

# Agenda – Pwyllgor yr Economi, Masnach a Materion Gwledig

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Lleoliad: I gael rhagor o wybodaeth cysylltwch a:  
Hybrid – Ystafell Bwyllgora 5 Tŷ Hywel a Robert Donovan  
fideogynadledda drwy Zoom Clerc y Pwyllgor  
Dyddiad: Dydd Iau, 4 Mai 2023 0300 200 6565  
Amser: 09.30 [SeneddEconomi@senedd.cymru](mailto:SeneddEconomi@senedd.cymru)

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## Rhag-gyfarfod preifat (09.15–09.30)

## Cyfarfod cyhoeddus (09.30–11.45)

1 Cyflwyniad, ymddiheuriadau, dirprwyon a datgan buddiannau  
(09.30)

2 Papurau i'w nodi  
(09.30)

2.1 Llythyr gan Gadeirydd y Pwyllgor Cyllid at gadeiryddion y pwyllgorau  
(Tudalennau 1 – 2)

**Dogfennau atodol:**

Craffu ar Gyllideb Ddrafft Llywodraeth Cymru 2023–24: Tystiolaeth gan Lywodraeth Cymru

2.2 Llythyr gan y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd  
(Tudalennau 3 – 4)

**Dogfennau atodol:**

Y Bil Bwyd (Cymru): Gwybodaeth yn dilyn y sesiwn dystiolaeth ar 1 Mawrth



## **2.3 Llythyr gan y Gweinidog Ffyniant Bro**

(Tudalennau 5 – 6)

### **Dogfennau atodol:**

Cyllid ar ôl gadael yr UE [Saesneg yn unig]

Llythyr gan y Cadeirydd at y Gweinidog Ffyniant Bro, Tai a Chymunedau, a'r Gweinidog Cysylltiadau Rhynglywodraethol [Saesneg yn unig]

## **2.4 Llythyr gan y Cadeirydd at y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd**

(Tudalennau 7 – 8)

### **Dogfennau atodol:**

Rheoliadau Cynhyrchion Organig

## **2.5 Llythyr gan y Gweinidog Materion Gwledig a Gogledd Cymru a'r Trefnydd at Gadeirydd y Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad**

(Tudalennau 9 – 11)

### **Dogfennau atodol:**

Cyfarfod y Grŵp Rhyngweinidogol ar yr Amgylchedd, Bwyd a Materion Gwledig – 6 Mawrth 2023

## **2.6 Llythyr gan Weinidog yr Economi at y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd**

(Tudalennau 12 – 18)

### **Dogfennau atodol:**

Bil Cyfraith yr UE a Ddargedwir (Dirymu a Diwygio)

Llythyr gan y Cadeirydd at Weinidog yr Economi a'r Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd – 8 Chwefror

## **2.7 Llythyr gan y Cadeirydd at y Llywydd, a Chadeirydd y Pwyllgor Busnes**

(Tudalen 19)

### **Dogfennau atodol:**

Bil Troseddau Economaidd a Thryloywder Corfforaethol

## **2.8 Llythyr gan y Cadeirydd at Weinidog yr Economi**

(Tudalennau 20 – 21)

### **Dogfennau atodol:**

Cytundeb Partneriaeth Strategol a Masnach Rydd y DU ac Wcráin  
Ymateb Llywodraeth Cymru – 21 Ebrill 2022

## **2.9 Llythyr gan Fanc Datblygu Cymru**

(Tudalennau 22 – 23)

### **Dogfennau atodol:**

Sesiwn graffu ddilynol yn dilyn y sesiwn graffu flynyddol ar 1 Mawrth –  
Cynllun Gwrthbwysu Carbon

## **2.10 Llythyr gan Weinidog yr Economi**

(Tudalen 24)

### **Dogfennau atodol:**

Mesurau rheoli ffiniau

## **2.11 Llythyr gan Weinidog yr Economi at y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd**

(Tudalennau 25 – 41)

### **Dogfennau atodol:**

Ymateb Llywodraeth Cymru i adroddiad y Pwyllgor – craffu ar gyllideb ddrafft  
Llywodraeth Cymru ar gyfer 2023/24

## **2.12 Llythyr gan Weinidog yr Economi at Gyfarwyddwr Cydffederasiwn Busnes a Diwydiant Cymru**

(Tudalennau 42 – 44)

### **Dogfennau atodol:**

Adroddiadau am honiadau o gamymddwyn yn y CBI [Saesneg yn unig]

### 2.13 Llythyr gan y Cadeirydd at Gadeirydd y Pwyllgor Cyllid

(Tudalennau 45 – 47)

#### Dogfennau atodol:

Cyllideb ddrafft Llywodraeth Cymru 2024–25; Ymgysylltu

### 2.14 Llythyr gan y Gweinidog Materion Gwledig a Gogledd Cymru a'r Trefnydd at Gadeirydd y Pwyllgor Cyllid

(Tudalennau 48 – 49)

#### Dogfennau atodol:

Y gost o roi'r Bil Bwyd (Cymru) ar waith

## 3 Cyllid datblygu rhanbarthol ar ôl gadael yr UE: Academyddion a melinau trafod

(09.30–10.30)

(Tudalennau 50 – 112)

Yr Athro Steve Fothergill, Canolfan Ymchwil Economaidd a Chymdeithasol Ranbarthol, Prifysgol Sheffield Hallam.

Adam Hawksbee, Dirprwy Gyfarwyddwr, Onward

Joe Rossiter, Rheolwr Polisi a Materion Allanol, Sefydliad Materion Cymreig

#### Dogfennau atodol:

Papur tystiolaeth – Yr Athro Steve Fothergill [Saesneg yn unig]

Papur tystiolaeth – Onward [Saesneg yn unig]

Papur tystiolaeth – Y Sefydliad Materion Cymreig [Saesneg yn unig]

Briff Ymchwil

### Egwyl (10.30–10.40)

**4 Cyllid datblygu rhanbarthol ar ôl gadael yr UE: Awdurdodau lleol**  
(10.40–11.40) (Tudalennau 113 – 118)

Y Cynghorydd James Gibson–Watt, Arweinydd Cyngor Sir Powys

Y Cynghorydd Mark Norris, Aelod o'r Cabinet ar faterion Datblygu a Ffyniant,  
Cyngor Bwrdeistref Sirol Rhondda Cynon Taf

Y Cynghorydd Dyfrig Siencyn, Arweinydd Cyngor Gwynedd

Y Cynghorydd Rob Stewart, Arweinydd Cyngor Abertawe

**Dogfennau atodol:**

Papur tystiolaeth – Cyngor Bwrdeistref Sirol Rhondda Cynon Taf [Saesneg yn  
unig]

**5 Y Bil Bwyd (Cymru): Adroddiad Cyfnod 1**  
(11.40–11.45)

**6 Cynnig o dan Reol Sefydlog 17.42(ix) i benderfynu gwahardd y  
cyhoedd o weddill y cyfarfod**  
(11.45)

**Preifat (11.45–12.10)**

**7 Trafod tystiolaeth yn dilyn y cyfarfod**  
(11.45–12.00)

**8 Opsiynau ar gyfer ymweliad y Pwyllgor**  
(12.00–12.10)

Cadeirydd y Pwyllgor Plant, Pobl Ifanc ac Addysg  
Cadeirydd y Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith  
Cadeirydd y Pwyllgor Diwylliant, Cyfathrebu, y Gymraeg, Chwaraeon a  
Chysylltiadau Rhyngwladol  
Cadeirydd Pwyllgor yr Economi, Masnach a Materion Gwledig  
Cadeirydd y Pwyllgor Cydraddoldeb a Chyfiawnder Cymdeithasol  
Cadeirydd y Pwyllgor Iechyd a Gofal Cymdeithasol  
Cadeirydd y Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad  
Cadeirydd y Pwyllgor Llywodraeth Leol a Thai

8 Mawrth 2023

Annwyl Gadeiryddion y Pwyllgorau,

Craffu ar y Gyllideb Ddrafft ar gyfer 2023-24: Tystiolaeth a ddarparwyd gan Lywodraeth Cymru

Yn ein hadroddiad sy'n craffu ar Gyllideb Ddrafft Llywodraeth Cymru 2023-24, gwnaethom nifer o argymhellion yn ymwneud â gwella gosodiad y gyllideb. Gwnaethom hefyd gytuno i ymgynghori â'r Pwyllgorau ynghylch y ddogfennaeth a ddarperir gan Lywodraeth Cymru ochr yn ochr â'i chynigion ar gyfer y Gyllideb Ddrafft, gan ddod i'r casgliad a ganlyn:

*"Casgliad 1. Rydym yn croesawu parodrwydd y Gweinidog i ystyried ffyrdd y gellir gwella dogfennaeth y gyllideb. Er ein bod wedi adlewyrchu ein barn uchod, mae'r Pwyllgor wedi penderfynu ymgynghori â phwyllgorau'r Senedd ar eu profiadau o graffu ar ddogfennaeth y gyllideb eleni a ffyrdd y gellir gwneud gwelliannau."*

O ganlyniad, gan ystyried y profiad o graffu ar y gyllideb eleni a'r nod o sicrhau gwelliannau i'r ddogfennaeth a ddarperir gan Lywodraeth Cymru ar gyfer Cyllideb Ddrafft 2024-25 a thu hwnt, byddai'n dda gennyf gael barn eich pwyllgorau mewn ymateb i'r cwestiwn a ganlyn:

Pa welliannau yr hoffech eu gweld o ran y ddogfennaeth sy'n cyd-fynd â Chyllideb Ddrafft Llywodraeth Cymru a thystiolaeth ysgrifenedig ddilynol gan y Gweinidog?

