



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

The Welsh Ministers' Business Scheme

(Government of Wales Act 2006, Section 75)





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The Statutory Position

- 1) This Scheme is made under Section 75 of the Government of Wales Act 2006 which requires the Welsh Ministers to make a scheme setting out how they propose, in the exercise of their functions, to take account of the interests of business.
- 2) The detailed statutory requirement is set out below:
- 3) **s.75 Business Scheme**
 - 1) The Welsh Ministers must make a Scheme ("the Business Scheme") setting out how they propose, in the exercise of their functions, to take account of the interests of business.
 - 2) The Business Scheme must specify how the Welsh Ministers propose –
 - a) to carry out consultation about the exercise of such of their functions as relate to matters affecting the interests of business, and
 - b) to consider the impact of the exercise of their functions on the interests of business.
 - 3) The Welsh Ministers—
 - a) must keep the Business Scheme under review, and
 - b) may from time to time remake or revise it.
 - 4) Before making, remaking or revising the Business Scheme, the Welsh Ministers must consult such organizations representative of business (including trade unions) and such other organizations as they consider appropriate.
 - 5) The Welsh Ministers must publish the Business Scheme when they make it and whenever they remake it; and, if they revise the scheme without remaking it, they must publish either the revisions or the scheme as revised (as they consider appropriate).
 - 6) If the Welsh Ministers publish a Business Scheme or revisions under subsection (5) they must lay a copy of the Business Scheme or revisions before the Assembly.
 - 7) The Welsh Ministers must—
 - a) within the period of two years beginning with the day on which the Business Scheme is first made, and
 - b) subsequently at intervals of no more than two years, publish a report of how the proposals set out in the Business Scheme have been implemented.
 - 8) The Welsh Ministers must lay before the Assembly a copy of each report published under subsection (7).

Definitions

- 4) The term 'social partners' is defined as business and employer associations, trade unions and the members they represent.
- 5) The term 'business' includes all individuals and corporate bodies that carry out a business with the aim of generating a profit including those operating in the social enterprise sector and those associations that represent such individuals and corporate bodies; and those

organizations that represent individuals that participate in the creation of that profit, including trade unions

Principles of Partnership

- 6) The Welsh Ministers are committed to recognizing, valuing and consulting business and seek to build a partnership with the social partners for the benefit of the economy and society of Wales. This Business Scheme sets out the broad principles and shared values, which will govern the relationship between the Welsh Ministers and business in Wales.
- 7) The Welsh Ministers:
 - ◆ designate the First Minister to have overall responsibility for the Business Scheme;
 - ◆ expect every part of the Welsh Assembly Government including Partnership Councils to consider the interests of business in their work and decision-making;
 - ◆ will maintain:
 - i a policy on working in partnership with the social partners and measures to support this;
 - ii arrangements for dialogue and consultation with the social partners;
 - iii arrangements for reviewing the effectiveness of the Welsh Ministers in creating an economic environment conducive to business in accordance with agreed policy.
- 8) The following principles will be used by the Welsh Ministers in their dealings with the social partners:
 - ◆ transparency and objectivity in administrative processes that affect business;
 - ◆ clarity in the objectives and eligibility of schemes relevant to business;
 - ◆ timeliness in consulting with the social partners on matters that are relevant to them.
- 9) The relationship between the Welsh Ministers and the social partners must be built on integrity, trust and mutual respect. The Welsh Ministers recognize that partnership means working together towards a common set of goals and appreciation of each partner's distinctive contribution. Within this partnership the social partners will:
 - ◆ agree with the Welsh Ministers the arrangements by which the Welsh Ministers and the social partners will work together;
 - ◆ have opportunities to lead in those areas where they are most appropriate and best placed to do so;
 - ◆ contribute at a formative stage in informing the development of policy and programmes by the Welsh Ministers;
 - ◆ contribute their views on the priorities and procedures for the administration and distribution of resources for business;
 - ◆ contribute to the testing and proofing of policies to ensure business needs are taken into account.
- 10) In working in partnership with the social partners the Welsh Ministers recognize that business is integral to the success of the Welsh economy and the stability of Welsh society; and seek to:
 - ◆ make Wales a good place to do business recognizing that this will help deliver strong and sustainable economic growth and provide the basis for sustainable social policies;

- ◆ promote a more entrepreneurial, competitive economy;
- ◆ encourage the social partners to become involved in the Welsh Ministers' policymaking process for the benefit of all who live in Wales;
- ◆ promote partnership working with and within the social partners.

