

**Wales Office
Departmental Board**

**Minutes of meeting held on
Wednesday, 2 December 2015**

Member Present

Director of the Wales Office and Chair
Lead Non-Executive Director
Non-Executive Director
Deputy Director, Constitution and Corporate Services
Deputy Director, Principal Private Secretary
Deputy Director, Head of Communications

In Attendance

Head of Finance & Corporate Services
Policy Team Representative
Board Secretary

Apologies

Head of Policy
Head of Human Resources

1 Introduction and Apologies

1.1 The Director welcomed members and attendees. Apologies were received from Head of Human Resources (HR) and the Head of Policy.

2.1 Minutes of the Meeting Held on 24 September

2.1.1 The Lead Non-Executive Director noted that action 4.2.1 required a small amendment. The Non-Executive Director suggested that the Minutes should note that the meeting was held in Cardiff.

2.1.2 The Board agreed to amend the minutes to reflect the points raised.

ACTION 1: Board Secretary to amend Departmental Board Minutes of 24 September 2015 and circulate to the Board prior to the next meeting for clearance.

2.1.3 The Chair stated that subject to the agreed amendments, the Minutes had been approved by the Board.

2.2 Review of actions arising at Departmental Board Meeting of 24 September 2015

2.2.1 The Head of Finance & Corporate Services stated to the Board that the Action Points and Minutes of the meeting of 24 September had been circulated very late, and as a result members and attendees had been unable to complete their actions by this meeting as planned. He added that he would provide a verbal update on the action points assigned to Corporate Service.

The Secretariat apologised to the Board for the delay in issuing the Minutes and review of Action Points arising.

2.2.2 Action 1:

The Board Secretary confirmed that Action 1 was incomplete; *'Circulating minutes of the Strategy Board held on 13 July 2015 to Board Members for approval'*, and agreed to circulate the Strategy Board Minutes for clearance straight after the meeting.

ACTION 2: Board Secretary to circulate Minutes of the Strategy Board held on 13 July 2015 to members.

2.2.3 Action 2:

The Head of Finance & Corporate Services confirmed that Action 2 was complete, *'Establish whether there is an agreed response time with MoJ for disabling an activated fire alarm'*. The Wales Office has a Service Level Agreement (SLA) with the MoJ which states that an engineer will attend Gwydyr House within 1 hour of notification of the activation of the fire alarm. He stated that MoJ aims to attend Gwydyr House within half an hour.

2.2.4 The Deputy Director, Constitution and Corporate Services felt that one hour seemed a long time if Ministers were within the Office when the fire alarm was activated, He suggested that Corporate Services might wish to investigate the possibility of achieving a lower response time. He also added that the MoJ would attend the site as soon as possible once informed by the Wales Office of an incident.

2.2.5 The Lead Non-Executive Director noted that the SLA would shortly be up for renegotiation, and that might be an opportunity to explore whether the response time could be reduced.

ACTION 3: Head of Finance & Corporate Services to investigate possibility of a shorter response time in the SLA for an engineer to attend the site following the activation of a fire alarm.

2.2.6 Action 3 – Ongoing – Completion Date, February 2016

The Head of Finance & Corporate Services noted that the next available FICO training course was in February 2016, and that Corporate Services were investigating the possibility of the Director's Executive Assistant, attending this course. The Board noted that the Corporate Services assistant, was already FICO trained.

2.2.7 In respect of fire training for the Day Security Guard, the Head of Finance & Corporate Services informed the Board that the guard was not directly employed by MoJ and that any training was the responsibility of the security company.

ACTION 4: Head of Finance & Corporate Services to investigate the possibility of the Director's Executive Assistant attending a FICO training course in February 2016.

2.2.8 **Action 4** – Ongoing – Deadline, 11 December 2015

The Chair noted that he was yet to receive Directorate Specific Departmental Business Plans from Private Office and Communications Directorates.

2.2.9 The Board agreed that all Directorate Specific Business Plans should be provided to the Director in the New Year and then circulated to members of the Board.

ACTION 5: SMT to provide Directorate Specific Business Plans to the Director in the New Year.

ACTION 6: Board Secretary to circulate all Departmental Business Plans to Board Members.

2.2.10 **Action 5**

Policy Team Representative confirmed to the Board that Action 5 was now complete; *'Reintroduce Risk P3 to the Departmental Risk Register'*.