Gofynnir i chi gyfeirio yn eich ymateb at ba mor brydlon a pha mor ddefnyddiol oedd unrhyw ddogfennaeth a/neu dystiolaeth a ddaeth i law, ac at safon y ddogfennaeth a/neu dystiolaeth hynny.

Byddem yn gwerthfawrogi cael ymatebion erbyn **dydd Gwener 28 Ebrill 2023**. Yna bydd eich safbwyntiau yn cael eu coladu a'u bwydo yn ôl i'r Gweinidog Cyllid a Llywodraeth Leol, i'w hystyried cyn y ddatl yn y Cyfarfod Llawn ar Flaenoriaethau Cyllideb 2024-25, a fydd yn cael ei harwain gan y Pwyllgor Cyllid ac a gynhelir cyn toriad yr haf.

Yn gywir,



Peredur Owen Griffiths AS  
Cadeirydd y Pwyllgor Cyllid

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Darren Miller, AS,  
Cadeirydd  
Pwyllgor yr Economi, Masnach a Materion Gwledig  
Senedd Cymru,  
Caerdydd,  
CF99 1SN

e-bost: [darren.millar@senedd.cymru](mailto:darren.millar@senedd.cymru)

16 Mawrth 2023

Annwyl Darren

Diolch am y cyfle i ymddangos gerbron pwyllgor yr Economi, Masnach a Materion Gwledig ar 1 Mawrth i roi tystiolaeth ynghylch Bil Bwyd (Cymru).

Cawsom drafodaeth ddefnyddiol am sicrhau cysondeb rhwng egwyddorion polisi ac roeddwn i'n meddwl y byddai'n helpu'r pwyllgor i gynnig rhywfaint o dystiolaeth bellach am gwestiynau ynghylch sicrhau cysondeb polisi y tu allan i fy mhortffolio a gododd yn ystod y sesiwn.

Cyfeiriodd yr enghraifft gyntaf at y system gynllunio sy'n caniatáu sefydlu bwytai bwyd brys y tu allan i'n hysgolon. Yn wir mae angen mynd i'r afael â'r pellter rhwng bwytai bwyd brys ac ysgolon. Felly hoffwn dynnu eich sylw at waith y mae Llywodraeth Cymru yn ei wneud yn hynny o beth, ac yn enwedig at [Bwysau Iach Cymru Iach](#) sy'n cynnwys yr ymrwymiad pendant i gyfyngu ar nifer y siopau cludfwyd poeth a gaiff eu sefydlu o gwmpas ysgolon (gweler tudalen 11).

Cyfeirioch hefyd at y ffaith bod gan ysbytai'r GIG beiriannau sy'n gwerthu eitemau nad ydynt yn rhai iach. Eto, mae strategaeth [Pwysau Iach Cymru Iach](#) (tudalennau 17-18) yn canolbwyntio ar gynyddu'r opsiynau bwyd a diod iach mewn peiriannau gwerthu, a sicrhau eu bod yn apelio i bobl fel eu bod yn dod y norm. Erbyn 2030 y nod yw y bydd yr holl ddarpariaeth bwyd a diod i gleifion, staff ac ymwelwyr yn cadw at feini prawf iach llym, gan gynnwys o fewn ffreuturau, peiriannau gwerthu a siopau manwerthu ar safleoedd y GIG.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

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Cododd Luke Fletcher AS y drydedd enghraifft o bolisi canfyddedig nad oedd yn gyson sef sefydliad Big Bocs Bwyd (BBB) ym Mhen-y-bont ar Ogwr. Dywedodd fod BBB yn cystadlu gyda llawer o'r sefydliadau cymunedol hyn eisoes am yr un llwyth o fwyd, a'r hyn a welsom bryd hynny oedd prinder bwyd -anawsterau yn y sefydliadau cymunedol hynny wrth gael gafael ar y bwyd hwnnw. Dadl Mr Fletcher oedd y gallai Strategaeth Fwyd Genedlaethol fynd i'r afael â'r mater hwn.

Mae Llywodraeth Cymru yn cydnabod bod cyflwyno BBB Pen-y-bont ar Ogwr yn ôl y sôn wedi arwain at drafferthion i sefydliadau cymunedol eraill gael gafael ar fwyd dros ben. Gan dynnu o'r profiad hwn rydym wedi ariannu Partneriaeth Fwyd ym Mhen-y-bont ar Ogwr yn ddiweddar. Drwy'r bartneriaeth hon, mae Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr a Chymdeithas Mudiadau Gwirfoddol Pen-y-bont ar Ogwr (BAVO) wrthi'n datblygu cynllun gwaith cynhwysfawr ar gyfer swydd cydlynedd newydd a fydd yn cydlynu mentrau bwyd yn lleol drwy:

- adnabod a sefydlu cysylltiadau rhwng tyfwyr bwyd yn y sir
- nodi cyfleoedd i sicrhau cyflenwadau ychwanegol o fwyd dros ben da
- mapio gweithgarwch arall fel rhandiroedd a chysylltu prosiectau bwyd.

Rwy'n gobeithio bod y llythyr hwn yn egluro'r materion hyn i'r pwyllgor.

Cofion,



**Lesley Griffiths AS/MS**  
**Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd**  
**Minister for Rural Affairs and North Wales, and Trefnydd**



Department for Levelling Up,  
Housing & Communities

**Dehenna Davison MP**  
*Minister for Levelling Up*  
2 Marsham Street  
London  
SW1P 4DF

Darren Millar MS  
Chair, Economy, Trade, and Rural Affairs  
Committee

*By email*

17<sup>th</sup> March 2023

Dear Darren,

Thank you for your letter of 2<sup>nd</sup> March to the Secretary of State regarding your work on post EU funding arrangements in Wales. I am responding on his behalf as the Minister for Levelling Up.

Firstly, I thank the Committee for their work and commitment to scrutinise these very important matters.

While I am regrettably unable to appear before the Committee to give evidence, I would, however, be delighted to provide written evidence to the Committee to assist your work in this area.

Thank you again for writing.

With every good wish,

**DEHENNA DAVISON MP**

The Rt Hon Michael Gove MP  
Secretary of State for Levelling Up, Housing  
and Communities, and Minister for  
Intergovernmental Relations

2 March 2023

Dear Michael,

The Senedd's Economy, Trade and Rural Affairs Committee has agreed to undertake an Inquiry into post EU funding arrangements in Wales. This will build on the work previously undertaken by the Senedd's Finance Committee and focus on the areas of funding that fall within our remit including skills and research and development. The Committee intends to invite academics, think tanks, local authorities, previous EU funding beneficiaries and the UK and Welsh Governments to give evidence.

As the replacement of EU funding has proved to be a controversial issue – with the Welsh and UK Governments disagreeing on the impact – Members are very keen to take evidence from the UK Government as part of this Inquiry. Whilst Members are still discussing the specific details of the Inquiry, as I understand how busy Ministerial diaries are I wanted to write and invite you to a session on 17 May. I will be able to provide further details of the Inquiry once they are agreed by the Committee.

Kind regards,



Darren Millar MS

Temporary Chair of the Economy, Trade and Rural Affairs Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Lesley Griffiths AS  
Y Gweinidog Materion Gwledig a Gogledd  
Cymru, a'r Trefnydd

23 Mawrth 2023

Annwyl Lesley,

### Rheoliadau organig

Yn ystod cyfarfod Pwyllgor yr Economi, Masnach a Materion Gwledig ddydd lau 16 Mawrth 2023, dywedoch chi wrth y Pwyllgor fod disgwyl i'r DU adolygu'r rheoliadau organig a'i bod yn gweithio'n unol â therfyn amser yr UE ym mis Rhagfyr 2023 (ac mae disgwyl i gydnabyddiaeth yr UE o gyfatebiaeth y DU i'r diben o allforio cynhyrchion organig i'r UE ddod i ben wedi hynny). Fodd bynnag, dywedoch chi hefyd, oherwydd cymhlethdodau'r ddeddfwriaeth, ei bod yn 'annhebygol iawn' y byddai rheoliadau newydd yn cael eu cyflwyno erbyn diwedd 2023.

