

**Wales Office
Departmental Board**

**Minutes of meeting held on
Thursday, 24 September 2015**

15 16 27

Member Present

Director of the Wales Office and Chair
Lead Non-Executive Director & Deputy Chair
Non-Executive Director
Deputy Director, Constitution and Corporate Services
Head of Policy

In Attendance

Head of HR
Deputy Chief Accountant (covering for the Chief Accountant and Head of Corporate Services)
Board Secretary

Apologies

Deputy Director, Principal Private Secretary
Deputy Director, Head of Communications
Chief Accountant & Head of Corporate Services

1 Introduction and apologies

- 1.1 The Chair opened the first Wales Office Departmental Board, welcoming members and attendees. Apologies were received from the Deputy Director, Principal Private Secretary, the Deputy Director, Head of Communications and the Chief Accountant & Head of Corporate Services.
- 1.2 The Chair confirmed that new governance arrangements have come into force following agreement at the last Wales Office Strategy Board meeting held in July. The two existing Wales Office Boards (Management Committee and Strategy Board) had been merged into one Departmental Board and this was the first meeting of the new Departmental Board.
- 1.3 It was agreed that the Board would be chaired by the Secretary of State, or the Director if Ministers were not present, and that Ministers would attend at least two meetings a year, or more as required depending on what was to be covered at the meetings. The Secretary of State had requested that papers for all meetings be shared with Ministers irrespective of whether they would be in attendance.

2. Minutes from Previous Meetings

- 2.1.1 The minutes of the Management Committee held on the 16 June 2015 were agreed.
- 2.1.2 The Board agreed that following investigations completed by the Board Secretariat (*ref: Action 2.3 of Management Committee, 16 Jun 2015*), and in line with other Departments, Summary Minutes would not be produced for each meeting, except under exceptional circumstances.
- 2.1.3 It was agreed that minutes of the previous Strategy Board, would be circulated to all Board members for approval.

Action 1: Board Secretariat to circulate the minutes of the Strategy Board held on 13 July 2015 to Board Members for approval.

2.2 Review of Actions arising from previous Management Committee Meeting

Action 3.3

- 2.2.1 The Lead Non-Executive Director & Deputy Chair queried the status of Action 3.3, in which Corporate Services were tasked with investigating whether the Service Level Agreement between WO and MoJ stipulated an agreed response-time for engineers to attend the London site (Gwydyr House) following the activation of a fire-alarm.
- 2.2.2 The Deputy Chief Accountant informed the Board that in the incident in question the Wales Office had not informed the MoJ straight away about the alarm, and that when notified MoJ came to deal with the incident as quickly as they could. Nevertheless Corporate Services would check with MoJ whether there was an agreed response-time to an incident and report back at the next meeting.

Action 2. Corporate Services to establish whether there is an agreed response time for the MoJ to deal with an activated fire alarm.

- 2.2.3 The Deputy Chief Accountant notified the Board that as a result of the previous incident, Corporate Services had organised a fire drill. This was a success, with London staff vacating the building and assembling at the fire safety point within three minutes. He added the Wales Office's Estates Manager, is undergoing FICO training, which will enable him to turn the fire alarm off in a test or non emergency situation.

- 2.2.4 The Board welcomed the update, and suggested that it may be pragmatic for more than one member of staff to be FICO trained e.g. the day security guard and executive assistant to the Director.

Action3. Corporate Services to investigate feasibility of the day security guard and executive assistant to the Director undertaking FICO training.

Action 4.1

- 2.2.5 The Non-Executive Director requested an update on the status of Action 4.1 (the production of Directorate Specific Business Plans). In the absence of The Deputy Director, Principal Private Secretary, the Secretariat informed the Board that Private Office's Directorate Specific Business Plan was yet to be finalised, but had been drafted.
- 2.2.6 The Constitution and Policy directorates supplied finalised versions of their Directorate Specific Business Plans to the Board, and were thanked for their diligence. The Head of Communications was unfortunately not able to attend the meeting but the Board asked that his plan be presented to them at their next meeting.
- 2.2.7 The Deputy Director, Constitution and Corporate Services noted that the Communications Directorate's Forward Look Grid would not suffice as a substitute for a Directorate Specific Business Plan, as it did not cover the timeframe required (*Communications Forward Look covers September to December 2015; Business Plans must cover the period 2015 to 2020*).

