Board noted the Plan and the further work that needed to be undertaken. They also noted the requirement for health and safety training at Board level and expressed a desire for this to be done collectively.

7.3 Director General (DG) Exception Reports

The Permanent Secretary said he had written a blog in support of White Ribbon Day on 25th November. The White Ribbon Campaign was an international campaign which engaged men and boys in the challenge to end violence against women and girls.

The Permanent Secretary invited DGs to share key issues from within their areas with Board colleagues. Issues raised included Schools Challenge Cymru, the Welsh Language Standards, the Rural Development Programme, the Smith Commission report, the recent Legislative Programme Board meeting, Rail Electrification, Jobs Growth, NHS Wales and Local Government Reform. June Milligan, Director General, Local Government and Communities said a core brief on local government reform would be circulated to the Board on a regular basis. She also referred to the Tackling Poverty, Lift Programme, and encouraged colleagues to consider offering placements in their own areas as part of this initiative.

7.4 SCS Remuneration Committee

James Turner, Non-Executive Director and Chair of the SCS Remuneration Committee gave a brief update on the meeting held in September. The Committee had welcomed James Price, Director General, Economy, Science and Transport as the new DG representative (in place of June Milligan, DG Local Government and Communities) and items had included a discussion with Paul Neilson, FDA Union National Officer for Wales.

7.5 Operations Group

Peter Kennedy, HR Director and Chair of the Operations Group, gave a brief update on the meeting held on 12th November. The Group had discussed the new Shared Parental Leave Regulations due to come into force. The UK wide Civil Service had embedded its approach to mirror the rates of Occupational Pay for maternity leave into the Management Code.

The Group had had a discussion with some of the Senior Responsible Owners from offices outside of Cardiff, as part of increasing engagement and giving them an input into the work of the Group. The

SROs had raised the importance of Cathays Park officials making better use of video-conferencing facilities when planning meetings.

Finally, Peter noted that a paper on workforce planning would be discussed at December's Operations Group meeting.

7.6 *Corporate Governance Committee (CGC)*

In the absence of the Chair of CGC, David Richards, Director of Governance, gave a brief update on the meeting held on 14th October. Items discussed had included the improving financial management programme, the Non-Domestic Rating protocol and the latest Internal Audit Quarterly report. David also referred to the CGC Awayday held on 4th November, which had been a successful and well-organised event.

8. Any other Business

8.1 No other items of business were raised.

Board Secretariat, 1 December 2014