Hoffwn godi ambell bwynt dilynol:

- Beth fyddai goblygiadau methu'r terfyn amser yn 2023?
- A oes risg y gallai Cymru/y DU golli ei chydabyddiaeth o gyfatebiaeth organig â'r UE?
- Pa mor fawr yw'r mater hwn h.y. faint o gynhyrchwyr organig yng Nghymru sy'n allforio i'r UE?

Edrychaf ymlaen at eich ymateb.

Yn gywir,

*Dam Morgan*

Darren Millar AS

Cadeirydd dros dro: Pwyllgor yr Economi, Masnach a Materion Gwledig

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.





Huw Irranca-Davies AS

Cadeirydd

Y Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad

[Huw.Irranca-Davies@senedd.cymru](mailto:Huw.Irranca-Davies@senedd.cymru)

23 Mawrth 2023

Annwyl Huw,

Yn unol â'r cytundeb cysylltiadau rhyngsefydliadol, rwy'n ysgrifennu i roi gwybod ichi fy mod wedi bod mewn cyfarfod o'r Grŵp Rhyngweinidogol ar gyfer yr Amgylchedd, Bwyd a Ffeiriau Gwledig a gynhaliwyd ar 6 Mawrth 2023.

Fi gadeiriodd y cyfarfod, a hefyd yn bresennol yr oedd: Mairi Gougeon ASP,

Ysgrifennydd y Cabinet dros Faterion Gwledig a'r Ynysoedd, Llywodraeth yr Alban; Lorna Slater MSP, Gweinidog Sgiliau Gwyrdd, yr Economi Gylchol, a Bioamrywiaeth yn Llywodraeth yr Alban; Rebecca Pow AS, Gweinidog Ansawdd a Chadernid yr Amgylchedd, Mark Spencer AS, y Gweinidog Bwyd, Ffermio a Physgodfeydd, James Davies AS, Is-ysgrifennydd Gwladol Seneddol Cymru, John Lamont AS, Is-ysgrifennydd Gwladol Seneddol i Swyddfa'r Alban, Steve Baker AS, Gweinidog Gwladol Llywodraeth y DU yn Swyddfa Gogledd Iwerddon; a Katrina Godfrey, Ysgrifennydd Parhaol, DAERA yn absenoldeb gweinidogion Gogledd Iwerddon.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

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Agorodd y cyfarfod gyda thrafodaeth am Fil Cyfraith yr UE a Ddargedwir (REUL) sydd, ar hyn o bryd, yn mynd drwy'r Cyfnod Pwyllgor yn Nhŷ'r Arglwyddi. Rhoddodd pob un o'r Llywodraethau'r wybodaeth diweddaraf am sut y maent yn mynd ati i nodi ac i gategoreiddio'r Bil, gan ganmol y ffordd gadarnhaol y mae'r gweinyddiaethau wedi ymwneud â'i gilydd yn hynny o beth. Buom hefyd yn trafod y rhaglenni deddfwriaethol seneddol sydd eu hangen er mwyn dargadw, diddymu neu ddiwygio eitemau unigol o ddeddfwriaeth. Wedyn, rhoddodd Llywodraeth yr Alban yr wybodaeth ddiweddaraf am hynt eu Cynlluniau Dychwelyd Ernes, a chynhaliwyd trafodaeth am gais Llywodraeth yr Alban i gael ei heithrio o Ddeddf Marchnad Fewnol y DU.

Wedyn, cyfeiriais at y sefyllfa sydd ohoni o ran prinder bwyd a diogelwch bwyd, gan dynnu sylw at yr angen i gydweithio ar y mater hwn, sy'n effeithio ar bob rhan o'r DU. Buom yn trafod yr effeithiau cronol mae materion fel y rhyfel yn Wcráin a phrinder llafur yn parhau i'w cael, a sut y mae'r newid yn yr hinsawdd yn effeithio ar y cyflenwad bwyd.

Cytunwyd i drafod mwy ar yr eitem hon yn y Cyfarfod Rhynglywodraethol ym mis Ebrill.

Yn olaf, cyfeiriodd Llywodraeth yr Alban a minnau at y ffaith bod diffyg cynnydd ar wahanol ddarnau o ddeddfwriaeth ar les anifeiliaid, gan wneud cais am ddiweddariad ysgrifenedig.

Bydd y cyfarfod nesaf yn cael ei gynnal ddydd Llun 17 Ebrill.

**Lesley Griffiths AS/MS**  
**Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd**  
**Minister for Rural Affairs and North Wales, and Trefnydd**



Llywodraeth Cymru  
Welsh Government

Bydd hysbysiad am y cyfarfod hwn yn cael ei gyhoeddi ar wefan Llywodraeth y DU:  
<https://www.gov.uk/government/publications/communique-from-the-inter-ministerial-group-for-environment-food-and-rural-affairs>.

Rwy'n anfon copi o'r llythyr hwn at y Pwyllgor Newid Hinsawdd, yr Amgylchedd, a Seilwaith ac at Bwyllgor yr Economi, Masnach a Materion Gwledig.

Cofion,



**Lesley Griffiths AS/MS**  
**Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd**  
**Minister for Rural Affairs and North Wales, and Trefnydd**

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Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref VG/0093/23

Paul Davies AS  
Cadeirydd  
Pwyllgor yr Economi, Masnach a Materion Gwledig

[SeneddEconomi@senedd.cymru](mailto:SeneddEconomi@senedd.cymru)

27 Mawrth 2023

Annwyl Paul,

Diolch ichi am eich llythyr dyddiedig 8 Mai ac am sylw parhaus y Pwyllgor i oblygiadau Bil Cyfraith yr UE a Ddargedwir (Dirymu a Diwygio).

Cyn ateb y pwyntiau manwl rydych chi wedi'u nodi, gallai fod yn ddefnyddiol nodi'r cyd-destun heriol y mae Llywodraeth Cymru yn gweithredu ynddo mewn perthynas â'r Bil, fel yr esboniodd y Cwnsler Cyffredinol a Gweinidog y Cyfansoddiad yn ei lythyr dyddiedig 19 Ionawr at Gadeirydd y Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad.

Yn gyntaf, mae Llywodraeth Cymru yn gryf yn erbyn holl fwrriad y Bil. Yn gyffredinol, ein safbwynt ni yw bod cyfraith yr UE a ddargedwir (REUL), fel cyfraith yr UE cyn hynny, yn gweithio'n dda. Felly, ac eithrio diwygio'r gyfraith yn raddol fel sy'n briodol drwy gasglu tystiolaeth, ymgynghori â'r cyhoedd, a chwblhau trefniadau craffu deddfwriaethol yn y ffordd arferol, dros amser fel sy'n wir gydag unrhyw gorff o gyfreithiau, nid oeddem yn bwriadu diddymu, dirymu na diwygio cyfraith yr UE a ddargedwir erbyn terfyn amser mympwyol am resymau ideolegol. Fodd bynnag, mae cynnig deddfwriaeth fel hon a fyddai, yn anochel, yn diddymu mesurau diogelu economaidd, cymdeithasol ac amgylcheddol hanfodol yn annerbyniol ac yn anghyfrifol. Mae hyn yn arbennig o wir o ystyried y defnydd o amser gwerthfawr gan Lywodraethau a deddfwrfeydd pan mai canlyniad rhan helaeth o'r gwaith hwn yn syml fydd cadw yn y gyfraith y darpariaethau hanfodol hynny y byddai'r Bil yn eu dileu'n awtomatig fel arall. Ni fydd y gwaith ofer hwn o unrhyw fudd i neb, ac mae'n ddefnydd anffodus o adnoddau cyfyngedig yn Llywodraeth Cymru a Llywodraeth y DU, o ganlyniad i'r penderfyniadau a wnaed gan Weinidogion Llywodraeth y DU.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

**Tudalen y pecyn 12**  
We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Yn ail, mae'r Bil yn ei hanfod yn Fil galluogi a bydd ei oblygiadau llawn yn cael eu dylanwadu gan ddewisiadau polisi Gweinidogion Llywodraeth y DU ynghylch pa ddarnau o ddeddfwriaeth y dylid eu cadw, eu diwygio, neu eu gadael i fachlud haul. Oni bai a hyd nes y darperir y wybodaeth fanwl honno, rydym i gyd yn gweithio mewn sefyllfa ansicr iawn, gyda'r trafferthion mynychu amlwg sy'n achosi Llywodraeth Cymru, ac i'ch Pwyllgor mewn rôl graffu. Gobeithio y gallwn barhau i gydweithio wrth ymdrin â'r Bil hwn yn yr amgylchiadau anffodus hyn, gan gydnabod ein rolau sefydliadol neilltuol ond hefyd diddordebau cyffredin mewn perthynas â chyfanrwydd y setliad datganoli.

