

COUNCIL FOR ECONOMIC RENEWAL PAPER

Future Ways of Working for the Council for Economic Renewal – Economic Framework and Council structure

PURPOSE OF THIS PAPER

1. The purpose of this paper is to discuss and agree the future ways of working of the Council, how the Economic Framework will be used by the Council and the options for the structure and format of the Council going forward.

ECONOMIC FRAMEWORK

2. At the October 2013 meeting of the Council, Members were invited to present their views on the development of a Framework that could be used as a tool by the Council to guide its work. Whilst not a new Economic Strategy as such, it would provide a greater understanding of policies and actions to encourage jobs and growth in the Welsh economy.
3. A workshop was held with Council Members to develop the draft Framework which was then presented to the February Council meeting. Members were asked to provide their written comments on the draft Framework within 21 days. Following a request from the Social Partners, the deadline was extended to 39 days. The wide range of views and inputs received means that contributions may not be reflected fully in the final document. However, every effort has been made to and the final document has been circulated with the papers for this meeting.
4. There is still not full consensus on what partners want from the Framework. However, there is a shared view that the Framework should inform and guide the work of the Council. Therefore, it is proposed that it will guide the Council's meeting agendas, rotating each of the three themes of Business, People and Place and developing selected topics and issues within these themes.
5. It is also proposed that the Framework as a whole will be brought to the Council annually to assess progress and developments, and will be aligned with updates on the Programme for Government and reporting on the Business Scheme.
6. The Framework will be refreshed to reflect significant economic changes, policy, developing powers or other levers to ensure a balanced and flexible approach. Further consideration will be given to comments from some social partners in regard to further developing and analysing the actions and indicators.

For Council Consideration

- A. Council Members are invited to note the Economic Framework document, recognising that it will be refreshed to reflect changing circumstances or significant developments.**
- B. Are Council Members content with the proposal set out above for how the Framework will guide the work of the Council?**

WAYS OF WORKING

7. Within the comments received on the Framework, a number covered ways of working, rather than the policy content of the Framework itself. Following discussion at the Working Group, these comments have been presented below. In addition, the First Minister asked Social Partners to write with their views on the future structure of the Council. These views have been combined with others received and are also presented below for consideration.
8. Some members did not express a need for any radical changes, whereas others have firmly expressed issues they would like addressed. Of these, there are some issues where it seems there could be sufficient consensus for recommendations to be put to the Council. For some other areas, there is less clarity or agreement and these issues would benefit from further discussion.
9. The comments have been summarised around the following categories:
 - Membership (current membership list at Annex 1)
 - Working Group
 - Format of Council Meetings
 - Function / role /whole Government ways of working.

Membership

10. There are two sets of comments in regard to membership. The first is the number of organisations represented and the second is the number of attendees per organisation.
11. As background, the Business Scheme sets out that there should be “two representatives from the Social Enterprise network and at least five representatives appointed from each of Business Wales (*now Commerce Cymru*) and the Wales TUC”. Currently attending are one social enterprise organisation, 17 business organisations and five Trade Unions representatives.
12. In response to the requests for views, eight responses were received out of the total number of possible responses and revealed very different views on membership. More than half of the responses are clear there is strength and value in the representation of the diverse business-related organisations across Wales. The benefits include a wider partnership which is inclusive and allows everyone to have a voice and opportunity to represent their membership with Ministers. For some, the Council is the main forum for engagement with Ministers. It was also emphasised that the wide membership mean that when there is agreement on issues, it can be powerful in influencing the UK Government and others.
13. However, equally strong views were expressed by others that the size of the membership inhibited effective contributions at Council meetings and that a smaller Council would enable more focussed discussions and debate. It was also felt that some organisations had more membership-specific interests and did not contribute as fully as other members to wider issues.

14. Based on the responses received, there are clearly differing views on the Council membership. Combine this with the fact that a number of those represented on the Council did not express any view, then there does not seem to be a clear cut mandate coming from the Council Members.
15. However, views on improved ways of working within the Council structure in regard to format, function and role could address some of the issues raised by those seeking change and perhaps these should be considered before changing the membership?
16. The second issue in terms of membership is the number of attendees per organisation. Currently, it is the practice that some of the business organisations have two representatives at the Council meetings. A number commented that there should be only one representative per organisation at the table for Council meetings. To enable balanced contributions from the range of Council Members, returning to one attendee per organisation would seem reasonable and appropriate.

For Council Consideration

- C. Are Council Members agreed based on the issues set out in paras 12-15, that the membership of the Council continues as it is currently?**
- D. Are Council members agreed based on para 16 that going forward, there should only be one attendee per organisation at the table for Council meetings?**

Working Group

17. A number of comments were made about the Working Group. These concerned its membership as well as its role and communication with the wider Council Members.
18. There have been issues raised about the Working Group previously, for example through the review of the Business Scheme. Whilst the Working Group was established with a clear Terms of Reference (see attached), over time and in part due to inconsistent attendance, its role has become mostly focussed on preparation for Council meetings.
19. Given the comments made, it is proposed that the membership of the Working Group be reconstituted. It is proposed that this is done for the business organisations through a consultative process with Commerce Cymru and Wales TUC who it is proposed should consider and confirm their representation. There will also be a place for a social enterprise representative.
20. Once reconstituted and the terms of reference revisited, it is proposed that the Working Group communicates with all Council Members how it will operate and clarifies the process for selecting agenda items for the Council.

For Council Consideration

E. Are Council Members agreed that:

- i. the Working Group should be reconstituted;
- ii. in the case of business membership this should be consulted upon and agreed by Commerce Cymru;
- iii. in the case of Wales TUC, it should confirm its representation;
- iv. once reconstituted the Working Group should revisit the terms of reference and communicate these to Council Members?