Action4: Private Office and Communications to provide their Directorate Specific Business Plan to the Director and present their plan to the Board at the next meeting.

Action 4.2

- 2.2.8 The Chair invited The Deputy Director, Constitution and Corporate Services to update the Board on Action 4.2, *'Consideration of the removal of risk P3 from the Department's Strategic Risk Register' (Risk Summary: Wales' interests not fully reflected in the policy and legislation work of UK Government, poor knowledge of devolution settlement across Whitehall, and perceived failure of the devolution process)*.
- 2.2.9 The Deputy Director, Constitution and Corporate Services explained that following the Wales Office Strategy Board, 13 July 2015, it was agreed that Risk P3 would be removed from the Department's Strategic Risk Register. He attributed the removal of the risk to the formation of the UKGG (UK Government Group), and the subsequent transfer of overarching responsibility for the risk to Cabinet Office. As this was not something that the Wales Office was directly responsible for, it had been suggested that the risk would be removed from the register.

2.2.10 The Non-Executive Director queried the removal of Risk P3 from the Register, noting that the level of other Government Departments' understanding of Welsh Devolution must be a direct risk to the Department, and was something that was reflected in the Departmental Business Plan. She suggested that there was still value in maintaining the risk as, at least, a watching brief. She suggested reintroducing the risk with a slight amendment to the former wording to reflect the new situation.

2.2.11 The Chair noted that UK Government Departments were currently drafting Department specific Devolution Capability Plans. These plans were due for submission to the Permanent Secretary of UKGG in the near future, and should help mitigate the risk. However, it was important that the Wales Office ensured that Welsh issues were appropriately reflected in those Capability Plans.

Action 5. : The Head of Policy to reintroduce Risk P3 to the Departmental Risk Register

Action 4.4

2.2.17 The Deputy Chief Accountant provided the Board with an update on progress against Action 4.4, noting that the new foreword to the Department's Annual Report of Accounts had been circulated to all members of the now defunct Management Committee.

3.1 Progress against the Departmental Business Plan

3.1.1 The Deputy Director, Constitution and Corporate Services introduced the Departmental Business Plan, noting that since its clearance at Wales Office Strategy Board, 13 July 2015, minor revisions had been made.

Constitution Specific Departmental Business Plan

3.1.2 The Deputy Director, Constitution and Corporate Services updated the Board on the Constitution Directorate's Business Plan and the commitment to deliver the Wales Bill. He stated that the date for the publication of the draft Wales Bill was 20 October 2015. In terms of progress of the draft Bill he noted that the devolution debate has received a significant amount of media attention, and that if the Bill's timetable went to plan, it should be formally introduced early next year (2016). He stated that it is likely that the UK Government's intention to introduce a Welsh Funding Floor would be announced in November 2015.

Policy Specific Departmental Business Plan

3.1.3 The Head of Policy updated the Board on the Policy Directorate's Business Plan, noting that an overview of his team's ongoing work had been presented to Ministers at recent Prayers meetings, and the last Strategy Board meeting. He stated that Ministers had agreed that the Policy Team would focus on priority areas. The Policy Team are developing project plans which are due to be formally agreed with Ministers over the next few weeks.

