

Shan Morgan
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

Mr N Ramsay
Chair, Public Accounts Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

22 November 2018

Dear Mr Ramsay,

Thank you for your letter of 25 October, seeking to clarify questions arising from my attendance at the Public Accounts Committee on 15 October. I have included responses under the corresponding headings below:

Working Group on promotion and facilitation of the Welsh language in the government's internal administration

The paper prepared by the Task and Finish Group of senior civil servants established by the previous Permanent Secretary, Sir Derek Jones, was an internal paper to facilitate a discussion on the Welsh Government's long term goals for promoting the language within the organisation. The paper was submitted to me during the very early days of my tenure, with the aim of a prompting a discussion at Board level to advise me on a recommended approach to developing an internal policy. The Welsh Language Standards had been in place for a matter of months at the time, and there were strategic changes to language policy underway, including the publication of Cymraeg 2050. In those circumstances, therefore, I thought it prudent to take time to understand more about the issue and to reflect.

Since that time, the Standards have become embedded in the public sector's functions in Wales and the strategy's ambition of seeing one million Welsh speakers by 2050 has been embraced by organisations across Wales. In addition, new steps put in place to increase the use of the language within other prominent organisations will now assist in informing our position on the matter. Lessons learnt from the Assembly Commission, South Wales Police, Rhondda Cynon Taf Council, Ynys Môn Council and Cardiff Council are of great interest to me and form a key part of the further work I have



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commissioned. My colleague responsible for overseeing the standards has organised a series of meetings with key personnel in these organisations to discuss their experiences of developing Welsh language skills within the workforce.

I am mindful of the need to carefully consider all potential implications of developments put in place by these organisations, and to fully understand the significance of moving to any scenario where Welsh language skills are a requirement across the workforce. I will be carefully balancing the consequences of this and am mindful of the need to preserve the goodwill of the workforce alongside my ambition of seeing the Welsh Government's capacity to work bilingually increase and the use of the language by officials develop further.

As with all staffing matters, this is ultimately a decision that will be taken by me in my role as Permanent Secretary of the Welsh Government, with consideration given to the advice of my senior team and the Welsh Government's Board. However, I am also very aware of both the legislative and political context of this issue, and the clear commitment set out in Cymraeg 2050 by the First Minister to see an increase in the use of the language by the Welsh Government's workforce. I will be working closely with Ministers to ensure that our next steps in terms of policy and ambition closely align with their priorities.

Success Profiling and competencies

We are under no statutory requirement to follow the Success Profiles approach as responsibility for civil service staffing matters in the Welsh Government (with the exception of the Senior Civil Service) has been delegated. However, the Welsh Government's Capability & Talent Board has recently made the decision, in principle and subject to engagement and consultation with trade unions, to adopt Success Profiles. The UK Government's Cabinet Office is responsible for the phased rollout of the new approach across the civil service and Welsh Government officials are currently engaging with Cabinet Office on implementing this next calendar year. We will require a slightly longer timeframe for implementation due to our need to develop all materials bilingually and to ensure an effective period of engagement and consultation with trade unions and staff networks within the Welsh Government.

Welsh Civil Service reform plan and efficiency targets

The work of the future proofing initiative and improving efficiency work are aligned but distinct as the latter is putting in place more efficient and effective processes and procedures whereas the former focusses on developing the right skills within the



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organisation. This would include the skills needed to realise the benefits arising from the introduction of new processes and procedures.

The improving efficiency board was established to improve the efficiency of processes and procedures within the Welsh Government by identifying administrative and/or transactional work which could be streamlined or undertaken less frequently, in a different way or not at all. Areas of work currently being taken forward are; the administration of grants, grants due diligence, the implementation of a single public bodies unit for the Welsh Government and the rationalisation of advice on stakeholder engagement. The outcome of the independent review of corporate services will also be considered by the board.

One of the key messages from the lessons learned exercise on the Fit for the Future programme was that we tried to change too many things at the same time and the programme was at risk of becoming fragmented and diluted. The programme was growing to the point where it was becoming unmanageable. We felt that it would be more effective to concentrate on fewer things but ensure that we were able to deliver them. This is why the improving efficiency board, set up at the end of my predecessor's tenure, has a very targeted agenda.

The Future-proofing initiative is all about developing a skilled and sustainable civil service that can help us meet the challenges we're facing today but also cope with the rapidly changing world around us and the challenges that will face us in the future. To meet those challenges we will need to be clear about what we need from everyone in the organisation and help and equip people to perform at their best more of the time. It also includes a much greater emphasis on continuous learning and development that supports people to be ambitious about improvement and efficiency – including in our work on grants, assurance, stakeholder engagement and citizen involvement. We are investing in our learning and development programmes to make sure that we can address our critical capability gaps and give people who work here the opportunities they need to build on their strengths and develop new skills.

Further clarification from the 15 October meeting

During the Committee meeting on 15 October, I agreed to provide clarification on a perceived inconsistency of approach to provision of Welsh Government guarantees, raised by Neil Hamilton AM during our discussions.

On 4 October 2018, in responding to WAQ77218 from Adam Price AM, the Cabinet Secretary for Economy and Transport advised that the Office of National Statistics



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(ONS) has not been notified of the guarantee arrangement in place with Aston Martin Lagonda (AML) as this is only necessary if the guarantee is called upon. I can expand on this a little and confirm that, in the event that the guarantee is called upon at some point in the future, best practice would dictate that officials would make an assessment of the impact upon the public investment in AML and of public ownership considerations, which may include the potential notification to ONS and the accounting and budgeting implications for Welsh Government at that time.

The specific question raised by Mr Hamilton AM during the recent PAC session concerns an apparent inconsistency of approach taken in providing a guarantee to AML but not to the Circuit of Wales. To be clear, there is no inconsistency of approach as the underlying circumstances around the two projects are not comparable. For AML, the Welsh Government guarantee was provided for a particular aspect of the overall funding package for the company and project and as such represents only a very small element of AML's parent company operations. The Circuit of Wales on the other hand, was considered a special purpose vehicle and it was deemed that the level of public sector funding support, taking account of the proposed guarantee, exposed the Welsh Government to the full risks of the project.

Adam Price AM raised a separate question regarding the guarantee arrangements provided by Welsh Government that would be captured as contingent liabilities in our accounts. I have asked lawyers to advise me on whether I am able to share any further information with the Committee in this regard. They are consulting external partners after confirmation from clerks on the specific wording of the action recorded. Once I have received the necessary legal advice, as agreed in Committee, I will respond separately on this matter.

Yours,



Shan Morgan
Ysgrifennydd Parhaol/ Permanent Secretary
Llywodraeth Cymru/ Welsh Government



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