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Welsh Government

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# The Welsh Ministers' Business Scheme

(Government of Wales Act 2006, Section 75)

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# The Welsh Ministers' Business Scheme

## Introduction

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 in Wales. The statutory requirements and definition of terms are set out in the appendices.
2. The Welsh Ministers and social partners are committed to co-operating for the benefit of Wales' economy and society. The Welsh Ministers' Business Scheme sets out the broad principles and shared values that will govern the relationship between the Welsh Ministers and the social partners in Wales.

## Aims

3. The Welsh Ministers and social partners seek to:
  - make Wales a good place to do business, thereby helping to deliver strong and lasting economic growth whilst making the most of Wales' natural resources and providing the basis for sustainable social policies;
  - promote a more entrepreneurial, competitive economy;
  - create the conditions in which the social partners can engage with the Welsh Ministers' policy making process for the benefit of the people of Wales;
  - promote co-operation amongst the social partners and between the Welsh Government and the social partners.
4. Across the range of their responsibilities, the Welsh Ministers are committed to establishing and maintaining procedures to ensure best practice in the administration of schemes designed to engage with social partners.

## Implementation of the Business Scheme

5. The Welsh Government and the social partners are committed to promoting the Business Scheme and its underpinning principles.
6. The First Minister has overall responsibility within Government for the Welsh Ministers Business Scheme

7. The Welsh Ministers:

- expect nominated lead officials from each Welsh Government department to have responsibility for implementation of the Welsh Ministers' Business Scheme within their respective departments;
- expect every part of the Welsh Government to consider the interests of business in their work and decision making;
- will maintain:
  - i. a policy on co-operating with the social partners and measures to support this;
  - ii. arrangements for effective dialogue and consultation with the social partners;
  - iii. arrangements for reviewing the implementation of the Welsh Ministers' Business Scheme.

8. The social partners will:

- agree with the Welsh Ministers the arrangements for working together;
- take opportunities to lead in those areas where it is agreed they are best placed to do so;
- contribute, as appropriate, at a formative stage to 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 that the needs of business are taken into account.

9. The Welsh Ministers recognise that there is a link between the resources available to the social partners and their ability to engage on an equitable basis. The Welsh Ministers will ensure that their expectations of the social partners in the engagement process reflect the social partners' capacity to engage.

10. The Welsh Ministers recognise 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, in addition to ensuring that reasonable expectations are placed on social partners in the engagement process, the Welsh Ministers will assist the social partners' ability to engage by providing resources to facilitate engagement.

11. The Welsh Ministers in conjunction with Commerce Cymru, the Wales Co-operative Centre 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.

12. The Welsh Government will provide the social partners with a list of lead senior officials within each department who have responsibility for the implementation of the Welsh Ministers' Business Scheme in their Department. Lead officials will be responsible for their department engaging more directly with social partners to encourage and develop a mutual understanding of how each operates.
13. The Welsh Ministers will ensure that capacity exists and is tasked with assessing whether or not Regulatory Impact Assessments (RIAs) have properly accounted for the effect on business of proposed legislation and of proposed policy changes that do not require legislation.
14. In maintaining consultation arrangements the Welsh Ministers and the social partners will seek to identify and implement examples of best practice for engagement/partnership working wherever they arise.

### **Policy development and Legislation**

15. The Welsh Ministers will ensure that they take into consideration the implications for business at a formative stage in the development of new policies, or when considering changes in policy that may impact on business. The Welsh Ministers will seek, as far as is reasonably possible, to avoid or ameliorate any undesirable impact on business and identify and encourage opportunities for business. Social partner organisations likely to be affected by Welsh Government policy/programmes will be informed and involved in discussions at the earliest opportunity and, wherever reasonably possible, before formal consultation.
16. Where it has been determined that the policy will impact upon business, the Welsh Ministers should, as part of the policy formulation process, consider whether there is scope for exemptions or special provisions to reduce or eliminate any adverse impact on the business sector or the business sector's employees.
17. In developing and consulting with the social partners upon policy proposals that affect business, the Welsh Ministers should;
  - ensure that the social partners have the opportunity to input into the policy development process at a formative stage;
  - ensure that proposals are presented in such a way as to get the most useful and effective contribution from the social partners;
  - ensure that the social partners have sufficient opportunities to input into legislation proposed by the Welsh Ministers;
  - ensure that the views of the social partners are sought on the proposed consultation process;
  - consider whether business is adequately represented in structures associated with the implementation of new policies.