- 3.1.4 With reference to the Policy Project Plans, The Lead Non-Executive Director & Deputy Chair asked whether they had considered the present issue of migration – specifically in reference to UK Government’s commitment to accept 20,000 refugees by Christmas 2015. He asked whether there was a Wales Office angle on this point.
- 3.1.5 The Head of Policy noted that the Secretary of State had taken an active interest in the issues of immigration, detailing that policy were looking at three specific separate elements of the subject: *Counter Terrorism, Extremism and Migration*. He noted that the Secretary of State would like to take the UK Government narrative on the subject forward in Wales, and to facilitate a more effective relationship between UK and Welsh Government on the subject.
- 3.1.6 The Head of Policy noted that in Wales, UK Government narrative on Counter Terrorism was well understood; with respect to the topic of extremism, the Home Office were developing a strategy, and it was important that Wales was considered in the early stages of the development of such strategies. The Head of Policy reassured the Board that Wales Office officials were currently working with Home Office officials to ensure that Wales was fully reflected as these strategies are taken forward. The Head of Policy added that the Cabinet Office had agreed to meet with Territorial Offices that day (24 September) and that this was a direct result of Secretary of State’s attendance at the PM-led Extremism Taskforce, 17 September 2015.
- 3.1.7 The Chair thanked both The Head of Policy and The Deputy Director, Constitution and Corporate Services for their work, noting that the Board appreciated the quality of the updates provided.

3.2 Fraud and Policy Update

- 3.2.1 At the last Management Committee meeting it was agreed that an update would be provided on the Department’s Anti-Fraud and Whistle Blowing Policies at the next meeting.
- 3.2.2 The Deputy Chief Accountant presented the paper, stating that the policies have been reviewed and updated in line with Ministry of Justice policies. He reminded the Board that it was agreed that an update on the Department’s Anti-Fraud and Whistle Blowing policies would be provided at both the audit and Management Committee meetings on an annual basis, and that this needs to be included in the Departmental Board’s Forward Work Programme.

<p>Action 6: Board Secretariat - Incorporate annual updates on Departmental Anti-Fraud and White Blowing Policies into Forward Work Programme</p>
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3.2.3 The Lead Non-Executive Director & Deputy Chair asked The Head of HR whether staff are required to complete mandatory training on Fraud and Whistle Blowing. The Head of HR noted that this may be in the induction pack, but was unable to confirm.

Action7: The Head of HR to investigate whether there is a section on Fraud and Whistle Blowing within Wales Office Induction Pack,

3.2.4 The Lead Non-Executive Director & Deputy Chair noted that the current guidance does not contain alternative contacts for Non Executive Directors, or Corporate Service Managers. He suggested that this presented an issue, as he is due to vacate his post as a Non-Executive Director on 31st March 2016, and The Deputy Chief Accountant was due to leave the Department in early October. The Lead Non-Executive Director & Deputy Chair asked for alternative contacts to be included in the guidance which took these eventualities into account.

3.2.5 The Lead Non-Executive Director & Deputy Chair also suggested that the guidance does not explicitly detail the circumstances under which members of staff should approach Non Executive Directors or alternative representatives when issues are raised with the Department's Director. The Lead Non-Executive Director & Deputy Chair asked for advice detailing how grievances as such are progressed to be incorporated within the pack.

Action8: Corporate Services to clarify the circumstances under which members of staff should approach Non Executive Directors when whistle blowing, and update guidance with accurate contact details

3.2.6 The Board agreed that, subject to the changes requested, the papers provided on Wales Office Anti-Fraud and Corruption Policy and Wales Office Whistle Blowing and Raising a Concern Procedures, were approved.

3.3 Departmental Forward Work Programme

3.3.1 The Board Secretariat introduced the draft Departmental Board Work Programme. The Non-Executive Director suggested that the Work Programme required a number of amendments. In reference to the March 2016 substantive item, 'Wales Office Budget', she felt that it would be helpful to ensure the Board had more deep dives on the Budget.

3.3.2 In addition, The Non-Executive Director suggested that the following substantive items be added, with the following timescales in mind:

- Draft Annual Report and Governance Statement - before the end of March 2016;
- Economic Deep Dive into the agreed Wales Office Objectives;
- Welsh Language Scheme – Progress Update;

- Update on Talent Management;

3.3.3 The Lead Non-Executive Director & Deputy Chair suggested that it would be beneficial if Ministers were able to attend the Departmental Board meeting in March to agree the Governance Statement,

ACTION9 Board Secretariat to update Departmental Board Forward Work Programme as suggested.

