



**Cynulliad Cenedlaethol Cymru
Y Pwyllgor Datblygu Economaidd a Thrafnidiaeth**

**The National Assembly for Wales
The Economic Development and Transport
Committee**

**Dydd Mercher, 20 Ebrill 2005
Wednesday, 20 April 2005**

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau o'r Cynulliad yn bresennol: Christine Gwyther (Cadeirydd), Leighton Andrews, Andrew Davies (y Gweinidog dros Ddatblygu Economaidd a Thrafnidiaeth), Janet Davies, Tamsin Dunwoody-Kneafsey, Lisa Francis, Elin Jones, Jenny Randerson, Carl Sargeant.

Swyddogion yn bresennol: O Gwyn Griffiths, Cyngorydd Cyfreithiol i'r Pwyllgor Deddfau; Bob Macey, Pennaeth yr Is-Adran Polisi Economaidd; Eleanor Marks, Swyddfa Cyllid Ewropeaidd Cymru; Jonathan Price, yr Uned Ymchwil Economaidd; Emyr Roberts, Prif Weithredwr, Swyddfa Cyllid Ewropeaidd Cymru.

Eraill yn bresennol: Gareth Beer, Awdurdod Datblygu Cymru.

Gwasanaeth Pwyllgor: Siân Wilkins, Ail Glerc y Pwyllgor Datblygu Economaidd a Thrafnidiaeth; Sarah Bartlett, Is-gherc y Pwyllgor Datblygu Economaidd a Thrafnidiaeth.

Assembly Members in attendance: Christine Gwyther (Chair), Leighton Andrews, Andrew Davies (the Minister for Economic Development and Transport), Janet Davies, Tamsin Dunwoody-Kneafsey, Lisa Francis, Elin Jones, Jenny Randerson, Carl Sargeant.

Officials in attendance: O Gwyn Griffiths, Legal Adviser to the Legislation Committee; Bob Macey, Head of the Economic Development Division; Eleanor Marks, Wales European Funding Office; Jonathan Price, Economic Research Unit; Emyr Roberts, Chief Executive, Wales European Funding Office.

Others in attendance: Gareth Beer, Welsh Development Agency.

Committee Service: Siân Wilkins, Second Clerk to the Economic Development and Transport Committee; Sarah Bartlett, Deputy Clerk to the Economic Development and Transport Committee.

*Dechreuodd y cyfarfod am 9.01 a.m.
The meeting began at 9.01 a.m.*

Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau Introduction, Apologies, Substitutions and Declaration of Interests

Christine Gwyther: I welcome members to the meeting, especially Lisa. I remind members that they are welcome to speak in Welsh or in English, and that headsets are available for members of the public for the translation and also for amplification—if you are having trouble hearing anybody, the headsets will help. I remind committee members and members of the public to switch off mobile telephones or any other strange electronic devices that you may have. If the fire alarm goes off, the ushers will tell us where the nearest exit is. I have not received any apologies.

9.02 a.m.

Adroddiad y Gweinidog The Minister's Report

Christine Gwyther: I call on the Minister to provide a brief oral update.

The Minister for Economic Development and Transport (Andrew Davies): I was going to give an update on the MG Rover situation, but I made a statement to Plenary yesterday on that and updated Members. One of the interesting developments has been the involvement with IBM and the facility that it is developing, namely Technium Auto at Dafen in Llanelli,

which will help small and medium-sized enterprises in the automotive sector with their research and development needs and product diversification. The other point is that the latest labour market statistics, which came out last week, again show remarkable employment growth in Wales, particularly since 1999. We now have an unemployment rate, as we have had for some time now, that is below the UK average. I wish to put on record that, as I have said before, the allegation that the majority of the jobs created in Wales are in the public sector is not true. Wales is the only part of the UK where employment growth has been predominantly in the private sector. That is not true for the rest of the UK. Two thirds of the increase in employment has been in the private sector in Wales since 1999, with roughly a third in the public sector. So, I wanted to put that on the record because it has been said before that the growth is dominated by the public sector, which is not true. Wales is the only part of the UK where private-sector growth has exceeded public-sector growth.

Christine Gwyther: Is there one thing that you can put that down to? Is it structural funding or a different way that we are doing things?

Andrew Davies: It is the success of our policies, I think.

Christine Gwyther: That is a bit broad.

Andrew Davies: I think that it is a range of issues. I think that structural funds have had an impact, but I think that it is also the focused support that we are able to give to the private sector. The Welsh economy is now much more diverse than it was 20 or 30 years ago, and we have real strengths in a range of sectors, including the manufacturing and service sectors and others. I am not sure whether Jonathan Price, our chief economist, would like to give a more detailed response on that.

Mr Price: Not really. It is an overall figure, that reflects the overall strong performance of the economy in Wales. I would also point to the fact that there has been a steady improvement in the skills profile in the Welsh economy as well, which is one factor.

Christine Gwyther: I would like to bring members in now. Could you indicate if you wish to speak?

Lisa Francis: Thank you for that update, Minister. I was interested to hear you say that the information is incorrect and that, indeed, it is in the private sector that jobs have been created, rather than the public sector, because I was under the impression that 60 per cent was the figure for the jobs created in the public sector. Can you provide us with more detailed information and figures to back that up? Also, in the figures that we have been given today, while the number of people leaving education with degrees and so on to go into full-time employment appears to be rising, the number of working-age adults who do not have any qualifications at all is worrying. What are you and your officials doing to combat that? Skills are one thing, but not having any basic reading, writing or mathematical skills and leaving school without any good passes at GCSE is worrying when people are entering the job market.

My other questions are on tourism and rail. First, could we have an update on the Cambrian line? The landslip on that line has caused a closure that was meant to be repaired by 17 April. The closure exists between Machynlleth and Harlech, I believe. The problem is that lots of schoolchildren use that line on a daily basis and they now have to be bussed to school, which means that lots of extra hours are added to their day. Do you have any definite information about when that repair will happen? When can we expect the responses to the issue of the knock-on effect of the Great Western timetable? You mentioned that in your report, but could we have a firm answer on that?

On the Conwy valley line, I am pleased that that line reopened on 7 March after repairs following flooding, but it is interesting to note that the Strategic Rail Authority's proposals for community railways in Britain list the Conwy valley line as one of the routes proposed for community-rail status. If major flood damage were to occur again in the future, would Conwy County Borough Council be in a position to repair that line? Do you think that there is a case for infrastructure investment and that that case would be much stronger if proposals to carry slate waste from Blaenau Ffestiniog over the line were to come to fruition? If that happened and the line was to flood again, it is possible that the bills for damage to that line would fall to the companies concerned with the removal of slate waste.

On tourism, in point 12 you say that the majority of tourism businesses are confident about their prospects for the forthcoming season, and I was wondering from where you got that evidence base. Is it just anecdotal, or do you have any facts to back that up? I was concerned to hear at a tourism meeting last month complaints that, due to the tsunami effect, people were not making holiday bookings just after Christmas, as was the usual procedure, and that there had been a drop in telephone and internet bookings and so on. Do you have any firm figures to back up your statement? On compulsory registration, how does the Wales Tourist Board intend to consult representatives of the trade about that, and who will those representatives be? Will they be individual businesses, or will they be organisations representing business?

Finally—thank you for your indulgence, Chair—in point 14, Minister, you talk about your visit to VisitBritain and how the UK will be marketed outside Europe. I am not sure whether that statement on point 14 seems to imply that the Wales Tourist Board will cease marketing Wales outside Europe. Can you confirm whether that is the case, please?

Christine Gwyther: Could you explain what I think could be an anomaly with the so-called tsunami effect, because I understood that it would be beneficial to business in Britain? However, clearly, you have heard something different. Could we have some clarity on that?

Lisa Francis: Yes. If I could expound on what I meant by that, a lot of people, because of the overwhelmingly tragic news, decided to donate money to the tsunami relief fund, and to forgo booking holidays, apparently.

9.10 a.m.

Andrew Davies: On that specific issue of tourism and the confidence of the industry, I have had meetings with the Wales Tourism Alliance, which is the umbrella organisation for tourism operators in Wales, and it said that, overall, its members were confident of a good season. It was unlikely that it would be at the record levels seen in 2003, but it was, nevertheless, confident, and its members were reporting good levels of bookings.

In relation to the tsunami—as would any other international incident, natural or man-made disasters—it has had an effect on people's willingness to travel internationally. The UK mark is very important for Welsh tourism, and there is often a tendency for people to stay at home rather than to travel. However, everything that I have heard from the industry indicates that it thinks that it will be a good season, except maybe not at the record levels seen in 2003.

On the consultation on statutory registration, the method by which the Wales Tourist Board will consult the industry will be in the public domain. I imagine that it will be a combination of working with tourism organisations, through the existing infrastructure—that is, with the Wales Tourism Alliance, and the regional tourism partnerships—as well as extending an open invitation for individuals to respond.

On VisitBritain, it was not a meeting with VisitBritain itself, but rather a meeting with UK

tourism Ministers. However, it has been agreed that, in future, with regard to marketing Wales and Scotland, Visit Scotland and the Wales Tourist Board—which will then come into the Welsh Assembly Government—will concentrate on the existing mature markets. In the case of Wales, that would be the Netherlands, Germany and France. The UK, or VisitBritain, marketing operation will concentrate on emerging markets, such as China. That does not mean to say that Wales will not be promoted overseas. The Wales Tourist Board, as it is currently called, will work with VisitBritain in terms of those emerging markets.

To come on to the employment figures, the reference that I made to the growth in the private sector comes from the Labour Force Survey, the official statistics published by the Office of National Statistics. I can give you those figures, which come in a chart form. It gives the figures from 1999 to 2004, in which Wales was the only part of the UK where there was more growth in the private sector than in the public sector. We can give those figures to the committee clerk, so that they can then be circulated.