11) The Welsh Ministers recognize:

- ◆ the wide scope and diversity of business and the paramount role it has in generating economic wealth in Wales;
- ◆ that the social partners are independent organizations that determine their own priorities and manage their own affairs.

12) The Welsh Ministers recognize that their policies for business must include measures to create a favourable climate for business in Wales including, where appropriate, financial support. The level of resources available will determine the extent of such measures. Funds will need to be targeted according to the Welsh Ministers' priorities. The Welsh Ministers also recognize their role in ensuring that business receives fair and reasonable access to public funds.

13) Across the range of its functions, the Welsh Ministers are committed to establishing and maintaining procedures to ensure best practice in the administration of schemes designed to support business.

14) The Welsh Ministers acknowledge that there should be realistic expectations in operating the partnership and recognize that there is a link between the resources available to the social partners and the ability to engage on an equitable basis.

15) The Welsh Ministers recognize the social partners' contribution to policy development and implementation and acknowledge the additional demands that the requirement to consult with business places on social partners. Therefore, the Welsh Ministers will assist the social partners in engaging in consultation by providing funds to the social partners via an appropriate impartial facilitating structure, [eg. the Wales Social Partners Unit], in order to support the social partners' ability to engage with the Welsh Ministers.

16) There will be a continuing review of the operation of the Scheme jointly by the Welsh Ministers and the social partners. The review will assess performance and provide guidance on issues that the Welsh Ministers bring forward.

17) Officials will facilitate consultation with relevant social partners and public sector bodies on the Business Scheme's implementation, operation and review.

18) The social partners will consider issues that relate to the implementation of the Business Scheme that affect, or are of concern to, the social partners and make recommendations to the Welsh Assembly Government.

Principles of Policy Development

19) The Welsh Ministers will ensure that they take into consideration at a formative stage the implications for the social partners of new policies, or changes in policy. The Welsh Ministers will seek as far as possible to avoid or ameliorate any undesirable impact on business and identify and encourage opportunities for business. Business organizations likely to be impacted will be informed and involved in discussions at the earliest opportunity and even before formal consultation where possible.

- 20) Where it has been determined that the policy will impact upon business the Welsh Ministers should, as part of the policy formulation process, consider if there is scope for exemptions or special provisions to reduce or eliminate any adverse impact on the business sector or the employees of the business sector.
- 21) In developing and consulting with the Social Partners upon policy proposals that will impact upon business, the Welsh Ministers should:
- ◆ ensure that the social partners have sufficient opportunities to influence the policy development process;
 - ◆ ensure that proposals are constructed and presented in such a way as to get the most useful and effective contribution from the social partners;
 - ◆ ensure that the views of the social partners are sought on the proposed consultation process (social partners could help to canvas the views of service users, or specific communities of interest, about the proposals);
 - ◆ consider whether social partners are adequately represented in new structures associated with implementation of policies.
- 22) The Welsh Ministers will ensure that these commitments are fully reflected in guidance to their officials to be followed when undertaking consultation exercises. These procedures will be detailed in the guidance issued to Welsh Assembly Government staff and will be the subject of periodic consultations with the social partners.
- 23) The Welsh Ministers shall establish and maintain an internal liaison group comprising representatives of each Welsh Assembly Government Department having contact with business to exchange information and ensure that the principles and commitments of the Scheme are being upheld.
- 24) The Welsh Ministers will ensure that Senior Civil Servants make themselves available to discuss matters of concern to the social partners.

Policy consultation

- 25) The Welsh Ministers are committed to setting out agreed procedures for consultation on policy changes and new policy developments which affect business that include:
- ◆ opportunities for continuing discussion between the social partners and the Welsh Ministers to foster early understanding and involvement in policy development;
 - ◆ consultation arrangements that normally allow adequate time for wider consultation with networks and service users;
 - ◆ the role of umbrella bodies and intermediaries in facilitating consultation;
 - ◆ feedback to respondents on the replies to and outcomes of the consultation;
 - ◆ opportunities for the social partners to continue to be involved at the implementation and evaluation stages of the policy.
- 26) In general, consultation by the Welsh Ministers may be undertaken in writing by way of opinion surveys, focus groups and user panels as appropriate. In particular, surveys may be used to give an indication of the weight of views, while qualitative research through focus groups or panels may be used to provide an understanding of the range and complexity of views.
- 27) Written consultation may range in scope from wide public consultations to small-scale consultations with specialist groups on matters that are of restricted interest or technical.