Mae'r atebion i'ch cwestiynau (mewn italig) wedi'u nodi isod.

*...a fyddech cystal â darparu'r canlynol i'r Pwyllgor:*

▪ *Eich barn ar effaith y Bil ar y sectorau uchod ac unrhyw feysydd eraill y credwch y gallai fod o ddiddordeb i'r Pwyllgor;*

Fel y nodwyd uchod, mae'r effaith ar bob sector yn dibynnu'n bennaf ar y penderfyniadau a wneir gan Weinidogion y DU i gadw'r darpariaethau REUL presennol ai peidio. Byddai'r effaith hon yn negyddol iawn, yn yr achos mwyaf eithafol, pe caniateid i'r holl REUL presennol ddo i ben ym mis Rhagfyr 2023. Fodd bynnag, rydym yn disgwyl gwybodaeth fanwl gan Lywodraeth y DU am ei bwriadau.

▪ *Rhestr o Gyfraith yr UE a Ddargedwir (REUL) berthnasol a wnaed gan Weinidogion Cymru o fewn eich cylchoedd gwaith;*

Rydym yn datblygu rhestr o REUL a wnaed yng Nghymru, a byddwn yn darparu hon pan fyddwn mewn sefyllfa i wneud hynny.

▪ *Eich cynlluniau i ddefnyddio pwerau'r Bil mewn perthynas â safonau o fewn cylch gwaith y Pwyllgor hwn, fel lles anifeiliaid;*

Fel yr eglurwyd uchod, mae cyfraith yr UE a ddargedwir yn gweithio'n dda at ei gilydd. Rydym yn dymuno gweld y safonau presennol yn cael eu cynnal ym mhob maes sydd o fewn ein cylch gwaith, gan gynnwys lles anifeiliaid, ac nid oes gennym gynlluniau i ddefnyddio unrhyw bwerau o'r fath i newid safonau.

▪ *Gwybodaeth am ba drafodaethau yr ydych wedi'u cael gyda llywodraethau eraill yn y DU ynghylch effaith y Bil ar faterion o fewn cylch gwaith y Pwyllgor, a ph'un ai/sut y gellid cydgysylltu unrhyw newidiadau i REUL perthnasol, os caiff y Bil ei basio;*

Mae Llywodraeth Cymru wedi nodi'n glir iawn ar lefel Weinidogol, ac ar sawl achlysur, ein pryderon sylfaenol ynghylch natur ac amseriad y Bil. Rydym hefyd yn cael sgwrsiau rheolaidd â Llywodraeth y DU, Llywodraeth yr Alban a Gwasanaeth Sifil Gogledd Iwerddon ar lefel swyddogion. Rydym wedi dweud yn glir wrth Lywodraeth y DU yn y trafodaethau hyn fod budd sylweddol mewn rhannu gwybodaeth ymlaen llaw am ei bwriadau, ac mewn cydweithio gwirioneddol ar gynigion sy'n ymwneud â REUL.

▪ *Manylion am unrhyw effaith ar gynlluniau deddfwriaethol Llywodraeth Cymru pan fo'n berthnasol i gylch gwaith y Pwyllgor;*

Byddwn yn parhau i rannu gwybodaeth am y Bil wrth iddo fod ar gael. Rydym yn agored i gael trafodaethau rhagarweiniol yn gyfrinachol ynghylch goblygiadau posibl i fusnes y Senedd.

▪ *Eich barn ar sut y gallai'r Bil ryngweithio â chytundebau masnach ryngwladol ar ôl Brexit;*

Unwaith eto, bydd yr ateb gorau i hyn yn dibynnu ar ba ddarnau o REUL mae Llywodraeth y DU yn penderfynu eu dirymu, neu ganiatáu iddynt ddirwyn i ben, neu eu diwygio. Yn gyffredinol, nid ydym yn disgwyl y bydd effaith sylweddol yn y maes hwn, ond ni allwn fod yn sicr eto. Rydym yn disgwyl i Lywodraeth y DU beidio â chael gwared ar ddarnau o REUL sy'n hanfodol i'w rhwymedigaethau o dan unrhyw gytundebau masnach rydd, neu o dan Gytundeb Masnach a Chydweithredu yr UE a'r DU.

▪ *Eich barn ar effaith bosibl y Bil ar fasnach o fewn y DU, gan gynnwys sut y caiff ei weithredu ochr yn ochr â Deddf y Farchnad Fewnol 2020;*

Fel uchod, nid yw'r Bil yn ddo'i hun, o reidrwydd, yn cael unrhyw effaith uniongyrchol ar fasnach o fewn y DU. Bydd unrhyw effaith yn dibynnu ar ba ddarnau o REUL sy'n cael eu diweddu neu eu newid. Nid ydym yn derbyn bod Deddf Marchnad Fewnol y DU yn llesteirio mewn unrhyw ffordd hawl y Senedd i ddeddfu ar faterion sydd o fewn ei chymhwysedd.

▪ *Eich barn ar sut y gallai'r Bil ryngweithio â fframweithiau cyffredin o fewn cylch gwaith y Pwyllgor hwn.*

Unwaith eto, mae'n rhy gynnar i bennu'r effaith hon. Mae meysydd polisi lle dylai bodolaeth fframweithiau cyffredin gynorthwyo â'r materion a'r penderfyniadau sy'n ymwneud ag unrhyw newidiadau sylweddol i ddarnau o REUL.

*Bwyd a diod:*

• *Diogelwch bwyd – Mae'r Asiantaeth Safonau Bwyd (ASB) yn nodi eu bod yn gyfrifol am dros 150 o ddarnau o REUL ar ddiogelwch bwyd yng Nghymru a Lloegr, ynghyd â 39 o ddarnau ychwanegol yng Nghymru, lle mae ganddi gyfrifoldebau ehangach. Mae'r ASB yn nodi "rydym yn glir na allwn ddirwyn i ben y deddfau ar ddiogelwch a dilysrwydd bwyd heb beri dirywiad yn safonau bwyd y DU a risg sylweddol i iechyd y cyhoedd."*

Rydym yn cytuno. Nid yw'n hysbys eto sut mae Llywodraeth y DU yn bwriadu bwrw ymlaen yn y maes hwn.

• *Ymwahanu – mae'r Ffederasiwn Bwyd a Diod yn datgan bod gan hyn y potensial i ysgogi ymwahanu sylweddol os na chaiff newidiadau eu cysoni ar sail y DU a byddai hyn wedyn yn rhoi beichiau ychwanegol ar fusnesau Cymru, yn enwedig mentrau llai.*

Rydym yn credu bod angen i Lywodraeth y DU ymgysylltu'n llawn â'r llywodraethau datganoledig i ystyried yr holl faterion i ddiwydiant sy'n deillio o unrhyw newid arfaethedig mewn safonau, ac ystyried sut gellir rheoli hyn orau o fewn y setliadau datganoli. Fel yr amlinellir uchod, yn gyffredinol credwn fod cyfraith yr UE a ddargedwir yn gweithio'n dda. Rydym yn disgwyl gwybodaeth glir gan Lywodraeth y DU am ba ddarnau perthnasol o REUL y mae'n dymuno eu newid a fyddai'n effeithio ar y sector bwyd a diod.

*Ffermio:* • *Safonau ffermio - dywed NFU Cymru y gallai llywodraethau ganfod eu hunain mewn sefyllfa yn brwydro yn erbyn camau brysiog i gau bylchau deddfwriaethol sydd wedi agor. Yn ôl NFU, bydd senarios o'r fath yn niweidiol i hyder a sicrwydd busnes a defnyddwyr. Maent yn rhybuddio bod rhaid gwobrwyo safonau uchel o'r farchnad, neu fel arall bydd cynhyrchwyr o Gymru yn cael eu rhoi dan anfantais gystadleuol. Maent yn annog Llywodraeth Cymru i weithio gyda llywodraethau eraill i eirioli safonau uchel a gwrthsefyll ras i'r gwaelod.*

Unwaith eto, credwn fod angen i Lywodraeth y DU ymgysylltu'n llawn â'r Llywodraethau Datganoledig i ystyried yr holl faterion i ddiwydiant sy'n deillio o unrhyw newid arfaethedig mewn safonau, ac ystyried sut y gellir rheoli hyn orau o fewn y setliadau datganoli. Yn gyffredinol, credwn fod cyfraith yr UE a ddargedwir yn gweithio'n dda. Rydym yn aros am wybodaeth glir gan Lywodraeth y DU am ba ddarnau perthnasol o REUL y mae'n dymuno eu newid a fyddai'n effeithio ar ffermio.