On adults without qualifications, this has been a well recognised phenomenon in Wales, as the committee itself recognised when it prepared its report on economic inactivity, and the Chair spoke on this matter in Plenary yesterday. One of the biggest challenges that we face in Wales is the disproportionately high number of adults who do not have qualifications. That is one of the weaknesses in the Welsh economy, particularly in areas such as the Heads of the Valleys—places like Ebbw Vale and Merthyr Tydfil. That is one reason for the big emphasis on skills training in the Heads of the Valleys programme—which we will be discussing later—and helping people to acquire the skills that they need.

On the questions on rail, perhaps officials could deal with some of the specific ones. However, on the Conwy valley line, I will just say—as I have said before in terms of the Railways Bill, which is now on the statute book—one of the reasons that we did not seek the same powers as the Scots over infrastructure is that, if we had the same powers, when lines get damaged, such as the Conwy valley line, we would also have responsibility for the liability of investing in, and repairing, that line. As our powers currently stand, that still remains with Network Rail, and it is therefore responsible.

On the Cambrian line landslip, I am not sure what the latest news on that is. Can we have any information?

Christine Gwyther: Could you come the table to use the microphone, please, Martin?

Mr Stevenson: On the landslip, I do not think that we have a firm date for reinstating the line. The landslip happened near Fairbourne; the line was cut off and there were no trains on the Porthmadog or Pwllheli end of the Cambrian line. Arriva moved a two-railway-carriage car onto the line, which was taken by road from Chester to Porthmadog, so that it could reinstate a partial service. It now has a bus service to fill in the missing link, but we will have to come to back to you with the date for reinstating the full service.

Lisa Francis: It was published in the papers, and a date was given for repair, which said 17 April, so people expected that to happen. Can we have an update on when it will be working again? The problem is that we are bussing these schoolchildren around, which adds a tremendous amount of time to their day.

Christine Gwyther: Please can you stay at the table, Martin, as there will be further questions.

Andrew Davies: On the Blaenau Ffestiniog line, I think that that was bound up with the Conwy valley line question, so I have answered the question on the responsibility for payment. Our commitment to rail is well known, which is why we will be reopening

passenger services on the Vale of Glamorgan line in June, and we will be introducing passenger services in Ebbw Vale in 2006-07. We are not in the business of closing lines, so support for railway lines and the infrastructure in Wales are a matter for us. We are not planning any closures; far from it—we are extending the network.

Christine Gwyther: Okay, thank you. Are you happy with that answer, Lisa? We will be given an update.

Lisa Francis: Yes, it is just that it is confusing, because the Strategic Rail Authority's proposals for community railways in Britain lists that particular line as one of the routes proposed for community rail status. We have already seen that line flood twice in two years. It could happen for a third year on the trot, and I am concerned about whether the county borough council will be able to afford the repairs should that situation occur again.

Andrew Davies: The Strategic Rail Authority will cease to exist very shortly as a result of the Railways Act 2005, and responsibility will now reside with us as a Government, in collaboration with the Department for Transport. As I said, there are no plans to close any lines; far from it—we are looking to extend the network.

Janet Davies: I am afraid that I have many points to bring up. On the railways, could the Minister give us some clarification on what has happened with the two Bills—the Railways Bill and the Transport (Wales) Bill—so that we know exactly what has happened with the dissolution of Parliament? From what you say, it sounds as though the Railways Bill went through, and that the other possibly did not.

On the issue of not having the powers that Scotland has, and the fact that we had to invest, it is true to say that, if we had had those powers, money would have followed them. If, as Lisa says, no work is being done to stop flooding in the future, it does not seem that Network Rail being responsible for investment in that particular line has been that wonderful for people in the area.

On the Ebbw Vale line, I gave notice that I would like some information on where you are with the contract—and perhaps I should say at this point that I have fairly reliable information, in my opinion, that the tenders have not yet gone out for the track and signalling. Perhaps you can tell me that I am wrong there.

9.20 a.m.

Lastly, on the railways, there was a fairly nasty story in the *Western Mail* yesterday—though we do not always believe everything that we read in the papers—concerning the fact that Arriva wanted 22 new Turbostar trains for the new contract, at a cost of £45 million. This was refused by the Strategic Rail Authority, presumably, and the Westminster Government. Instead, we have had seven old Sprinters for £50 million, although, as you have written to tell me, half of that money goes on maintenance. Even at £25 million, it does not seem to be that wonderful a bargain. There were other comments in the *Western Mail* that suggested that the improved services did not come about.

I will now turn to other topics. Tomorrow morning, the Audit Committee is taking evidence on procurement by higher education institutions. I notice that most higher education institutions in Wales have not used the Carbon Trust to survey their energy use, yet, in paragraph 19, you encourage that in the private sector. To what extent are you trying to persuade the public sector in Wales to use the services of the Carbon Trust? I understand that the Assembly puts a lot of money into the Carbon Trust, and it is a pity if there is no benefit, however indirect that might be.

I am glad to hear that the waste electrical and electronic equipment directive will come into force in January next year. However, to what extent will the arrangements on the ground for disposal of this waste be effective? So often, there is a gap between enacting the directive and those on the ground disposing of their waste, because of their ability to do so. That is worrying, particularly for those who are less well off.

Finally, I would like to ask a question regarding an action outstanding from 9 February on windfarms. I support windfarms; the generation of electricity from alternative sources is very important. However, I understand that there are problems if they are built in the migration paths of birds. There has been a major report regarding a windfarm in Navarra, which you visited recently, where a significant number of migrating birds have been killed. Will you comment on that and on the extent to which we in Wales are ensuring that that does not happen here? We have enough of an anti-windfarm lobby, without giving cause to strengthen it when we do not have to.

Andrew Davies: On the legislation, the Railways Bill has reached the statute book; unfortunately, the Transport (Wales) Bill did not. It was caught in the logjam at the end of the last parliamentary session. We have written to the UK Government asking for that to be considered in a future Queen's Speech.

On the issue of our powers, money was given to Scotland following the transfer of powers over the infrastructure. However, you can never legislate for major changes. It could be that the money transferred would be insufficient to tackle major damage, such as that on the Conway line, and so we would ultimately be responsible and liable for putting that right. We still think that we have the best deal for running an effective rail system in Wales.

On the Ebbw Vale line, of the two contracts for the first phase of that line, for the service between Ebbw Vale and Cardiff, which is projected to open in the financial year 2006-07—the second phase will be a service to Newport—the first contract is to improve the permanent way, including, as you said, signalling and refurbishing structures, and the second contract is to build six new stations and associated highway infrastructure. I understand that those contracts will be put out for tender this month. It is hoped that the contracts will be awarded this summer for the construction of the first phase—as I said, the service to Cardiff. On Arriva Trains Wales and the 20 new trains, I would need to come back to you on that.

On public procurement, the Carbon Trust does a substantial amount of work with the public sector. It has been working on a pilot project, I believe, with Gwent Healthcare NHS Trust on improved energy efficiency in the health service state in that trust. We have discussed the work that it has done at Cabinet level, and we would want to see that work rolled out across the whole of the public sector. I meet the vice chancellors of universities and the principals of higher education institutions regularly, and procurement was on the agenda for the last meeting; it was not specifically about the work of the Carbon Trust, but I will reinforce that message when I next meet them.

On the implementation of the waste directive on electrical equipment, once again I will come back to you on that—I am seeking information from my ministerial colleague, Carwyn Jones. This is an important development, and we want to ensure that we have the systems in place for dealing with it, as we did with the end-of-life vehicles directive for cars, for which the system seems to be working.

On your last point about windfarms, a huge amount has been made of this by the small but nevertheless vociferous minority who are against windfarms, and they have blown up this report about a study of the impact of windfarms and wind turbines on birds and migrating birds. To read the press coverage or the comments on that, you would think that every turbine in Navarra was covered in the bodies of dead birds—that was not the case. It had some

impact—some turbines had an impact on some migrating birds. However, when I was in Navarra with local authority representatives earlier this year, I have never seen so many birds of prey and red kites flying in and out of turbines, which were not stationary, they were working at the time. The Navarra Government and the windfarm developers have taken onboard the lessons to be learned from that report. It is not just a case of windfarms having an environmental impact assessment—each turbine in each windfarm is now required to have an environmental impact assessment, and one criterion is any adverse effect that it would have on migrating birds.

Christine Gwyther: Although the question was interesting, Navarra is not your responsibility—at the moment. Can you explain the process that the Countryside Council for Wales goes through as part of the environmental impact assessment that any developer would have to go through?

Andrew Davies: My understanding is that it would be done because it would be a planning application to the local authority. The developer would have to present an environmental impact assessment. I do not know the detail of what would be required. I understand that it would not be anywhere near as comprehensive as the system used in Navarra. I do not know what the relationship would be with CCW, but I will make inquiries and come back to you on that.

Christine Gwyther: I would like a note on that so that we can be assured that that happens.

Janet Davies: The Royal Society for the Protection of Birds has always supported windfarms, but on this issue it is now expressing concern. The concerns of such an influential organisation, which will have considered the matter carefully, deserve to be carefully considered.

On the Ebbw Vale line, if the contracts have not yet been awarded, what confidence do you have about the date of the opening of the line?

Andrew Davies: We are still very confident. It is a major commitment by us as a Government. While we are largely funding it, we are not the lead body on this—it is led by a consortium that is headed up by Blaenau Gwent County Borough Council, involving Network Rail as well. We have made it clear to all partners, including Network Rail, that this work is a priority for the Government, and we expect it to be done within the timetable laid out.

9.30 a.m.

Janet Davies: The funding is coming from here, so I think that there is a responsibility here to ensure that it is done in time and that the consortium is performing properly.

Christine Gwyther: The answer on that was quite unequivocal anyway, which I was glad to hear.