- 28) The Welsh Ministers will build consultation into plans for policy development, both on specific proposals and services, and more generally. The Welsh Ministers will undertake consultation at a sufficiently early stage of policy development so that the resulting proposals are in line with current experience and thinking in the field and avoid incorrect assumptions and misunderstanding at later stages. The Welsh Ministers recognize that continuing dialogue with the social partners can help to keep both sides informed about developments and avoid unnecessary surprises.
- 29) The Welsh Ministers recognize that it is for the social partners to decide whether and how to respond, taking into account their particular circumstances and available resources.
- 30) The Welsh Ministers recognize that participation in a consultation process does not equate to agreement with the results of that consultation process.

Consultation arrangements

- 31) The Welsh Ministers, in conjunction with Business Wales and the Wales TUC, will identify the relevant business networks and umbrella bodies with an interest in the Welsh Ministers' work and agree practical arrangements for dialogue and co-operation at the operational level. In return, the Welsh Ministers expect the social partners to co-operate with each other and form appropriate networks that are able to relate to the Welsh Ministers collectively on common matters of policy and administration, where possible.
- 32) The Welsh Ministers aim to engage regularly with representatives from the social partners for this purpose. These engagements should:
 - ◆ exchange information and views on developments in Welsh Ministers' policies and priorities and an assessment of their impact and effectiveness;
 - ◆ explore the means by which all the social partners can engage in and contribute to the work of the Welsh Ministers;
 - ◆ inform the Welsh Ministers of developments and concerns identified by the social partners;
 - ◆ encourage participation in working groups to develop new policies and strategies;
 - ◆ develop consultation arrangements on policy or new strategic programmes;
 - ◆ deal with administrative arrangements for funding programmes.

Business Partnership Council

- 33) The Welsh Ministers will maintain a Business Partnership Council (BPC). The Council will comprise Welsh Ministers and Deputy Welsh Ministers, 2 representatives from the Social Enterprise Network (Wales) and at least five representatives appointed from each of Business Wales and the Wales TUC. Business Wales and the Wales TUC will ensure that, as far as possible, their appointed representatives reflect a cross section of interests and activities.
- 34) The First Minister will chair the BPC meetings.
- 35) The BPC will normally meet at least three times a year and may also establish working groups to undertake specific pieces of work. The BPC may also appoint individuals with relevant expertise from the social partners to advise at its meetings or to serve its working groups.

- 36) At least once a year each Minister will attend the BPC to present a report on how the Business Scheme has been implemented within their department. The report will review past activity, anticipate forthcoming issues and consider resources.
- 37) The considerations of the BPC will be reflected in the reports, to be prepared in consultation with the social partners, on performance against the Scheme, which will be laid before the National Assembly.
- 38) The Chairs of the Ministerial Advisory Groups to the Minister for the Economy and Transport and the Minister for Children, Education, Lifelong Learning and Skills will be standing invitees to BPC meetings.
- 39) The BPC will consider issues that relate to the functions and responsibilities of the Welsh Assembly Government that affect, or are of concern to, the social partners and are wider than the responsibilities of a single department, and make recommendations to the Welsh Ministers.
- 40) The BPC will consider and make recommendations on the measures needed to improve the performance of the Welsh Assembly Government, its agencies and sponsored bodies in taking account of the consultation process.
- 41) Welsh Ministers' officials will support the Business Partnership Council (BPC). Other bodies/ individuals representing the interests of business organizations may also be invited to attend and speak at Business Partnership Council meetings at the Chair's discretion.
- 42) The activities of the BPC will be reported on annually and its operation will be reviewed informally within the context of that report. A formal review of the BPC will be included as part of the statutory report to the National Assembly for Wales.