*Lles Anifeiliaid: • Dywed RSPCA fod REUL yn cynnwys rhai o'r newidiadau mwyaf totemig a phwysig yn lles anifeiliaid ac maent yn poeni y gallai safonau fod mewn perygl. Maent hefyd yn pryderu am newidiadau neu gael gwared ar gyfreithiau a gadwyd yn ôl ar Gymru, fel gwaharddiadau ar ddefnyddio hormonau milfeddygol a gwaharddiadau ar fewnforio anifeiliaid gwyllt a chynhyrchion morloi, a'r defnydd o anifeiliaid mewn ymchwil.*

Mae gan y Bil y potensial i gael gwared ar ddarnau hanfodol o REUL sy'n sail i agweddau pwysig ar les anifeiliaid. Unwaith eto, nid yw'n hysbys beth mae Llywodraeth y DU yn bwriadu ei wneud yn ymarferol yn y maes hwn. Rydym yn rhannu pryderon yr RSPCA am y posibilrwydd o ddirymu neu wneud newidiadau i ddarnau o REUL a gadwyd yn ôl sy'n effeithio ar y meysydd hynny. Rydym wedi gofyn i Lywodraeth y DU, fel rheol gyffredinol, sicrhau ei bod yn cynnwys y Llywodraethau Datganoledig yn ei gwaith ar REUL a gadwyd yn ôl a allai effeithio ar feysydd datganoledig.

Yn gywir,



**Vaughan Gething AS/MS**  
Gweinidog yr Economi  
Minister for Economy



**Lesley Griffiths AS/MS**  
Y Gweinidog Materion Gwledig a Gogledd  
Cymru, a'r Trefnydd  
Minister for Rural Affairs and North Wales,  
and Trefnydd

Lesley Griffiths

Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd

Vaughan Gething

Gweinidog yr Economi

8 Chwefror 2023

Annwyl Lesley a Vaughan,

### **Bil Cyfraith yr UE a Ddargedwir (Dirymu a Diwygio)**

Ar 25 Ionawr, bu'r Pwyllgor yn trafod Bil Cyfraith yr UE a Ddargedwir (Dirymu a Diwygio) a'i gynigion cydsyniad deddfwriaethol cysylltiedig. Mae Aelodau'n bryderus iawn am effaith bosibl y Bil ar Gymru yn y meysydd sy'n dod o dan ein cylch gwaith. Yn hynny o beth, penderfynwyd ysgrifennu atoch i gael rhagor o wybodaeth am asesiad Llywodraeth Cymru o effaith y Bil ar y sectorau hyn: economi Cymru, masnach, sgiliau, amaethyddiaeth, pysgodfeydd, y sector bwyd a diod a safonau lles anifeiliaid. Byddem hefyd yn ddiolchgar iawn pe gallech gadarnhau pa waith sy'n cael ei wneud i baratoi ar gyfer y Bil.

Felly, a fyddechystal â darparu'r canlynol i'r Pwyllgor:

- Eich barn ar effaith y Bil ar y sectorau uchod ac unrhyw feysydd eraill y credwch y gallai fod o ddiddordeb i'r Pwyllgor;
- Rhestr o Gyfraith yr UE a Ddargedwir (REUL) berthnasol a wnaed gan Weinidogion Cymru o fewn eich cylchoedd gwaith;
- Eich cynlluniau i ddefnyddio pwerau'r Bil mewn perthynas â safonau o fewn cylch gwaith y Pwyllgor hwn, fel lles anifeiliaid;
- Gwybodaeth am ba drafodaethau yr ydych wedi'u cael gyda llywodraethau eraill yn y DU ynghylch effaith y Bil ar faterion o fewn cylch gwaith y Pwyllgor, a ph'un ai/sut y gellid cydgysylltu unrhyw newidiadau i REUL perthnasol, os caiff y Bil ei basio;

- Manylion am unrhyw effaith ar gynlluniau deddfwriaethol Llywodraeth Cymru pan fo'n berthnasol i gylch gwaith y Pwyllgor;
- Eich barn ar sut y gallai'r Bil ryngweithio â chytundebau masnach ryngwladol ar ôl Brexit;
- Eich barn ar effaith bosibl y Bil ar fasnach o fewn y DU, gan gynnwys sut y caiff ei weithredu ochr yn ochr â Deddf y Farchnad Fewnol 2020; a
- Eich barn ar sut y gallai'r Bil ryngweithio â fframweithiau cyffredin o fewn cylch gwaith y Pwyllgor hwn.

Cynhaliodd y Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad [alwad am dystiolaeth](#) ar ôl i'r Bil gael ei gyflwyno. Trafododd yr Aelodau'r dystiolaeth a ddarparwyd i'r ymgynghoriad hwn a oedd yn berthnasol i'n cylch gwaith. Yn ogystal â darparu'r manylion y gofynnir amdanynt uchod, a wnewch chi ymateb i'r pwyntiau a amlinellir isod sydd wedi'u nodi gan randdeiliaid yn eu cyflwyniadau i ymgynghoriad y Cyd-Bwyllgor Ymgynghorol.

Bwyd a diod:

- Diogelwch bwyd – Mae'r Asiantaeth Safonau Bwyd (ASB) yn nodi eu bod yn gyfrifol am dros 150 o ddarnau o REUL ar ddiogelwch bwyd yng Nghymru a Lloegr, ynghyd â 39 o ddarnau ychwanegol yng Nghymru, lle mae ganddi gyfrifoldebau ehangach. Mae'r ASB yn nodi "rydym yn glir na allwn ddirwyn i ben y deddfau ar ddiogelwch a dilysrwydd bwyd heb beri dirywiad yn safonau bwyd y DU a risg sylweddol i iechyd y cyhoedd."
- Ymwahanu – mae'r Ffederasiwn Bwyd a Diod yn datgan bod gan hyn y potensial i ysgogi ymwahanu sylweddol os na chaiff newidiadau eu cysoni ar sail y DU a byddai hyn wedyn yn rhoi beichiau ychwanegol ar fusnesau Cymru, yn enwedig mentrau llai.

Ffermio:

- Safonau ffermio - dywed NFU Cymru y gallai llywodraethau ganfod eu hunain mewn sefyllfa yn brwydro yn erbyn camau brysiog i gau bylchau deddfwriaethol sydd wedi agor. Yn ôl NFU, bydd senarios o'r fath yn niweidiol i hyder a sicrwydd busnes a defnyddwyr. Maent yn rhybuddio bod rhaid gwobrwyo safonau uchel o'r farchnad, neu fel arall bydd cynhyrchwyr o Gymru yn cael eu rhoi dan anfantais gystadleuol. Maent yn annog Llywodraeth Cymru i weithio gyda llywodraethau eraill i eirioli safonau uchel a gwrthsefyll ras i'r gwaelod.

Lles Anifeiliaid:

- Dywed RSPCA fod RUEL yn cynnwys rhai o'r newidiadau mwyaf totemig a phwysig yn lles anifeiliaid ac maent yn poeni y gallai safonau fod mewn perygl. Maent hefyd yn pryderu am newidiadau neu gael gwared ar gyfreithiau a gadwyd yn ôl ar Gymru, fel gwaharddiadau ar ddefnyddio hormonau milfeddygol a gwaharddiadau ar fewnforio anifeiliaid gwyllt a chynhyrchion morloi, a'r defnydd o anifeiliaid mewn ymchwil.

Rwy'n anfon copi o'r llythyr hwn at Huw Irranca-Davies AS, yn rhinwedd ei swydd fel Cadeirydd y Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad.

Cofion,



Paul Davies AS

Cadeirydd: Pwyllgor yr Economi, Masnach a Materion Gwledig

Croesewir gohebiaeth yn Gymraeg neu Saesneg | We welcome correspondence in Welsh or English.



Y Gwir Anrhydeddus Elin Jones AS  
Y Llywydd a Chadeirydd y Pwyllgor Busnes

28 Mawrth 2023

Annwyl Lywydd,

### Bil Troseddau Economaidd a Thryloywder Corfforaethol

Yn ein cyfarfod ar 23 Mawrth, trafododd yr Aelodau yr ail Femorandwm Cydsyniad Deddfwriaethol atodol ar y Bil Troseddau Economaidd a Thryloywder Corfforaethol a gyfeiriwyd at y Pwyllgor ar 14 Mawrth. Gan nad yw'r diwygiadau a nodir yn y Memorandwm Cydsyniad Deddfwriaethol yn gwneud unrhyw newidiadau sylfaenol i fwriad y Bil, nid yw'r Aelodau'n teimlo bod angen gosod adroddiad ychwanegol. Fodd bynnag, hoffai'r Pwyllgor achub ar y cyfle hwn i gofnodi ei gefnogaeth o ddefnydd Llywodraeth y DU a Llywodraeth Cymru o'r Bil hwn i barhau â'u cefnogaeth i Wcráin a'i phobl.

