

# Y Pwyllgor Menter a Dysgu

## The Enterprise and Learning Committee

Dydd Mercher, 14 Hydref 2009  
Wednesday, 14 October 2009

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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'r pwyllgor yn bresennol Committee members in attendance

Christine Chapman	Llafur Labour
Jeff Cuthbert	Llafur Labour
Paul Davies	Ceidwadwyr Cymreig Welsh Conservatives
Nerys Evans	Plaid Cymru The Party of Wales
Gareth Jones	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
David Melding	Ceidwadwyr Cymreig Welsh Conservatives
Sandy Mewies	Llafur Labour
Jenny Randerson	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

### Eraill yn bresennol Others in attendance

Tracey Burke	Cyfarwyddwr Dros Dro Gwasanaethau Corfforaethol Polisi a Strategaeth, Llywodraeth Cynulliad Cymru Interim Director Policy Strategy and Corporate Services, Welsh Assembly Government
John Griffiths	Aelod Cynulliad, Llafur (y Dirprwy Weinidog dros Sgiliau) Assembly Member, Labour (the Deputy Minister for Skills)
Dr Dennis Gunning	Cyfarwyddwr Sgiliau, Addysg Uwch a Dysgu Gydol Oes, Llywodraeth Cynulliad Cymru Director of Skills, Higher Education and Lifelong Learning Group, Welsh Assembly Government
Gareth Hall	Cyfarwyddwr yr Adran Economi a Thrafnidiaeth, Llywodraeth Cynulliad Cymru Director, Department for Economy and Transport, Welsh Assembly Government
Lynne Hamilton	Cyfarwyddwr y Grŵp Gwella Busnes a Buddsoddi Adnoddau, yr Adran dros Blant, Addysg, Dysgu Gydol Oes a Sgiliau, Llywodraeth Cynulliad Cymru Director of Business Improvement and Resources Investment Group, Department for Children, Education, Lifelong Learning and Skills, Welsh Assembly Government
Jane Hutt	Aelod Cynulliad, Llafur (y Gweinidog dros Blant, Addysg, Dysgu Gydol Oes a Sgiliau) Assembly Member, Labour (the Minister for Children, Education, Lifelong Learning and Skills)
Ieuan Wyn Jones	Aelod Cynulliad, Plaid Cymru (y Dirprwy Brif Weinidog a'r Gweinidog dros yr Economi a Thrafnidiaeth) Assembly Member, the Party of Wales (the Deputy First Minister and Minister for the Economy and Transport)
James Price	Cyfarwyddwr Trafnidiaeth ac Adfywio Strategol, Llywodraeth Cynulliad Cymru Director, Transport and Strategic Regeneration, Welsh Assembly Government
Martin Stevenson	Pennaeth Polisi Trafnidiaeth, Llywodraeth Cynulliad Cymru Head of Transport Policy, Welsh Assembly Government

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol**  
**National Assembly for Wales officials in attendance**

Dan Collier	Dirprwy Clerc Deputy Clerk
Siân Phipps	Clerc Clerk
Anne Thomas	Gwasanaeth Ymchwil yr Aelodau Members' Research Service
Graham Winter	Gwasanaeth Ymchwil yr Aelodau Members' Research Service

"Dechreuodd y cyfarfod am 9.32 a.m.  
The meeting began at 9.32 a.m."

**Cyflwyniad ac Ymddiheuriadau**

## Introduction and Apologies

<p><b>Gareth Jones:</b> Bore da a chroeso i'r cyfarfod hwn o'r Pwyllgor Menter a Dysgu. Mae gennyf un neu ddau o gyhoeddiadau. Atgoffaf bawb i ddiffodd ffonau symudol ac unrhyw ddyfais electronig arall ac i beidio â chyffwrdd â'r meicroffonau. Nid ydym yn disgwyl ymarfer tân, felly os bydd argyfwng rhaid inni adael yr ystafell dan gyfarwyddyd y tywysyddion. Mae'r cyfarfod yn un dwyieithog ac mae clustffonau ar gael i dderbyn gwasanaeth cyfieithu ar y pryd o'r Gymraeg i'r Saesneg ar sianel 1 ac i chwyddleisio'r sain ar sianel 0. Darperir cofnod o'r cyfan a ddywedir yn gyhoeddus. Yr ydym wedi derbyn un ymddiheuriad oddi wrth Huw Lewis; nid oes dirprwy.</p>	<p><b>Gareth Jones:</b> Good morning and welcome to this meeting of the Enterprise and Learning Committee. I have one or two announcements. I remind everyone to switch off their mobile phones and any other electronic equipment and not to touch the microphones. We are not expecting a fire drill, so in the event of an emergency, we will have to leave the room under the direction of the ushers. The meeting is bilingual and headphones are available to receive simultaneous translation from Welsh to English on channel 1 and for amplification of the sound on channel 0. A record of everything that is said publicly will be made available. I have received one apology from Huw Lewis; there is no substitute.</p>
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9.33 a.m.

## Craffu ar y Gyllideb Budget Scrutiny

<p><b>Gareth Jones:</b> Fe'ch atgoffaf fod y Gweinidog dros Gyllid a Chyflenwi Gwasanaethau Cyhoeddus wedi cyhoeddi cynigion cyllidebol drafft Llywodraeth Cymru ar gyfer 2010-11 ar 5 Hydref. Diben ein cyfarfod heddiw yw rhoi cyfle i'r Pwyllgor Menter a Dysgu holi'r Gweinidogion a'r Dirprwy Weiniog am y cynigion cyllidebol drafft o ran sut y maent yn effeithio ar y meysydd yr ydym yn craffu arnynt, sef addysg, yr economi a thrafnidiaeth. Yn dilyn ein cyfarfod heddiw, byddwn yn cyflwyno adroddiad byr ac argymhellion i Bwyllgor Cyllid y Cynulliad Cenedlaethol er mwyn iddo gynnwys ein casgliadau yn ei adroddiad cyffredinol i Gynulliad Cenedlaethol Cymru.</p>	<p><b>Gareth Jones:</b> I remind you that the Minister for Finance and Public Service Delivery announced the Government of Wales's draft budget proposals for 2010-11 on 5 October. The purpose of our meeting today is to provide an opportunity for the Enterprise and Learning Committee to question the Ministers and the Deputy Minister on the draft budget proposals that affect our scrutiny areas, namely education, the economy and transport. Following our meeting today we will present a short report and recommendations to the Finance Committee of the National Assembly in order for it to include our conclusions in its final report to the National Assembly for Wales.</p>
<p>Estynnwn groeso cynnes i Ieuan Wyn Jones, y Dirprwy Brif Weinidog a'r Gweinidog dros yr Economi a Thrafnidiaeth, Gareth Hall, cyfarwyddwr yr adran economi a thrafnidiaeth, a James Price, cyfarwyddwr yr adran drafnidiaeth ac adfywio strategol. Diolchaf i chi, Ddirprwy Brif Weinidog, a'r swyddogion am y dystiolaeth ysgrifenedig yr ydym wedi'i derbyn a'i dosbarthu. Yr ydym wedi cael cyfle i ddarllen y wybodaeth. Fe'ch gwahoddaf i wneud cyflwyniad o bum munud, ac yna cawn gyfle i ofyn rhai cwestiynau i chi.</p>	<p>We extend a warm welcome to Ieuan Wyn Jones, the Deputy First Minister and Minister for the Economy and Transport, Gareth Hall, the director of the department for economy and transport, and James Price, the director of the transport and strategic regeneration department. I thank you, Deputy First Minister, and your officials for the written evidence that we have received and circulated. We have had the opportunity to read that information. I invite you to provide us with a five minute introduction, before we move to questions.</p>
<p><b>Y Dirprwy Brif Weinidog a'r Gweinidog dros yr Economi a Thrafnidiaeth (Ieuan Wyn Jones):</b> Diolch, Gadeirydd. Yr wyf yn falch o gael cyfle unwaith eto i ddod o flaen y pwyllgor er mwyn ichi graffu ar fy nghyllideb. Mae sefyllfa cyllideb Llywodraeth y Cynulliad ar gyfer 2010-11 dipyn yn wahanol i'r sefyllfa yn y blynyddoedd a fu. Yr oedd disgwyl i'r Llywodraeth dorri £216 miliwn oddi ar y gyllideb refeniw a thorri £75 miliwn oddi ar y gyllideb gyfalaf. Wrth gwrs, yr oedd £120 miliwn o gyfalaf ychwanegol i'w ystyried oherwydd iddo gael ei ddwyn ymlaen o flynyddoedd eraill. Nid yw hyn yn ymwneud â'm hadran i yn unig.</p>	<p><b>The Deputy First Minister and Minister for the Economy and Transport (Ieuan Wyn Jones):</b> Thank you, Chair. I am pleased to have this opportunity, once again, to come before the committee so that you can scrutinise my budget. The Assembly Government's budget for 2010-11 is quite different from how it has been in previous years. It was expected that the Government would reduce the revenue budget by £216 million and the capital budget by £75 million. Of course, there was an additional £120 million of capital funding to be considered because it was brought forward from other years. This does not concern only my department.</p>

<p>Fe'ch cyfeiriaf at y tablau sydd yn y papurau sy'n sôn am y gyllideb gyfan, sef y ddogfen hon, "Draft budget proposals 2010 Welsh Assembly Government". Hoffwn gyfeirio at dabl 1.2 sy'n sôn am referniw a thabl 1.3 sy'n sôn am gyfalaf ar drags y cyllidebau. Mae'r rhain yn dangos yn llawer diriach naw unrhyw beth arall yr wyf wedi'i weld sut mae symiau yn mynd i mewn ac allan o'r cyllideb. Yr wyf am fynd drwyddynt er mwyn egluro sut y gwnaethom ein paratodau eleni ar gyfer y gyllideb. Mae'r golofn gyntaf, 2009-10, yn dangos cyfanswm referniw eleni o £718,106,000 ac mae hynny'n cynyddu'r flwyddyn nesaf i £722,958,000. Gwelwch fod dwy golofn: un yn sôn am leihau a'r llall yn sôn am ychwanegiadau. Mae lleihad o £7 miliwn ac ychwanegiad o £4.358 miliwn. Yr ydym wedi edrych ar ein cyllideb eleni drwy ystyried y £7 miliwn hwnnw fel ein cyfraniad ni o'r toriadau effeithlonrwydd o 1.6 y cant. Aethom drwy'r gyllideb a thynnu allan—a gallwn egluro hyn wrth inni fynd drwy'r cwestiynau—y symiau yr oeddem yn teimlo oedd fwyaf addas i gael eu lleihau. Dewiswyd rhai ohonynt am fod rhaglenni wedi dod i ben ac mewn rhai lleoedd yr oeddem wedi gallu darparu gwasanaethau yn fwy effeithlon. Wedyn, rhoesom gais i mewn am arian ychwanegol i wneud pethau newydd a dyna yw'r £4.358 miliwn. Dyna beth a wnaethom gyda'r gyllideb referniw. Er bod ein referniw i lawr—a gwelwch ein bod wedi gorfod tynnu £7 miliwn o'r gyllideb a dim ond wedi cael £4 miliwn yn ôl—yr ydym wedi mynd drwy'r gyllideb, linell wrth linell, i weld lle y gallwn wneud arbedion a beth oedd y pethau newydd yr oeddem eisiau eu gwneud. Gallwn egluro hynny ichi yn ystod y cwestiynau.</p>	<p>I refer you to the tables that are in the papers that cover the whole budget, namely this document, 'Draft budget proposals 2010 Welsh Assembly Government'. I would like to refer to table 1.2 that covers revenue funding and table 1.3 that covers capital funding across the budgets. These show much more clearly than anything else that I have seen how the sums go in and out of my budget. I will go through them in order to explain how we have undertaken our preparations for the budget. The first column, 2009-10, shows that this year's total revenue is £718,106,000 and that will increase next year to £722,958,000. You will see that there are two columns: one showing a reduction and the other showing additions. There is a reduction of £7 million and an additional £4.358 million. The way in which we have looked at our budget this year is to consider that £7 million to be our contribution to the efficiency cuts of 1.6 per cent. We went through the budget and highlighted the sums that we felt were most suitable to be reduced—we can explain that as we go through the questions. Some of them were chosen because the programmes had come to an end and in some places we had been able to offer more efficient services. We then applied for additional funding to do new things, which is the £4.358 million. That is what we did with the revenue budget. Although our revenue is down—and you will see that we had to subtract £7 million from the budget and only received £4 million back in—it means that we have gone through the budget, line by line, looking to see where savings can be made and what new things we want to do. We can explain that to you during the questions.</p>
<p>Mae'r ochr gyfalaf ychydig yn fwy cymhleth oherwydd mae dwy golofn yno yn dangos y bydd lleihad. Mae £16 miliwn, sef arian yr ydym wedi ei ddwyn ymlaen o'r flwyddyn nesaf, sy'n golygu bod gennym lai eleni i'w roi yn y gyllideb ac, wrth gwrs, mae £20 miliwn, sef ein cyfran ni o'r toriad o 4.6 y cant yng nghyllideb Llywodraeth y Cynulliad, sef y cyfanswm o £75 miliwn. Gwelwch felly fod ein gwariant cyfalaf wedi gostwng £60 miliwn—yr arian sydd wedi cael ei ddwyn ymlaen a'n cyfran ni o'r toriad o £75 miliwn. Ar yr ochr gyfalaf, mae gostyngiad o £60 miliwn; ar yr ochr referniw, mae cynnydd o £4.852 miliwn.</p>	<p>The capital side is a little more complicated because there are two columns that show a reduction. There is £16 million, which is the money that we have brought forward from next year, which means that we have less to put in the budget this year and, of course, there is £20 million, which is our share of the 4.6 per cent cut in the Assembly Government's budget—the £75 million in total. You will see therefore that our capital expenditure is down by £60 million—the money that has been brought forward and our share of the cut of £75 million. On the capital side, there is a reduction of £60 million; on the revenue side, there is an increase of £4.852 million.</p>
<p>Wrth inni fynd drwy wahanol benawdau'r gyllideb, gwelwch le yn union yr ydym wedi gwneud ein harbedion a lle yr ydym wedi rhoi arian newydd i mewn.</p>	<p>As we go through the different budget headings, you will see exactly where we have made savings and where we have put new money in.</p>
<p>9.40 a.m.</p>	
<p>Yn y broses, yr ydym wedi ceisio sicrhau arbedion effeithlonrwydd yn hytrach na thoriadau i wasanaethau rheng flaen, a gallwn egluro ichi sut y mae hynny'n digwydd. Hynny yw, ni fydd lleihad yn yr arian sy'n mynd i fusnesau oherwydd yr hyn yr ydym wedi'i wneud, ond bydd lleihad yn y math o wasanaeth y gallwn ei gynnig—wel, nid lleihad ydyw, am ein bod yn gallu gwneud pethau'n fwy effeithlon.</p>	<p>In the process, we have tried to ensure efficiency savings rather than make cuts to front-line services, and we can clarify for you just how that happens. In other words, there will be no reduction in the money that goes to businesses because of what we are doing, but there will be a reduction in the kind of service that we can offer—well, it is not a reduction, because we are able to do things more efficiently.</p>
<p>Yn hytrach na threulio mwy o amser yn mynd drwy'r ffigurau, fe'i gadawaf yn y fan honno. Yr oeddwn am roi rhyw fath o eglurhad ichi o sut yr oeddem wedi mynd ati i gynllunio'r gyllideb ar gyfer y flwyddyn nesaf.</p>	<p>Rather than spending more time going through the figures, I will leave it there. I just wanted to give you something of an explanation as to how we went about planning the budget for next year.</p>

