

Shan Morgan
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

Nick Ramsay AC
Cadeirydd y Pwyllgor Cyfrifon Cyhoeddus
Cynulliad Cenedlaethol Cymru
Bae Caerdydd
CF99 1NA

17 Ionawr 2018

Annwyl Mr Ramsay,

Diolch am eich llythyr dyddiedig 14 Rhagfyr yn gofyn am y diweddaraf ynglŷn â'r gwaith sydd wedi'i wneud i fynd â'r maen i'r wal yng nghyd-destun y materion pwysig a nodwyd ym Mhapur Trafod yr Archwilydd Cyffredinol ar y berthynas rhwng Llywodraeth Cymru a chwmnïau hyd braich.

Roedd Papur Trafod yr Archwilydd Cyffredinol yn ddefnyddiol iawn i Lywodraeth Cymru. Dysgwyd llawer ohono ac mae wedi bod yn sbardun ar gyfer amryw o feysydd gweithredu. Mae'r holl gyrff cyhoeddus y mae Llywodraeth Cymru yn ei noddi, ar eu hamrywiol ffurf, yn chwarae rôl hynod bwysig i gyflawni amcanion Llywodraeth Cymru ac rydym yn gwerthfawrogi eu cyfraniadau yn fawr iawn. Ar yr un pryd, rydym yn cydnabod pa mor bwysig yw sicrhau bod y berthynas rhyngom yn gweithio'n iawn, a bod yn effro i rybuddion cynnar, ac ymateb iddynt, yn ogystal â mynd i'r afael yn effeithiol ag unrhyw broblemau wrth iddynt godi.

Rwy'n gwybod bod fy rhagflaenydd a'i uwch-dîm wedi cael cyfarfod uwchgynhadledd â'r Archwilydd Cyffredinol a'i uwch-dîm yntau, adeg cwblhau'r Papur Trafod ddiwedd 2016, i drafod y canfyddiadau yn deillio o'r adroddiad a'r camau gweithredu y gallai Llywodraeth Cymru eu rhoi ar waith fel ymateb. Yn dilyn y cyfarfod hwnnw, aethom ati i godeiddio'n fanylach yr amrywiol gategorïau o gyrff cyhoeddus a noddir gennym ac, mewn partneriaeth â'r cyrff eu hunain, i wella ein dull o recriwtio, hyfforddi a sefydlu eu haelodau Bwrdd.



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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding

Yn fwy diweddar, rydym hefyd wedi comisiynu adolygiad eang ei gwmpas o'n trefniadau nawdd â'n cyrff cyhoeddus i nodi sut y gallem wella'r ffyrdd y mae Llywodraeth Cymru'n ymwneud â hwy fel ein hasiantau cyflenwi. Cafodd yr adolygiad hwnnw ei gynnal yn unol ag egwyddorion Deddf Llesiant Cenedlaethau'r Dyfodol ac roedd yn cynnwys cyfweiliadau â chynrychiolwyr o bob un o'r rhanddeiliaid perthnasol – Cadeiryddion a Phrif Swyddogion Gweithredol y cyrff eu hunain, Swyddfa Archwilio Cymru, y gweinyddiaethau datganoledig, Swyddfa Cabinet y DU, adrannau Whitehall, swyddogion allweddol yn Llywodraeth Cymru, Cyngorwyr Arbennig a Gweinidogion. Cafodd yr adolygiad ei lywio gan Fwrdd Trosolwg a oedd yn cynnwys swyddog anweithredol allanol a chynrychiolydd o Swyddfa Archwilio Cymru (a oedd yn gweithredu fel 'sylwedydd' i sicrhau bod yr archwiliad yn cael ei gynnal yn annibynnol). Roedd Papur Trafod yr Archwilydd Cyffredinol yn un o'r dogfennau allweddol a ddefnyddiwyd gan y tîm adolygu.

Mae'r tîm adolygu wedi adrodd erbyn hyn ac yn dilyn trafodaethau â swyddogion, rwyf wedi derbyn y casgliadau a'r argymhellion fel y Prif Swyddog Cyfrifyddu.