Gan fod y Memorandwm Cydsyniad Deddfwriaethol atodol wedi cael ei gyfeirio at y Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad hefyd, rwyf wedi anfon copi o'r llythyr hwn at Huw Irranca-Davies AS er gwybodaeth iddo.

Cofion cynnes,



Darren Millar AS  
Cadeirydd Dros Dro: Pwyllgor yr Economi, Masnach a Materion Gwledig

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Vaughan Gething AS  
Gweinidog yr Economi

28 Mawrth 2023

Annwyl Vaughan,

**Cytundeb Partneriaeth Strategol a Masnach Rydd y DU ac Wcráin**

Ar 23 Chwefror, gosododd Llywodraeth y DU y llythyrau rhwng y DU ac Wcráin yn cytuno ar ddiwygiadau i'r Cytundeb Partneriaeth Strategol a Masnach Rydd ("y Cytundeb"). Cyfeirir at y llythyrau fel 'Cytundeb Rhif 1'.

Ar 16 Mawrth, trafododd y Pwyllgor y cytundeb a chytunodd i ysgrifennu at Lywodraeth Cymru i gael gwybodaeth am y canlynol:

- Barn Llywodraeth Cymru ar y Cytundeb;
- Asesiad Llywodraeth Cymru o'r effaith debygol ar fasnach rhwng Cymru ac Wcráin.

Edrychaf ymlaen at gael eich ymateb.

Cofion cynnes,



Darren Millar AS  
Cadeirydd Dros Dro: Pwyllgor yr Economi, Masnach a Materion Gwledig

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Darren Millar MS  
Cadeirydd Dros Dro  
Pwyllgor yr Economi, Masnach a Materion Gwledig  
[SeneddEconomy@senedd.wales](mailto:SeneddEconomy@senedd.wales)

21 Ebrill 2023

Annwyl Darren,

Diolch am eich llythyr dyddiedig 28 Mawrth yn gofyn am farn ac asesiad Llywodraeth Cymru ynghylch effaith y Cytundeb Masnach Rydd a'r Bartneriaeth Strategol rhwng y DU ac Wcráin ar Gymru, yn dilyn cyfnewid llythyrau ar 23 Chwefror.

Er bod Llywodraeth Cymru fel arfer yn cael ei chynnwys wrth i negodiadau masnach ddatblygu, oherwydd natur y cytundeb hwn, sy'n ymateb uniongyrchol i ymosodiad Rwsia ar Wcráin ac ymrwymiad Llywodraeth y DU i ddarparu cymorth economaidd i Wcráin drwy lacio'r holl gwtâu cyfradd tariff a thariffau, mae rhan Llywodraeth Cymru wedi bod yn gyfyngedig.

Mae masnachu nwyddau ag Wcráin yn cyfrif am tua 0.05% o allforion Cymru a thua 0.01% o fewnforion. Mae ein ffigurau diweddaraf ar gyfer masnach yn dangos gostyngiad mewn gwerth masnachu nwyddau, o £25 miliwn yn 2021 i tua £11.7 miliwn yn 2022. O'r rhain gwerth mewnforion ac allforion oedd £2.2 miliwn a £9.6 miliwn yn y drefn honno. Mae'n deg priodoli'r gostyngiad hwn i'r rhyfel presennol

Er bod rhan Llywodraeth Cymru yn y cytundeb hwn yn gyfyngedig, rydym yn cefnogi'n llawn unrhyw fesurau i gefnogi Wcráin yn y rhyfel parhaus, ac rydym yn croesawu'r camau cadarnhaol mae Llywodraeth y DU wedi'u cymryd. Fodd bynnag, rwyf wedi'i gwneud yn clir yn byddem yn disgwyl i Lywodraeth Cymru gael ei chynnwys mewn unrhyw adolygiad o'r cytundeb yn y dyfodol.

Yn gywir,

**Vaughan Gething AS/MS**  
Gweinidog yr Economi  
Minister for Economy

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Darren Millar  
Cadeirydd Pwyllgor yr Economi, Masnach a Materion Gwledig  
Senedd Cymru  
Bae Caerdydd  
Caerdydd  
CF99 1SN

28ain Mawrth 2023

Annwyl Darren,

Diolch am y gwahoddiad i ymddangos yn y pwyllgor yn gynharach y mis hwn ac am y cyfle i ateb cwestiynau ar strategaeth a pherfformiad Banc Datblygu Cymru.

Yn ystod y sesiwn, gofynnodd y pwyllgor am y cynllun gwrthbwyso carbon yr ydym yn cymryd rhan ynddo ac yn benodol a ydym yn ymwneud ag unrhyw blannu coed ar dir amaethyddol. Addewais ysgrifennu gyda manylion pellach.

Rydym yn gweithio gyda Carbon Footprint Ltd ac yn cymryd rhan yn eu rhaglen plannu coed yn y DU sy'n cydlynu plannu coed llydanddail brodorol Prydeinig. Mae cyfran helaeth o'u coed yn cael eu plannu ar dir yr ysgol, lle maent yn helpu i addysgu a chodi ymwybyddiaeth ymhlith disgyblion. Er nad ydym yn plannu unrhyw goed ar dir amaethyddol, mae Carbon Footprint wedi cyngori eu bod weithiau'n plannu ar dir fferm fel gwrychoedd.

Y lleoliadau ar gyfer y coed a blannwyd yn ein cynllun yw:

- Clwb Rygbl Dinbych
- Coleg Plas Dwbl
- Ysgol Iau Broadway
- Maes Carafanau Dianc Bowland

## Development Bank of Wales Plc

Unit J, Yale Business Village, Ellice Way, Wrexham LL13 7YL  
info@developmentbank.wales | developmentbank.wales



Development Bank of Wales Plc is the holding company of a Group that trades as Development Bank of Wales. The Group is made up of a number of subsidiaries which are registered with names including the initials DBW. Development Bank of Wales Plc is a development finance company wholly owned by the Welsh Ministers and it is neither authorised nor regulated by the Prudential Regulation Authority (PRA) or the Financial Conduct Authority (FCA). The Development Bank of Wales has three subsidiaries which are authorised and regulated by the FCA. Please note that neither the Development Bank of Wales Plc nor any of its subsidiaries are banking institutions or operate as such. This means that none of the group entities are able to accept deposits from the public. A complete legal structure chart for Development Bank of Wales Plc can be found at [www.developmentbank.wales](http://www.developmentbank.wales)

Mae eu portffolio o brosiectau gwrthbwysu carbon yn gweithredu o fewn systemau rheoli ansawdd megis Gostyngiadau Allyriadau Wedi'u Gwirio â'r Safon Aur (VERs) a chredydau ardystiedig y Safon Carbon Gwiriedig (VCS). Mae eu holl brosiectau yn bodloni gofynion llym y Safon Sicrhau Ansawdd (QAS) ar gyfer Gwrthbwysu Carbon.

Hyderaf y bydd y wybodaeth hon o ddi-ddordeb i'r pwyllgor.

Yr eiddoch yn gywir



**Giles Thorley**

**Prif Weithredwr**

**Development Bank of Wales Plc**

Unit J, Yale Business Village, Ellice Way, Wrexham LL13 7YL  
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Llywodraeth Cymru  
Welsh Government

Ein Cyf / Our ref: VG/00111/23

Paul Davies AS  
Cadeirydd Pwyllgor yr Economi, Masnach a Materion Gwledig  
Senedd Cymru

5 Ebrill 2023

Annwyl Paul,

**Mesurau Rheoli Ffin**

Gallaf gadarnhau fel y cyhoeddais yn fy [natganiad](#) i'r Senedd heddiw fod [Model Gweithredu Targed](#) y Ffin *drafft* wedi ei gyhoeddi sy'n gosod model newydd arfaethedig ar gyfer mewnfario nwyddau i'r DU.

Daw hyn yn dilyn penderfyniad Llywodraeth y DU ym mis Ebrill 2022 i oedi ymhellach cyn cyflwyno mesurau rheoli iechydol a ffytoiechydol (SPS) ar fewnfario nwyddau o'r UE. Bydd Llywodraeth y DU yn awr yn ymgysylltu â rhanddeiliaid ar y cynigion i fersiwn derfynol y Model Gweithredu Targed gael ei gyhoeddi.

Byddwn yn hapus iawn i drafod y trefniadau arfaethedig ymhellach gyda'r Pwyllgor.