<p><b>Gareth Jones:</b> Diolch, Ddirprwy Brif Weinidog; mae hynny o gymorth, achos mae elfennau trosfwaol yma. Yr ydym wedi edrych arnynt, ac yr ydym yn ddiolchgar am eich cyflwyniad. Trown yn awr at y cwestiynau, a Nerys Evans sy'n dechrau.</p>	<p><b>Gareth Jones:</b> Thank you, Deputy First Minister; that is helpful, because there are overarching aspects here. We have looked at those, and we are grateful for your introductory remarks. We now turn to the questions, and Nerys Evans will start.</p>
<p><b>Nerys Evans:</b> Diolch am y papur ac am yr esboniad ychwanegol. Mae'r papur yn dangos yn glir, yn y gyllideb refeniw a chyfalaf, fod cwtogiad ar y cynnydd refeniw a newidiadau sylfaenol yn y ffordd y mae'r Llywodraeth yn gwario cyfalaf. Faint ydych yn disgwyl ei gael yn eich adran yn sgîl y ffordd newydd o ddyrannu arian drwy'r gronfa buddsoddi cyfalaf strategol o ran y gyllideb gyfalaf? A allwch roi mwy o fanylion am y cynigion a'r arian sydd ynghlwm wrth hynny?</p>	<p><b>Nerys Evans:</b> Thank you for the paper and the additional explanation. The paper clearly shows, in the revenue and capital budget, a reduction in revenue increase and fundamental changes in the way in which the Government spends capital. How much do you expect your department to get from this new way of distributing funding through the strategic capital investment fund with regard to the capital budget? Can you provide more detail about the bids and the funding that is attached to that?</p>
<p>Mae arian Ewropeaidd yn ffactor mawr yn eich adran. A allwch roi mwy o fanylion am faint o arian Ewropeaidd yr ydych yn disgwyl i'ch adran gael i'w wario, a ble? A ydych yn hyderus y bydd y gyllideb fel y mae yn eich galluogi i gyflawni ymrwymadau 'Cymru'n Un' sydd yn eich portffolio?</p>	<p>European funding is a major factor in your department. Can you give us more detail about how much European funding you expect to come to your department to spend, and where? Are you confident that the budget as it stands will allow you to deliver against the 'One Wales' commitments that come under your portfolio?</p>
<p><b>Y Dirprwy Brif Weinidog:</b> O ran darn olaf y cwestiwn, sy'n cyfeirio at 'Cymru'n Un', yr wyf yn gwbl hyderus nad oes dim byd yn y gyllideb a fydd yn golygu na allwn gyflawni ymrwymadau 'Cymru'n Un'.</p>	<p><b>The Deputy First Minister:</b> With regard to the last part of your question, which referred to 'One Wales', I am completely confident that the budget contains nothing that would prevent us from achieving the 'One Wales' commitments.</p>
<p>Yr hyn nad yw i'w weld ar wyneb fy nghyllideb yw'r arian a neilltuwyd eisoes inni o dan gronfa SCIF. Mae £45 miliwn o gyfalaf nad yw yn fy nghyllideb, ond mae fy adran yn gyfrifol am ei wario ar ddau gynllun rheilffordd y flwyddyn nesaf. Mae un i wella'r rheilffordd ar draws y gogledd, ac yn arbennig rhwng Wrecsam a Chaer, a'r llall yw traphont Llchwyr. Mae £40 miliwn wedi ei neilltuo ar gyfer y ddau hynny gyda'i gilydd. Wedyn, mae swm o arian ar gyfer gwaith paratoy ffordd Blaenau'r Cymoedd.</p>	<p>What is not shown on the face of my budget is the funding that has already been earmarked for us under the SCIF fund. There is some £45 million of capital that is not in my budget, but which my department will be responsible for spending on two rail schemes next year. One is to improve the line in north Wales, particularly between Wrexham and Chester, and the other is the Loughor viaduct. Some £40 million has been earmarked for the two together. Then, there is a sum of money for the preparatory work for the Heads of the Valleys road.</p>
<p>Ar yr ochr refeniw, disgwyliwn £37 miliwn ychwanegol i'r gyllideb y flwyddyn nesaf. Nid yw'r arian hwnnw'n eistedd yn fy nghyllideb, ond mae'n arian a neilltuwyd i'm hadran oherwydd ceisiadau am arian Ewropeaidd.</p>	<p>On the revenue side, we expect £37 million in addition to next year's budget. That money is not within my budget, but it is funding that has been earmarked for my department from bids for European funding.</p>
<p>Felly, rhwng y ddau, mae £82 miliwn ychwanegol y tu allan i'r gyllideb a fydd yn help inni leddfu'r broblem sydd gennym o fewn y gyllideb graidd.</p>	<p>So, between the two, there is an additional £82 million beyond what is in the budget, and that will help us to mitigate our problems within the core budget.</p>
<p><b>Gareth Jones:</b> Felly, mae hynny ar wahân i'r ffigurau. Mae hynny'n wybodaeth werthfawr.</p>	<p><b>Gareth Jones:</b> So, that is separate from the figures. That is valuable information.</p>
<p><b>Y Dirprwy Brif Weinidog:</b> Mae un pwynt y dylwn ei wneud, sef y byddwn ni, yn ystod corff y flwyddyn nesaf, yn gwneud ceisiadau am ddyraniadau ychwanegol o arian Ewropeaidd. Mae'n ddigon posibl, yn ystod y flwyddyn, y bydd y swm yn fwy, ond ni allaf warantu hynny heddiw.</p>	<p><b>The Deputy First Minister:</b> There is one point that I should add, namely that we will, sometime next year, be applying for additional allocations of European funding. It is quite possible that, during the year, the sum will be greater, but I cannot guarantee that today.</p>
<p><b>Gareth Jones:</b> Iawn. Diolch.</p>	<p><b>Gareth Jones:</b> Okay. Thank you.</p>

**Christine Chapman:** Let us move to some of the cross-cutting issues in this draft budget. Are you satisfied that, as far as the draft budget is concerned, there will be no risk to the cross-cutting issues of equality, sustainability commitments and the child poverty targets at all?

**The Deputy First Minister:** I will deal with one or two of those, and Gareth will deal with the others.

On sustainability, the targets that we have set for ourselves are challenging, but we are moving significantly in that particular direction. I was keen to ensure that we try to shift away from road-building programmes to public transport, and whereas the last year's budget had a 50:50 split between roads and public transport, this year sees it beginning to shift, with 54 per cent allocated to public transport altogether and 46 per cent to roads. So, we are already—

**David Melding:** Our figures say—["Inaudible."]

**The Deputy First Minister:** Part of the problem is that, in the budget, there will be allocations of non-cash, which relate to road, and which are not things that we can have access to. That is the position. On the actual capital and what we call near-cash sums, in other words, what I could have access to spend, the split is as I have indicated.

**Mr Price:** That is on the overall budget.

**The Deputy First Minister:** Yes. So, coming back to the question of sustainability, we are moving in that direction, so we have already begun to make that shift. On equality and child poverty, Gareth, perhaps you would like to add something.

**Mr Hall:** We have an equality, human rights and dignity at work team, which works across the Department for the Economy and Transport. We start by ensuring that the policies that have been formulated, such as the recent national transport strategy and plan, have been tested and proofed to ensure that they embrace these cross-cutting themes. We then ensure that those policies are translated into actions, which are also informed by the whole agenda. The cross-cutting themes include the Welsh language, sustainability, dignity and human rights at work, and they are embraced in our policies and our delivery. That service is provided across the organisation. For example, on the transport side, we are getting down to the detail now of the implications of the transport strategy for disabled access to public transport. We are doing a specific study for Cardiff station and public access for the disabled. We do not, as a department, see this as a responsibility for that group. It is a responsibility for everyone who works for DET and our partners who formulate policy as well as deliver it to get these cross-cutting themes embraced at the outset and not at the end of the process.

**Christine Chapman:** I sit on the Children and Young People Committee and we have been doing a report on children's budgeting, which affects all departments. How would the department look at that regarding child poverty?

**Mr Hall:** DET is very concerned about that whole agenda because regeneration is part of our remit and the whole approach to regeneration and strategic regeneration is holistic. It is not just about the physical regeneration; it is about those communities, and a very important part of those communities are the young children. If we can get those young children out of poverty to take advantage of the education system, they will get better life chances going forward, which is important to us because they will be the lifeblood of the next generation of people who will be coming in to work for businesses and start up new businesses, so that linkage is very important.

**The Deputy First Minister:** The other point is that we also have a great interest, for example, in some of the European Union projects on skills. We wanted to ensure—working with Jane Hutt and the team—that some of the EU projects such as Genesis Wales and so on, have proper childcare facilities to allow people to take forward their training opportunities. We can help in that sort of area.

**Gareth Jones:** I know that David wants to come back on a specific point.

**David Melding:** We should clarify that point because we have descended into non-cash spending, which absolutely mystifies me, but perhaps the officials understand it. Are you saying that you want the 50:50 split on the revenue side of your budget? The figures that the Members' research service has provided us with demonstrate that in relation to the overall capital and revenue budget, the road spending was 63 per cent last year and is indicated to be 62 per cent next year, so there is not much shift there. Revenue is better—it was 54 per cent this year and will be 53 per cent next year. However, the vast bulk of transport commitment is capital and it seems a bit odd if you are just looking at the revenue side to get to your 50:50 commitment.

9.50 a.m.