Carl Sargeant: Minister, it is always encouraging to see the economy grow, and I am sure that that has a lot to do with our policy, but the economist also mentioned the skills element, which is of particular interest to me. Last week, the Assembly hosted a meeting with members of the aerospace industry, particularly those from north Wales. One of the pressures that they face is that of trying to increase the skills base, with competition constantly coming from China and America. Have you had any involvement in developing a sector skills council for the industry? I know that it is driven by the companies, but have you had any involvement in that? Would you be in favour of helping to develop that, particularly for the aerospace industry? I know that there are many sector skills councils, but there are none specifically for that industry.

You have given us a note in annex A regarding the gateway project in north Wales. In the last paragraph, it mentions that all the partners will be influenced by the need to achieve a comprehensive planned development of the site to ensure best outputs for the partners and the wider community. I met officials from Corus last week, and they still have some issues. Could you perhaps ask your office to have another chat with some of the members regarding the gateway project, particularly Corus officials, as they are major stakeholders in that? I was interested in Janet's comments regarding the windfarm development. I was with members of the Royal Society for the Protection of Birds two months ago in north Wales looking at developments along the River Dee, and particularly the windfarm development in the bay. Bird strike was not an issue for them then—obviously some more data have been produced now—but they were positive about the windfarm development and supportive of it.

Andrew Davies: On your last point on windfarms, I know that part of the environmental impact assessment for the North Hoyle and Rhyl flats, and any future development in Liverpool bay, looked at the impact on birds, particularly birds such as the common scoter, which flocks in that area, and marine life generally. Concerns have been expressed, and the development has to take those into account.

On aerospace, I have not had any specific meetings with the industry on establishing a sector skills council, but we have a good relationship with the sector: we see it as being a very significant sector for Wales. Our commitment to manufacturing has made Airbus the largest private sector employer in Wales. The apprenticeship scheme that Airbus now runs is, I believe, the largest in the UK. So, its commitment to higher levels of skills and training is second to none. Aircraft or aerospace maintenance, repair and overhaul is of huge importance, particularly in south Wales, hence our commitment to St Athan and the aerospace business park there. Skills are, again, central to that, and I have charged the Welsh Development Agency, under David Swallow's leadership on the aerospace sector, with ensuring that, as a Government and as the public sector, we are giving all the support that we can to the sector. However, I will raise with my colleague Jane Davidson how the sector skills council will work in this particular area.

On the gateway project, I will follow that up with officials and stakeholders.

Jenny Randerson: Do you want me to raise the review of regional aid guidelines now, Chair, or under structural funds?

Christine Gwyther: Probably under structural funds, if you can work it in.

Jenny Randerson: Thank you. I will leave that then and go back to the Railways Act 2005 and the interface between that and the Transport (Wales) Bill. When we looked at them here, things had been left out of one because they would be in the other, and I am concerned at how long it will be before the Transport (Wales) Bill becomes legislation. If there is a Labour victory in the general election, what timescale do you envisage that we would be looking at before we could have this back? I am sure that other parties would be equally keen to see it go through. I will ask that question first, because the other one is totally different.

Andrew Davies: Obviously, there is a close relationship between the two Bills, because the Welsh clauses in the Railways Act 2005 were originally in the Transport (Wales) Bill. However, because of the review of the railway industry that was undertaken by Alistair Darling as Secretary of State, they were dealt with separately. We do not know, with any degree of assurance, what the timescale will be. As I said earlier, we have written to the UK Government and, in terms of future parliamentary time and the Queen's Speech, we would clearly want the Transport (Wales) Bill to be dealt with as early as possible, hopefully in the first Queen's Speech. All the pre-legislative scrutiny, which obviously involved this

committee, has been completed. It is a relatively short Bill, it is not contentious, and it has huge support from a wide range of stakeholders. We made all those points to the UK Government, but we cannot give an assurance on parliamentary time at this stage.

Jenny Randerson: May I just comment on that? Since there is cross-party support for the Bill, here and in the House of Commons, it is a great pity, given that it is short and not contentious, that no time was found for it in the House of Commons. That is yet another reason why this place needs more powers, because we are being put at a great disadvantage.

Christine Gwyther: However, that is not a matter for the Minister's report this morning.

Jenny Randerson: I know that it is not, but it was worth saying it.

Christine Gwyther: We should move on.

Jenny Randerson: On the knowledge exploitation fund report, I note my concern at how critical it is of certain areas, namely the management uncertainties at Education and Learning Wales—management difficulties when it was under ELWa—and I know that it was then passed to you, Minister. The report criticises the lengthy transfer process to the WDA. What assurances can you give us that matters will improve because, essentially, having had a lengthy transfer process to the WDA, there will now be another transfer process into the Assembly Government? As a fund, it is in a process of perpetual change. The review concludes that KEF should be totally integrated within the WDA—for that I assume that we should read that KEF should be totally integrated within the Welsh Assembly Government. Does that mean that we will lose sight of KEF as a specific project? Despite all the faults in the implementation of the project, the original idea was an extremely good one. It should have been something that could have been sold as a simple concept for those involved to grasp and to approach. If it gets subsumed into a number of different WDA programmes, I fear that the big idea will be lost.

Andrew Davies: On the KEF transfer, when the First Minister decided that responsibility for the fund should go from ELWa to the WDA, the WDA—as I am sure that the report shows—effectively had to undertake a due diligence process and that was what led to the delay. There was a huge amount of work that the WDA had to do to look at how the KEF programme was managed. I am confident that KEF is in a much sounder managerial position than it was previously, and it is more soundly organised.

9.40 a.m.

In terms of its future, it is very important that the activities funded by KEF continue to be supported. That is one of the underlying reasons why the merger with the WDA and Education and Learning Wales is so important. Too often in the past you would have individual programmes, such as KEF, standing alone. That led to a fragmentation of support; in this case, that was support for further and higher education. There is now a greater focus, under the WDA, than was obtained before, and, in future, the work that KEF does will be much more closely integrated with support, generally, for further and higher education activities. In terms of transparency, the way in which the committee scrutinises economic development and transport budgetary activities in the future will have to be decided. We may want to discuss that with the Chair and the committee, in terms of what current activities will be scrutinised in the future. I hope that we arrive at a system whereby the committee will be able to see how these sorts of activities will continue in the future, and you would have some sort of continuity. In terms of the merger, however, I cannot give any firm commitment because some of these programmes may be merged with others, so that, from the point of view of further and higher education activities, the overwhelming aim has to be ensuring that we have the best service that we can provide for that sector. It may not be in its current form,

but, again, I give that commitment that we will work out a system that can be scrutinised effectively.

Leighton Andrews: I have two questions on Annex A. First, however, I declare my routine interest, in that my wife is BT Director Wales.

My two questions are on the Fibrespeed programme and the WDA property strategy. First, you indicate that the project has been notified to the European Commission as possible state aid, and that you are still waiting for a response. There is also an evaluation to be made of the project business case. Can I get a better understanding of what happens if this delay continues? Presumably, money is allocated to this scheme, so are other uses being thought of for it, on a contingent basis? Secondly, is there a demand analysis of the project? Has the demand been analysed, in terms of prospective demand from businesses entering business parks around Wales, for this level of fibre? If so, is it possible to see that? If not, because of its being a matter of commercial confidentiality, that is fair enough.

The second question is on the regional selective assistance grant premium initiative. You say in the report that you expect measures to be in place by May 2005. I am glad to see that Jobcentre Plus is going to be involved in this, but is there a specific marketing programme planned for small businesses, or small and medium-sized enterprises, which might be benefiting from RSA, to look at how they make use of this? Again, given the experience to which you referred in Scotland, it is important that people are encouraged to make use of that scheme, to bring more economically inactive people back into work.

Andrew Davies: On the second question, the RSA programme is handled by my officials in Trade and Invest Wales, and it is a very proactive and customer-focused operation. I do not know what specific marketing campaign will be undertaken, but I will ask Sharon Linnard, who heads Trade and Invest Wales, how it is going to approach the issue of marketing.

On the WDA, Fibrespeed to business parks, as you know, Leighton, the issue of European state aid is very complex, and it is a constantly evolving situation. The received wisdom of two years ago has now changed, and continues to change substantially. For that reason, most public sector interventions in the area of broadband telecommunications will often end up having to be notified to the European Commission. In terms of the funding for it, there are resources allocated within the WDA. On the focus of public sector intervention, we want to create the market, and see to what extent the public sector needs to be involved, and to what extent we can work with the private sector to lever in that investment in terms of fibre speed.

On your question about demand analysis, that is part of the business case that the WDA is currently working up. That will be an integral part of the business case for the Fibrespeed initiative, if it gets European state aid clearance, and the business case warrants it.