Yn gywir,

**Vaughan Gething AS/MS**  
Gweinidog yr Economi  
Minister for EconomyCanolfan Cyswllt Cyntaf / First Point of Contact Centre:  
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Tudalen y pecyn 24  
We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Darren Millar  
Cadeirydd Dros Dro,  
Pwyllgor yr Economi, Masnach a Materion Gwledig

5 Ebrill 2023

Annwyl Darren,

Diolch am eich adroddiad o fis Chwefror 2023 sy'n cynnwys adroddiad Pwyllgor yr Economi, Masnach a Materion Gwledig ar y gwaith Craffu ar Gyllideb Ddrafft Llywodraeth Cymru ar gyfer 2023/24. Rydym yn ddiolchgar am waith y pwyllgor ac yn ymddiheuro am yr oedi cyn ymateb.

Atodir ymateb Llywodraeth Cymru.

Yn gywir,



**Lesley Griffiths AS/MS**

Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd  
Minister for Rural Affairs, North Wales & Trefnydd



**Vaughan Gething AS/MS**

Gweinidog yr Economi  
Minister for Economy



**Dawn Bowden AS/MS**

Dirprwy Weinidog y Celfyddydau a Chwaraeon, a'r Prif Chwip  
Minister for Arts and Sport, and Chief Whip



# Ymateb Llywodraeth Cymru i adroddiad Pwyllgor yr Economi, Masnach a Materion Gwledig ar y gwaith Craffu ar Gyllideb Llywodraeth Cymru ar gyfer 2023/24

05/04/2023

Gweler isod ymateb Llywodraeth Cymru i'r 22 o  
argymhellion a nodwyd gan Bwyllgor yr Economi, Masnach  
a Materion Gwledig.

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## 1. Argymhellion.

**Argymhelliad 1.** Dylai Llywodraeth Cymru barhau i roi diweddariad i'r Pwyllgor ynghylch ei thrafodaethau â Llywodraeth y DU am y cyllid a ddaw yn lle cyllid Gwledig yr UE.

Ymateb: **Derbyn**

Cyflawnodd adolygiad o wariant 2021 dair blynedd olaf ymrwymiad Llywodraeth y DU a nodwyd yn ei manifestio yn 2019, sef y byddai'n cynnal y gyllideb flynyddol i ffermwyr ym mhob blwyddyn o'r Senedd hon.

Ochr yn ochr â llywodraethau datganoledig eraill, dro ar ôl tro rydym wedi mynegi ein pryderon ynghylch y fethodoleg a ddefnyddir gan Lywodraeth y DU i Weinidogion olynol y DU, gan nodi nad yw'r cyllid y mae'n ei ddarparu yn cyfateb yn llawn i gyllid yr UE, ac rydym wedi gofyn am gyfleoedd ymgysylltu pellach i drafod y fethodoleg hon er mwyn unioni'r sefyllfa.

Ein gobaith yw y gallwn weithio gyda Llywodraeth y DU mewn ffordd ymarferol drwy'r trefniadau adolygu cysylltiadau rhynglywodraethol newydd.

Nid oes unrhyw arwydd bod Llywodraeth y DU yn bwriadu cynnig trefniadau cyllido hirdymor ar gyfer darparu cyllid yn lle cyllid yr UE. Yn lle hynny, mae'n bosibl y bydd yr adolygiad nesaf o wariant yn cadarnhau'r lefelau o gyllid a ddarperir yn lle cyllid Gwledig yr UE o flwyddyn ariannol 2025/26.

**Argymhelliad 2.** Dylai'r Gweinidog nodi'n fanwl sut mae'n addasu cynlluniau i gyfrif am y diffyg o £21 miliwn o'r cyllid a ddaw yn lle cyllid yr UE.

Ymateb: **Derbyn**

Rwyf wedi rhoi blaenoriaeth i gefnogi ffermwyr drwy gynnal lefel y cymorth a ddarperir drwy Gynllun Taliad Sylfaenol Cymru, bob blwyddyn ers 2021.

Mae gweddill y cyllid a ddarparwyd yn lle cyllid yr UE yn cael ei ddefnyddio'n llawn i ddechrau mynd i'r afael â'r argyfwng natur a'r argyfwng hinsawdd a galluogi proses bontio deg i Gymru gryfach, wyrddach a thecach. Caiff hyn ei gyflawni drwy fy Nghynlluniau Buddsoddi Gwledig, cyn i'r Cynllun Ffermio Cynaliadwy arfaethedig gael ei gyflwyno.

**Argymhelliad 3.** Dylai Llywodraeth Cymru ysgrifennu at y Pwyllgor i nodi pa wersi sydd wedi'u dysgu o'r Cynllun Datblygu Gwledig, sut y cyfrifir amdanynt a pha fesurau rheoli a fydd yn cael eu defnyddio yn y Cynllun a ddaw yn ei le.

Ymateb: **Derbyn**

Tynnodd yr adolygiad a gynhaliwyd gan Archwilio Cymru yn 2020 sylw at broblemau gyda'r broses o ddewis prosiectau economaidd-gymdeithasol o dan y Cynllun Datblygu Gwledig a nododd nad oedd y camau a oedd yn cael eu cymryd wrth ddewis ac arfarnu prosiectau yn gwneud digon i asesu a fyddai rhai prosiectau yn sicrhau gwerth am arian cyn y dyfarniad cyllid. Cymerodd Llywodraeth Cymru gamau pendant i sicrhau bod gwersi yn cael eu dysgu o'r Cynllun Datblygu Gwledig fel a ganlyn:

- Rhoddwyd gwell rheolau dewis ar waith i sicrhau bod prosiectau yn cael eu dewis mewn ffordd agored a theg, bod prosiectau yn cael eu dewis yn nhrefn teilyngdod yn unol â gweithdrefn sgorio gyhoeddedig a bod gwerth am arian yn faen prawf ar gyfer pob dyfarniad i brosiectau.
- Cyflwynwyd system haenog newydd o fyrddau arfarnu hierarchaidd er mwyn sicrhau bod pob prosiect yn destun prosesau craffu a goruchwyllo priodol cyn i grant gael ei ddyfarnu.
- Ffurfiwyd cyfres o grwpiau gwneud penderfyniadau mewnol er mwyn sicrhau bod penderfyniadau yn cael eu trafod a'u dogfennu'n briodol a bod trywydd archwilio yn cael ei gadw.

Mae'r egwyddorion hyn wedi'u hymgorffori'n llawn ym model arfarnu grant y Cynllun Datblygu Gwledig ac maent ar waith ar gyfer Cynlluniau Buddsoddi Gwledig presennol a Chynlluniau Buddsoddi Gwledig yn y dyfodol:

**Argymhelliad 4.** Dylai Llywodraeth Cymru nodi ei chynlluniau wrth gefn ar gyfer gorwariant ar y Cynllun Datblygu Gwledig o ganlyniad i gyllid sydd wedi'i orymrwymo.

Ymateb: **Derbyn**

Mae angen gorymrwymo cyllid ar lefel rhaglen er mwyn sicrhau bod Cymru yn defnyddio'r holl gyllid sydd ar gael o Raglen Datblygu Gwledig derfynol yr UE.

Caiff cynlluniau a chontractau unigol eu monitro'n barhaus er mwyn sicrhau bod y rhaglen yn parhau ar y trywydd cywir. Mae addasiadau i raglenni yn cael eu caniatáu a'u cynllunio

hyd at fis Medi 2023 er mwyn addasu mesurau unigol, yn amodol ar farn y Pwyllgor Monitro Rhaglenni a chymeradwyaeth y Comisiwn Ewropeaidd.

Mae rhai cynlluniau unigol sy'n rhan o'r Cynllun Datblygu Gwledig bob amser wedi cynnwys ymrwymadau hirbarhaol, megis y taliad blynyddol y mae ffermwyr yn ei gael wrth greu ardaloedd newydd o goetir. Mae'r ymrwymadau hyn yn trosglwyddo i'r rhaglen 7 mlynedd nesaf ac, er bod y DU wedi ymadael â'r UE, bydd y dull gweithredu yn parhau gyda'r Cynlluniau Buddsoddi Gwledig yn darparu arian o'r gyllideb, cyn i'r Cynllun Ffermio Cynaliadwy arfaethedig gael ei gyflwyno.

**Argymhelliad 5.** Dylai Llywodraeth Cymru nodi ei chynlluniau ar gyfer y cynlluniau a ddaw yn lle'r Cynllun Datblygu Gwledig a sut y maent wedi cael eu haddasu ar ôl ail-flaenoriaethu'r gyllideb yn y maes hwn.