2.2.11 **Action 6**

The Board Secretary updated the Board that, as set out in Below the Line paper 4.1, Departmental Board Forward Work Programme & Dates, Action 6 had been completed: *'Incorporate annual update on Departmental Anti-Fraud and Whistle Blowing Policies into the Forward Work Programme'*.

2.2.12 **Action 7**

In the Head of HR's absence, the Board Secretary noted that he had investigated whether there was a section on Fraud & Whistle Blowing within the Wales Office Induction Pack, and could confirm that it was not included.

ACTION 7: Head of HR to add the Fraud and Whistle Blowing Policy to Wales Office Induction Pack

2.2.13 **Action 8** – Complete

The Head of Finance & Corporate Services noted that he had added information to the Fraud & Whistle Blowing Policies clarifying when members of staff should approach Non-Executive Directors with suspected instances of fraud.

2.2.14 **Action 9** – Complete

The Board Secretary noted that, with the inclusion of paper 4.1 at the meeting, Action 9 had been completed.

2.2.15 Action 10 – Complete

The Board Secretary confirmed that Gifts & Hospitality, Policy & Procedures Update had been added to the Forward Work Programme.

2.2.16 Action 12 – Ongoing

The Head of Finance & Corporate Services updated the Board, stating that Corporate Services were in the process of completing Action 12, and would circulate the renewed Gifts & Hospitality Guidance to staff in the New Year.

2.2.17 Action 13 & Action 14

The Deputy Director, Constitution and Corporate Services confirmed that Action 13 was complete.

2.2.18 The Lead Non-Executive Director noted that Audit Committee regularly reviewed Directorate Risk Registers, and that next week (*w/c 7 December 2015*) the Policy Directorate's Risk Register would be considered.

2.2.19 Action 15

The Head of Finance & Corporate Services updated the Board, noting that Risk Workshops were running in Ministry of Justice, and that Corporate Services were organising a Wales Office specific risk workshop in February. The Non-Executive Director noted that there were specific courses on understanding Risk on Civil Service Learning, and that the office may wish to consider investigating these.

2.2.20 Action 16 & 17

As agreed at the previous meeting, Finance Updates would be included as Above the Line items at each meeting attended by Ministers, or when otherwise recommended by Audit Committee.

2.2.21 The Board Secretary noted that forward dates had been provided to the Board with paper 4.1.

3.1 Review of Departmental Board Business Plan

3.1.1 The Chair introduced the paper, noting that it was timely for the Board to review the Business Plan following the announcement of the Spending Review.

3.1.2 The Non Executive Directors asked the Board for more information about the Wales Office Economic Advisory Board (*Objective 1, Section A, Bullet 2*). Deputy Director, Constitution and Corporate Services queried how this objective had a completion date of 'November 2015 but was still ongoing?

The Deputy Director, Principal Private Secretary responded by providing a brief overview of the Economic Advisory Board, noting that the Board was comprised of representatives from Welsh Businesses; and that membership was predominantly from the Private Sector. The completion date reflected the need to renew the Board following a period of hiatus after the General Election (May 2015). The Deputy

Director, Principal Private Secretary added that the last meeting (19 November 2015) had been a success, and the Secretary of State was pleased with the meeting's outcomes.

- 3.1.3 The Non-Executive Director asked why the Economic Advisory Board was not aligned to the Welsh Government's Council for Economic Renewal. It was confirmed that they should be seen as complementary and that membership had been offered to the Welsh Government.
- 3.1.4 The Deputy Director, Principal Private Secretary noted that over the last year, 85% of all of the inward investment received by Wales has been secured with the support of UKTI, and that this was a relationship that the Wales Office needed to continue to develop.

ACTION 8: Deputy Director, Constitution and Corporate Services to remove date of November 2015 from Objective 1, Section A, Second Bullet (pg 4)