Mae **'Delivering Together - Strengthening the Welsh Government's Sponsorship of Arms-length Bodies'** yn argymhell rhaglen waith i gyflawni'r dyheadau a nodwyd yn yr Adolygiad. Mae'n amlinellu 37 o argymhellion o dan y 6 thema a ganlyn:

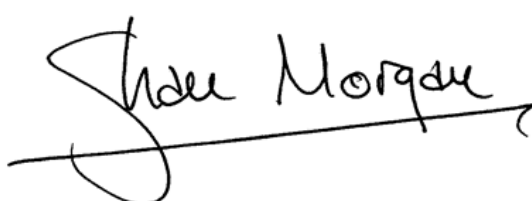
- Strwythurau Sefydliadol - Ffurf a Swyddogaeth
- Swyddogaeth Gwerth Uchel
- Cefnogi Arweinwyr Cyhoeddus
- Penodiadau Cyhoeddus
- Y Fframwaith Rheoli
- Rheoli Cyfathrebu Rhwng y Naill Barti a'r Llall

Rwyf wedi atodi crynodeb o'r argymhellion wrth y llythyr hwn. Mae'r argymhellion mwyaf blaenllaw yn cynnwys y rhai a ganlyn:

- meithrin mwy o allu yn ganolog, drwy Uned Cyrff Cyhoeddus a fyddai'n cymryd cyfrifoldeb am rai swyddogaethau nawdd, gweithredu fel canolfan ragoriaeth, bod yn ffynhonnell o gyngor cyson a rhoi mwy o dryloywder a sicrwydd imi. Bydd yr Uned hon yn niwtral o ran cost ac yn cael ei hariannu drwy ad-drefnu adnoddau gan dimau nawdd a fydd yn ein galluogi i wneud yr hyn yr ydym yn ei wneud nawr yn well ac yn sicrhau hefyd fod gennym gapasiti i ymgymryd â swyddogaethau newydd
- datblygu cynigion gyda'n cyrff hyd braich i gyflawni swyddogaethau 'swyddfa gefn' Cyrff Hyd Braich Llywodraeth Cymru mewn ffordd gydgysylltiedig a defnyddio contractau fframwaith mawr yn well er mwyn ysgogi arbedion effeithlonrwydd

- asesu pa mor gost-effeithiol ydyw i swyddogion Llywodraeth Cymru ddarparu gwasanaethau 'ysgrifenyddiaeth' i'r 16 o bwyllgorau, paneli apelio a thribiwnlysoedd a gwneud cynigion i gydgrynhoi'r adnodd hwn
- symleiddio'r ffordd y caiff y taliad cymorth grant ei weinyddu gan barhau â threfniadau craffu trwyadl
- symud o ddefnyddio llythyrau cylch gwaith 'blynyddol', dyfarnu cyllidebau a chynlluniau busnes i fabwysiadu dull 'Telerau Llywodraeth' a fydd yn hwyluso cynllunio ar gyfer y tymor hwy ac yn rhoi mwy o sefydlogrwydd i'n Cyrff Hyd Braich, ac yn gwella effeithlonrwydd ac effeithiolrwydd y trefniadau trosolwg
- sefydlu Fforwm Arweinwyr Cyhoeddus (rhwydweithiau ar gyfer Cadeiryddion, Prif Weithredwyr a noddwyr ac arweinwyr polisi) i hwyluso cyfathrebu a rhannu gwybodaeth yn well, a fydd yn arwain at gynllunio mwy effeithlon a phenderfyniadau gwell
- datblygu 'Porthol Llywodraethu' Llywodraeth Cymru er mwyn hwyluso cyfleoedd ar gyfer gweithio ar draws sectorau drwy roi plattform ar gyfer rhannu cynlluniau busnes a llythyrau cylch gwaith Cyrff Hyd Braich, ac i ddarparu fforwm ar gyfer trafodaethau ar-lein
- meithrin mwy o allu yn yr Uned Penodiadau Cyhoeddus er mwyn datblygu ffynhonnell o dalent ar ffurf darpar ymgeiswyr i'w penodi i fyrddau, gwella trefniadau cynllunio ar gyfer olyniaeth ac amrywiaeth mewn penodiadau.