3.4 Gifts & Hospitality, Policy & Procedures

3.4.1 The Deputy Chief Accountant presented the Board with a revised copy of the Wales Office Gifts and Hospitality policy and procedures for clearance. It would be presented to the Departmental Board on an annual basis for approval and the register would be provided quarterly.

Action10: Board Secretariat to include Gifts & Hospitality, Policy & Procedures Update in Forward Work Programme.

3.4.2 The Deputy Chief Accountant summarised the gifts and hospitality processes to the Board. When a member of staff was presented with either a gift and/or hospitality, they had to inform their Deputy Director or Director before accepting the offer. Corporate services would need to be consulted for guidance on whether the gift or hospitality could be accepted. In each instance that a member of staff accepted either a gift or hospitality, it had to be recorded on the Wales Office, Gifts & Hospitality Register, which was maintained by Corporate Services.

3.5.3 The Chair noted that the current register needed to be revised. When a member of staff received hospitality, they needed to detail the item's or hospitality's estimated value, and with respect to existing records, a few records did not include an estimation of the value of the gift or hospitality that had been received. As a result, he welcomed the initiative displayed by Corporate Services in revising the guidance and introducing more robust rules. In response to a question from The Lead Non-Executive Director & Deputy Chair, The Deputy Chief Accountant confirmed that the Wales Office approach was in line with the Ministry of Justice policy.

3.4.4 The Non-Executive Director suggested that the guidance and the register itself needed to be discussed at the Wales Office Departmental Board twice a year. She also suggested that the updated guidance needed to be issued to staff, and included in all induction material

3.4.5 The Lead Non-Executive Director & Deputy Chair suggested that the best way to cascade the guidance would be for it to be filtered down from the Director to Deputy Directors, and then to members of each directorate. The Deputy Chief Accountant agreed with both Non Executive Directors' suggestions, adding that there was a need for people to confirm that they had read the guidance, and confirm they understood it.

- 3.4.6 The Deputy Director, Constitution and Corporate Services asked for details to be provided on how staff would be sanctioned when the Gifts & Hospitality, Policy & Procedures were not adhered to. The Head of HR noted that staff in breach of the guidance could face disciplinary action.
- 3.4.7 The Chair noted that if there was a circumstance in which members of staff actively defied the existing guidance, the incident would be directly escalated to him.
- 3.4.8 The Non-Executive Director suggested that adherence to these procedures could be built into Departmental Performance Management Reviews.
- 3.4.9 The Deputy Director, Constitution and Corporate Services asked how a register and the proposed processes would ensure that guidance was adhered to by staff; noting that if staff neglected to notify Corporate Services, it could be hard to ascertain whether staff had accepted gifts or hospitality that breached limits stipulated in the guidance. The Director noted that specific roles incur the receipt of certain forms of hospitality, for instance, Communications Officers are expected to attend lunches and dinners. As a result, if certain members of staff were not providing expected information, this was one way to flag up potential issues created by staff neglecting to report gifts & hospitality to Corporate Services.
- 3.4.10 The Non-Executive Director suggested that the Department may wish to consider using a 'staff repository' for returns, so that people are required to consent to confirming that they understood the criteria, and that a list of consents should be centrally located. The Director agreed with The Non-Executive Director, and asked for the new procedures to be circulated to all members of staff, with the requirement that they provide a return, assuring Corporate Services that they consented to the criteria detailed in the guidance.
- 3.4.11 The Lead Non-Executive Director & Deputy Chair suggested that an all inclusive Staff Code of Conduct, signed annually, could act as the basis for assurances from members of staff and noted that the Northern Ireland Office submitted quarterly reports of all gifts and hospitality received by members of staff. He suggested that it may be worth adding Gifts and Hospitality Returns for SCS members to the Audit Committee meetings on a quarterly basis.