- 3.1.5 The Non-Executive Director asked for an update on Objective 1, Section A, Bullet 5: *"Provide momentum and ambition to plans for a Cardiff City Deal, working with local stakeholders, council leaders, Welsh Government and colleagues across Whitehall."*
- 3.1.6 The Deputy Director, Principal Private Secretary noted that the Chancellor of the Exchequer was very supportive of the Deal in principle; however for it to progress, the UK Government needed to be provided with detailed proposals and associated costs.
- 3.1.7 Deputy Director, Constitution and Corporate Services asked, with reference to Objective 1, Section A, Bullet 6, *'Promote investment in North Wales to ensure it benefits from the Northern Powerhouse, including supporting local partners in preparing a robust business case for improving the North Wales main line'*, why a deadline of September 2016 had been set. This would be raised with The Head of Policy.
- 3.1.8 Lead Non-Executive Director queried whether the deadline provided for Objective 1, Section A, Bullet 7, *'Work with the Department for Transport and the Welsh Government to ensure that the agreement to electrify the South Wales rail network, and devolve responsibility for the Wales & the Border rail franchise to the Welsh Government, is implemented', 'by the end of 2018'*, was still applicable.

ACTION 9 Policy Official to confirm whether the 'by the end of 2018' deadline referred to in Objective 1. Section A Bullet 7 is still applicable.

- 3.1.9 The Deputy Director, Principal Private Secretary provided an update on Objective 1, Section A, Bullet 9, *'Work with the Department for Culture, Media and Sport to ensure that Welsh interests continue to be reflected in UK Government broadcasting policy, particularly in relation to S4C and the outcomes forthcoming from the BBC*

Charter Review, noting that PuSS (HoC) recently met with members of S4C (Wednesday, 2 December 2015), and future funding was a key concern.

3.1.10 With reference to Objective 1, Section A, Bullet 12, '*Work with the Department for Transport on plans to end the Severn Bridge concession with the aim of bringing down the tolls on the crossing to ease burdens on small business and support cross border economic activity with an announcement by May 2016*', the Chair noted that the Wales Office needed to keep a sharp eye on the development of toll charges across the Severn Crossing.

3.1.11 The Deputy Director, Constitution and Corporate Services noted that the Severn Crossing Bridge timescale was currently 'ongoing' and felt that it would be beneficial for an exact end-date to be considered for inclusion. It looked a little odd to refer to a May announcement in the body of the text but then describe the target date as ongoing.

3.1.12 The Deputy Director, Principal Private Secretary thought it possible that there may be more certainty by Budget 2016, and so March might be a better target date than May.

3.1.13 The Non-Executive Director noted that it was inevitable that the Severn Crossing Tolls would increasingly become an even hotter topic during the forthcoming Welsh Assembly Elections.

ACTION 10: Policy Official to consider suitable timescale for inclusion at Objective 1, Section A, Bullet 12

3.1.14 The Deputy Director, Constitution and Corporate Services suggested the removal of the reference to the '*Campaign Truck*' in Objective 1, Section B, Bullet 3.

ACTION 11: Policy Official to remove the reference to the Campaign Truck in Bullet 3, Section B, Objective 1

3.1.15 The Lead Non-Executive Director invited Deputy Director, Constitution and Corporate Services to update the Board on the progress of the draft Wales Bill, noting that the recently announced removal of a requirement for a referendum on the devolution of Income Tax could create issues as the Bill progresses through Pre-Legislative Scrutiny.

3.1.16 The Deputy Director, Constitution and Corporate Services agreed with the Lead Non-Executive Director that it would be an issue, and that the Welsh Affairs Committee were sure to refer to it. The Deputy Director, Constitution and Corporate Services also noted that the necessary provisions were not in the current draft Wales Bill, but were likely to be there when the Bill was introduced.

3.1.17 The Non-Executive Director noted the reference to extremism at Objective 3, Section B, Bullet 4 but wondered whether something was also needed around migration in

light of the Syrian Refugees issue. The Policy Team Representative confirmed that migration was referred to in the Policy Directorate's Business Plan.

3.1.18 Deputy Director, Constitution and Corporate Services expressed some concern that, with turnover of staff, the Department's work on the Welsh Language might have lost momentum, and our links with the Welsh Language Commissioner's Office weakened.

3.1.19 The Non-Executive Director suggested that now may be a good opportunity for Policy to assess the situation, and decide what further action might be required. The Policy Team Representative would discuss the issue with the Director.

ACTION 12: The Policy Team Representative to discuss Welsh Language going forward with the Director

3.1.20 The Chair invited The Deputy Director, Head of Communications to provide an update on Objective 4;

3.1.21 The Deputy Director, Head of Communications stated that although the publication of the draft Wales Bill had led to some negative media coverage through October and November 2015, more broadly the Department was now back on the front foot. The Deputy Director, Head of Communications added that his Team were currently working on new Media Evaluation and that he was due to meet with the Government Director of Communications to discuss.