**The Deputy First Minister:** As I understand it, it is in relation to the entire budget that is, capital and revenue.

**David Melding:** So, you are way off at the minute, are you not?

**The Deputy First Minister:** No. I must always remember that my capital budget includes two elements: non-cash and capital. There is a lot of non-cash in my budget, which I cannot access; that is, depreciation and so on. I cannot just take that money. All the money that I have to spend in my department is capital and near-cash or revenue. Putting those two together, and I will ask Martin to outline that for you, my understanding is that the split is now in relation—

**David Melding:** Depreciation would fall across the budget, would it not? How would that take the current spending pattern of 62 per cent down to 50 per cent?

**The Deputy First Minister:** I will ask Martin to explain.

**Mr Stevenson:** The percentage that the Deputy First Minister was quoting was the total budget, revenue and capital together, excluding all the non-cash items. If you total up the four spending areas for 2010-11, it comes to £616 million. Within that, the various components are £282 million for roads and the rest is £333 million, so the split is 46 per cent to roads and 54 per cent to everything else. I can make the amounts available to the committee.

**Gareth Jones:** We are going into intricate detail now and there are a lot of questions that need to be raised. Would you be satisfied with a written interpretation or answer to that important question?

**David Melding:** Perhaps we need to come back to this, but in our figures—and I am not sure whether you receive our briefing materials—what you have just referred to appears as revenue, not capital.

**Mr Stevenson:** No, the figure that I was quoting was the sum total—["Interruption."]

**David Melding:** The best thing would be for you and Mr Winter to have a meeting and provide a note. ["Laughter."] I am serious, because our figures are completely different and we need to establish whether you have a realistic commitment to this 50:50 split.

**Mr Stevenson:** It might help the committee to know that if you look at revenue and capital separately the splits are very different. On capital, nearly 80 per cent is on roads and 20 per cent on the rest, while on revenue, it is the other way around, with nearly 80 per cent on public transport and 20 per cent on roads. It really depends on which way you cut the figures.

**Mr Price:** The reason for that is that we own the capital asset of the road infrastructure, but we do not own the capital asset of rail, for example.

**Gareth Jones:** I would appreciate some clarification on what is a very important point for us. Can you provide us with—

**The Deputy First Minister:** That is important, because it took me a while to understand why I could not get my hands on the non-cash.

**Gareth Jones:** Time is limited this morning, so we will move on, David, if you are fine with that.

<p><b>Paul Davies:</b> Fel sydd wedi cael ei ddweud eisoes, yn gyfan gwbl, mae'r cyllid sydd wedi ei ddosbarthu i'ch portffolio wedi gostwng o ryw £56 miliwn o'i gymharu â 2009-10 ac mae llinell incwm neu refeniw eich portffolio wedi cynyddu o ryw 0.7 y cant o'i gymharu â'r flwyddyn ariannol flaenorol. A ydych yn siomedig â'r setliad hwn, o ystyried bod adrannau eraill y Llywodraeth wedi derbyn gwell setliadau ariannol? Onid ydych yn credu y dylai eich adran fod wedi derbyn mwy o ffocws yn ystod un o'r dirwasgiadau gwaethaf yn y ganrif ddiwethaf er mwyn helpu Cymru i ddod allan o'r sefyllfa hon?</p>	<p><b>Paul Davies:</b> As has been already mentioned, the total budget that has been allocated to your portfolio has decreased by some £56 million compared with 2009-10 and your portfolio's income line or revenue has increased by some 0.7 per cent on the previous financial year. Are you disappointed with this settlement, bearing in mind that other Government departments have received better financial settlements? Do you not believe that your department should have received greater focus during one of the worst recessions in the past century in order to help Wales to come out of this situation?</p>
<p>Yn ail, yn eich papur, sylwaf fod cyllideb yr adran marchnata ryngwladol a chartref i gefnogi digwyddiadau mawr wedi cynyddu. Yr wyf yn deall eich bod eisiau adeiladu ar ddigwyddiadau chwaraeon mawr fel Cwpan Ryder ac adeiladu a chodi proffil rhyngwladol Cymru. Beth mae hyn yn ei olygu ac a ydych yn y broses o ddenu digwyddiadau mawr eraill i Gymru?</p>	<p>Secondly, in your paper, I note that the international and domestic department's budget to support major events has increased. I understand that you want to build on major sporting events, such as the Ryder Cup, and build on and raise the international profile of Wales. What does this mean and are you in the process of attracting other major events to Wales?</p>
<p>Yn drydydd, yn eich cynlluniau, sylwaf fod cyllid yr adran cefnogi busnesau yn gostwng o ryw £7 miliwn o'i gymharu â'r flwyddyn ariannol flaenorol. O ystyried bod yr adran hon yn canolbwyntio ar helpu busnesau i sefydlu a thyfu, oni ddylai'r adran hon fod wedi derbyn adnoddau ychwanegol, yn enwedig yn y dirwasgiad hwn?</p>	<p>Thirdly, in your plans, I note that the business support line is decreasing by some £7 million compared with the previous financial year. Bearing in mind that that department is focused on helping to establish and grow businesses, should this department not receive additional resources, particularly in the current recession?</p>
<p>Yn olaf, mae'r cyllidebau incwm a chyfalaf i wella trafndiaeth leol integredig wedi gostwng o'u cymharu â 2009-10. Caf ar ddeall bod rheidrwydd ar yr arian benodol hon i gefnogi datblygu trafndiaeth integredig yn lleol ac yn rhanbarthol, ac ei fod hefyd yn cynnwys grantiau i awdurdodau lleol i gefnogi gwasanaethau bysiau. A fydd y gostyngiad yn y cyllid hwn yn effeithio ar y tocynnau mantais sydd ar gael i'r henoed a'r anabl?</p>	<p>Finally, the income and capital budgets to improve local integrated transport are reduced compared with 2009-10. I understand that this particular funding is meant to support the development of integrated transport locally and regionally, and also includes grants for local authorities to support bus services. Will the reduction in this funding affect the concessionary bus fares available to senior citizens and the disabled?</p>
<p><b>Y Dirprwy Brif Weinidog:</b> Gofynasoch sawl cwestiwn. O safbwynt y toriadau, neu'r cynnydd isel, fel yr awgrymasoch ac fel y dywedais wrth Nerys Evans ynghynt, rhaid cofio mai fy adran i ac adran Jane Hutt yw'r ddwy brif adran, o safbwynt y Llywodraeth, sy'n derbyn arian o'r gronfa Ewropeaidd. Mae'n rhaid ichi gofio bod, ar yr ochr refeniw, ychwanegiad o £37 miliwn y gallaf gael mynediad ato yn ystod y flwyddyn, ond hefyd mae £45 miliwn o gyfalaf. Pan ychwanegwch hwnnw at y swm, mae'r cynnydd dipyn yn fwy na 0.7 y cant. Nid wyf yn poeni felly, oherwydd pan edrychaf ar yr arian sydd ar gael i'n hadran ni, y tu fewn a'r tu allan i'r gyllideb, credaf fod y setliad yn un teg. Nid wyf yn poeni felly bod fy adran wedi'i thrin yn wahanol. Os edrychwch ar y ffigurau sydd ar gael i'r adran addysg o Ewrop, gwelwch fod arian sylweddol ar gael iddi er bod y cynnydd yn y gyllideb ei hun yn ymddangos yn eithaf isel.</p>	<p><b>The Deputy First Minister:</b> You have asked a number of questions. On the cuts, or the low increase, as you suggested and as I said to Nerys Evans previously, we need to bear in mind that my department and Jane Hutt's department are the two main departments, from the point of view of Government, that receive European funding. We need to bear in mind that, on the revenue side, there is an additional £37 million that I can access during the year, but there is also the £45 million in capital. When you add that to the total, the increase is much more than 0.7 per cent. Therefore, I am not concerned, because when I look at the funding available to my department, within and without the budget, I think that the settlement is fair. I am not worried, therefore, that my department has been treated differently. If you look at the figures available to the education department from Europe, you will see that significant sums of money are available to it although the increase in the budget itself appears to be relatively low.</p>



<p>Soniasoch am Gwpan Ryder, ac efallai y gofynnaf i Gareth sôn am hynny ymhen munud. Af ymlaen i ymdrin â gweddill y cwestiynau yn gyntaf. Soniasoch wedyn fod y cymorth i fusnes wedi gostwng £7 miliwn. Gallaf eich sicrhau nad ydyw hynny'n golygu bod yr arian a aiff at fusnesau wedi disgyn. Fel y dywedais yn gynharach, edrychasom i weld sut y gallem wneud pethau yn fwy effeithiol. Un o'r pethau a wnaethom, er enghraifft, oedd lleihau'r nifer o swyddfeydd rhanbarthol sydd gennym yn dosbarthu gwybodaeth. Yr ydym hefyd yn ailedrych ar y ffordd y rhown wybodaeth i fusnesau. Yr ydym yn fwy effeithiol drwy ddefnyddio gwefan, a gallwn fod yn fwy effeithiol yn y ffordd y rhown cyngor i fusnesau. Felly, ar ochr y gwefannau, cymorth i fusnesau, a swyddfeydd lleol yr ydym wedi cael yr arbedion hynny. Yr ydym wedi sicrhau bod y swm sy'n mynd at fusnesau yn uniongyrchol, sef y grantiau, wedi cael ei gynnal yn ystod y flwyddyn. Felly, ni fydd lleihad yn yr arian yn mynd i fusnesau.</p>	<p>You also mentioned the Ryder Cup, and perhaps I will ask Gareth to talk about that in a moment. I will deal with the remaining questions first. You then mentioned that business support has reduced by £7 million. I can assure you that that does not mean that the funding going to businesses has decreased. As I said earlier, we have looked at how we could do things more effectively. One of the things that we have done, for example, is to reduce the number of regional offices that we have to disseminate information. We have also revisited the way in which we provide businesses with information. We are being more effective through using a website, and we can be more effective in the way in which we give advice to business. Therefore, it is in the websites, business support, and local offices that we have found these savings. We have made sure that the amount going directly to businesses, namely the grants, has been maintained over the years. Therefore, there will be no reduction in the money going to businesses.</p>
<p>Soniasoch hefyd am yr arian sydd ar gael ar gyfer tocynnau mantais. Yr wyf yn derbyn bod y ffigurau yn y gyllideb ychydig yn gamarweiniol, oherwydd y pwysau a fu yn ystod y flwyddyn. Os edrychwch ar gyllideb graidd 2009-10 a chyllideb graidd 2010-11, gwelwch fod cynnydd yn yr arian. Yn ystod 2009-10, cawsom bwysau difrifol ar y gyllideb honno yn ystod y flwyddyn ac felly cawsom arian ychwanegol yn ystod y flwyddyn na fydd ar gael ddechrau'r flwyddyn nesaf. Ar gyfer y flwyddyn nesaf, yr ydym wedi neilltuo cynnydd ar sail "baseline" 2009-10 gan ein bod yn derbyn y bydd cynnydd ym mhreis tocyn ar gyfer gwasanaeth bysiau. Os edrychwch ar "baselines" y ddwy flynedd, gwelwch nad oes lleihad—yr oedd yn rhaid i ni roi arian i mewn yn ystod y flwyddyn.</p>	<p>You also raised the question of the funding available for concessionary fares. I accept that the figures in the budget are slightly misleading, because there were in-year pressures. If you look at the core budgets for 2009-10 and 2010-11, you will see that there is an increase in the funding. During 2009-10, there were serious pressures on that budget in-year therefore we had additional in-year funding that will not be available next year. For next year, we have allocated an increase on the baseline of 2009-10 because we accept that there will be an increase in the price of bus tickets. If you look at the baselines of the two years, you will see that there is no reduction—we had to put in additional money during the year.</p>
<p>Perhaps Gareth can deal with the issue of the Ryder Cup, and then James can explain a little more on concessionary fares.</p>	
<p>10.00 a.m.</p>	
<p><b>Mr Hall:</b> There are 12 months to go until the Ryder Cup. You may have seen the two Ryder Cup captains in the media this week. On Monday, there was a major event at the Celtic Manor Resort. The captains came along and played the course; it was an event with a very high international profile. As far as progress with the event goes, major off-site transport infrastructure works have been completed. There is a topping-out ceremony for the on-site infrastructure—Terry Matthews has invested in a new bridge to connect with the practice ground, which was a very substantial investment. Work is currently under way on the on-site coach parking and we are also working with Newport railway station on how we receive people, because I think that 20 per cent of people will travel to the event by rail. There will be park-and-ride facilities, whereby everyone will go through security and then be taken by coach to an appropriate access to the site. What is interesting is that Celtic Manor Resort has the first golf course to be specifically designed for a Ryder Cup event, so the number of people who will be physically on site and who will be able to get tickets has risen by 10,000 to 50,000. The Ryder Cup is also the second most visible sporting event after the Olympic Games; the number of viewers runs into billions. So, Wales's profile will be of a country where you can come to do business, to have a great holiday or to get educated, and not just as a golfing venue or a sport-promoting country. We are gearing up marketing campaigns around that and we are working with the partners.</p>	
<p>That leads me on to major events, which you mentioned. We have been out talking to all of the people involved in events around Wales. I chair a cross-departmental major events group, and we are about to publish a consultation document about what the Assembly Government's major events strategy will be over the coming years.</p>	

There are events that are part of the fabric of the culture of Wales, such as eisteddfodau, but, increasingly, there are other successful events and many opportunities around culture and music, for example the Green Man festival and the festival on the north-west coast of Wales that combines music and water sports events. We have quite a cohort of young entrepreneurs who are making Wales a very exciting place to hold events. We will be setting out the sort of support that we give to these enterprises going forward. However, underpinning all of this is the fact that we do not want the Assembly Government to be seen as a continual subsidiser of many of these events, and that, if we get in there in the early years with a robust business plan, we can help these events get on their own two feet. Once they are up and running, the money can be diverted to other events as well. That document will be coming out in the autumn.