Evaluation

- 43) A review of the implementation and impact of the Business Scheme will be conducted and a report submitted to the National Assembly at intervals of no more than two years, as required by s.75 of the Government of Wales Act 2006.
- 44) The Welsh Ministers will advise on the implementation, monitoring and review of the Business Scheme including establishing indicators by which the Business Scheme should be evaluated.
- 45) The terms of reference of the statutory report will be set by the Welsh Ministers in consultation with the social partners.

Facilitating Broader Business Engagement

- 46) This scheme does not preclude any additional arrangements between individual organizations and the Welsh Assembly Government.
- 47) The Welsh Ministers, in consultation with the social partners, will arrange a programme of secondments, exchanges, or short periods of shadowing jobs, between social partner staff and Welsh Assembly Government officials.

Regulatory Impact Assessments

- 48) Under s76 of the Government of Wales Act 2006, Welsh Ministers must make a code of practice setting out their policy on the carrying out of impact assessments and associated consultations in connection with Welsh subordinate legislation.
- 49) In formulating policy proposals that do not result in legislative change, Ministers will consider evaluating the cost and benefits of such proposals.

UK Government and European Commission Policy Developments

- 50) Business can be affected by directives and legislation arising out of both the UK and European Parliaments. In maintaining consultation arrangements under this Scheme the Welsh Ministers will have regard to codes of practice issued by these bodies and will seek to promote and achieve best practice in respect of any consultation that impacts upon Welsh businesses.

Appendix

Business Wales

Business Wales is an umbrella group, with no legal form, of the main business representative organizations in Wales. The group was formed to provide a focal point for discussions between the Assembly Government and the business sector in Wales, primarily to ease selection of representatives of business to attend the Business Partnership Council. Business Wales has no resources of its own.

The present membership of Business Wales comprises:

- Association of Chartered Certified Accountants
- Chamber Wales
- Community Enterprise Wales
- Confederation of British Industry
- Council of Mortgage Lenders
- Engineering Employers' Federation
- Federation of Master Builders
- Federation of Small Businesses
- Forum of Private Business
- Freight Transport Association
- Home Builders Federation
- Institute of Chartered Accountants in England and Wales
- Institute of Directors
- Institution of Engineering and Technology
- National Farmers Union
- The Law Society of England and Wales
- The Royal Institution of Chartered Surveyors

Wales Social Partners Unit Limited

Wales Social Partners Unit Limited is a company limited by guarantee, the membership of which comprises:

- Chamber Wales
- Confederation of British Industry
- Engineering Employers Federation
- Federation of Small Businesses
- Forum of Private Business
- Wales TUC Cymru

The company is not run for profit and was established to increase the capacity of social partners to provide quality input to the National Assembly for Wales in its work on policy development and implementation. The activities of Wales Social Partners Unit Limited are funded by the Welsh Assembly Government.

Wales TUC Cymru

Wales TUC Cymru is the umbrella body for Trade Unions in Wales and is an integral part of the Trades Union Congress. One of its major roles is to co-ordinate the trade union approach to the Welsh Assembly Government and to ensure that the interests of Wales' trade unionists are properly represented in the whole range of Assembly decision making. The current affiliates of the Wales TUC are:

Accord	Musicians' Union
Association for College Management	NAPO
Amicus	National Association of Schoolmasters Union of Women Teachers
Abbey National Group Union	Nationwide Group Staff Union
Associated Society of Locomotive Engineers and Firemen	National Union of Journalists
Association of Professionals in Education and Children's Trusts	National Union of Mineworkers
Association of Teachers and Lecturers	Nautilus UK
British Association of Colliery Management	National Union of Teachers
British Dietetic Association	Public and Commercial Services Union
BECTU	Professional Footballers' Association
BFAWU	POA (UK)
British and Irish Orthoptic Society Trade Union	Prospect
Britannia Staff Union	RMT
Community and District Nursing Association	Society of Chiropodists and Podiatrists
Community	Society of Radiographers
Connect	Transport & General Workers Union
Chartered Society of Physiotherapy	Transport Salaried Staffs' Association
Communication Workers Union	Undeb Cenedlaethol Athrawon Cymru
The Community and Youth Workers' Union	Union of Construction Allied Trades and Technicians
Diageo Staff Association	UCU
Equity	Unison
Fire Brigades Union	United Road Transport Union
FDA	Union of Shop, Distributive and Allied Workers
GMB	The Writers' Guild of Great Britain
Hospital Consultants and Specialists Association	