Elin Jones: Mae gennyf gwestiwn eithaf manwl i ddechrau. Gwyddoch y cynhelir Sioe Frenhinol Cymru ym mis Gorffennaf yn Llanelwedd. Y llynedd, bu damwain ar yr A470 lle cafodd person ifanc ei ladd tra'n cerdded o faes y sioe Frenhinol i faes y bobl ifanc, sy'n cael ei redeg gan Ffederasiwn Mudiad Clybiau Ffermwyr Ifanc Cenedlaethol. Gwn fod trafodaethau wedi'u cynnal, a bod eich swyddogion wedi cymryd rhan yn y trafodaethau hynny, ynghylch goleuo'r A470 rhwng maes y sioe Frenhinol a'r maes pobl ifanc. Gwelais gopi o lythyr

Elin Jones: I have a rather detailed question to begin with. You know that the Royal Welsh Show will be taking place in July in Builth Wells. Last year, there was an accident on the A470 in which a young person was killed walking from the Royal show ground to the youth village, which is run by the National Federation of Young Farmers Clubs. I know that discussions have taken place, and that your officials have been a part of those discussions, regarding lighting the A470 between the showground and the youth village. I have seen a copy of a letter from

gan eich Dirprwy Weinidog at yr Aelod Cynulliad lleol, Kirsty Williams, ynglŷn â'r mater hwn. Derbyniaf fod eich adran yn barod i ganiatáu gosod goleuadau dros dro yn y fan honno, ond mae un cwestiwn yn parhau, sef pwy fydd yn talu am y gwaith trydanol a'r goleuadau dros dro hyn? Mae'n rhaid cofio mai cyrff gwirfoddol yw clybiau ffermwyr ifanc, sy'n rhedeg y pentref pobl ifanc. Derbyniaf na fyddwch yn gallu roi ateb i mi yn awr, ond erbyn y cyfarfod nesaf, gobeithiaf y gallwch roi rhyw fath o ddiweddariad inni ar y sefyllfa ynglŷn â'r pentref pobl ifanc, a'r cysylltiad ffordd rhwng y sioe a'r pentref. Mae hyn yn rhywbeth sy'n effeithio arnom i gyd fel Aelodau etholedig sy'n cynrychioli pobl ifanc sy'n mynd am wythnos bob blwyddyn i'r sioe Frenhinol a'r pentref pobl ifanc.

your Deputy Minister to the local Assembly Member, Kirsty Williams, regarding this matter. I accept that your department is willing to allow temporary lighting to be set up at that spot, but one question remains: who will pay for the work on the electrics and temporary lights? One must bear in mind that the federation of young farmers clubs, which runs the youth village, is a voluntary organisation. I accept that you will not be able to give me an answer now, but I hope that, by the next meeting, you can give me some kind of update on the position regarding the youth village, and the stretch of road between the show ground and the village. It is something that impacts on us all as elected Members representing young people who spend a week each year at the Royal show and the youth village.

Yr ydych eisoed wedi cyfeirio at ffermydd gwynt a'r ffaith nad oes gennych gyfrifoldeb dros ffermydd gwynt yn Nafarroa, ond mae gennych gyfrifoldeb dros y rhai yng Nghymru a Cheredigion. Codais y mater hwn gyda chi o'r blaen, sef pryd y bydd agoriad swyddogol i fferm wynt Cefn Croes, sef y fferm wynt fwyaf ar y tir yng Nghymru a Phrydain? Ni fu agoriad swyddogol i'r fferm wynt hon hyd yma. Bûm ar y fferm, a chreodd argraff fawr arnof. Pan fydd agoriad swyddogol, efallai yr hoffech roi gwahoddiad i'r ymgeisydd Llafur yng Ngheredigion, sydd wedi gosod y ffaith ei fod yn gwrthwynebu unrhyw ffermydd gwynt newydd yng Ngheredigion a Chymru fel un o'i brif flaenoriaethau yn yr etholiad hwn.

You have already referred to windfarms, and the fact that you do not have responsibility for windfarms in Nafarroa, but you do have responsibility for those in Wales and Ceredigion. I have raised this matter with you before, namely when will there be an official opening of Cefn Croes windfarm, which is the largest onshore windfarm in Wales and Britain? The windfarm has not had an official opening as yet. I have visited the farm, and I was immensely impressed. When there is an official opening, perhaps you would like to invite the Labour candidate in Ceredigion, who has stated, as one of his main priorities in this election, that he objects to any new windfarms in Ceredigion and Wales.

Christine Gwyther: Very good, Elin. [*Laughter.*]

Andrew Davies: I will come back to you on the issue of the A470 and the Royal show, unless Tamsin has any details at this stage.

As I said in response to a question from Alun Cairns at a previous meeting, I would be more than happy to visit Cefn Croes windfarm. I do not know where Alun Cairns is today—I cannot understand where he could be. In terms of opening, it is a matter for the developers, but if they so wish, I would be more than happy to do that.

Christine Gwyther: Thank you very much to Members for that timely session.

9.50 a.m.

Adroddiad Chwarterol am y Cronfeydd Strwythurol Structural Funds Quarterly Report

Christine Gwyther: I ask the staff of the Welsh European Funding Office to come to the table.

Andrew Davies: I will begin by introducing Dr Emyr Roberts, chief executive of the Welsh European Funding Office, and Eleanor Marks, the head of WEFO programmes, who will support Dr Roberts.

The report is self-explanatory. The structural funds programme continues to make a huge difference to Wales. Already, over 75 per cent of the available funding has been committed to projects worth £2.9 billion. That means that around £1.7 billion of match funding is also in place. We need to highlight the success that we have had in engaging with the private sector in the structural funds programme. Some 30 per cent of that total match funding is provided by the private sector. Manfred Beschel, a senior official in the European Commission of DG Regio, expressed surprise at this when we met last year as he believed, from his own experience, that this was a very high and successful proportion. It shows our success in the programme in getting such a high proportion of engagement by the private sector.

It is a good story in terms of the management of the programme. It has had a significant impact on the regeneration of some of our poorest communities. The fact that we received £65 million of additional resources from the performance reserve last year, in terms of the management of the programme, is testimony to the success of the management and the delivery of the programme.

Christine Gwyther: Thank you. I have had some indications already. Elin, and then Jenny.

Elin Jones: Yn y cyfarfod diwethaf, nodwyd ein bod am ganolbwyntio ar archwilio allbwn y rhaglen yn y cyfarfodydd i ddod. Nid yw strwythur yr adroddiad wedi newid mewn unrhyw ffordd. Nodir yn nhablau'r adroddiad faint o arian sy'n cael ei wario a'i glustnodi. Mae'r tablau allbwn yn mynd i'r pwyllgor monitro, a byddai'n fuddiol i ni sicrhau, erbyn y cyfarfod nesaf, fod y tablau ar allbwn ac ar nifer y swyddi sydd wedi'u creu mewn ardaloedd arbennig, ar gael i'r pwyllgor hwn.

Elin Jones: At the last meeting, it was noted that we would concentrate on looking at the outputs of the programme in future meetings. The structure of the report has not changed in any way. The tables in the report note how much money has been spent or committed. The output tables go to the monitoring committee, and it would be beneficial for us, therefore, to ensure, by the next meeting, that the tables on output and on the number of jobs that have been created in specific areas, are available for this committee.

Christine Gwyther: I will certainly make that demand.

Elin Jones: It is the same as last time.

Christine Gwyther: Sorry. Would you like to respond to that, Minister?

Dr Roberts: There is no problem in doing that. It was not recorded as an action point last time, but we will gladly do it for the next meeting.

Jenny Randerson: I would like to query some of the specific figures, which vary considerably, specifically in terms of Objective 1. The average committed expenditure is

beginning to block into the 40 per cent to late 50 per cent range. However, there are a few examples, in priorities 5 and 6, where the figures are still very much lower than that. If you look at priority 5, measures 5 and 6, and at priority 6, measures 1, 2 and 3 in particular, you will see that you are still at a relatively low percentage in comparison with the others. Is there a specific issue with those priorities? I do not need to make the same queries about Objectives 2 and 3 because I have followed those through.

The other issue that I wanted to raise—which I raise here with the Chair's advice—is related to the UK Government's response to the European Commission on the review of regional aid guidelines. I asked whether that could be provided last time. Having read through it with care, there are several issues here where the UK Government's response would not accord with the best interests of Wales, such as those issues about holding down—well, there are several issues and I will not go into them specifically. I am interested in what kind of contribution the Welsh Assembly Government made to this paper. Did you put in views beforehand, did you have the chance to comment on it once it was written, what are your views on it, and how are you making the case for Wales in relation to this? It seems that we have a situation here in which the specific interests of Wales are not best served by the overall UK picture.

Christine Gwyther: Before you respond, Minister, and just to keep our administrative end up, this request was made before the previous meeting back in March, and the UK Government's response was provided at that meeting.

Jenny Randerson: I am sorry, yes.

Christine Gwyther: So, it has been provided to the committee.

Jenny Randerson: Yes, but it was provided at the meeting, was it not? We took it away and read it, or something like that.

Christine Gwyther: I cannot remember the exact details, but it is out there. So, from our perspective, we have fulfilled our role.

Jenny Randerson: Indeed you have.

Andrew Davies: Maybe I could ask Emyr and Eleanor to respond on the specific issues about priorities and measures and relative performance.

Dr Roberts: I am not quite sure what figures have been referred to here. On Objective 1, the overall commitment rate is now at 77 per cent. The figures that reflect that are in the sixth and ninth columns of the tables. On priority 5, in general, the commitment rate is well above the 77 per cent, including measure 6, to which I think you referred, Jenny. Can I just check briefly that we are looking at the same set of figures here, because, in general—

Christine Gwyther: Can you do it easily by giving us a page number to start with?

Dr Roberts: Yes, it is page 13.

Christine Gwyther: Okay, I was there—that is good.

Dr Roberts: It is the sixth column, on the commitment as a percentage of the total available, and the ninth column, on the percentage of commitment against the indicative allocation between 2000 and 2005. I do not know whether you want to pick anything out.

Jenny Randerson: Let us look at one in particular, which is priority 6, measure 2. It is only 25 per cent in that—I hope that I am looking at the right column.

Dr Roberts: Yes, okay.

Jenny Randerson: I am not asking to dissect this in minute detail, and I accept that a general picture is emerging of commitment levels and so on. However, are there specific areas where you still believe that there are problems? I am much more familiar with Objective 2, for example, in terms of my own committee, but I am also looking at this to see whether there are similar problems.

10.00 a.m.

Dr Roberts: The area that is still causing a bit of concern, I suppose, is the IT measure. The Objective 1 programme monitoring committee, at its last meeting, agreed to move money out of that particular measure because the market has, effectively, got ahead of the need for public intervention on that. So, the PMC has taken action there to move money out to reflect that, but there is actually an ongoing bidding round in the measure, through which we expect to commit the rest of the money.