**Mr Price:** I would just like a minute on concessionary fares, because it is quite difficult to understand the figures, as the Minister said, and the figures for next year are only indicative. We are halfway through a negotiated settlement with operators on this, but the figures that we are talking with operators about are pretty much the same as they are this year, albeit with an element of increase, as the Minister indicated, for expected ticket price increases. The key thing that we are trying to do is give visibility to where our budget lines are likely to go, and also visibility for the operators, of where their budget income is likely to come from.

In the past, the concessionary fares line has all been revenue. In the detail of the scheme, a small part of the concessionary fares funding is capital, because it is used to pay for additional capital items that operators need to carry concessionary passengers. So, we are looking at getting a better revenue and capital split, and that is mixed in with these figures here. I believe that, if you spoke to the Confederation of Passenger Transport, which is an operators' group, this week, it would say that it was content with where it is, and that 2010-11 will be broadly in line with 2009-10.

**Jenny Randerson:** I have clearly missed something on that point. Why is there a reduction in 2010-11 if it is broadly in line with 2009-10?

**The Deputy First Minister:** What happened in 2009-10 was that you had a baseline figure for concessionary fares. It was quite clear to us, looking some way into the year, that we were not able to deliver within that envelope. So, there was an in-year transfer in, and next year, there will be no transfer in, because we will live within the original budget. That is the simplest way of putting it.

**Gareth Jones:** Diolch am hwnnw. Trown yn awr at David Melding.

**Gareth Jones:** Thank you for that. We now turn to David Melding.

**David Melding:** I have just noticed that the unemployment figures have gone up considerably, which is very depressing, and sets this budget scrutiny in its proper context.

I wanted to ask about the spending review and evaluation exercise, which was intended to identify redundant or inefficient programmes, and was carried out across Government. Did that pick up any of the difficulties at International Business Wales? It is important that we know how rigorous your own internal exercise was, given that the Massey report has pointed to some worrying concerns about how the programme is run.

If I understand you correctly, you have used the SpREE exercise to inform the spending choices that you have to make, and some budgets are up, while most are down. I wonder in particular whether this is what led you to reduce financial support to business by 7.5 per cent in the budget. That seems an odd decision, given that we are, hopefully, about to recover from a recession. One would have thought that we would need that budget line to be maintained as we move back into economic growth.

**The Deputy First Minister:** In the presentation that I made to the committee at the outset, I stated that we had approached this year's budget by forgetting any increase that we might be getting and saying that, like all other departments, we have a responsibility to reduce the revenue budget by 1.6 per cent. We used the SpREE exercise, or the resource assessment exercise, to do that. We sat down as a department and went through each budget line asking where we could take 1.6 per cent out without affecting direct support for business and front-line transport services. Through that exercise, the actual reductions in each of the headings were as follows: for enterprise, a reduction of £1.8 million; for trade and foreign direct investment, a reduction of £0.5 million; for research and development, a reduction of £1.3 million; for the single investment fund, a reduction of £1.1 million; for policy and strategy, a reduction of £100,000; and for roads, a reduction of £3.5 million. That is the revenue side.

That was how we approached it. Across Government, all departments were then invited to bid for a new fund, which enabled us to undertake some strategic work; we secured £4.358 million, which we have allocated for traffic officers—and James might want to touch on that—and our new work on research and development. We have decided to take out the £1.6 million of efficiency savings but, actually, the money that we are putting in will go into the sort of priorities that we have identified. That is how we have done it.

You referred to a budget cut of 7 per cent, and I covered that in answering Paul's question in the sense that we decided to look at the support that we give to businesses other than direct revenue support or cash. Are there more efficient ways of delivering advice to businesses, reducing the number of centres that we have across Wales? I think that we have reduced it from 27 to single figures.

**Mr Hall:** It is down to single figures now.

**The Deputy First Minister:** We also decided to use the website a lot more to give information to businesses. So, we have been able to do this without impinging on direct services. That is how we have approached it.

**David Melding:** So, is the 7.5 per cent reduction an efficiency reduction?

**The Deputy First Minister:** Yes.

**David Melding:** I would say that that is a high percentage for an efficiency reduction. Why was this not spotted before?

**The Deputy First Minister:** The reason that it is high is that you have to look at each section of your budget to find out where you can find efficiency savings, and you must go to each one and decide. There are some areas in which it is easier to make efficiency savings than others—I think that you will appreciate that. We had to go through each one and say, for example, that efficiency savings in a certain department were easier to find because there were things that we could make more efficient. If there is an upside to this exercise, that is it—it makes you look forensically at each budget head. The downside is that you have less money, but the upside is that it makes you look at that more efficiently. Perhaps Tracey could explain to you in a little more detail how that was done.

10.10 a.m.

**David Melding:** The main point that I am interested in, which you have passed over, is why this robust forensic exercise to identify efficiencies—and any redundancies in programmes—did not spot any problems at IBW. At least, that appears to be the case; you may contradict me. Why do you think that that was the case?

**The Deputy First Minister:** I will ask Gareth to answer that, but I would like to bring Tracey in here. You referred to a big cut, and perhaps it is important for the committee to understand the process that the department went through in some detail; Tracey need not explain it in detail, but we went through it in detail.

**Ms Burke:** What I can add to what the Deputy First Minister has already said on the economic development side is that there were more opportunities for us to find efficiencies because we do more of the direct delivery ourselves. That makes it easier for us to find those efficiencies. Those efficiencies have been across a range of things, including, for example, smarter procurement of some of the activities that we undertake. You have already referred to the regional centres, which have been reduced from 27 to 12. We have been streamlining the way in which we deliver services through, for example, better use of ICT. We have a new customer relationship management system, with improved ways of doing our transactions through a shared-services approach. We have also been trying to look at making better use of people's time, skills and experience. So, greater efficiencies are shown there because we have the ability to drive them through.

**Gareth Jones:** I think that we have to accept that point at this stage. That was the scope, specific to the efficiency savings. You have identified that and we have to accept that. I see that Gareth wants to come in on this one.

**Mr Hall:** Mr Melding asked what signals the resource assessment exercise gave us with regard to International Business Wales. It prompted us to embark upon a realignment exercise. To give you some more detail about the realignment, we were becoming increasingly aware of the need, when it comes to new business and expansion, for us to get a much more sophisticated proposition that we can pitch to businesses, not just in overseas markets, but in the domestic market. That coincided with the Cabinet identifying and agreeing the priority sectors for research and development, which is where International Business Wales aligns its marketing and which reflects the sorts of businesses that it is going after overseas. Having a proposition that is attractive to business and compelling is not just about a sales pitch from IBW; it is as much about what we can do with the universities and the expertise that they can bring to bear with regard to the university agenda in relation to business, supply chains and on the skills front, so that we present a united front on that.

There are economies to be achieved by bringing that together, not just in the Department for Economy and Transport, but by bringing together a team from across the Assembly Government—

**David Melding:** Has the Massey report told the department anything that it did not already know from its internal assessment exercise? That is what I am driving at.

**The Deputy First Minister:** I understand that.

**David Melding:** This has burst onto the scene; it is such a shock and it is all over the news, and the natural question is: if this programme is in such poor health, are other programmes that you run in poor health?

**The Deputy First Minister:** As Gareth said, we started the procedure in January because we had to ask ourselves where the Welsh economy needs to be to come out of this recession. We started to look at all the interventions that we could make. One thing that became obvious was that, coming out of the recession, the Welsh economy needed to position itself differently. It is a bit difficult because the proposition that International Business Wales was putting forward was the department's proposition. It was not doing anything different from the department in the sense that it was out there seeking business based on the policy that the department—

**David Melding:** It was not doing it very successfully.

**The Deputy First Minister:** We recognised that we needed to change that in January. So, we had started that procedure, and the Glenn Massey report just fitted in with how we were already thinking, which, in other words, was that we were going to be changing that proposition. At the end of that process of looking at policy changes that we might need to introduce, clearly, we will need to realign budgets. The problem is that that work had not been concluded by the time next year's budget needed to be agreed. So, next year's budget is based on the traditional rather than the new.

**David Melding:** From my reading of the report, it seems to me that there were more problems with the way in which it was doing its work rather than with the areas in which it was working. It was working in the areas that you had set as policy. That was correct, and you are now shifting those, but there seems to be a more fundamental point about the efficiency of this important programme within the department. It was not fit for purpose, to be frank, if you accept that report. Our worry is around whether that was identified. We have had a bit of a mixed answer to that. You seem to have been aware that there were problems there and it is encouraging if you were. However, how can we be satisfied that there is rigour in other big programmes that have had big policy shifts in recent years? When will you carry out that sort of assessment to ensure that they are effective and that you have the priorities right? You could have the right priorities, but poor execution will mean that they are not delivered.

**The Deputy First Minister:** This is moving away a little from the budget, but I understand that there is an important issue here. We have already made it clear that we want to engage with people as we go forward, and I have invited political parties and outside stakeholders to be part of that process. We will be starting that process internally, and I would invite the committee to invite us at the appropriate time to come before you so that we can talk through some of those emerging ideas with you, if you feel that that would be helpful.

**Gareth Jones:** That would be helpful, but we are straying into different scrutiny territory here.

**David Melding:** I have gone as far as I can on this, but I am not altogether convinced that this is not mainstream budget scrutiny, because the Deputy First Minister opened with the statement that these assessments, the spending review evaluation exercise work, informed the budget choices that he made. So, I feel that this is mainstream budget scrutiny.

**Gareth Jones:** I understand, and I am not saying that it is irrelevant, but there are other, specific questions pertaining to the set of figures that are before us and which we have to try to analyse this morning. Thank you for raising that, Deputy First Minister, and I am grateful for the offer that you made. It is an important area that I am sure the committee will return to for further scrutiny. Sandy has the next question.

**Sandy Mewies:** I think that we accept that there have been some decreases in capital and some increase in revenue over the various budget headings. I have a couple of targeted questions, and some apply particularly to the north rather than the south. I would like a simple answer on concessionary bus fares. Will the people who have them now be able to keep them? Are the numbers going to be the same, and are they going to be used for the same thing?

**The Deputy First Minister:** The answer to that is 'yes'.

**Sandy Mewies:** Transport is a huge portfolio, and I understand that, but you have grouped domestic connectivity, international connectivity and integrated transport, when I think that they all come under integrated transport. These questions link in with that. What is included in international connectivity so far? It includes the M4 and the A55. I would like to know specifically about the proposals for the A55 and whether they are going to be affected. Does it include the A465 and the north-south air service? You say in the paper that you will continue to support air services. Depending on the answer, Chair, I would like to come back on that. Is the funding for the provision of traffic officers on the M4 and the A55 included in what you are talking about there?

On rail, you mentioned improvements to the Wrexham/Chester line. Did you mean the Wrexham/Bidston line?

**The Deputy First Minister:** It is the Wrexham/Chester line.

**Sandy Mewies:** Could you outline that specifically, so that I know for sure? If I could then come back on the other question, Chair, I would be happy.

10.20 a.m.

**The Deputy First Minister:** International connectivity relates to the M4, the A55, the A465, the A40 and the A477. Those are the roads that are included there, and it does include traffic officers on the M4 and the A55.

**Mr Stevenson:** The reason for that is that those are the trans-European network service links, so that is why they have international connectivity.