Action11: Corporate Services to consider adding SCS Gifts and Hospitality Register for SCS Staff to the Audit Committee Board and circulate the Gifts & Hospitality guidance to all staff.

Action12: Corporate Services to consider and implement means of collecting consents from all members of staff that they will adhere to renewed Gifts & Hospitality Guidance.

3.5 Apprenticeships

- 3.5.1 The Head of HR presented an update on the Department's approach to Apprenticeships to the Board. She noted that since 2011, the Wales Office had offered Business Administrative Apprenticeship roles to support Government policy. The last recruitment phase of Apprentices was in 2014, where the number of Apprentices at the Wales Office increased from two to six.
- 3.5.2 The last wave of Apprentices were recruited in two tranches. The Head of HR noted that since the Wales Office's last recruitment drive, the scheme had changed, and as a result, the Office was required to approve a new approach when recruiting new apprentices. The Wales Office had previously, supported apprentices through two NVQ levels; 2 and 3, and encouraged them to undertake substantive roles while learning on the job in line with the Civil Service Learning (CSL) 70/20/10 learning model.
- 3.5.3 Since the last phase, the length of time required to achieve apprenticeship qualifications had increased; an NVQ Level 2 Qualification took nine months, Level 3 took 12 months, and a Level 4 took 18 months.
- 3.5.4 The Director noted that the last round of apprentices presented a very positive story, and that he was keen to support the influx of more apprentices into the Wales Office. The Wales Office has four young (16-24 year olds) apprentices and two mature apprentices in post. The Head of HR noted that of these four young apprentices, two have since secured permanent jobs elsewhere, and one has re-entered formal education. As a result, she brought the paper to the Board to discuss how these vacancies would be filled.
- 3.5.5 The Head of HR noted that the Department is currently looking to replace a minimum of two apprentices, in correspondence and corporate services. She presented to the Board four points on which she sought agreement:
1. Reduction of the total number of Apprentices from six to four;
 2. Broaden apprenticeship role – allowing them to move between roles within the Department;
 3. Adopt a staggered approach when refreshing the two previous cohorts;
 4. Offer one qualification to each new apprentice, and for contracts to be reduced from two-year fixed term to 18 months, with the option for extension to 24 months if deemed appropriate.
- 3.5.6 The Board agreed to points 1, 2 and 3.
- 3.5.7 With reference to the fourth point, The Head of HR noted that given the new timescales involved with respect to the qualifications, amending the contract length would prevent the Wales Office offering apprentices NVQs in Level 2 and Level 3. Instead, apprentices would be given 18 months to build qualifications, and then a greater proportion of their contract would be available for them to consolidate working skills.

- 3.5.8 The Board agreed with Point 4, concerning an amendment to the contract length offered, and number of qualifications made available to incoming apprentices and noted that there is a potential benefit for Apprentices to gain more consolidated work progression if their entire contract does not focus on the attainment of qualifications.
- 3.5.9 The Non-Executive Director questioned the value of offering NVQ Level 2 Apprenticeships, noting that people with good GCSEs can be accelerated to NVQ Level 3. The Lead Non-Executive Director & Deputy Chair agreed with The Non-Executive Director, and suggested that the Department may wish to consider applicants' GCSEs carefully.
- 3.5.10 In response the Head of HR stated that preventing young people from moving onto apprenticeships because they lacked appropriate qualifications may undermine the scheme. Instead, she suggested that the Office should encourage all of those who are interested in the role, in applying for the role.
- 3.5.11 Following the discussion, the Board agreed to approve all four points as suggested.

3.6 Strategic Risk Register

- 3.6.1 The Head of Policy presented the Departmental Board with the updated Risk Register. Following previous discussions during the Board (2.2.16), he reiterated a commitment to reintroduce P3 to the Register.
- 3.6.2 The Deputy Director, Constitution and Corporate Services stated that with respect to Risk P1, the Wales Bill presented one very large risk, and that this was difficult to draft, given the many potential risks.
- 3.6.3 The Lead Non-Executive Director & Deputy Chair noted that a Constitution Policy Official had provided an update on the Department's Risk Register at the Audit Committee meeting earlier in the day. The Lead Non-Executive Director & Deputy Chair expressed their gratitude for him attending the Audit Committee but noted that there appeared to be a mismatch between the Constitution Directorate's and the Departmental Risk Registers. The Lead Non-Executive Director & Deputy Chair suggested there was a need to ensure all risk registers were aligned in future.