As you know, there have been difficulties in the past in terms of the community regeneration priority 3 projects. That is now looking pretty healthy. A large number of bids came in just before Christmas, and they are going through the appraisal process at the moment. So, we envisage a full spend there.

The only other measure is the one that you have referred to, Jenny, which is the energy measure. If I just draw your attention to the fact that priority 2, measure 5 on clean energy sector developments and priority 6, measure 2 are actually being amalgamated. So, you need to look across those two measures if you are looking at the percentages. We have run a bidding round, and a number of projects are going through the appraisal process at the moment. However, they are quite difficult projects to progress for a number of reasons. Principally, on state aids, we must be careful, and, secondly, a number of the projects are innovative, in terms of the technology and their delivery. I know that Eleanor's team is closely monitoring those projects to see whether they will come through in time for the current round of programmes. That, I suppose, is the highest risk at the moment in the Objective 1 programme. Should it materialise that those projects, for whatever reason, cannot come forward for the current set of programmes, we will take action to move the resources into other measures.

Jenny Randerson: As you may recall, during the debate on economic inactivity yesterday, I referred to renewable energy and jobs. This is what I had a concern about, namely that Objective 1 has not been able to do for innovative renewable energy the kind of thing that we had hoped it would have done, for one of the reasons that you set out, which is that they are innovative projects and it is difficult to get them under way. So, I am just expressing sadness and concern that it has not had the impact that it should have had. From the point of view of managing the funds, I know that money is being moved around and so on, and that satisfies the need to ensure that we spend the money. However, it does not satisfy the need to develop other forms of renewable energy given the issues associated with windfarms and so on.

Dr Roberts: I should say in response to that that it is not for the want of trying. Eleanor's team has thrown resource at this and is working closely with the WDA and a range of partners, many of which are in the private sector, as the Minister said. It is simply that they are new and are actually quite difficult to get through the system. However, we have not given up and we only recommend to the PMC that money is moved if that is absolutely necessary.

Christine Gwyther: When you say the system, does that include the planning process, where

we know there is such a huge lead-in time for some projects?

Dr Roberts: Yes, there have been projects where there have been planning issues, some of which have been resolved and some of which have not. So, that again has been a factor in delaying some of the projects.

Christine Gwyther: Do you see that there is an improvement in that planning log jam?

Dr Roberts: There is a project that recently received planning approval on appeal, which is with us and will be progressed now. It is on a case-by-case basis; I could not comment on the overall situation.

Andrew Davies: On the issue of regional aid guidelines, I have engaged with the process at a UK level through the Joint Ministerial Committee, which Tamsin has attended—we could not attend the last meeting because it clashed with Plenary. Nevertheless, the latest papers that I have seen showed a significant improvement in the situation. We felt that the proposals showed a significant acceptance of our view. However, if there are any specific issues that you have concerns about, Jenny, drop me a line and I will look at them.

Jenny Randerson: I might look at the specific issues that we have raised in the past and do that, but I am interested in where we are in the process because I think that it will all be delayed anyway. I am anxious that the Welsh Assembly Government is still putting forward an independent viewpoint.

Andrew Davies: In this case, unlike the issue of structural funds, it will be a matter for the European Commission, not member states, to decide. My impression is that there is not a huge amount of difference between the European Commission's position and ours.

Leighton Andrews: The overall figures here are impressive. One of the concerns that I have is that there is obviously pressure to spend money. I would like some reassurance that that will not lead to any avoidance of the need to clear state-aid issues. I was interested in the comments made about renewable energy and those made by Emyr Roberts about a recent project that has received planning approval on appeal. I do not know if this is a project in which I have a constituency interest, but I will use it as a theoretical example rather than a specific one, at this point, if I may.

Christine Gwyther: We will never know the difference.

Leighton Andrews: You will never know the difference because I will not even mention his name. It seems to me that, from time to time, projects may come up under this heading, or others, where community benefits are perceived in particular schemes that may involve a community organisation and a private-sector developer in pursuing that scheme. I understand, from what the Minister said earlier—I suppose it is obvious to anybody who has ever had to deal with the subject that state aid questions are often complex and difficult to resolve in the abstract—that one of the issues around state aid, and which is always around the Objective 1 programme, is the question of whether moneys can be used to support individual companies that are developing schemes.

The second question that I want to raise in this regard concerns the issue of local support. Obviously, schemes come through the Objective 1 programme through different kinds of structures—in the past, through partnerships and so on—and may have been signed off, but they may have come through rather formal structures in which communities as a whole do not feel that their voices have been adequately represented. Again, can I seek assurances that, with the pressure to spend Objective 1 moneys, evidence of real local support or real local opposition would not be ignored because of a desire to spend money at an early stage? Can

you give me some assurance that evidence of local support or opposition might be a factor—I am talking about real local support, not organisational support—in ultimately making judgments as to where moneys might be spent?

Andrew Davies: Generally, on the first issue about state aids, as I said in response to your question about fibre speeds to business parks, this is a hugely complex area. In the new organisation, post the merger with Assembly sponsored public bodies, I am keen for us to enhance the capacity and expertise that we have in dealing with the issue of state aids. It is a big issue and it is very complex. We have a lot of expertise in various parts of the public sector, and I am keen that we bring that together and enhance it, so that we are able to bring that expertise to bear. There are complex issues regarding public funding for individual companies, but there have been cases in other areas and I think that the Wales Application Service Provider project is one. On help for small and medium-sized enterprises—nothing to do with renewable energy—and ICT advice for companies to help them to trade electronically, we were able to satisfy state-aid rules and were able to help a company. State aids allow European Union funding to be used for individual companies.

10.10 a.m.

On the second point about structures and processes in a local area, any grant would be dependent on an application getting planning approval, and it is then a matter for the local authority to deal with the application before it. One aspect of that would be the extent of community support or antagonism for any particular project. I do not know whether Emyr or Eleanor wish to add anything to that.

Dr Roberts: On that final point, a lot of our projects come forward through the local partnership structure, and a wide range of interests are represented on those local partnerships. So, we think that support from local communities is important, and we look to local partnerships to be inclusive, and to reflect that support.

Leighton Andrews: The problem with that, in a sense, is that local partnerships, in these kinds of schemes, where planning decisions may have been involved, can take place at a very early stage in a process, which then becomes extended over two and, in this case, nearly three years. For example, as a test of local support, you may have a change in control over a local authority, and that may not be of the same political composition as the authority that granted permission, or gave an endorsement, if you like, at the local partnership level. That is one of the difficulties when some of these schemes take three years. The Minister's point about planning is fine, but what if a local authority takes a decision in one particular direction—and that has been dealt with, perfectly legitimately, on planning appeal grounds, by a planning inspector—and you then come back to the issue of support, and a view as to whether Objective 1 funds may be better used on other projects in a particular area, rather than on a contentious scheme? Is that a factor that you would take into account in that process?

Dr Roberts: It is a little difficult to comment in abstract on this, but we do take into account the degree of support from local partnerships and other organisations. As to the specifics, we would have to look at the particular instance but, generally, yes, we do.

Christine Gwyther: Leighton, do you feel that a project, whether in your constituency or elsewhere, has been disadvantaged?

Leighton Andrews: I will take up the specific example outside this meeting, but I wanted to understand the general approach taken to this. It seems to me that one of the difficulties of the local partnership process is that you can have good, strong, local organisations, but which are not democratically accountable within a community. Charities are not democratically accountable; they do not necessarily seek to represent their communities. They may put

forward projects that go through the local partnership process perfectly legitimately, but which do not have wider community support. It is quite possible that there is a democratic deficit in that process, and I want to be assured that there is a way to input—even at a late stage in the proposal—the views of the community on the decision.

Andrew Davies: This just repeats the point about the planning process. I would not want to go down the road of setting up a parallel process, which would try to second guess the local authority's view, or how the local authority dealt with community interests.

Leighton Andrews: This is not about that; the local-authority issue is very clear. I am trying to keep this as an abstract proposition. This is not about planning. You have a range of calls on Objective 1 moneys, many of which may be in a particular locality. For a particular local community, it may be that certain kinds of Objective 1 projects before you are more deserving than others. Leaving the planning process aside for a moment, if the community decides to express a view on a particular scheme, which it regards as less deserving than others, would that be a factor in making the final award of project finance?

Dr Roberts: As far as structural funds are concerned, we would look principally to the local partnership as defining the needs of the community in this regard. So, our processes are geared around prioritisation by local partnerships, which, as you know, are taken from the three sectors. That is well established since the outset of the programmes. In fact, the Welsh European Funding Office relies heavily on the local partnerships, particularly at this stage of the programmes, to prioritise its projects. Eleanor reminded me just now that there was a meeting only yesterday of the Objective 2 sub-group, where we looked to the prioritisations made by local partnerships in determining some final allocations under certain measures. In terms of our own processes, that is the system that we rely upon. If we detected from the newspapers or wherever that there was widespread opposition to a project, we would have to go back to the local partnership and check whether that was still their view. That is part and parcel of our process on that.

Janet Davies: I have a question about the performance reserve, which we very creditably qualified for in this round. For the next round of structural funding, there seems to be quite a considerable amount of opposition from a majority of the regional areas of member states to a performance reserve. To what extent do you feel that this is good for Wales, or is it perhaps more beneficial to have more money up-front? Then you would lack the incentive to get the commitments in place. Can you comment on that?

Dr Roberts: I can offer a personal view on it. You are absolutely right; the current Commission proposals for the next round of programmes proposes two types of reserves. One is the performance reserve, which is similar to the performance reserve in the current round of programmes and the second is a reserve, which, in the event of some kind of crisis, could be brought forward. My personal view is that the performance reserves do not work particularly well, in that they lock up a proportion of the funding until, say, halfway through the programme, and there is no absolute guarantee that you will get that funding. It would be far better to have that funding from the outset, and know that it is there to be used.