**The Deputy First Minister:** As for whether it includes the air service between north and south, I will have to ask.

**Mr Price:** It does not include the air service. The air elements that are in there are bits and pieces around route development funds and other activities, which we are trying to encourage through international activity in and out of Wales.

**The Deputy First Minister:** Which budget head would the air service come under?

**Mr Price:** It comes under domestic connectivity because it is within Wales.

**Sandy Mewies:** I can understand that. How do the proposals affect that? It has been a subsidised service.

**The Deputy First Minister:** The service is a three-year service, which I think ends in May 2010. We will shortly be making an announcement on whether we intend to continue that service. It has been a very successful service, so that gives you a good hint. We will then have to make decisions about how that is supported in the future.

On the line between Wrexham and Chester, I had a very interesting and instructive journey in a Network Rail saloon vehicle last Monday. Network Rail intends to look at that line, which is currently a single track.

**Sandy Mewies:** It is about the dualling, is it not?

**The Deputy First Minister:** Yes, it is, but it will not be a complete dualling; it will be partial dualling with passing loops. That is the intention. Network Rail showed me the constraints that it has in carrying out a complete dualling given the work that has been happening on crossings, roads and all the other things that have narrowed the line in certain areas. However, by and large, it will be dualling with passing loops. That does not include the Wrexham/Bidston line.

**Sandy Mewies:** There is connectivity between integrated transport, and they are all connected. When you evaluate the north-south air service, will you do so in light of the number of people who can access it, as compared with the number of people who could access a more efficient and perhaps cheaper north-south train service? You know my feelings on Arriva Trains Wales. You have heard them very clearly and I make no apologies for them. It is a shocking service, and I hear that from my constituents all the time. It is not just one complaint; there are different complaints week on week. That is not right. We are not delivering a good service there. Will you also be looking at the budget headings for the regional transport consortia? It is Taith in our case, but there are others. Will they be affected by efficiency savings or cuts?

**The Deputy First Minister:** There have been relatively small increases in the budgets for the regional transport consortia.

The current situation with Arriva Trains is that we have a number of through trains that go from north to south, but there is only one express service, which is the one that leaves Holyhead at 5.30 a.m. in the morning and arrives in Cardiff at 10 a.m.. I have been looking very carefully with my team at whether we can increase the number of express services. That depends on having the appropriate slots and the right rolling stock, but the intention is to increase the number of express services at some point with higher quality rolling stock. That is clearly a decision in line with the 'One Wales' commitment not just to improve rail services from north to south, but also to reduce that journey time. The problem with doing that is that you must miss out stations along the route, and therefore there are feeder services that need to be worked around that. However, I can tell you that we are actively looking at ways in which to do that because it is one of my intentions as Minister for transport to improve the service. We have started that and we want to do more.

**Mr Price:** To clarify the point about funding, all the transport consortia have received increases in their budgets this financial year because this is the year in which the regional transport plans will be completed and are due. In future years, we are working with all the consortia to work out the most efficient way of funding them, working with us. What is important is not necessarily how much money they get as overheads, but how much is spent on delivering projects on the ground. So, we are looking at the spending balance between overhead and delivery on the ground, for the consortia and the Assembly Government.

**The Deputy First Minister:** In other words, you need to review the budget when the plans have been concluded. That is the appropriate time to do that. In this year, they have had an increase.

**Jenny Randerson:** I want to start with the bare bones of the budget and how it is laid out this year. It is the third year running, I believe, that the structure has been changed. In practice, there is a loss of detail, which has probably been illustrated by the fact that we were all arguing earlier about how much was spent on roads versus trains and so on. Under the develop sustainable transport revenue action, what were three previous budget expenditure lines have been combined: the local transport BEL, the revenue support BEL, and the concessionary fares BEL. There is a loss of transparency there, Deputy First Minister, and I would like to hear your comments on why you feel that this new structure is better.

Secondly, specifically on the economy, under the heading 'Develop Wales as a Focal Point for Innovation, Technology and Commercialisation' the total allocation for the spending programme area is down by 5.7 per cent, which is £1.34 million, and the capital SPA for that is reduced by 52 per cent. In view of your announcement last Monday—although I fully appreciate that you have warned us that this will not be introduced instantly, you have emphasised this morning that this has been your direction of travel since last January—it seems to be counterintuitive to cut that particular heading. Why was it cut, given that you clearly had in your mind that you wanted to emphasise that aspect of the economic development budget?

My third question is very specific. How much revenue and capital have you allocated to the green jobs strategy?

Finally—and I am sorry to go back to the spending review and evaluation exercise—the KPMG report that was published yesterday shows that one problem was the lack of rigorous checking within the department, that people were putting in claims for travel and goods that were not subject to any rigorous checking. That is a failing that could be evident across the whole department. I realise that people who regularly travel abroad will incur the greatest bills, but there are all sorts of other reasons why people travel within Wales and the UK and spend money on hotels and so forth. Did your SpREE look at things like internal checking and audit systems, or was it not concerned with that kind of thing?

**The Deputy First Minister:** I will ask James to answer the points about how we have described the budget in actions rather than the normal procedure, as used last year. However, I will deal with the reduction of £5 million in the capital that you referred to. That is because there has been slippage in the capital spend. That is the reason for that. It is not because we have taken it out. It is just that the money had not been spent and therefore it slipped and there was not much point in allocating it to that particular budget head. That is slippage in a capital programme, so it is not a direct cut, as it were.

10.30 a.m.

We have not allocated what we would describe as specific revenue and capital funding to the green jobs strategy, but people who have an opportunity to invest in green jobs can get specialist advice. There is now a joint budget for us and the Department for Environment, Sustainability and Housing, which we will use to give specialist advice to people about green jobs and how to green existing businesses. Through Flexible Support for Business and the single investment fund, they can access money for their businesses, provided that they do the appropriate business case.

Staffing matters are outside the ambit of the budget because they are in relation to what we call DRCs, or departmental running costs.

I am not in a position to comment on the matters that you raised. However, I did hear the Permanent Secretary say yesterday that she had conducted an exercise on this, not looking just at International Business Wales, but across the Government staff. She had examined some 4,000 claims herself, personally. She had checked through what they call procurement cards with the staff. I think that she spent two whole days going through each individual item and she could not find anything that caused her concern. Of course, I am saying that purely for the information of the committee, because I am not responsible for staffing matters.

**Mr Price:** On the budgets, I think that there is a valid point being made about precedent. The earlier questions about how one puts transport together and what constitutes integrated transport are very difficult to answer, so we have tried to look at the outcomes and impacts that we are delivering, rather than at where the budget has come from. A really good example would be concessionary fares. We are talking to operators at the moment and, potentially, by investing in a different way, we could deliver the same outcomes for concessionary fares but more efficiently. If we simply had a budget line entitled, 'concessionary fares' and everyone stuck to that, those sorts of innovations would not happen, particularly further down the delivery chain to the trunk road agencies and consortia. So, we tried to create flexibility around the key outcomes and impacts. We could maybe look at having some ratios around public transport versus roads or something like that, which could cut across everything that we do, as they are the key things that people are interested in. The reason for doing it is to create flexibility to deliver better outcomes for the users, not to reduce transparency.

**Jenny Randerson:** As I think you partially acknowledged in your answer, James, you need to be able to track where you are. The fact that we were arguing about the detail of exactly what was spent indicates that people are interested in that level of detail. I cannot see how you measure your progress if you do not have an aim for how much to spend on public transport versus roads, for example.

Deputy First Minister, on green jobs, it is the same point, actually. If you do not allocate specific amounts, how do you measure whether the strategy has been successful? There may be another way of doing it, but I am interested in how you do it.

**The Deputy First Minister:** The whole point of Flexible Support for Business is to make it easier for business to access support. Under the old system, if I remember correctly, we had 200 packages of support for business. So, we would have a package of support for this business and a different package of support for that business, and businesses were asking us why it had to be so complicated. Why not have one pot for which they could bid, so that they could be much more flexible in their approach to business? Having the single investment fund within Flexible Support for Business allows businesses to be much more flexible and to make a bid for their business. That does not mean that they have to think, 'Do I comply entirely with this very small package and if I can get money out of that, do I have to go to another one to complete it?'. This is about flexibility.

On targeting, we tackle that by measuring the applications to the single investment fund in relation to the business. So we will know by the end of the year how many businesses of different types have secured finance.

**Mr Hall:** We track that through our customer relationship management system, so we track the outputs rather than the inputs. We did not answer your question on research and development. You said that there had been a cut of £1.5 million. We must remember that our budget is net of the European funding that is available for research and development; £11 million has been approved for the knowledge exploitation and development fund and another £14 million for the knowledge transfer and collaboration fund. On top of that is the £4 million that the resource assessment exercise allocated specifically for joint working with business. We are working hard with universities and industry to tap other funding sources—for example, all the different research council grants for universities, numerous foundations as well as the European seventh framework programme, where tens of millions of pounds are available. There is also the technology strategy board fund, where money is available from the UK Government for which we can apply jointly.

**Gareth Jones:** That is encouraging. This is important. We have learned from the higher education inquiry about the multiplier effect. If you are investing, it would be useful to know what the spin out or multiplier is, as a ratio. That would be an interesting aspect of your work. We do not really get to grips with the outcomes, as such, and I think that we should do more on that; we might even get some more encouraging information and knowledge.

<p>Yr ydym wedi mynd y tu hwnt i'r awr a oedd gennym i drafod y materion hyn. Diolchaf i'r Dirprwy Brif Weinidog a'r swyddogion am ddod i'r pwyllgor i egluro'r sefyllfa o ran y gyllideb; mae'n sefyllfa ddigon anodd ar brydiau. Edrychwn ymlaen at dderbyn rhai nodiadau pellach gennych ar rai o'r manylion yr ydym newydd eu trafod.</p>	<p>We have gone beyond our allocated hour to discuss these matters. I thank the Deputy First Minister and the officials for coming to committee to explain the budget situation; it is a difficult situation at times. We look forward to receiving some further notes from you on some of the detail that we just discussed.</p>
<p><b>Y Dirprwy Brif Weinidog :</b> Diolch i chi ac i aelodau'r pwyllgor.</p>	<p><b>The Deputy First Minister:</b> I thank you and committee members.</p>
<p>10.40 a.m.</p>	
<p><b>Gareth Jones:</b> Trown yn awr at ail ran yr eitem hon ar graffu ar y gyllideb ac estynnaf groeso cynnes iawn i Jane Hutt, y Gweinidog dros Blant, Addysg, Dysgu Gydol Oes a Sgiliau, ac i John Griffiths, y Dirprwy Weinidog dros Sgiliau. Croeso hefyd i'ch swyddogion, Dr Dennis Gunning, cyfarwyddwr sgiliau, addysg uwch a dysgu gydol oes, a Lynne Hamilton, cyfarwyddwr y grŵp gwella busnes a buddsoddi adnoddau. Diolch yn fawr am y dystiolaeth ysgrifenedig yr ydych wedi ei chyflwyno; yr oedd o ddefnydd i Aelodau ac yr ydym wedi cael cyfle i'w darllen. Gofynnaf i'r Gweinidogion roi cyflwyniad o ryw bum munud ar y pethau yr hoffech eu pwysleisio. Yna, cawn gyfle i ofyn cwestiynau.</p>	<p><b>Gareth Jones:</b> We will now turn to the second part of this item on scrutinising the budget and I extend a warm welcome to Jane Hutt, the Minister for Children, Education, Lifelong Learning and Skills, and to John Griffiths, the Deputy Minister for Skills. I also welcome your officials, Dr Dennis Gunning, the director of skills, higher education and lifelong learning, and Lynne Hamilton, the director of business improvement and resource investment group. Thank you for the written evidence that you have submitted to us; it was useful for Members and we have had the opportunity to read it. I ask the Ministers to give a presentation of around five minutes on those things that you would like to emphasise. We will then have an opportunity to ask questions.</p>

**The Minister for Children, Education, Lifelong Learning and Skills (Jane Hutt):** Diolch yn fawr, Gareth. I look forward to making a few opening remarks, but John will then deal with questions relating to skills and his responsibilities. The budget stands at over £2 billion for 2010-11 and I believe that it is a reform and perform budget for education, lifelong learning and skills. In these difficult times, I have been able to sustain the momentum for far-reaching and progressive reforms of education in Wales in line with the 'One Wales' programme of Government. At the same time, I have maintained a firm grip on ensuring value for money and getting the most out of every pound spent by my department.