Format of the Council for Economic Renewal Meetings

21. Views were received on the format of Council meetings. These were varied in terms of issues raised:

- a) Two responses felt that the frequency of the Council meetings was sufficient, subject to effectiveness of the meetings and the Working Group discussing progress against outcomes.
- b) One suggested a complete change to the format of the Council, with an Advisory Board meeting six-monthly, co-chaired by the First Minister and a social partner, and supported by sub-groups for strategic economic development areas and working groups for specific projects.
- c) One expressed a view that all Members should give an undertaking to participate fully at the Council meetings.
- d) Two suggested that there should be flexibility to hold 'extraordinary' Council meetings outside the formal cycle.
- e) One suggested that the agenda should have a standing item for current issues and there was some support among the Social Partners for 'free discussion time' at every Council meeting.
- f) Another suggested that the Council agenda was too focussed on consultations rather than broader discussions on the economy.

22. Based on the above, and the range of suggestions, it is proposed that the reconstituted Working Group discusses and gains consensus on the format for future Council meetings.

For Council Consideration

F. Are Council Members agreed that the reconstituted Working Group should consider the future format for Council meetings?

Function / Role

23. The comments grouped in this category primarily focused on the function and role of the Council. The three areas where there was some consensus were:

- the role of the Social Partners in working together, where relevant, to utilise their strengths to support the Council and Welsh Government;
- joint announcements and / or representations, where appropriate, as demonstrated by the communiqué on the Silk Commission; and
- that the Council should be outcome focussed and this underpinned the approach taken to the Framework.

24. Other views expressed on the function and role were:

- a) that other groups such as the Sector Panels should regularly report to the Council to enable the Council to add value to the advice provided to the Minister. It was also suggested that there should be clarity around the role of the various groups that are involved in policy and delivery;
- b) that any changes to the Council should be set in the context of any refocussing of the Welsh Ministers' Business Scheme;
- c) that implementation of the Business Scheme recommendations continues and acknowledges any changes to the structure of the Council.

25. Action is already being taken on a number of these comments. Taking these in turn, a paper is being prepared which sets out the role and members of private sector-led groups and will be available shortly. As for attendance by or reports on the work of any groups, this can be requested by Members for the agenda of Council meetings. Ministerial attendance at the Council will continue and any changes to the Council will be set in the context of any refocussing of the Welsh Ministers' Business Scheme.

For Council Consideration

G. Are Council Members agreed that the Social Partners shall work in partnership where possible to support specific objectives of the Council and that where appropriate, joint communiqués should be issued?

H. Are Council Members agreed that the Framework be used to drive a more outcome and action focussed approach to the Council's role?

Whole Government ways of working

26. Comments were made about the need for a whole Government way of working in regard to economic development, with clear internal management mechanisms. There was a specific reference to the need for every Department to consider its influence on the Welsh economy.

27. The Programme for Government makes clear that jobs and growth are an overriding priority for the Welsh Government. The need for and commitment to a whole Government approach to economic development has been clearly made.

The Framework articulates this further. In addition, and in response to a previous recommendation by social partners, each Welsh Government Department is now preparing an annual report on how it is implementing the Business Scheme within its Department. This provides social partners with a means of reviewing the activities of each Department in this regard.

For Council Consideration

- I. Council Members are invited to note the steps that have and are being taken to promote a whole-Government approach. Views of Council Members are welcomed on further suggestions for developing this.**

Annex 1

List of organisations represented on the Council for Economic Renewal

	Organisation
1	ICAEW (Institute of Chartered Accountants England and Wales)
2	ACCA (Association of Certified Chartered Accountants)
3	South Wales Chambers of Commerce
4	FSB (Federation of Small Businesses)
5	CBI (Confederation of British Industry) – Wales
6	IoD (Institute of Directors)
7	FPB (Forum of Private Business)
8	HBF (Home Builders Federation)
9	FMB (Federation of Master Builders)
10	CML (Council of Mortgage Lenders)
11	NFU (National Farmers Union)
12	RICS (Royal Institution of Chartered Surveyors)
13	EEF, The Manufacturers' Organisation
14	FTA (Freight Transport Association)
15	RHA (Road Haulage Association)
16	CIM (Chartered Institute of Marketing)
17	The Law Society
18	Wales Co-operative Centre
19-23	Wales TUC (five representatives)

Annex 2

Terms of Reference for the Council for Economic Renewal Working Group

Purpose

To strengthen and underpin the operation of the Council for Economic Renewal and provide the continuity and impetus to ensure the Council for Economic Renewal is as effective as it can be at its meetings.

More specifically:

- To review and take forward the actions from the Council meetings
- To discuss the forward agenda for the Council meetings
- To establish task and finish groups as appropriate
- To advise on and inform the operation of the Business Scheme

Title

■ Council for Economic Renewal Working Group

Membership

One representative from:

- Department for Business, Enterprise, Science and Technology
- Chair of Business Wales
- CBI
- IOD
- Chambers Wales
- FSB
- Wales TUC
- Professions Group within Business Wales
- Social Enterprise
- Wales Social Partners Unit,
- Business leads from other Departments according to agenda.

Frequency

- Six times a year – before and after the three Council Meetings
- Option to meet more often on specific issues as necessary.

Operations of meetings

- Chaired by officials from Business, Enterprise, Technology and Science
- Arrangements and papers circulated by the Wales Social Partners Unit
- Items / papers from both Welsh Government and Social Partners