In terms of the mechanics, yes, it provides some kind of an incentive but, ultimately, the real incentive is to spend all the funds and meet all the N+2 targets on that. The danger is that, in setting criteria and so on, it becomes quite bureaucratic and difficult to achieve. As an administrator, I would rather have the funds up-front, to be honest with you. I think that N+2 provides sufficient incentive to enable the programmes to perform well.

Andrew Davies: The major KPI for us is N+2.

Christine Gwyther: I will just interrupt to say that KPI stands for 'key performance

indicator'. I know that, but the rest of the world may not.

Andrew Davies: The major incentive for us is achieving our N+2 targets every year, rather than the performance reserve. To follow on from Emyr's comments, for us, the simpler the system, the greater the flexibility, which must be the ultimate aim. We have been pushing for that, as has the UK Government, which is why there is some merit in the UK Government's position about repatriation. We feel that that would lead to a system that is much simpler and easier to manage and implement.

Christine Gwyther: But that is not necessarily on the cards, is it?

Andrew Davies: Well, it all depends on negotiations at member-state level.

Lisa Francis: In anticipation of Wales's qualifying for Objective 1 status again, what specific working plans have been drawn up for the Welsh Assembly Government to work in partnership with the private sector to instigate and develop projects? There must be many thousands of companies out there who have fantastic ideas for projects. Do you have any specific plans in waiting? That is my first question.

10.20 a.m.

Secondly, has any specific research been done on the Objective 1 jobs already created, to find out whether they are sustainable? We may know that men or women are working in those jobs, or whether they are part-time or full-time posts, but do you have more exact research to determine whether those jobs are sustainable?

Andrew Davies: On the first question about the next structural funds round, a substantial amount of work is being done—on which Emyr is leading, with other officials—on the way in which the European funding that we will receive will be used. My own view is that, at the moment, there are too many projects—Objective 1 alone has around 1,300. There are big issues, not least of which is sustainability. There should be fewer, but larger and more strategic, projects. The development of our economic policy, for example, the revision of 'A Winning Wales', will have a closer integration with the use of structural funds. A key part of that is working with the private sector, whether that is the aerospace, automotive or the higher education sector, towards a much more strategic approach to the delivery of European funds, unless discrete projects emerge from local partnerships.

Lisa Francis: I am sorry, Emyr, you were about to say something. I will just ask whether it is possible to see any of the detail, if that plan is in its early stages.

Andrew Davies: It is a work in progress.

Dr Roberts: I would like to add something to what the Minister said. We have a project plan for the next round of regional funding from whatever source it comes. Part of that plan—probably in the latter half of this year—will be to identify key projects that might come forward during the next planning round. That includes working with the private sector. We have learned a tremendous amount from working with the private sector during the current round. As the Minister said in his opening remarks, we believe that we have the highest proportion of private-sector contribution to the overall programme of any programme in Europe; that is a great achievement. We have learned that there is an issue about expectation, and the way in which the private sector can be involved in the programmes. We all realise that, for many businesses, it is better to access intermediary schemes, rather than come to us directly. However, we have also had some notable successes working directly with the private sector. In the coming months, we will reflect on our structures and look at how this work can best be continued.

Secondly, on your question regarding the evaluation of jobs, an update of the mid-term evaluation is currently taking place. We also have specific research ongoing, which will tell us a bit more about the quality of those jobs, Lisa. Sustainability is a difficult concept to get into, but we will certainly assess the quality of those jobs and whether they are ongoing, and so on. I hope that we will have a better indication on that when that research has been completed.

Andrew Davies: I would like to add a point about the engagement of the private sector. It has been said by one of your colleagues that the private sector has been excluded almost deliberately from the process. The opposite is true. The engagement, as Emyr and I have said, is second to none. It is a remarkable achievement that, of all of the programmes across the European Union, Wales has been the most successful in engaging the private sector. The outputs are now showing the success of that. I know of many companies that are probably not even aware that they have had European funding. Many tourism operators, hotels and restaurants in Wales have had European money, but they have not been aware of it, because they have gone through a Wales Tourist Board grant scheme. So I just want everyone to be sure that they are aware that we have been successful, and nail the lie that we have not engaged with the private sector.

Lisa Francis: It is not just one of my colleagues who has said that. Several of Wales's leading academics have also said that.

Christine Gwyther: In fairness, that was a long time ago. There will not be any recent quotation that you can make.

Lisa Francis: I am recalling meetings that took place in 2000, where people from the public sector, who had good ideas about Objective 1, felt thwarted that they had to go through public sector agencies to try to access the system. We will just have to wait and see, I guess.

Christine Gwyther: I would like to pick up your point, Lisa, about the management of the programming of the next single programming document, or whatever it will be called—I do not know whether it will be badged in that way. Many people around Wales now have expertise and capacity in structural funds programmes, and that did not exist before. That will mean that the management of the next round will be critical. I would like to commission a paper from you, Minister, on the structure of your work in that respect—how you are going to engage with people around Wales, including the people around this table.

Elin Jones: On the engagement of the private sector, it was in the original single programming document that there would be a 30 per cent private sector contribution. On what Emyr Roberts said about the private-sector-led project, it would be useful for us as a committee to understand a bit better how the private sector contribution has worked in Objective 1. You tell us that the investment from the private sector is there. However, I am struggling slightly to understand—obviously, we understand the Wales Tourist Board grant scheme—how that works in proportions, and what notable private-sector-led projects have come through the process. That is just for us to be able to dissect and understand the headline figure a bit better.

Andrew Davies: My understanding is that the private sector is involved in at least 50 per cent of the projects. However, in some ways it can be quite misleading just to focus on private-sector-led projects. An example that I often use is the Opportunity Wales project, which is helping small and medium-sized enterprises to trade electronically. British Telecom is very much involved in that project, and successfully so. However, it is not the lead sponsor—I believe that the Wales TUC and other social partners are involved. So Opportunity Wales is benefiting the private sector, but is not a private-sector-led project, because the formal lead

sponsor is not, in this case, BT. It would be useful to have a range of indicators that would show the engagement of the private sector across the board.

Lisa Francis: That would be useful, Chair.

Christine Gwyther: Yes. That offer has been made, and is probably being recorded as we speak.

Dr Roberts: We can indeed bring that to the committee. As the Minister said, there are two levels here. One is the overall contribution of the private sector, and then there are specific examples of private-sector-led projects, which is a sub-set of the other. That is no problem.

I will respond to your question, Chair, if I may. Yes, we are starting to engage stakeholders with the next round of regional funding. We have not got as far as working out specific structures or anything yet. It would be better to have a paper on that after the summer. We are not at that stage yet—we are still talking about the overall possible structures, and we have not got as far as that. At the end of 2003, we streamlined and simplified the process in WEFO, which has been an overwhelming success. One reason behind that is that we have brought in people with private sector experiences directly to help advise WEFO on projects, rather than the previous nomination system, where you did not always get the right people there. So I am certain that we would want to build on that again. However, if we can bring that paper forward after the summer, we will be in a much better position to outline some thoughts on that, if that is okay.

Christine Gwyther: We need to receive it at the right time, Minister, but as early as possible, so that, if there is an input that we can make, we also do that at the right time.

Thank you, everyone, for your discipline in this first half of the meeting.

*Gohirwyd y cyfarfod rhwng 10.30 a.m. a 10.55 a.m.
The meeting adjourned between 10.30 a.m. and 10.55 a.m.*

10.55 a.m.

Strategaeth Blaenau'r Cymoedd Heads of the Valleys Strategy

Christine Gwyther: Minister, would you like to introduce the paper?

Andrew Davies: I have, on many occasions, referred to the Heads of the Valleys strategic programme, which I formally launched for consultation at the end of March. I would welcome committee members' views on the programme. I am joined today by Gareth Beer from the Welsh Development Agency who has been the WDA lead on developing the strategic framework.

I regard this as a very important initiative, dealing with some of the deep-seated economic issues in the Heads of the Valleys corridor. This very much builds on the work that the committee has done in the study of economic inactivity and the recognition there that some of the deep-seated problems that exist in some Heads of the Valleys communities have emerged over a long period and, similarly, will take a long time to address and turn around.

The programme is very much a cross-cutting approach to dealing with regeneration in the Heads of the Valleys communities. As a Government, we have taken a holistic view of the regeneration programme. I have engaged with my Cabinet colleagues in health, education, and social justice—in fact all my colleagues—on how we can work collaboratively at an all-

Wales and Government level to maximise the investment that we are putting into the Heads of the Valleys communities, which is currently about £1 billion a year. I have also established a dedicated fund, which is worth £140 million in today's prices, to run for the programme's 15-year timespan, and I am confident that that will lead to an additional £500 million being injected into the area from a variety of sources, particularly the private sector. This will be action on housing, skills, transport and community regeneration. It figures as a new approach to community regeneration and economic development in Wales and builds on previous best practice. I would very much welcome committee members' views on how we might take this forward.

Jenny Randerson: I will start by saying how much I welcome this. This is an important document and I am pleased to see a considerably greater level of detail than, for example, that in the creative industries strategy. That is to be welcomed. However, some things are missing. Obviously, this is a very long programme—as you have just said, Minister, it is a 15-year programme—and it would be helpful to know the timescales for this investment in more detail. I understand that you cannot make tremendously accurate projections for a 15-year period, but you could give us some idea of how much money you are planning to invest in years 1, 2 and 3.

There are many things here about infrastructure, and we all know that there is a long lead-in time on that, but what will your priorities be? What are the things that you will start this year and next year? Where will the start be made in terms of the major elements of this plan? How much are you expecting to come from European Union funding, given that there are considerable uncertainties about the future level of EU funding? What is your minimum best guess as to what will be available for this from EU funding?

11.00 a.m.

