

Scoping Paper on Approach to Future Advisory Structures

Purpose

This Paper updates the Council on current thinking and issues in relation to the future shape and scope of the Welsh Government's business and economy advisory architecture. The Paper follows discussions with the Executive Working Group and the First Minister's request for a scoping paper to be prepared for the Council meeting seeks the views of Council Members.

Context and challenge

The Welsh Government has set out its five-year plan to deliver more and better jobs through a stronger, fairer economy, improve and reform public services, and build a united, connected and sustainable Wales. Appropriate external advice and expertise has an important role in policy-making, supporting delivery, and in securing good outcomes.

Current activity

The Welsh Government draws advice on a range of economic and business policy areas. This has developed over time in response to a number of different drivers:

- (i) the desire to secure private sector and other external advice and expertise that is not readily available within the civil service;
- (ii) as a means of accessing fresh ideas and new thinking leading to better policy;
- (iii) to support assurance and governance arrangements;
- (iv) as a response to newly acquired powers that have opened up opportunities to develop policy in new and technical areas that require external expertise;
- (v) as a legacy of the financial crisis and preparing the ground for recovery by involving the social partners in looking at specific issues.

Welsh Ministers are committed to recognising, valuing and consulting business and seek to build the partnership with the social partners for the benefit of the economy and society of Wales.

At the start of this Government, the First Minister met with the Executive Working Group of the Council and has actively sought views on the nature of engagement going forward with social partners.

The Council itself has its basis 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 Scheme states that Welsh Ministers will maintain a Council, to be chaired by the First Minister, to take a strategic role in identifying challenges and opportunities for the Welsh economy and determining ways in which the Welsh Government and the social partners can co-operate to meet those challenges and opportunities. The Council may also establish working groups to undertake specific pieces of work and may appoint individuals with relevant expertise from the social partners to advise at its meetings or to serve its working groups.

In addition to the above considerations, the Cabinet Secretary for Economy and Infrastructure is undertaking a review of the business and economy advisory architecture, exploring opportunities to reshape the current arrangements and identifying where change might be helpful and bring greater alignment.

The Cabinet Secretary met with the Working Group of the Council to discuss these issues and has also begun discussions with Sector Panel Chairs and Enterprise Zone Boards around the principles that might frame a new approach.

Key considerations

At the start of a new Government, there is an opportunity to review and refresh the approach to ensure it is fit for purpose to meet the challenges of the new Government programme.

There are also opportunities to look at how we might redesign our delivery and advisory structures as part of the work on our four cross-cutting strategies and identification of economic priorities.

Welsh Ministers will be working to develop four cross-cutting strategies that will set the framework for how the Welsh Government delivers its priorities: a secure and prosperous Wales; a healthy and active Wales; an ambitious and learning Wales; and a united and connected Wales.

Some of the challenges require a fresh approach, either in the actions we take to deliver against our goals or the structures we put in place to support delivery of these priorities.

The First Minister has set the challenge of working together to find innovative ways to make a change in all of these areas for the people of Wales.

In addition, earlier this month the Cabinet Secretary for Finance and Local Government set out a new way forward for local government in Wales. This would retain existing local authorities but with key services being delivered regionally. This will give local authorities more resilience in terms of staffing

and finance and also ensure that services are planned and delivered on the right scale.

It has been suggested that there are two models to deliver these services; one based around City Regions covering strategic transport, land-use planning and economic development and another aligned to health boards for services such as education improvement, social services and public protection.

Next Steps

The Cabinet Secretary for Economy and Infrastructure is continuing his review of advisory structures relating to his portfolio and will be making recommendations for the future approach.

There is broad agreement amongst partners on the need for clarity in terms of structures and delivery, alongside a streamlined and simplified approach, albeit that no consensus currently exists around the specific form that might take.

This is due in part to the fact that structures should reflect priorities and outcomes and the Government's commitment to developing four cross-cutting strategies will be an important consideration in shaping the future approach;

To inform the approach, the First Minister has invited the Council Members to provide their views. Papers have been received from Wales TUC and Commerce Cymru and are for Council consideration today.

Discussion points

- What are the core principles that should underpin a future approach?
- What are the areas of Council agreement / difference?
- Where do you see the opportunities to consolidate existing structures and improve engagement?
- How can we meet the challenge of streamlining the approach whilst also maintaining broad engagement and accessing specialist advisory support?