3.1.22 Drawing the agenda item to a close, the Chair asked the Board whether it was content that the Wales Office Business Plan was focussing on the right areas. The Non-Executive Director confirmed that she was reassured by the updates provided, but would welcome the changes that had been agreed. The Deputy Director, Principal Private Secretary felt that it would be worthwhile for the Plan to capture the role of the UK Governance Group as the Wales Office was a significant contributor to the Group.

3.1.23 The Chair suggested that Objective 3 might be a suitable place to add a UK Governance Group dimension to the Departmental Business Plan. The Plan might also want to mention the Department's work on English Votes.

ACTION 13: Deputy Director, Constitution and Corporate Services to consider the potential to add a reference in the Business Plan to the Wales Office's contribution to UKGG

3.2 Strategic Risk Register

3.2.1 The Chair presented the Departmental Strategic Risk Register to the Board. He stated that in reference to the reintroduction of Risk P3, every Government Department was in the process of agreeing a Departmental Capability Plan, which would need to be approved by the Head of the UK Governance Group.

- 3.2.2 Lead Non-Executive Director noted that the Wales Office Audit Committee would be considering the Strategic Risk Register at its meeting the following week (*w/c 7 December 2015*).
- 3.2.3 The Board noted the high risk associated with the Bill, and the pressures on what was a very small Bill Team. Deputy Director, Constitution and Corporate Services felt that although the Bill Team were currently under a significant amount of pressure, they were coping well with the situation, and there was no reason to cite the Bill Team itself as being at particular risk.
- 3.2.4 The Chair stated that, in a small Department, loss of knowledge and expertise was always going to be an issue throughout the organisation. Risk G3 was intended to capture this risk but it could perhaps be better articulated. The Chair invited the Deputy Director, Constitution and Corporate Services to consider the wording further.
- 3.2.5 Lead Non-Executive Director agreed with the Chair's point, but emphasised that the revision of G3 should not merely express that the Office required more resources. The Deputy Director, Principal Private Secretary suggested that the Wales Office needed to manage the turnover of staff more effectively and review current HR recruiting procedures.

ACTION 14: Deputy Director, Constitution and Corporate Services to consider how Risk G3 could better reflect the impact that the departure of staff has on the Wales Office.

3.3 Finance Update

- 3.3.1 The Chair introduced the Finance Update Paper, noting that it focused on the current budget and did not include consideration of the recent Spending Review (*25 November 2015*). The paper was tabled as an update.
- 3.3.2 Head of Finance & Corporate Services provided the Board with the paper's headlines:
- The Wales Office budget for 2015-16 is £4.432m (£4.407m Resource and £0.025k Capital).
 - As at the mid point of the financial year (September 2015), there was a current forecast Total Departmental Expenditure Limit (DEL) underspend for the year of £327k. The forecast underspend is £352k in Resource and an overspend of £-25k in Capital against the Estimate.
 - The Wales Office maintained a reserve of around 5% of its annual Departmental Expenditure Limit (DEL) and this was included in the forecast underspend figure. The current Wales Office reserve was £222k, which was 5% of total DEL.
- 3.3.3 The Deputy Director, Principal Private Secretary queried why 'Hire of Cars' and 'Travel & Subsistence' were listed as separate items. The Head of Finance &

Corporate Services confirmed that this disclosure was in line with agreed reporting requirements.

- 3.3.4 Lead Non-Executive Director noted the Office's current projected underspend and suggested that the Department consider where it might require additional resource. The Non-Executive Director drew attention to the discussion that had just taken place around Departmental resilience, and Deputy Director, Constitution and Corporate Services suggested that there was scope to improve security within the reception of Gywdyr House. In response to a query from the Deputy Director, Constitution and Corporate Services, Head of Finance & Corporate Services confirmed that the cost of the planned IT upgrade was already included within the financial projections and that security was being improved with an upgrade of the CCTV system.