Rydym wedi dechrau gweithredu'r argymhellion hyn, a hynny mewn partneriaeth agos â'r cyrff cyhoeddus eu hunain. Rydym hefyd yn manteisio ar gyngor ac arbenigedd Swyddfa Archwilio Cymru pan fo'n briodol gwneud hynny, a sicrhau ar yr un pryd fod y broses archwilio'n parhau'n annibynnol, wrth reswm. Byddaf yn hapus iawn i gadw mewn cysylltiad â'r Pwyllgor i rannu'r diweddaraf am ein cynnydd, os bydd hynny o gymorth.

Yn gywir, 

Shan Morgan

Ysgrifennydd Parhaol/ Permanent Secretary
Llywodraeth Cymru/ Welsh Government



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Table of Recommendations

Organisational Structure - Form and Function

Number	Recommendation	By who	Time-Frame
1	Establish Public Bodies Unit	Director of Corporate Services Public Body Implementation Manager	December 17 appoint Public Bodies Implementation Manager April 2018 Public Bodies Unit Established
2	Realign resources currently allocated to sponsorship teams to reflect the move of some functions to the Public Bodies Unit	Directors of Corporate Services and Finance (OFMCO) Directors Generals and Directors of Finance.	Between January and April 2018

		Accounting Officer for CSA MEG	
3	Adopt a 'Sponsorship Hub Model' across Welsh Government aligning sponsorship responsibilities within and across groups to drive efficiency and effectiveness and release resource to support enhanced functions of the Public Bodies Unit and Public Appointments Unit.	Directors General and their Heads of Operations	January to April 18
4	Designate the Cabinet Secretary for Finance as the Minister with oversight responsibility for Welsh Government Public Bodies' landscape and policy.	Permanent Secretary discussions with the First Minister	April 18
5	Establish a policy and procedure for setting up a new Public Body and put in place a central approvals process through the Unit which should: <ul style="list-style-type: none"> • Challenge the need for a new body • Agree appropriate model • Review and scrutinise business cases • Provide challenge and sign off of new model 	Director of Corporate Services Public Bodies Implementation Manager	April 18

6	Establish a 'tailored review' programme. Sponsor leads to consider annually the need for a Tailored Review of an arms-length body, based on the agreed risk framework, with maximum term of government interval.	Public Bodies Implementation Manager	June 18
7	Consider efficiency savings to the Welsh Government of providing 'back office' functions for smaller arms-length bodies to reduce grant-in-aid to those bodies and whether contracts let by the Welsh Government for professional advice e.g. legal services can be made available to the arms-length bodies to save time and resource in running procurement exercises.	OFMCO Director of Finance and Directors of Resources Arms-length Bodies Director National Procurement Service	December 2017 – June 2018
8	Consider efficiency savings of administering grant-in-aid payments centrally.	OFMCO Director of Finance	Commence April 18
9	Explore the feasibility of developing the grants system to be able to run reports by Public Body so that management information on funding of bodies can be extracted for the public bodies report	Director of Finance Grants Centre of excellence	Commence April 2018

Sponsorship as a High Value Function

Number	Recommendation	By who	Timeframe
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10	Lead sponsor for each arms-length body should be at least Deputy Director band with a commitment to the function reflected in PMR objectives.	Deputy Permanent Secretaries	April 2018
11	Person specification for key sponsorship roles to be identified based on Civil Service Sponsorship Competency Framework	Director Corporate Services	April 2018
12	Training and development package for sponsorship to be developed and offered	Director Corporate Services	April 2018/19
13	Community of Practice to be established for staff in sponsorship roles within the Welsh Government. To include individuals who support teams in other specialist functions e.g. procurement, finance, FOI, Cabinet Office, Human resources	Public Bodies Unit	April 18

Supporting Public Leaders

Number	Recommendation	By who	Timeframe
14	Establish Public Leaders Network	Director of Corporate Services	April 2018
15	Establish other networks for Board members, Chief Executives, functional heads as demand identified, building on extant groups wherever	Public Bodies Unit	April 18 /19

	possible		
16	Develop Formal induction programme for incoming Chairs and Board members on public sector governance	Director of Governance	January 2018
17	Ensure that all appointees to arms-length bodies receive organisation-specific induction as well as opportunities for ongoing training and development.	Chief Executive Arms-length Bodies Public Bodies Unit	April 2018