In planning my department's spending over the next 12 months, I have taken into account the immediate needs of the Welsh economy during this period of recession, I have remained mindful of the need to invest in our long-term future, and have sought to safeguard and/or invest in programmes that particularly benefit the disadvantaged and vulnerable to overcome inequalities in educational opportunity. For example, on reform, we continue with the roll-out of the foundation phase, we are maintaining our commitment to 1:8 adult to pupil ratios for three to five-year-olds and 1:15 for five to seven-year-olds for early years education.

Some £76 million has been allocated to local authorities in 2010-11, which is an increase of £22 million on this year's budget allocation. This will enable the identification of new priorities, such as the £1.5 million for school counselling, which will provide a budget of £4.5 million for school counselling to move quickly towards a national service to support young people's wellbeing in school. I have made available a further £2.5 million to continue the implementation of the Wales innovative youth strategy.

The Welsh baccalaureate, which has been one of the greatest educational success stories of recent years anywhere in the UK, has ensured that the budget for the continued roll-out will increase as planned. A priority for the One Wales Government is the allocation of a further £1.75 million to drive forward the Welsh-medium education strategy and to build on the successes already achieved, such as establishing the "coleg ffederal. "

I have said that the budget will reform and perform; on performance, as part of my continuing commitment to school effectiveness, I am rationalising grant funding streams to enable greater flexibility at a local level, reducing the burden of administration at a Welsh Assembly Government and a local authority level. However, as the demand for education and skills training rises in these difficult economic times, we are investing £20.5 million to provide the additional places on SkillBuild, on the pathways to apprenticeships, which will receive £13 million, to extend the life skills offers associated with the employment-based young person's guarantee, including the Future Jobs fund, the golden hello programmes, and Careers Wales. This is important as there has been a great increase in expectation with regard to Careers Wales and the delivery of its services.

I have broadly maintained the allocations of core funding to post-16 sectors—further and higher education—at the level of the budget for this year. For higher education, this level of core funding has allowed me to ensure that funding can be made available to support the implementation of a new HE strategy for Wales, which I will bring before the Assembly next month. With regard to developing that twenty-first century plan for higher education, this accords very much with the Deputy First Minister's statement on higher education's contribution to economic renewal. There is, of course, close working between our departments.

We are levering in £56 million of European funding this year. We will fund specific measures to help to lead Wales out of the recession. I am sure that John will answer questions about ProAct; the budget includes £43 million for ProAct.

Finally, on capital, I have brought forward £34 million in capital spend to improve the state of schools and colleges and to protect jobs in the construction industry. Also, outside my budget, I have secured a further £29 million in capital spend on the school and college estate through the Assembly Government's strategic capital investment fund, and an extra £12.2 million from the UK consequential, which is being invested in FE capital. It is in collaboration with local government that we take forward the twenty-first century school capital programme. There has been an £8.8 million reduction in my capital allocations as the result of UK fiscal measures, but that will not prevent investment projects being taken forward when ready.

Finally, I believe that our draft budget presents an integrated set of proposals that are founded on the priorities of the people of Wales. I have aimed to be even handed with each sector and frank about the need for more efficient ways of working, and crucially, I have not shirked the tough decisions needed to support the young people and adults affected most by current economic circumstances.

**Gareth Jones:** Diolch. John, do you want to add anything at this stage?

**Y Dirprwy Weinidog dros Sgiliau (John Griffiths):** Dim, diolch, Gadeirydd.

**The Deputy Minister for Skills (John Griffiths):** No, thank you, Chair.

**Gareth Jones:** Diolch, a diolch, Weinidog, am y cyflwyniad cynhwysfawr. Trown yn awr at Jeff Cuthbert am y cwestiwn cyntaf.

**Gareth Jones:** Thank you, and thank you, Minister, for the comprehensive introduction. We turn now to Jeff Cuthbert for the first question.

**Jeff Cuthbert:** Thank you, Jane and John, for the paper. I want to talk about further education, so that will be for John straight away. In doing so, I ought to state for the record that I am a governor at the College Ystrad Mynach.

John, in years gone by, FE used to be called the cinderella service, usually by those who worked in it. I accept that they have seen considerable improvements in their lot. Nevertheless, we have often criticised industry in the past when, at times of restraint and economic hardship, one of the first things to be cut is their research and development and training budgets. In a sense, similar allegations are being made against FE. Do you feel absolutely confident that the funding that has been allocated, either directly to FE or through schemes, such as SkillBuild, which Jane mentioned, the apprenticeship programme, and even, indeed, European funding, will ensure that it will be a fit-for-purpose service that will play the fundamental role that we want it to play in the 14-19 pathways? Also, at what I acknowledge is an early stage, have you been able to make any estimates about likely resource savings as a result of the resource-sharing implicit in the 14 to 19 approach being taken? That is certainly not its purpose, but it would probably be a reasonable bonus to expect.

**John Griffiths:** First of all, we accept the case that, in a time of recession, it is evermore important to ensure that we maximise investment in skills and training, and an awful lot of effort and funding has gone to ensuring that that is the case. Such schemes as ProAct and ReAct, the new moneys for apprenticeships, the schemes in conjunction with the Department for Work and Pensions that we have taken forward are all relevant in that regard, and we intend to continue with that effort.

For FE and work-based learning in the budget for next year, roughly, we see a flat-lining, Jeff, but there is also the £20 million plus that is additional to respond to the recession, which would also lever in substantial European moneys. The overall picture is very positive at a time of tightening public finances and considerable difficulty for public spending. So, looking at it in general, it does show a great commitment to continued investment in training and skills at what you rightly refer to as a crucial time to get us through the recession and to ensure that we are equipped to take advantage of the upturn when it comes.

10.50 a.m.

Of course, there is a huge effort to make better use of resources. Jeff, you mentioned 14-19 learning pathways and there is the Learning and Skills (Wales) Measure, which is all about collaboration and bringing providers together to increase choice and support. There is transformation, which is about restructuring and reconfiguration to get better systems of delivery. We have some important drivers in place to make better use of precious public resource, which is very much the flavour of the day, as we move into constrained public spending.

It is also true to say that the substantial European moneys are important to our provision for FE and work-based providers. That will continue. As you said, Jeff, it is a vital test for us to ensure that we move to more efficient systems around transformation, the Measure and 14-19 provision, and that we bring European funding to bear to maximum effect. We also now have important integration between skills and training and our general business support by joining up with the DET. We are increasingly joining up with the DWP and Jobcentre Plus on employment services and education and training. At a difficult time, the wider picture is positive. We now have to drive all that forward as well as 'Skills That Work for Wales'.

**Jeff Cuthbert:** Briefly, because I know that we have limited time, will you keep a close eye on that situation? I know that Fforwm reports concerns regularly, and I am particularly concerned that, at what you rightly described as a difficult economic time, our skill levels are kept as high as possible. We have already heard over the weekend, and earlier from Ieuan Wyn Jones, that the emphasis of business support will change to look at skill levels and added value. I can see a role for the FE sector within that. Will you ensure, through close monitoring, that the FE sector is funded adequately and that, if it becomes apparent that there are gaps, something is done about it?

**John Griffiths:** It is fair to say that recent history shows that, where circumstances have changed, such as a building and deepening recession, we have properly responded in the funding of FE and general funding for training and skills. We always look to respond to events as they develop. I should also say that it is important that FE levers in investment from without the public purse. Its full-cost recovery work is important. It is difficult at a time of recession, but our key message to employers is that they should continue to invest, because history shows that companies that invest during recessions very much prosper when better times come along. We will be consulting, at the end of this week, on our sector priorities fund and also our fees policy, which will be important to maximise investment in skills and training and leveraging in as much money as possible from a variety of sources.

<p><b>Nerys Evans:</b> Hoffwn eich holi ar ddau faes penodol, y naill yw addysg drwy gyfrwng y Gymraeg a'r llall yw addysg uwch. Yn gyntaf, ar y strategaeth addysg drwy gyfrwng y Gymraeg, yr wyf yn falch o glywed bod £1.75 miliwn wedi ei ddynodi. A allwch chi roi mwy o fanylion inni ynghylch yr hyn y mae'r arian hwnnw wedi'i ddynodi ar ei gyfer, gan fod y strategaeth yn parhau i gael ei llunio? Yr wyf yn cymryd mai referniw yn hytrach na chyfalaf yw hynny, neu a oes elfen gyfalaf o fewn y gyllideb honno? Os nad oes, a oes unrhyw symudiadau i edrych ar y gyllideb gyfalaf ar gyfer ysgolion i neilltuo cyllid ar gyfer ysgolion Cymraeg o fewn y strategaeth, neu a yw'n fater o wneud cynigion o fewn y gyfundrefn gyffredinol, ac nad oes arian wedi ei neilltuo ar gyfer ysgolion cyfrwng Cymraeg newydd?</p>	<p><b>Nerys Evans:</b> I would like to ask you about two specific fields; one is Welsh-medium education and the other is higher education. First, on the Welsh-medium education strategy, I am glad to hear that £1.75 million has been allocated. Can you give us more details about what that has been allocated for, as the strategy is still being drawn up? I assume that that is revenue rather than capital, or is there a capital element within that budget? If not, are there any moves afoot to look at the capital budget for schools to ring-fence funding for Welsh-medium schools within the strategy, or is it a matter of making bids within the general system, with no funding being ring-fenced for new Welsh-medium schools?</p>
<p>Yn ail, ar addysg uwch, mae'r Llywodraeth wedi cydnabod bod gwahaniaeth enfawr o ran yr hyn y mae sefydliadau addysg uwch yn ei dderbyn yng Nghymru o gymharu â Lloegr. Beth oedd y rhesymeg y tu ôl i'r penderfyniad i gael arbedion effeithlonrwydd o 5 y cant?</p>	<p>Secondly, on higher education, the Government has acknowledged that there is a substantial difference in how much higher education institutions in Wales receive compared to those in England. What was the rationale behind the decision to have efficiency savings of 5 per cent?</p>
<p>Cawsom drafodaeth ar ddechrau'r flwyddyn ar y gyfundrefn cyllido addysg uwch newydd a chyfraniadau myfyrwyr. Credaf fod hynny'n cyfrannu dros £30 miliwn yn ychwanegol i'r sector addysg uwch yng Nghymru. Yr wyf yn cymryd na fydd hwn yn cael ei effeithio gan y 5 y cant o arbedion effeithlonrwydd gan nad yw wedi cael ei wario eto. O'r cyllid ychwanegol o dros £30 miliwn, faint sydd wedi ei ddynodi ar gyfer y coleg ffederal a faint sydd wedi ei ddynodi ar gyfer y cynllun bwrsariaeth genedlaethol?</p>	<p>We had a discussion at the start of the year about the new funding regime for higher education and the contributions made by students. I believe that it contributes over £30 million of additional funding to the higher education sector in Wales. I take it that this will not be affected by the 5 per cent efficiency savings as it has not been spent yet. From the additional £30 million of extra funding, how much has been earmarked for the "coleg ffederal" and how much has been earmarked for the national bursary scheme?</p>

<p><b>Jane Hutt:</b> Diolch yn fawr, Nerys. I will start with the question on the Welsh-medium education strategy. As you know, we have concluded the consultation and are now analysing the large number of responses that we received. The commitment to implementation of the Welsh-medium education strategy includes a revenue contribution of £1.725 million for 2010-11. That enables us to start on the delivery of the strategic objectives. I will give some examples of what that funding will enable us to do. It is important that we improve the capacity of local authorities to undertake planning for the provision of Welsh-medium education. As you know, that will include, for example, supporting local authorities to conduct robust surveys of parental demand. There are also other areas that cross over into further education and the 14-19 learning pathways, such as the expansion of bilingual champions.</p>
<p>We must see this investment from early years through to higher education. There will be further support, for example, for the new interventions aimed at improving and extending Welsh-medium learning opportunities across every phase of education and training, including looking at the linguistic skills of and training the workforce. So, we need to develop a coherent national Welsh-language training structure. That includes enhancing, for example, the sabbatical scheme, the national practitioners training programme and also looking into how we can research a possible language continuum to regulate Welsh-language learning and assessment. So, it makes a good start with regard to its implementation. There are also many other aspects that I can report on at a later stage.</p>
<p>With regard to your point about investment in higher education, the core budget for higher education in 2010-11 will be maintained at the current levels. This will be in line with the efficiency gains required across Government. Through the arrangements that I am taking forward in relation to student finance, we now have the start of a release of funding that will rise to £31 million, but which starts in the academic year that will begin in 2010. It starts with a contribution of £3.1 million and will increase over the years to £31 million as we invest the student finance allocation—the reallocation of the tuition fee grant.</p>
<p>I mentioned two key initiatives in my statement in June. The first was the widening of access and participation in the Heads of the Valleys university initiative. We have already invested in that in this academic year. We now have students at UHOVI, as it will be called. It will involve the University of Glamorgan and Newport University working with Coleg Gwent and the Merthyr College part of the University of Glamorgan. As we work through the "coleg ffederal" proposals from Professor Robin Williams, we can ascertain how much we can start to put into its development.</p>

11.00 a.m.