Action13: The Deputy Director, Constitution and Corporate Services, The Head of Policy, The Deputy Director, Head of Communications & Private Office Official to ensure that all Directorates' Strategic Risk Registers are aligned with the Departmental Risk Register.

- 3.6.4 The Chair noted that Risk W1 did not stipulate the risk created with the loss of the Department's Economist, specifically in the Risk's controls flag. He also stated that given the recent number of departures from the Department, he believes that the impact of Risk G3 should be higher.

3.6.5 The Deputy Director, Constitution and Corporate Services noted that neither Private Office nor Communications had contributed to the Strategic Risk Register. He emphasised that both directorates should be looking at the risk register, as it impacted on their work, and it was ineffective without input from all Heads of Directorate.

3.6.6 The Chair noted that there was a need for the Department's Senior Team to collectively discuss future handling of the Strategic Risk Register.

Action 14: The Deputy Director, Constitution and Corporate Services, The Deputy Director, Principal Private Secretary, The Deputy Director, Head of Communications and The Head of Policy - *Senior Management Team organise a meeting to discuss collective approach re: the Strategic Risk Register*

3.6.7 The Chair noted that previously, the Head of Finance had run annual risk workshops for all staff. He suggested that these workshops should be reinstated. The Non-Executive Director added that the Non-Executive Directors could provide useful feedback and assistance with the risk workshops. The Director welcomed the Non-Executive Director's commitment to provide assistance with these workshops.

Action15: The Chief Accountant & Head of Corporate Services- *Investigate whether there are still Risk Workshops running, and ensure that they are available for staff to attend.*

3.8 2015-16 Timetable for the Annual Report and Accounts

3.8.1 The Lead Non-Executive Director & Deputy Chair informed the Board that that the 2015-16 Timetable for the Annual Report and Accounts was approved at the Audit Committee that morning subject to two points, detailed in the Minutes. The Board thanked The Lead Non-Executive Director & Deputy Chair for the update provided.

4 Below the Line Papers

4.01 The Chair asked whether Board members were content with the new structure of the agenda, specifically, the papers that had been included as Below the Line. He reminded the Board that "Below the Line" papers need only be discussed when members felt papers raised issues or required review

4.1 Finance Update

4.1.1 The Lead Non-Executive Director & Deputy Chair noted that the Audit Committee considered the Finance Paper above the line, and suggested that in future should any

concerns be raised during the Audit Committee, then the paper should be brought above the line at the Departmental Board. He noted that the Department had a 5% reserve and questioned whether there was a need to maintain this reserve as a point of contingency.

- 4.1.2 The Non-Executive Director agreed with The Lead Non-Executive Director & Deputy Chair's first point, suggesting that it may be worthwhile for the Finance Update to be provided above the line twice a year. She suggested that Ministers may wish to see the Finance Update above the line as a reassurance of the smooth financial running of the Department.

Action16: Board Secretariat - *Introduce Finance Update as an above the Line paper when instructed to do so by Audit Committee (ongoing). Introduce Finance Update as above line paper in Forward Work Programme for all meetings planned with Ministerial attendance.*

4.2 Corporate Services Update

- 4.2.1 The Non-Executive Director raised concerns with the IT incident referenced in the Corporate Services Update, requesting an update on the status of the incident. The Director noted that action had been taken and that this did not represent a systematic issue. He assured the Board that the incident was closed.

5 Any Other Business

Action17: Secretariat: *Produce a year's worth of dates for Departmental Board Meetings*

- 5.0.1 The Chair thanked all attendees for their contributions to the meeting.

Board Secretary