Also, I have some specific questions to ask, which I think are important. On page 9 of the plan, the second bullet point down states the aim to develop firm proposals to increase the number of people delivering primary healthcare. What is the timescale for that, as it is a really important aspect of assisting people in that area? I am not asking about the timescale for having more people, but the timescale for having the firm proposals. Do we expect those proposals to come forward in the next couple of months, or in the next year or so? The proposals are only the first step towards doing something about this issue, and that is unsatisfactorily vague at the moment.

At the bottom of page 9, the second column refers to supporting action between further and higher education to develop locally the full spectrum of modern education and training facilities. Bearing in mind the problems in getting co-operation on the delivery of training funded by Corus money, because of the natural issue of having different colleges in different valleys and so on, what exactly are you looking at in that regard? Is it co-operation in the form of partnership between colleges and the HE sector, or are you looking at mergers? How are you planning to deliver that aspect of it?

On page 11, the first proposal to unlock the estimated £1 billion necessary to bring the social housing stock up to standard is tremendously important. How will you unlock that? Do you have specific new and innovative ideas?

Andrew Davies: On your first question on timescales for funding, it will be £22 million for the first three years. Some £2 million has been allocated for this financial year, 2005-06, and then the remainder of the £140 million will be, roughly, £10 million a year over the remaining years of the programme.

It is much too early to say what the level of funding from EU sources will be, be it from

Objective 1 or other funding programmes. We still do not know what level of funding we will get in the next structural fund round, post 2006. However, as I said earlier when we dealt with the structural fund quarterly report, our thinking now is in terms of planning how we will use that money. No thought has really been given to the level of funding, because that is still a matter for determination at member-state level. Our thinking is along the lines of fewer, but bigger, strategic projects, such as the establishment of key funds rather than individual projects. Obviously, the Heads of the Valleys, and other areas of Wales where regeneration is a priority, will be factored into our thinking.

On primary healthcare, I am working with Brian Gibbons on this, so I cannot give you a specific timescale for that. However, I have asked Cabinet colleagues whether there are areas of activity within their portfolios which, if I could match-fund from the Heads of the Valleys fund, would allow additional work that could not be done if funded just from health or education, say. Primary healthcare is an example of where we will be able to take forward, for example, pilot projects; I believe that some work is being done on primary healthcare in Aberdare, which we can perhaps roll out on a wider basis.

On FE and HE and the last point on page nine, it is very much about collaboration. One of the themes that comes through clearly in this document and in the whole approach is the overwhelming need to collaborate and work jointly with all the key stakeholders, particularly with the local authorities involved, but also, in this case, with the further and higher education sectors. We are looking to engage actively with the University of Glamorgan, which has had long-term aspirations to develop a centre in Merthyr, for example. We would want to work closely with it and the FE colleges to ensure that we can enhance the provision in those areas and reduce the duplication so that, for individual students, there is a seamless transition and progression route through further education and into higher education rather than having duplication or confusion of provision.

On the housing stock, this is once again a collaborative approach with Edwina Hart, as Minister for Social Justice and Regeneration. This is about how we ensure that the substantial housing stock meets the Welsh housing quality standard. Edwina is working with local authorities, the building industry and the unions on getting the housing stock in Wales up to that standard. We are looking to come forward with specific proposals in the Heads of the Valleys area. Once again, Edwina will be leading on that specific issue, but it is too early to say when that will be announced.

Jenny Randerson: I will just come back on that for a moment, if I may. In that case, given that the issues that you are presenting are part of a complex package—and I understand why—and include the idea of your match funding other Ministers' initiatives and so on, can we have some kind of clarity, in the form of reports coming back, perhaps, on a regular basis to this committee, on exactly how much money is going into which projects so that we can track it through and see how it is being spent and so on over a period of time? If this is to be successful, it needs to build up a head of steam pretty quickly. I understand that in terms of infrastructure projects, such as those connected to railways and even house building, you are bound to have years of lead-in time, but some of these initiatives could be starting quickly.

Andrew Davies: Certainly, in terms of action, the advert to recruit a director for the programme has already gone out, not just in the Welsh media but in the UK national media and some of the specialist press. So, a substantial amount of work has been done by Gareth at the WDA and by Rhodri Asby, who is one of my officials. Local authorities have warmly welcomed this. We are in the middle of the consultation, but there has been substantial agreement on what the priorities are, so I am confident that, when we can get the team in place to take this forward, the progress will be ramped up. However, I am more than happy to give progress reports to committee as the programme rolls out.

Leighton Andrews: I have a couple of quick questions first and then, depending on the answers, a few more. Which Rhondda Cynon Taf wards are covered by the strategy? I understand that this is a consultation document, and I am sure that I and other Valleys AMs will want to put in our own views on it. I think that we have another month or two in which to do that.

Andrew Davies: I do not have the specific wards, but I will reply to you about RCT. However, the action there is to be covered by the committee clerk.

Christine Gwyther: Could you provide the full list?

Andrew Davies: I will provide a list of all local authority areas.

11.10 a.m.

Leighton Andrews: The key strategic issue that is important about this is that it redefines what the Heads of the Valleys are. That is important because it seems to me that, historically, it has largely been taken to be a road, and the communities immediately adjoining a road, whereas the map on page 6 shows parts of my constituency that have not necessarily or traditionally looked up to the A465. In strategic terms, the way that it approaches the Valleys ought to be noted because that is a significant and welcome change. There are a number of things that flow from that that will come up in the consultation. I do not think that that is commonly perceived—it is clearly not perceived in the Members' Research Service briefing that we have been given on the strategy, which has not taken into account the way in which this is a much broader programme than one simply focused on the Heads of the Valleys road. The Members' Research Service brief also gets the Bevan Foundation report on the Valleys, 'Ambitions for the Future', wrong, which is a shame.

I think that it is important that we understand that, while Merthyr and Ebbw Vale are treated as hubs in the strategy—they are important, I will not deny the importance of either—it is worth bearing in mind that some of the communities covered by the strategy do not necessarily look to Ebbw Vale or to Merthyr as their hubs. Through the consultation process it must be borne in mind that some communities will look to Pontypridd and some will look to Aberdare, which also has a role. It is important that those kinds of things are borne in mind because what you have done is to broaden the concept of the Heads of the Valleys. However, I do not think that all the thinking and the consultation document have followed through the logic of that new important approach, which I welcome.

Andrew Davies: In addition to the theme of collaboration, the other major unifying concept is the Wales spatial plan and the role of this programme within that wider plan. As you said, they are not straightforward relationships; they are complex. Some communities look to Merthyr and Ebbw Vale while many others look to Cardiff, Swansea, in some cases, Bridgend and the M4 belt. I felt strongly that, given the economic development progress that has been made, particularly in the Valleys communities that are more contiguous to the M4, the real challenges and opportunities were to enhance economic development in the corridor along the A465. However, I take the point that, for many communities, some of which are in Rhondda Cynon Taf, their natural focus would not necessarily be the A465 road or the corridor itself, but towns and cities to the south. I accept that.

Elin Jones: I will follow on from points raised by Jenny Randerson on the accountability of the programme. You are leading the south-east Wales spatial plan group, and the programme will be accountable to you through that group, even though it includes matters concerning the housing and health portfolios that do not directly relate to your ministerial portfolio. On this specific programme, you will be accountable and will be the subject of scrutiny via this committee. Am I right that that is how it will work?

Andrew Davies: Yes.

Elin Jones: That is fine. On the issue about ward-level boundaries, am I right in thinking that, although specific wards will have been designated in this region, there will be a degree of flexibility concerning investment that does not automatically follow administrative boundaries? Wards can sometimes be misleading in terms of how communities work and play, so will there be flexibility in terms of investment around the specific ward-level data?

On town centre regeneration and the built environment, which are important, and can now be specifically funded through the Objective 1 programme, do you think that this particular area could be branded in any way? I know that there are, probably, strong local loyalties and parochial views on any kind of Valleys banding, but I have always thought that there is a very strong brand in the Valleys. It may have, or used to have, a negative image, but it is a well-known brand—a ‘there will be singing in the Valleys tonight’ kind of thing—that could be turned to a positive advantage. I was quoting a sports commentator then—but without a Scottish accent. [*Laughter.*] Is there any thinking regarding some kind of positive Valleys branding that could be related to this programme?

Andrew Davies: In terms of accountability, I will be accountable through this committee, and in Plenary, for the programme. I am leading on the south-east Wales region, and also on Pembrokeshire, within the Wales spatial plan. My Cabinet colleagues are leading in other areas.

In terms of ward boundaries, there will, inevitably, be some degree of fuzziness. There will be those which are within the defined area of the Heads of the Valleys strategic framework, but there will be others which abut those wards. Those may be outside the specific programme area, but may well benefit from any activities that take place. So, there is a defined area but, inevitably, the boundaries in some areas and for some functions, may be less clear cut or may be fuzzy.

In terms of town-centre regeneration, we are thinking about this in terms of the post-2006 EU funding round. Hypothetically, there may be an opportunity to set up a Heads of the Valleys fund, or something specifically on regeneration. That is something that we could look at—I am not saying that we will go down that road, but it gives us the opportunity to think in more strategic terms than we have done in the past, where it has tended to be much more project-based or local-authority-based.

Going back to the unifying theme here, it is about collaboration. The more we can get local authorities and other stakeholders in the public, private and voluntary sectors to work together, the better it will be in terms of outcomes, with more effective use being made of public money.

Christine Gwyther: Is there any response to that?

Lisa Francis: In terms of branding, the work being done through the Herian project could feed into that, and also, it is interesting to note the comment about a major piece of artwork, similar to the angel of the north. I think that is a fantastically good idea. I wanted, however, to know about the small-group sessions facilitated by Partnership Cymru. Some people at those meetings expressed concern that there would be competition between the five local authorities involved. You said that the advert has gone out for a programme director; did that specify that the programme director should have voluntary and community sector experience? How do you anticipate, in the appointment of that person, overcoming the fear that there will be competition between the five local authorities? How do you make that process more transparent and all-inclusive?