Public Appointments

Number	Recommendation	By who	Timeframe
18	Increase capacity in the central Public Appointments Unit to allow it to undertake appointments exercises for sponsor teams as internal clients.	Director Corporate Services	April 2018
19	Establish and implement a development programme 'Talent Pipeline' for identified individuals with the potential to serve as public appointees, with a particular focus on underrepresented groups.	Public Bodies Unit	April 18 -April 19

20	Establish and implement a 'Mentoring and Shadowing' programme for new Chairs, for existing appointees with Chair potential and 'near misses' from public appointment exercises.	Public Bodies Unit	April 18 -April 2019
21	Establish and implement a policy on remuneration of public appointees to increase consistency	Public Bodies Unit	April 18 – September 18
22	Consider the introduction of a probation period for new Chairs and Board members.	Public Bodies Unit	April 18
23	Establish escalation procedures for Board members, Chairs and Chief Executives in case of failing relationships.	Public Bodies Unit	April 18

Control Framework

Number	Recommendation	By who	Timeframe
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24	Control framework (documents, templates, guidance including Managing Welsh Public Money) to be reviewed in light of findings of this report and the Public Bodies Review Group assessment. Re-issued with clarity around mandatory and flexible provisions e.g. Well-being Future Generations.	Director of Governance	April 18
25	Control documents to be held centrally and checked for compliance with guidance.	Public Bodies Unit	April 18
26	Move to “Term of Government” remit letters with ‘Term of Government’ budget allocations (firm for first year, indicative for remaining years with caveats relating to budget fluctuations and timing of any planned tailored reviews) Budget allocations will continue to be confirmed on an annual basis with indicative allocations as appropriate i.e., aligned with WG budget planning horizons.	Public Bodies Unit and Sponsor Teams	April 2018
27	Term of Government remit letters to be issued on approval of ‘Term of Government’ strategies and business plans provided by the arms-length body.	DD Sponsor Team	April 2018
28	Establish Risk Assessment Framework for Public Bodies based on concept of Earned Autonomy and establishing oversight regime. Risk assessments to be undertaken on each arms-length body	Public Bodies Unit, Chief Executive of Arms-length Body and DD Sponsor Team	April 18 _19

29	Explore the opportunity for co-operation between the Welsh Government Internal Audit Services and the internal audit functions of the arms-length bodies to develop audit programmes which could provide more holistic internal audit assurances to 'those charged with governance' i.e. ARCs	Head of Governance and Assurance	June 18
30	Clearer guidance to be provided on Accounting Officer accountability and 'calling-in requirements' e.g. actions that fall under the definition "novel, contentious and repercussive"	Public Bodies Unit Director of Governance	April 2018

Managing the Two Way Communication

Number	Recommendation	By who	Timeframe
31	Confirm a policy on Welsh Government officials' attendance at arms-length bodies boards and audit and risk committees. If attending, consider seniority of official (DD grade), and status (silent observer, participatory observer, or "Public Guardian").	Director of Governance	April 18
32	Establish protocol for communication with arms-length bodies - a 'single funnel' approach to include an annual/triennial commissioning framework and mechanism for reducing frequent or repetitive requests for information	Public Bodies Unit	April 18

33	Establish an on-line 'Governance Portal' to facilitate sharing of information (remit letters, business plans, framework documents) between the Welsh Government, Chairs and Chief Executives and enable on-line 'chat/message' facility to provide a forum for sharing best practice, discussion of issues and advice/resolution of problems and to support 'joining up' and working together.	Public Bodies Unit	April 18
34	Ensure Cabinet Secretaries and Ministers are briefed at Machinery of Government changes in respect of any armslength body for which they will have responsibility. Include in the briefing guidance on any intervention powers taking account of the bodies' statutory duties.	Public Bodies Unit Sponsor Teams	April 2018
35	Provide induction training to Cabinet Secretaries and Ministers on arms-length bodies .	Director of Governance Public Bodies Unit	April 2018
36	Establish protocol for communication between an arms-length body, the sponsor team and senior civil servants which ensures consistent messaging with Cabinet Secretaries, Ministers, their Private Offices and Special Advisers.	Public Bodies Unit	April 2018

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Ensure that sponsors are clear about their role in respect of the Well-being of Future Generations Act and requirements on the arms-length-bodies they are responsible for

Public Bodies unit and
WBFG Champion

April 2018