18. The Welsh Ministers will ensure that guidance to their officials in relation to consultations reflects the principles set out in the Welsh Ministers' Business Scheme.
19. The Welsh Ministers will build consultation with the social partners into plans for policy development and relevant proposed legislation. Welsh Ministers will consult on specific proposals as well as on more general principles.
20. Consultation by the Welsh Ministers will be undertaken using appropriate methods, that may include surveys to give an indication of the weight of views and qualitative research to provide an understanding of the range and complexity of views.
21. Written consultation may range in scope from wide public consultation to small-scale consultations with specialist groups on matters that are of restricted interest or technical in nature.
22. The Welsh Ministers recognise that it is for the social partners to decide whether and how to respond to consultations, taking into account the social partners' particular circumstances and available resources.
23. The Welsh Ministers recognise that participation by social partners in a consultation process does not equate to agreement with the results of that consultation process or the resulting policies.
24. The Welsh Ministers' Business Scheme does not preclude any additional engagement between individual social partner organisations and the Welsh Ministers.

#### **Council for Economic Renewal**

25. The Welsh Ministers will maintain a Council for Economic Renewal (CER). The CER will be chaired by the First Minister. The Council will comprise Welsh Ministers and Deputy Ministers, a representative from Social Enterprise and five representatives appointed from each of Commerce Cymru and the Wales TUC. Commerce Cymru and the Wales TUC will ensure that, as far as possible, their appointed representatives reflect a cross-section of interests and activities.
26. The CER will take a strategic role in identifying challenges/opportunities for the Welsh economy and determining ways in which the Welsh Government and the social partners can co-operate to meet those challenges/opportunities.
27. The CER will normally meet at least three times a year and may also establish working groups to undertake specific pieces of work. The CER may also appoint individuals with relevant expertise from the social partners to advise at its meetings or to serve its working groups.

28. Annual update reports on the implementation of the Business Scheme within each Welsh Government Department will be provided to the CER. The nominated lead official from each department will be responsible for the production of the reports.
29. The Welsh Ministers will provide information to the CER on bodies established to advise on policy issues.
30. Welsh Ministers' officials will support the CER. Other bodies/individuals representing the interests of the business organisations may also be invited to attend and speak at CER meetings at the Chair's discretion.

### **Review of the Implementation and Impact of the Business Scheme**

31. 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 not more than two years, as required by Section 75 of the Government of Wales Act 2006.
32. The terms of reference of the statutory report will be set by the Welsh Ministers in consultation with the social partners.
33. The Welsh Ministers will advise on the implementation, monitoring and review of the Business Scheme.

## APPENDIX 1

### STATUTORY REQUIREMENTS

#### Extract from the Government of Wales Act 2006

##### Section 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 organisations representative of business (including trade unions) and such other organisations 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 to 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.
  - c) The Welsh Ministers must lay before the Assembly a copy of each report published under subsection (7).



## **APPENDIX 2**

### **DEFINITION OF TERMS**

- 1) The term 'social partners' is defined as business and employer associations, trade unions and the members they represent.
- 2) 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 organisations that represent individuals that participate in the creation of that profit, including trade unions.

## **APPENDIX 3**

### **COMMERCE CYMRU**

Commerce Cymru is an umbrella group, with no legal form, of the business representative organisations in Wales. The group was formed to provide a focal point for discussions between the Welsh Government and the business sector in Wales, primarily to ease selection of representatives of business to attend the Council for Economic Renewal. Commerce Cymru has no resources of its own.

The present membership of Commerce Cymru comprises:

Association of Chartered Certified Accountants  
Chamber Wales  
Chartered Institute of Marketing  
Civil Engineering Contractors Association  
Confederation of British Industry  
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  
National Farmers Union  
Road Haulage Association  
The Association of British Pharmaceutical Industry  
The Law Society of England and Wales  
The Royal Institution of Chartered Surveyors