3.4 Staff Engagement Survey

- 3.4.1 The Chair introduced the Staff Engagement paper. He confirmed that Deputy Directors were discussing the results with their teams, and that an Action Plan would be presented to the Board in due course.
- 3.4.2 Lead Non-Executive Director noted that the results were positive; however in comparison to the previous survey the results in Cardiff had fallen. The Non-Executive Director noted that in Cardiff, responses to questions surrounding leadership and management of change had gone down, and suggested that this was an area that might be explored further.
- 3.4.3 The Non-Executive Director also noted that scores for Learning & Development were relatively low; however, with reference to Paper 3.3, almost all of the budget allocated for Learning & Development had been spent. The Non-Executive Director suggested that the Office may wish to consider how more developmental opportunities could be offered to staff. The Deputy Director, Principal Private Secretary suggested that the UKGG might open up more possibilities for development, and it would be good to have a consistent approach across the Group.
- 3.4.4 The Board agreed that it would be beneficial for the head of HR to look further into the potential role for UKGG, and indeed all avenues of support for staff.

<p>ACTION 15: Kim Tester to consider the potential role for UKGG in providing mentoring and coaching opportunities for staff</p>

- 3.4.5 The Non-Executive Director concluded by noting that the Wales Office's performance in the staff survey was better than some other Departments, and that it was positive that the Office was nonetheless investigating how scores could be improved.

3.5 Autumn Spending Review 2015

- 3.5.1 The Chair invited Head of Finance & Corporate Services to provide the Office with an update on the Autumn Spending Review 2015
- 3.5.2 The Head of Finance & Corporate Services noted the following:
- The Chancellor of the Exchequer delivered his Spending Review (SR 2015) and Autumn Statement to Parliament on the 25th November;
 - The Wales Office Resource Departmental Expenditure Limit (RDEL) settlement from the SR maintains the Wales Office allocations from 2016-17 to 2019-20 at the same level as the 2015-16 budget (£4.34m) in real terms (i.e. the budget will rise each year with inflation).
- 3.5.3 The Lead Non-Executive Director congratulated Head of Finance & Corporate Services on the outcome, noting that flat real was better than flat cash. The result was better than anticipated. The Lead Non-Executive Director gave credit to Mark and his team for securing this outcome
- 3.5.4 The Non-Executive Director reiterated the Lead Non-Executive Director's congratulations but noted that there may also be some downsides. For example there might be an increased pressure on the Department to deliver raised Ministerial expectations and accelerate delivery.
- 3.5.5 The Non-Executive Director suggested that with this in mind, 2016/17 might be an opportunity for the Board to consider the organisational structure of the office. The Board agreed with The Non-Executive Director's points.
- 3.5.6 The Non-Executive Director further suggested that the Senior Team should consider the Office's long term ambitions, and whether a restructure would facilitate the attainment of these ambitions. Lead Non-Executive Director agreed that Deputy Directors should consider what they believed the Wales Office should look like in four years time.
- 3.5.7 The Lead Non-Executive Director proposed consideration be given to whether the Office would in the long term need to maintain three lawyers.
- 3.5.8 Deputy Director, Constitution and Corporate Services felt that the Wales Office currently had something of a 'long hours' culture, and that flexible working practices were not always easily available to staff. The Deputy Director, Constitution and Corporate Services suggested that this was one of the reasons that the Office did not retain staff, as it was not something that the Office could effectively commit to.
- 3.5.9 The Chair stated that the Office was in the process of upgrading IT, and that once this had been completed, it should be easier for staff to work from home and to achieve a better work-life balance.

3.5.10 The Deputy Director, Principal Private Secretary noted that, in line with the projected purpose of UKGG, the Office should work towards offering two-year loan contracts as standard, in which the majority of applicants are attracted from other Government Departments. Loan based contracts would promote employees re-entry into other Government Departments, providing the added bonus of improving each individuals, and larger Departments, wider understanding of devolution.

4 Below the Line

4.1 Departmental Board Forward Work Programme & Dates

4.1.1 The Chair introduced the Forward Work Programme and proposed dates for the next meetings. The Lead Non-Executive Director noted the importance of Ministers attending the next meeting.

4.1.2 The Chair agreed and tasked the Board Secretary to liaise with Private Office over future meeting dates.

ACTION 16: Board Secretary to liaise with Private Office (The Deputy Director, Principal Private Secretary) to ensure that the proposed dates for the Board Meetings are aligned with Ministerial diaries, and circulate an electronic copy of the Forward Work Programme to Board Members for comment.

ACTION 17: Board Secretary to book travel and hotels as required.

4.1.3 The Chair thanked members and attendees for their contributions. The next meeting was scheduled to take place on 2nd March 2016.