

# Written Response by the Welsh Government to the report of the Committee for the Scrutiny of the First Minister entitled The Welsh Government's relationship with the Third Sector and the Private Sector

22 April 2014

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This paper sets out the Welsh Government's response to the report of the Committee for the Scrutiny of the First Minister on the Welsh Government's relationship with the Third Sector and the Private Sector, as requested in the Committee's letter of 7 March 2014. This paper also sets out the additional information in relation to Major Infrastructure Projects in North Wales, also requested in the Committee's letter of 7 March 2014.

**Detailed responses to the recommendations in relation to the Welsh Government's relationship with the Third Sector and the Private Sector are set out below:**

## **Recommendation 1**

We would like you to explain further the Government's vision for a strategic partnership with the Third Sector and in particular, how the competing strands of valuing voluntary work while ensuring the voluntary sector remains independent and not just another branch of Government, will be addressed.

**Response:** Accept

The Welsh Government recognises that Third Sector organisations are independent, non-governmental bodies established voluntarily by people who choose to organise themselves. The Welsh Government respects the sector's independence.

The new Third Sector Scheme and annexed Code of Practice for Funding the Third Sector were developed in partnership with the Third Sector Partnership Council following wider consultation, which took place between May and August last year.

The Sector's independence is addressed in Chapter 2 of the Third Sector Scheme 2014. For your convenience I attach the relevant text below.

### *The Nature of the Relationship*

*2.4. The Welsh Government is committed to recognising and promoting the Third Sector. The Welsh Government values the Third Sector for the contribution which the Sector makes to the long term economic, social and environmental wellbeing of Wales, its people and communities.*

*2.5. The relationship between the Welsh Government and the Third Sector rests upon integrity, trust and mutual respect. The Welsh Government is committed to maturing this crucial relationship that has developed over a long period, for the benefit of people and communities in Wales.*

*2.6. The Welsh Government recognises the need to work in partnership with the Third Sector as well as with other public services and bodies including local authorities and local health boards. Effective partnerships must be based on an appreciation of each party's distinctive contribution.*

*2.7. The Welsh Government expects the Third Sector to recognise the primacy of Welsh Ministers in formulating policy and legislation. In turn, the Welsh Government recognises the wide scope and diversity of voluntary activity across the whole spectrum of society and the contribution voluntary and community organisations and individual volunteers make to the economic, social, environmental, cultural and linguistic life of Wales.*

*2.8. The Welsh Government also recognises that Third Sector organisations are independent bodies which determine their own priorities and manage their own affairs, and that the Third Sector has an obligation to represent the interests of its constituents. It is also acknowledged that Third Sector organisations operate within the principles upon which they are founded. They are accountable to their members and the individuals and communities with whom they work, and to regulatory bodies such as the Charity Commission.*

*2.9. On the basis of this mutual understanding of each others' roles, it is recognised that the Third Sector is a key partner in formulating and delivering many aspects of public policy, and as such it should develop strong partnerships with both national and local government.*

The Third Sector Scheme further commits the Welsh Government to developing a mutually agreed Framework for Engagement to support the mechanisms for ensuring clear channels of communication between the Welsh Government and the Third Sector. Officials are in the process of developing this Framework in partnership with representatives from the Third Sector Partnership Council (TSPC).

As part of that process, the Framework will be shared across government and the Third Sector. Each Third Sector Network and Minister will be invited to prepare a list of priorities where joint working would be beneficial.

The Welsh Government supports the Third Sector Infrastructure in Wales to develop and support individuals and groups to carry out voluntary activity, as well as providing direct and indirect funding to a wide range of individual, national and local Third Sector organisations operating in Wales. As the Minister for Communities and Tackling Poverty stated on 12 November last year, in our support for volunteering across Wales the emphasis will be on support for small, grassroots organisations that make a significant contribution to community resilience and the delivery of local services.

We recognise that over-reliance on public sector funding does not foster either the independence of the Third Sector or effective partnership working between the sectors. Accordingly, we continue to place considerable emphasis on the need for organisations to access other sources of funding. Support for fundraising and developing skills in this area are key aspects of the work of the Third Sector infrastructure bodies. These bodies are important vehicles for supporting the

development of local organisations and volunteers, while also enabling the Third Sector to work in partnership with the public sector at all levels.

I can assure the Committee that there is no intention to restrict The Third Sector from acting independently. The Welsh Government continues to regard the Third Sector as a key partner and values the Third Sector for the contribution which the Sector makes to the long term economic, social and environmental wellbeing of Wales, its people and communities.

**Financial Implications:** None

### **Recommendation 2**

We would like you to agree to lay before the Assembly an annual statement of the number, role, reporting arrangements and membership of all of the Welsh Government's private sector led Advisory Boards and Task and Finish Groups. We would also like the report to outline how each of the boards or groups has directly influenced the activities of Welsh Government departments in the preceding year and to set out any planned changes in approach for the following year.

**Response:** Accept

We will agree to lay before the Assembly an annual statement of the number, role, reporting arrangements and membership of all of the Welsh Government's private sector led Advisory Boards and Task and Finish Groups. This will include a statement on the influence of their work and any planned changes in approach for the coming year.