Andrew Davies: In terms of the points made by the voluntary sector, I do not have the advert before me—perhaps Gareth could come in on this—but certainly the intention is that someone with a background in regeneration and economic development, who has experience of managing such large programmes, is going to be absolutely key. We are taking a very substantial programme and budget with a wide range of stakeholders, and the ability to manage not only a large programme, but stakeholders, will be crucial.

11.20 a.m.

The successful candidate will need to demonstrate a track record of delivering a large and complex regeneration programme, together with a clear understanding of global best practice in this area. The successful candidate will also be able to demonstrate extensive project management experience and success in managing large capital and revenue budgets.

Christine Gwyther: I hope that that helps. Leighton and Janet, did you want to come in on this point?

Leighton Andrews: I disagree with Lisa, because I have worked in the voluntary, private and public sectors, and if you have a gathering of voluntary-sector people, they will say that you need voluntary-sector experience, and ditto the private and public sectors. As you said, the key thing is that they must have strong project management experience, and strong experience of delivery. Those are the things that matter. I would not be too hung up on which sector they came from, as long as they are creative, entrepreneurial and good at making things happen, and that is what matters.

Christine Gwyther: Janet, was your point on this issue?

Janet Davies: I wanted to talk about funding.

Christine Gwyther: We will come back to you. Lisa, did you have a comment?

Lisa Francis: For the record, I did not say whether it was right or wrong, I just wanted to know whether it had been done.

Andrew Davies: I would like to build on what Leighton said about the importance of collaboration. For example, there is a growing acceptance on the part of local authorities in the area, and in Wales in general, that they do not have the capacity, in many cases, to deal with large regeneration issues, particularly projects.

Lisa Francis: I agree with that. If people are to take ownership of a project, it is very important that, if there is any perception that there will be competition between the five local authorities, that is overcome.

Andrew Davies: That was the point I was making. The local authorities themselves recognise the need for collaborative working, which is why the leaders, chief executives and officers of the local authorities have been very much engaged with this. They have welcomed the initiative, and have warmly welcomed the strategic framework. Therefore, I am very confident that we will get that collaboration, because, in many cases, they do not have enough capacity. They do not have enough officers or resources to deliver on major projects, whether it is regeneration, transport or whatever. Therefore, I am very confident that the process we have gone through will lead to that collaboration, and, given the right team of people, will drive that. Gareth has been working on a daily basis on driving this forward, so he may want to give some kind of an insight into the thinking we have gone through.

Mr Beer: There has been lots of involvement from lots of different partners around the different organisations within the area. There is quite a strong spirit of partnership. Everyone wants to play their role in moving the work forward. Quite a good team spirit has emerged, so I think that people recognise that all organisations, including organisations such as the WDA, have paid lip service, to some extent, to working together. However, we need to work together to unite in delivering the Heads of the Valleys programme. It is looking pretty good.

Christine Gwyther: It is fair to say that having a great wad of cash from the Welsh Assembly Government should focus the minds of local government in the Heads of the Valleys area. I hope that that message is hitting home clearly, Minister, in that collaboration means points, which means prizes, and that there will be questions asked if that collaboration falls apart.

Andrew Davies: If we are not able to get that collaboration, this programme will not be as successful as it could be. As Gareth said, his experience and my experience is that there is very widespread acceptance. On the voluntary sector, following a regular meeting with the Wales Council for Voluntary Action, I actively sought its engagement with this issue. As a result, it held that meeting. We will engage with the voluntary sector, community enterprise organisations and many others. The other key area is the private sector, and we need to make sure that it is also engaged in this.

Christine Gwyther: Janet, did you want to come in on the branding?

Janet Davies: It goes a bit deeper than branding, but that is the superficial bit that shows. I am supportive of this, and the area that it covers. A strong focus and clear boundaries are needed in order for this sort of programme to be successful. Here, you have what might be called the critical mass of the population. I would, however, like to point out that there are other valleys, and heads of other valleys, and the last thing that this programme should be doing is making other valleys feel that they are being left out. There is a danger of that. Going further west, there could be a major problem with other valleys. Therefore, the 'Heads of the Valleys' is not the wisest name to choose. Whether you are going to have 'singing in the east' or the 'east is red', or whatever the name will be, when you are looking at the eastern valleys, please be sensitive to other heads of valleys areas that are also very deprived. I am not trying to say that you should bring others in. I understand what Leighton means when he says that the Rhondda has difficulties because it looks west and south as well as east. There are difficulties with the Rhondda, but it is perfectly understandable that it is included, because it has access over the Rhigos to the A465, and it is still a very big and populous valley, or two valleys. Let us just have a little sensitivity.

Andrew Davies: I accept that there are concerns. However, we wanted an area that was manageable and discrete. There is a danger that the programme area will be so large that it loses any meaning. I am aware of the concerns that have been expressed. There may be flexibility in terms of engagement with, for example, the Neath valley or some of the valleys in the Bridgend local authority area. We would need to look at a proposal from those areas, outlining what they could bring to the programme as well as the benefit that they would derive from it.

Janet Davies: I do not want to take away the strategic focus; it is more about the name. I do not want the inhabitants of other valleys to say, 'We are not getting anything. We are heads of the valleys too, but we are not getting in on this scheme'. That is my point, not that you should alter the focus.

Christine Gwyther: If members are content, I would finally like to ask a question, Minister, on the Valleys skills forum. How will that interact with sector skills fora and initiatives? We do not want one sector taking over. The economic base has to be very broad and diverse in

order for it to be sustainable. Can you give us an idea of the flavour of the negotiations so far?

Mr Beer: Certainly. It is early days, and things are just beginning to emerge. We have held discussions with the partners, including ELWa and local authorities. I am sorry, I have lost the point here.

Christine Gwyther: I was referring to page 9, where you talk about the links between sector skills councils and the Heads of the Valleys skills forum—the second from last bullet point. How is that progressing, and how broad will it be? I am looking for reassurance, really.

Andrew Davies: Skills is a big area. Reference was made earlier to the number of adults in Wales who do not have any qualifications. Some of the highest numbers of people without qualifications are in some of the Heads of the Valleys communities. As the heading says, it is unlocking the potential of our people. We are very committed to taking this forward. It will be one of the key points in terms of the success of the programme. As you know, we have been working with Jane Davidson at a ministerial level.

That is another reason why the merger of the ASPBs with the Assembly Government will add value, because what is currently ELWa will now be brought more mainstream into the Assembly Government. On regeneration programmes, such as the Heads of the Valleys programme, we will be able to bring all the key players together. However, you can rest assured that it will be one of the programme's major priorities.

Christine Gwyther: Thank you. I hope that you will stand ready to come back to future committee meetings, because I am sure that we will return to this many times.

11.30 a.m.

Y Rhaglen Is-ddeddfwriaeth Secondary Legislation Programme

Christine Gwyther: On forthcoming secondary legislation, we have a list before us. Do members have any comments on the list, and do you want us to examine any of the legislation in more detail?

Andrew Davies: I must apologise, because there is an omission here. The subordinate legislation that we will bring forward regarding the merger of the ASPBs—in this case the Welsh Development Agency and the Wales Tourist Board—should have been on the list. I believe that the committee will be looking at the merger process on 8 June. I do not know whether the committee would want to, perhaps, consider legislation on that day—that is entirely a matter for the Chair—but it may be worth putting the two together to consider the legislation at the same time as we consider the wider policy process.

Christine Gwyther: Are members content with that? I see that they are. We will do that then. Is there anything else on the list that members wish to make a bid for?

Jenny Randerson: The Local Transport Plan Replacement Order was dependent on the Transport (Wales) Bill, which will clearly be delayed. Are there processes for updating local transport plans if that Bill never becomes an Act? That is simply a question seeking information. When we get to it, we should look at the congestion charge regulations in detail. Also, although all the individual regulations associated with the street works regulations are all detailed, as a whole they are quite a big package. Is there a particular reason why they are going through the accelerated procedure or are recommended to go through that procedure?

Andrew Davies: I will come back with a definitive answer on the Local Transport Plan Replacement Order. The Transport (Wales) Bill foresaw that there would be, effectively, four transport plans in Wales, one for each of the transport consortia. We need to think through what will happen now that the Bill has not reached the statute book. However, I will come back with a report on that, and on the other issues that you raised, if not before the next meeting, then at the next meeting.

Christine Gwyther: Do any other members wish to contribute? I see that they do not. This is clearly going to come back to us again and again.

11.34 a.m.

Cofnodion y Cyfarfod Diwethaf Minutes of the Previous Meeting

Christine Gwyther: Does everyone agree that these are a true record of the last meeting?

Elin Jones: I agree that they are a true record. However, on the actions outstanding, I wish to raise an point about regional aid, which is point 4.6 in the minutes. We had a discussion last time on the coterminosity of borders between Objective 1 areas and regional-aid areas in the next round of funding. That is noted in the actions outstanding as something to be covered in this meeting. Is there now a report from the officials as to whether that coterminosity between regional aid areas and article 87(3)(a) areas will be necessary?

Christine Gwyther: Right. We will be receiving that from Rob Halford for the next meeting on 11 May.

Mr Macey: I am sorry that you have not had a paper on that. The simple reason for that is that we were not able to get information from the commission in time. Essentially, the principle is that there will be coterminosity, but they have not worked out the processes yet.

Christine Gwyther: Does anyone else wish to comment on that? I see that no-one does. Thank you very much for your attendance.

*Cadarnhawyd cofnodion y cyfarfod diwethaf.
The minutes of the last meeting were ratified.*

*Daeth y cyfarfod i ben am 11.35 p.m.
The meeting ended at 11.35 p.m.*