I must return to the point that you made about higher education funding in Wales. Between 2006-07 and 2007-08, the total income of Welsh higher education institutions was increased by £91 million, and the Welsh Assembly Government funding, via the Higher Education Funding Council for Wales, made up 38 per cent of the total funding for Welsh HEIs. In comparison, 38.45 per cent of total HEI income comes from HEFCW grants in Wales, whereas for the Higher Education Funding Council for England, it is 35.47 per cent. We must recognise, as HEIs do, in working very closely with HEFCW and Higher Education Wales, that higher education has a responsibility to engage and to ensure that it can lever in more funding. That is why I initiated a match-funding scheme for them earlier this year, and we are also assisting them to increase opportunities and take up research council funding.

On the investment that we have already made—and not just through European funds—we have brought forward £16.5 million of capital funding, for example for the Institute of Biological, Environmental and Rural Sciences. That is a partnership approach and that will be the flavour of my twenty-first century higher education plan, which I will be announcing next month. It is a partnership approach to maximise efficiency and gain, not just collaboration between HEIs, but also with business, and it is very much on the agenda of economic renewal that the Deputy First Minister announced yesterday.

**Nerys Evans:** Mae'n dda cael yr eglurhad hwnnw ynglŷn â'r gyllideb addysg uwch. I ddychwelyd at y strategaeth addysg cyfrwng Cymraeg, a oes cyllideb gyfalaf ar gael ar gyfer y strategaeth ynteu ai dim ond cyllideb refeniw?

**Nerys Evans:** It is good to get that explanation about the higher education budget. Going back to the Welsh-medium education strategy, is there a capital budget for that strategy or is it just a revenue budget?

**Jane Hutt:** I apologise, Nerys, for not answering that part of your question. The Welsh-medium education strategy is geared towards a policy development and a revenue budget, to which I am contributing in 2010-11. However, we are looking, through our twenty-first century schools capital building programme, to invest in every school that needs refurbishment, renewal or a new build, which is very much in accordance with school reorganisations and the planning school places arrangements by local authorities. So, Welsh-medium schools and local authorities are bidding across the board, and are being successful in the twenty-first century schools capital programme. One of the most welcome announcements that I made last year was the £3 million for south-east Wales to support Ysgol Gyfun Gwynllyw, which is a Welsh-medium secondary school serving many authorities in that part of Wales. If you looked at the profile of the new build and refurbishments that have come through over the past year, and into 2010-11, you would see that it is according to the need, the demand and profile within each local authority.

**Paul Davies:** The funding allocated to your portfolio has reduced by some £66 million compared with 2009-10. Of course, the revenue budget for your portfolio has increased by 0.9 per cent, compared with the previous financial year. Are you disappointed with this allocation, given that other Government portfolios have received substantially more? Do you not think that your portfolio should have had a greater focus, given that we need to help people to develop new skills in order to support Wales out of this recession? Are you confident that this budget will meet the objectives of your department?

Secondly, previous local education authority budgets have shown that spending per school pupil in Wales is less compared with England. Will this budget close that gap, and, if so, how? Thirdly, as has already been said, investment in education is essential to assist Wales in coming out of the recession, so it is important that we ensure that funding reaches our further education colleges. It appears in some instances that the number of students attending some of our colleges has increased by 20 per cent. How will this budget help these particular colleges to operate in those circumstances? Finally, as the foundation phase is rolled out further, can you confirm that there is adequate funding in the budget to maintain the 1:8 adult to pupil ratio?

**Jane Hutt:** Thank you, Paul. In presenting my budget, I talked about it being a reform and perform budget, in which I was seeking to progress with the reforms in education that we have initiated from early years through to higher education. I also wanted to ensure that we could play a leading role in taking Wales out of recession, and we have done so—very much in partnership with the Department of the Economy and Transport. I also wanted to ensure that we levered in other funding, which I mentioned earlier: the £29 million from SCIF, which has substantively gone into our twenty-first century school capital programme, and the £56 million of European funding, which is critical for the delivery of ProAct and provided an opportunity for us to bring in £20.5 million for tackling youth unemployment.

We all have a starting point of 1.6 per cent efficiency savings, and the way that I have addressed this with my department is to use this opportunity to test every programme for effectiveness of outcome. We have ensured that the spending profile is robust, and I believe that a £2 billion budget for education, lifelong learning and skills is robust. I have also managed to lever in additional funding from Europe and SCIF, as well as the UK consequentials. When there is a UK budget announcement, as made by the Chancellor earlier in the financial year, we in Cabinet have to make our case to get the consequential; for example, there was a £12.2 million capital consequential for further education. I made that case on the basis that it was vital to support our young people, and to invest in further education, and we secured that consequential; indeed, we have secured funding from the reserves during this financial year, in order to deliver on the counter-recessionary initiatives. That is how we started rolling out ProAct, and we then sought and got European funding. So, I have used every lever, every opportunity and every avenue to maximise my budget take over and above the corporate strategic allocation that we were given.

I will ask John to comment on the point about FE. The foundation phase demonstrates my commitment to the roll-out of this pioneering educational reform; there were no-go areas like Flying Start, which I have not mentioned in my opening remarks, but which is a considerable investment—we discussed it yesterday in the Children and Young People Committee. If we do not get that pre-school provision right, we will not tackle disadvantage in educational opportunity, nor deliver on the free childcare and parenting programmes prior to the universal roll-out of the foundation phase. As a result of the extra investment that I put in we are able to continue to roll-out the foundation phase in the 1:8 adult to pupil ratio. Another point that I would like to make on that is that we have delivered not only on the adult to pupil ratio for the foundation phase, but, as a result of that, appointed more than 2,000 new learning support assistants.

11.10 a.m.

However, the way that we have approached the budget has resulted in some quite tough decisions. We are looking at rationalising grant schemes with local government. We are looking at areas such as continuing professional development for teaching staff. We are looking at that with the General Teaching Council for Wales to find ways to improve the delivery of professional development for teachers, but linking it to the school effectiveness framework. So, it has been outcome-focused, but it has enabled us to secure, safeguard and invest in the priority areas. John might want to come in on the point about FE.

**John Griffiths:** I have spoken with a number of FE college principals recently who have mentioned the increase in the number of students applying for and obtaining places, which is very positive. To their credit, they are doing whatever they can to ensure that they accommodate these learners. Often, the increase in cost is fairly marginal if it is a matter of fitting further students into an existing group. Obviously there are issues to do with the availability of accommodation and ensuring that groups do not get too large for teaching and training to be effective. However, by and large, many of the costs are fairly marginal, and I think that that is recognised by FE institutions. That is why I think it is such a positive picture at the moment with regard to their providing additional places and accommodating the demand.

Nonetheless, we have provided additional moneys, and Pathways to Apprenticeships is a prime example of our responding to the recession and providing additional FE places. Of course, these pathways learners are college-based for the first year, so that is a prime example of how we have properly responded. Obviously, we have to look at volume as the figures become available, because the planning and funding system that determines revenue for FE is very much volume-based. So, we await those figures, but, at the moment, it is a very positive picture. We are very grateful to the further education colleges for the effort that they are making. They have driven quality and efficiencies over a sustained period very impressively. We have worked with them to achieve that, and we will continue to work with them to drive that in future.

**Gareth Jones:** Have you answered the point on the foundation phase?

**Jane Hutt:** Yes, I have answered that.

**David Melding:** The Deputy First Minister was at the committee meeting earlier. He is reshaping his economic priorities. A big part of that strategy is concentrating on higher-end skills. Indeed, yesterday, we heard the First Minister saying that the Welsh Assembly Government was now committed to a sort of 'Singapore model', to use his exact phrase, where we invest in high-level skills and try to attract more high-end manufacturing and increase the level of research and development in universities and private sector businesses. So, my question is where 'Skills That Work for Wales' sits, because, for quite understandable reasons, it aims to improve lower-level skills. In many ways, that is where the Government intervenes more effectively—or, at least, where it is easier to put programmes together. In previous question sessions, when you have been urged to try to match some of Lord Leitch's higher aspirations with regard to skills, I think that it is fair to say that you have been a little reluctant to make commitments. So, I wonder, given the big shift that we are seeing in economic policy and the demands for a higher skills base, whether you see any particular action on the part of Government as necessary and whether your spending priorities have therefore changed or will change in the near future.

The budget line for skills, higher education and lifelong learning is the one that most affects this area. The revenue for that is set to increase by 1.7 per cent, which is just fractionally over the deflator that the Treasury applies, so we are talking about a real increase of about 0.2 per cent, I suppose, at the moment. At the same time, capital in that budget line is set to fall by 29.5 per cent. I realise that you may recover some of that through your approach of making applications to the SCIF, but it seems to me that this new commitment to real, higher-end skills and getting Wales to be an enterprising nation rather than a pool of lower skills that attracts certain types of inward investors has not yet been reflected in your budget or in the skills strategy. However, you may be able to reassure me on that.

**Jane Hutt:** Perhaps I can start and then John can pick it up. My department takes on the whole parameter and remit of skills and higher education and it increasingly has a focus on research and development too, and I am sure that you have been asking the Deputy First Minister about that. This is where the opportunities in my twenty-first century higher education action plan, as I call it, will clearly focus and link to the economic renewal statement that was made yesterday. The twin policy planks that I have announced in my higher education statements have been about widening participation and delivering on those higher-level skills and economic opportunities and links. We have worked as a Government to lead Wales out of the recession through our summits, the eighth of which was held in Newport, in the Intellectual Property Office, on Friday. That was very relevant to this whole agenda and to how we are taking this forward. We will start to demonstrate—this will be seen in particular in the statement that I will make next month—how we are able to embrace the parameter of objectives, from widening participation to exploiting the opportunities for higher-level skills. I am also looking forward to debating your recent committee report on the economic contribution of higher education. That will be extremely valuable, because it will help us demonstrate how we are approaching this.

Over the past few months, we have given good examples of how we can lever in European funding, and there is also the £16.5 million skills package that I announced in July, which is about helping people take forward their skills by accessing—John will talk more about this—a new range of foundation degrees through higher education institutions and FE colleges. That is being led by the University of Glamorgan, and it will help people, particularly those in the Valleys and west Wales, to take forward their opportunities for higher-end and high-level skills. There are many further aspects of 'Skills That Work for Wales'.

I want to assure you about the capital, and Lynne can come in here if she wants to make a point about this. We brought forward capital, and that is reflected in the budget lines in your papers. You can see the ways in which universities are already using that and linking it to FE colleges, enabling them to refurbish, invest and link across to the transformation agenda. John went last week to the Aber-Bangor Skills Centre, where we are seeing capital and revenue coming forward to deliver on that higher-level skills agenda. John, do you want to come in on 'Skills That Work for Wales'?

11.20 a.m.

**John Griffiths:** Wales is undergoing a transformation. We have had a challenge to transform our economy from a heavy-industry-based economy to a more modern value-added knowledge economy. I know that we hear those words all the time—and people sometimes get a bit tired of hearing them—but it is really important that we drive up our performance as an economy through the skills that we have. It is a big challenge and we must drive on now to ensure that we radically improve the skills that we have in Wales to get the right sort of companies based here and to grow our own small and medium-sized enterprises. 'Skills That Work for Wales' identifies, as you said, David, the need to really drive up our basic skills performance and lower-level skills because we need to make that progress. We have a big deficit at the moment in basic skills. However, 'Skills That Work for Wales' is also much wider than that, as it recognises the need to develop higher-level skills and to be flexible in response to what employers and national skills demands require. The sector skills councils are going through a relicensing process and they are very much key to understanding employer demand and to providing us with intelligent labour-market information. We must then ensure that that demand is met.

The Wales Employment and Skills Board is doing a lot of work around all of this. The UK Commission for Employment and Skills is also very important, so a lot of work is going on to ensure that we understand how we can best get to where we need to be. In the aviation industry for example, many people have told me recently that the high-level apprenticeships work very well and that they offer a different route to university, and this really flags up parity of esteem, to use another well-worn phrase. We need to help everyone in Wales understand that we are serious about driving vocational provision and achieving quality.