**Financial Implications:** None

### **Recommendation 3**

We would like you to provide us with a statement setting out how, within the current RIA process, the Welsh Government assesses the cumulative effect of policy changes and new Welsh legislation on the private sector.

**Response:** Reject

The Regulatory Impact Assessment (RIA) process does not include as a standard requirement an assessment of the cumulative impact of policy changes and new Welsh legislation on the private sector as a whole. To require this in every case would be disproportionate. However, RIAs have considered the cumulative impact of policy where a particular sector has been impacted by a number of new policy or legislative changes. This approach is in line with current guidance from HM Treasury. The consultation process affords stakeholders the opportunity to bring to the Welsh Government's attention instances where they believe effects may impact cumulatively on a particular sector and the Welsh Government will continue to make an assessment of such impacts on a case-by-case basis."

**Financial Implications:** None

You also asked for a copy of the evaluation of the Wales Social Partners Unit. A copy of the report is attached for your information.

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**Detailed responses in relation to the additional information requested for recommendations on Major Infrastructure Projects in North Wales are set out below:**

**Recommendation 1:**

As I set out in my correspondence of 8 October, the Programme for Government (PfG) describes the outcomes this Government strives to achieve. In order to make progress towards these outcomes, Government policy is developed across and within each Ministerial portfolio in the context of the PfG and with consideration for strategic national policies. Underpinning the development of all our policies and programmes is our commitment to sustainable development as our central organising principle.

In my response, I explained how this process works and provided a diagram illustrating the relationship between policy, programmes and projects. By way of example, this included national strategic policies such as the Wales Spatial Plan and the Wales Infrastructure Investment Plan (WIIP). In terms of the latter, this also extends to the Pipeline which is an integral part of the WIIP. The Pipeline includes key local and national public infrastructure investment data. Increasing visibility and clarity of planned infrastructure investment across Wales, providing the knowledge to enable better strategically informed investment decisions and maximize potential collaborative opportunities.

In terms of the National Transport Plan, the Minister for Economy, Science and Transport is currently reviewing the National Transport Plan to include regional priorities and establish a transport framework that integrates local, regional and national transport planning.

**Recommendation 2:**

The Welsh Government is committed through *Energy Wales: A Low Carbon Transition* to ensuring that communities affected by energy developments see real benefits from those developments, and we are proactively working with the industry and partners to ensure that the wealth generated by energy development in Wales benefits communities and lays foundations for Wales' long term economic prosperity.

To date, our primary focus has been on onshore wind developments and Anglesey Energy Island. We have worked closely with the onshore wind industry to undertake an assessment of the opportunities to achieve economic and community benefit from commercial wind developments in Wales. We have identified that the most transformational benefits to be derived from developments are economic benefits to Welsh businesses and supply chains, resulting in the creation of jobs and investment.

The Anglesey Energy Island Programme continues to identify and realise opportunities for Welsh businesses to secure opportunities from each of the energy developments in the Island area. Support ranges from long term skills developments,

to ensure local people have the skills businesses will need, through to Meet the Buyer events at all stages of the supply chain.

Working in partnership, the wind industry have agreed a 'Declaration' that commits gives a them to work with our communities to ensure they receive long-term positive benefits. The Declaration aims to ensure a consistent, transparent, collaborative and strategic approach in their engagement with communities and a range of stakeholders. To date over a dozen developers and Renewable UK Cymru have signed up to demonstrate their commitment. The Declaration is a commitment from the developers to ensure a consistent and best practice approach to the way that they engage with communities and to ensure that economic and community benefits are maximised. As part of the Declaration, the industry has agreed to work together in areas where there is more than one wind farm so that the community can obtain the greatest benefits. A key part of the Declaration is the commitment from developers to support communities to make sure they have access to the best possible advice and services when the community benefits scheme is being set up and administered.

We continue to work with the industry to ensure a greater focus on delivering benefits on a regional scale and securing extra funding where possible.

We have now launched our Register of Economic and Community Benefits from Onshore Wind which provides a user friendly mechanism to report – transparently – the level and nature of benefits associated with onshore wind developments in Wales. The Register offers the industry a unique opportunity to demonstrate how they are benefitting Welsh communities and the Welsh Economy and will become a valuable source of information and guidance for communities across Wales who are developing their own community benefit packages.

#### **Recommendation 6:**

From earlier studies, two alternatives have been identified to address the capacity issues on this part of the network. These alternatives require a WelTAG Stage 2 assessment to determine which route is appropriate. Following a decision on the preferred route, the next steps would be to develop the design and publish proposals.

Given the work required to develop the scheme, the earliest likely start date for construction on the ground would be in 2019.

#### **Recommendation 7:**

Details of our road improvement schemes for North Wales can be accessed on the Welsh Government website through the following link:

<http://wales.gov.uk/topics/transport/roads/schemes/?lang=en>

The Minister for Economy, Science and Transport has established a new task force to provide advice on the key issues for transport in north Wales including cross border links. The Task Force will provide advice throughout its duration with a final report due in December 2014. The Task Force is chaired by the Minister for Local Government and Government Business.