**David Melding:** I will give a specific example. You cannot change policy overnight, and you are being clear that basic skills are the main priority, but the First Minister and the Deputy First Minister are saying that we need a more Singapore-type economy, where you absolutely train your workforce to an intensive level, and then either indigenous enterprise grows or you attract high-level investment. From my reading of various papers on this, the one clear intervention that Government can make, if it is really serious about this sector, is to invest in postgraduate education and intensify that. Are there any plans to do that, for example? Are there plans under consideration? As I said, I do not expect you to turn a tanker around overnight—and I am aware that there is some investment going on there at the moment—but what we are trying to measure is whether it is going to grow.

**John Griffiths:** I am sure that Jane can talk about the higher education review, its second phase and the general investment in that area, but I will just add to what I was saying earlier, David. Another important aspect of developing these higher-level skills is the foundation degree and having a really good partnership between further education and higher education so that we get progression up the chain. This takes us into the realm of postgraduate skills and development. There is a lot that needs to come together to drive the sort of economy that we want to create, as the First Minister mentioned. However, we are quite clear that we need that upskilling and driving forward of progress to create a much better educated and better trained Wales at all levels; it has to be at all levels. I am sure that Jane could add something about the higher education review and the skills at the very top level.

**Jane Hutt:** This is where we need to look back critically—as the higher education sector is doing—at the most recent resource assessment exercise and recognise that it must up its game. There is no question about that. We are now being much more proactive and interventionist in bringing together the research of pro vice-chancellors from higher education institutions and driving forward the message of quality. We also need to prioritise research and development, as we have been doing. I am sure that you have discussed this in the previous evidence-giving session with the Deputy First Minister. There is no question that we have now prioritised our research and development areas of spend.

We started that for the purposes of the structural funds, in that the process would not succeed if a scatter-gun approach were used across our higher education institutions; therefore, we needed to prioritise it. That is already leading to a much more strategic focus. It is quite clear that, on research council funding, if our universities are to succeed, they also have to deliver quality through peer reviews and they need to collaborate. I was recently pleased to launch the Institute of Visual Computing throughout Wales, which is drawing international attention from the United States. A similar centre for developing visual computing from the US chose to join the launch of this Wales-wide institute to recognise that this was world class. Our postgraduate research and development opportunities must be world class, and we have sharpened our focus on that across the board, as John said, over the past year. The competitiveness of Wales in skills terms depends on research and innovation. There is no question about that.

In many ways, it is timely that I am coming up with the HE review now as a result of the impact of the recession and of the lessons learned from the resource assessment exercise. We saw in the Audit Committee's report the importance of collaboration through research, and that is developing. The messages are very clear, as are the imperatives of economic development. I would like to bring Dennis in on this.

**Dr Gunning:** To add to that, the universities recognise that critical mass is crucial in research. The agreement that was announced on St David's Day between the five universities to collaborate on research extends what has been happening over the years and should enable such collaboration to be done more systematically. So, that allows us to lever out—and I am sure that the Deputy First Minister would have said the same—things like business incubation and commercialisation of research in a way that will develop new business in Wales, which we hope will be headquartered in Wales and will also undertake its research and development in Wales.

**David Melding:** Last year, we prioritised the implementation of the Gibson report, which is also reiterated in our final committee report on the economic contribution of higher education. Is there anything in the budget to indicate that that will be implemented and that there will be improved commercialisation, or have you just made a general appeal to the HE sector?

**Jane Hutt:** I recall coming before the committee with the Deputy First Minister to account for the response to the Gibson report. Our two departments have jointly appointed Karen Latham, who is ensuring, through the latest plan—which I am sure that we could make available to the committee—that we are delivering on all of the recommendations in the Gibson report.

The commercialisation opportunities will be included in my higher education review statement later this year. It is worth putting another point on the record about the UK-wide higher education, business and community interactions survey, which is undertaken annually to look at the volume and development of knowledge exchange activity between HEIs and the business sector. Wales is doing pretty well. In 2007-08, Wales accounted for 6.2 per cent of UK income from collaborative research, involving public and business funding, and it accounted for 13.9 per cent of UK income from regeneration development. That starts to have an impact on taking forward and sustaining graduate start-ups. However, the key Gibson recommendations are already in place, are they not, Dennis?

**Dr Gunning:** Yes and there are some interesting examples over the last year. For example, the University of Wales initiative, which seeks to place research students with key employers and have them mentored in employment, has just been launched and will take place over the next few years. So, that is another example of the business and university sectors coming together.

11.30 a.m.

**David Melding:** It strikes me, Chair, that it would be quite helpful if the Minister could provide a note on how the implementation is going ahead at the moment.

**Gareth Jones:** I have been listening to the Minister and I believe that she referred to the twenty-first century higher education plan and the impending debate on our report, and I think that we should get much more updated information shortly. Am I right in thinking that? There has also been a reference to your manifesto for change.

**Jane Hutt:** That is all part of the twenty-first century higher education plan. We are settling on that title. I am due to present it to the Assembly later next month, so we will have to talk about the timing of this committee.

**Gareth Jones:** There are so many titles around.

**Jane Hutt:** I know, but they are one and the same.

**Gareth Jones:** They also conform to your wish. I would like to bring in two other Members, and time is against us.

**Sandy Mewies:** I wanted to refer to two valuable contributors to education in Wales, and you have reassured me about one of them, namely the foundation phase, which is protected and will go ahead as planned. The other contributor is the Open University because it gives opportunities to many who would not otherwise have them, particularly those who are in fairly straitened circumstances and are happy to learn at home. Not everyone wants to do that, but some do. I notice that your paper refers to the increases that have been made and to beneficiaries like the Welsh language education strategy and the counselling and youth strategy. However, your paper also includes a simple, non-committal sentence,

'Open University funding is mainstreamed into the Reaching Higher budget.'

When we talk about mainstreaming, we often mean that money will go into the local authority revenue support grant. I am always wary of that because I am frightened that the money will become diluted and will not be focused on something. What will that mean? Will this money support the Open University to expand its services or certainly to maintain them at their current level? Sometimes we do not realise what a tool the Open University can be in providing university education in segments.

**Jane Hutt:** I am glad to clarify and confirm that we are ring-fencing the contribution of £7.8 million to the Open University in the higher education budget. In fact, that appears in the report. There is a sentence about the Open University's funding being ring-fenced in the overall budget. However, that sum is £7.8 million, which goes back to priorities on higher education spend.



On your point on the policy agenda, this is about widening access and increasing participation as well as focusing on part-time learners, because what has not been mentioned today and will come up in my statement on higher education, is increasing the cohort of part-time learners in higher education. In fact, looking at this year's uplift in entrants and applications to higher education, we see that 25 per cent in Wales are over 25. So, that is the profile of our learners in higher education and of those obtaining higher-end skills. This includes the University of the Heads of the Valleys Institute and the Open University, whose courses are offered on a part-time basis. That £7.8 million is ring-fenced.

**Jenny Randerson:** Sticking with higher and further education, on two occasions this morning, Minister, you stated, 'in line with efficiency gains across Government of 1.6 per cent'. Historically, I am aware that 1.6 per cent—and a maximum of 2 per cent—is regarded as a reasonable efficiency gain. Why have you applied a 5 per cent efficiency gain to further and higher education? What makes those two sectors able to achieve that efficiency gain sensibly, rather than being forced to cut output?

I just want to flesh out the argument here. Paul referred much earlier to some further education colleges that have increased enrolments by 20 per cent, but the overall figure across Wales is an 8 per cent increase in full-time enrolments. I do not accept the Minister's argument that these are marginal increasing costs; otherwise, what is the point of having the funding formula that you have? It seems to me that it will be impossible for further education to do the best job possible or even, in some cases, a fully adequate job of teaching 16 to 18-year-olds and those in the post-19 sector if they are facing a flatline budget with an 8 per cent increase in the number of students. That ignores the fact that many FE colleges have considerable waiting lists. The problem with the FE sector is that 70 per cent of its costs are accounted for by human resources, or staffing. The sector made 300 people redundant last year and there will clearly be significant numbers of redundancies again this year. I just want to get the picture, Minister. Why do you see 5 per cent efficiency gains as reasonable? Applying the same argument to higher education, do you not agree that if you are asking for 5 per cent efficiency gains on top of last year's bad settlement, what you are likely to do in practice is widen the gap with England, placing our universities at a continuing disadvantage? Nerys raised a similar point earlier that this runs counter to the policy that the Deputy First Minister announced on Monday.

**Jane Hutt:** Jenny, I will start and then John will pick up on the FE funding. I said in my opening remarks and it is clear in the figures that I have broadly maintained the allocations of core funding to FE and HE at the level of the budget for this year. Clearly, that will require those sectors to gain some efficiencies so that they can absorb any inflationary and growth pressures, but, given the anticipated inflation levels, we must recognise that this is broadly about maintaining and flatlining the allocations of core funding. I will not go back and repeat the figures that I gave to Nerys earlier about defending the position of higher education, but you will know that I made the decision to reconfigure our student finance arrangements to lever out what will rise to £31 million-worth of funding for higher education, starting from the academic year 2010-11. That starts with a £3.1 million allocation from the academic year starting September 2010. I believe that the additional levers that we have for higher education, including European funding and the strategic capital investment fund, the fact that I have brought forward capital for higher education, and the counter-recessionary investments all enable us to face the future robustly. I will be presenting the way forward for higher education later in the month.

I am sure that John will mention this, but I feel that we have to recognise that we have put additional revenue into post-16 funding, FE and the links to HE. For example, we have put in up to £0.5 million for transformation, and there are an extra £20.5 million-worth of opportunities for FE—and indeed HE, as quite a few higher education institutions are benefiting from ProAct, as well as FE colleges—to give skills training to companies. I will now pass over to John on this point.

11.40 a.m.

**John Griffiths:** There is little for me to add, Chair, other than to say that it is post-16 education and training that is flatlining, but, in addition, there are ESF moneys to be levered in on the back of that £20.5 million. So, when you look at it in the round, given the current times, you see that it is a reasonable settlement.

**Jenny Randerson:** Neither of the Ministers has addressed the fundamental question, which is this. Why is it all right for the rest of Government to make efficiency gains of 1.6 per cent but, on your own figures—and I am not making this up; I am reading your own words—HE and FE will be required to make 5 per cent efficiency gains? What is it about those two sectors that makes them more able to achieve these efficiency gains than everyone else?

**Jane Hutt:** It goes back to the fact that this budget presents a range of reprioritising budget lines. We could go through it all again to recognise that we have safeguarded some budget lines and increased some budget lines, including the £20.5 million to tackle youth unemployment. That is almost substantively going in to support FE. So, you must counter the investment there with the efficiency gains that we expect of FE and HE. We have never asked HE for an efficiency gain in previous budget rounds, although we have expected an efficiency gain across other budgets. I need not repeat all the other sources of funding that I have mentioned, which are coming through very strategically for HE and FE, and they will also counteract the efficiency gain. Everyone around this table knows that we must all be robust, not just us in Government, but also those that we fund. We must look at the efficiency scenarios that we have been through in this budget at every level. Higher education institutions are autonomous, but if they do not go through this efficiency route, they will have real difficulties in the future, given the pressures on them. We think that it is an important discipline, but we are also giving them the opportunity to secure additional funding through Europe, through the strategic capital investment fund, and through every opportunity when we take in UK consequentials.

**John Griffiths:** There was a concern that FE would be faced with a 5 per cent efficiency cut and would then have to meet pay and other inflationary pressures. What is the case, of course, is that the 5 per cent is an estimate of pay and other inflationary pressures. In the current circumstances, most forecasters think that inflation will be very low, and that helps to set the context for the funding situation.

**Jenny Randerson:** I want to register the fact that my questions have not been answered.

**Gareth Jones:** Iawn, diolch Jenny. Rhaid inni gydnabod mai dyna'r cwestiwn a dyna'r atebion yr ydym wedi'u cael.

**Gareth Jones:** Okay, thank you, Jenny. We have to accept that that was the question and those were the answers that we received.

Ar ran y pwyllgor, diolchaf i'r Gweinidog a'r Dirprwy Weinidog, ac, wrth gwrs, eu swyddogion, am ddod atom ac am rannu'r wybodaeth gyda ni.

On behalf of the committee, I thank the Minister and the Deputy Minister, and, of course, their officials, for joining us and for sharing this information with us.

11.44 a.m.

## Papur i'w Nodi Paper to Note

**Gareth Jones:** Mae un papur i'w nodi, sef cofnodion y cyfarfod diwethaf. Datganaf fod y cyfarfod wedi dod i ben.

**Gareth Jones:** There is one paper to note, namely the minutes of the previous meeting. I now declare the meeting closed.

"Daeth y cyfarfod i ben am 11.44 a.m.  
The meeting ended at 11.44 a.m."