Ymateb: **Derbyn**

Mae'r Cynlluniau Buddsoddi Gwledig, a gyhoeddwyd ym mis Mawrth 2022, yn cefnogi ffermwyr, rheolwyr tir a'r sector gwledig ehangach ar draws chwe thema ac yn cefnogi'r sector cyn i'r Cynllun Ffermio Cynaliadwy arfaethedig gael ei gyflwyno;

- **Rheoli tir ar raddfa fferm** – darparu cymorth ar gyfer camau rheoli tir cynaliadwy ar y fferm,
- **Gwelliannau amgylcheddol ar ffermydd** – gan gynnwys ffocws ar reoli maethynnau, gwella effeithlonrwydd tanwydd a bwyd anifeiliaid, ymgorffori dulliau gweithredu'r economi gylchol ac annog defnyddio ynni adnewyddadwy,
- **Effeithlonrwydd ac arallgyfeirio ar ffermydd** – gan gynnwys helpu ffermydd i wneud arbedion effeithlonrwydd drwy fuddsoddi mewn technoleg a chyfarpar newydd a galluogi cyfleoedd ar gyfer arallgyfeirio amaethyddol,
- **Rheoli tir ar raddfa tirwedd** – darparu atebion sy'n seiliedig ar natur ar raddfa tirwedd, drwy ddull cydweithredol aml-sectoraidd,
- **Coetir a choedwigaeth** – cefnogi ein hymrwymiad i greu 43,000 hectar o goetiroedd erbyn 2030 a chefnogi'r gwaith o greu strategaeth ddiwydiannol sy'n seiliedig ar bren,
- **Cadwyni cyflenwi bwyd a ffermio** - creu diwydiant bwyd a diod cryf a bywiog yng Nghymru sydd ag enw da yn fyd-eang am ragoriaeth gydag un o'r cadwyni cyflenwi mwyaf cyfrifol yn amgylcheddol ac yn y byd.

Ni fu'n rhaid gwneud unrhyw addasiadau i'r Cynlluniau Buddsoddi Gwledig.

**Argymhelliad 6.** Dylai Llywodraeth Cymru nodi'n glir sut y bydd y £6.5m o gyllideb y Gweinidog Newid Hinsawdd yn llenwi'r bwlch yn y gyllideb a ddaw yn lle'r Cynllun Datblygu Gwledig a pha feysydd a ariennir fel arfer gan y Cynllun Datblygu Gwledig na fydd yn cael eu hariannu o ganlyniad i'r gostyngiad cyffredinol mewn cyllid.

Ymateb: **Derbyn**

Mae mwy na £7m o gyllid Newid Hinsawdd yn cael ei ddarparu yn y tair blynedd hyd at fis Mawrth 2025, er mwyn cyflwyno cynlluniau coedwigaeth megis y Cynllun Adfer Coetir, y Cynllun Buddsoddi mewn Busnesau Pren (yr oedd y ddau ohonynt yn arfer cael eu hariannu drwy Raglen Datblygu Gwledig yr UE) a chynllun newydd i wella'r ffordd y caiff coetiroedd presennol eu rheoli, fel rhan o'r gyfres o Gynlluniau Buddsoddi Gwledig.

**Argymhelliad 7.** Dylai Llywodraeth Cymru roi diweddariad i'r Pwyllgor ynghylch beth yw gwerth y contract Cyswllt Ffermio newydd a hefyd roi manylion yr asesiad a wnaed i sicrhau y bydd y contract newydd yn caniatáu i'r gwasanaeth gefnogi trosglwyddiad llawn ffermwyr i'r Cynllun Ffermio Cynaliadwy.

Ymateb: **Derbyn**

Mae Cyswllt Ffermio yn cael ei werthuso'n barhaus gyda'r canfyddiadau mwyaf diweddar yn cael eu cyhoeddi gan **SQW yn 2021**. Roedd un o'r argymhellion yn cynnwys yr angen i roi mwy o bwyslais ar amcanion rheoli tir yn gynaliadwy, er mwyn ei gwneud yn bosibl i fwyd gael ei gynhyrchu mewn ffordd gynaliadwy ac, ar yr un pryd, fynd i'r afael â'r argyfwng hinsawdd a'r argyfwng natur, yn ogystal ag atgyfnerthu a hyrwyddo ei ddarpariaeth yn y maes hwn.

Mae rhaglen nesaf Cyswllt Ffermio (1 Ebrill 2023 – 31 Mawrth 2025), sydd â chontract gwerth cyfanswm o £22.9m, wedi'i datblygu er mwyn cyflawni amcanion rheoli tir yn gynaliadwy. Mae rheoli tir yn gynaliadwy wrth wraidd yr holl gymorth a ddarperir i ffermydd yn y dyfodol ac nid yw Cyswllt Ffermio yn eithriad. Yn ogystal â'r canlyniadau hyn, bydd rhaglen nesaf Cyswllt Ffermio hefyd yn helpu ffermwyr i drosglwyddo i'r Cynllun Ffermio Cynaliadwy newydd.

Bydd rhaglen nesaf Cyswllt Ffermio yn adeiladu ar yr hyn y mae wedi'i gyflawni dros y saith mlynedd diwethaf y bu ar waith drwy'r cymorth wedi'i dargedu parhaus a fydd yn helpu'r genhedlaeth bresennol a chenedlaethau'r dyfodol i baratoi ar gyfer y cyfleoedd a'r heriau sydd o'n blaen.

Bydd y Rhaglen yn helpu pob busnes i wneud mwy o arbedion effeithlonrwydd – gan gynnwys, er enghraifft, drwy feincnodi, trosglwyddo gwybodaeth, arloesi, defnyddio

technologau newydd neu sefydlu mentrau wedi'u harallgyfeirio – gan alluogi busnesau ffermio i leihau costau a gwneud mwy o elw, gan gynnal y safonau uchaf o ran iechyd a lles anifeiliaid a rheoli tir ar yr un pryd.

**Argymhelliad 8.** Dylai Llywodraeth Cymru fonitro effaith codi ffioedd Cyfoeth Naturiol Cymru ar y gymuned ffermio ac ar yr amgylchedd a lles anifeiliaid. Dylai'r Gweinidog barhau i roi diweddariad i'r Pwyllgor ynghylch canlyniad y gwaith monitro hwn chwe mis ar ôl i'r cynnydd mewn ffioedd ddod i rym ac yn rheolaidd ar ôl y dyddiad hwnnw.

Ymateb: **Derbyn**

Mae swyddogion Llywodraeth Cymru wedi cytuno â Cyfoeth Naturiol Cymru i gydweithio i fonitro effaith bosibl cynnydd mewn ffioedd sy'n cynnwys ystyried unrhyw effaith andwyol y gallai ei chael ar y gymuned ffermio, yr amgylchedd a lles anifeiliaid. Bydd y Gweinidog yn ysgrifennu at y Pwyllgor er mwyn rhoi diweddariad iddo yn unol â'r amserlen a nodir yn yr argymhelliad hwn.

**Argymhelliad 9.** Dylai Llywodraeth Cymru nodi llinell amser ar gyfer datblygu'r Strategaeth Bwyd Cymunedol. Dylai hyn gymryd sylw o hynt y Bil Bwyd (Cymru) ac, os oes angen, dylai roi senarios yn dibynnu ar ganlyniadau tebygol gwahanol gyda hynt y Bil drwy'r Senedd

Ymateb: **Derbyn**

Yr ymrwymiad yn y Rhaglen Lywodraethu yw datblygu Strategaeth Bwyd Cymunedol yn ystod tymor y Senedd hon. Mae cryn dipyn o ymchwil gefndir wedi'i chwblhau ac mae wrthi'n cael ei phrofi ar hyn o bryd drwy grwpiau ffocws rhanddeiliaid.

Mae Bil Bwyd (Cymru) wedi dargyfeirio adnoddau swyddogol oddi wrth y Strategaeth Bwyd Cymunedol. O ganlyniad i hyn, mae pryd y bydd gwaith ar y Strategaeth Bwyd Cymunedol yn dechrau yn dibynnu ar beth fydd yn digwydd i'r Bil. Os bydd y Bil yn methu ar ddiwedd cyfnod 1 (mis Mai), bydd gwaith ar y Strategaeth Bwyd Cymunedol yn ailddechrau bryd hynny. Os bydd y Bil yn methu'r bleidlais derfynol (mis Hydref), bydd gwaith ar y Strategaeth Bwyd Cymunedol yn ailddechrau ar ôl hynny.

Os caiff y Bil ei basio fel y'i draftiwyd bydd angen i Lywodraeth Cymru ddechrau gweithio ar y swyddogaethau a grëir ganddo ar unwaith, sy'n golygu y caiff gwaith ar y Strategaeth Bwyd Cymunedol ei ohirio am gyfnod amhenodol.

**Argymhelliad 10.** Dylai Llywodraeth Cymru roi diweddariad i'r Pwyllgor pryd bynnag y bydd cyllid yn cael ei ail-flaenoriaethu yng nghyllideb yr economi yn ystod 2023-24.

Ymateb: **Derbyn mewn egwyddor**

Mae Llywodraeth Cymru yn cael dau gyfle y flwyddyn drwy broses y gyllideb atodol yn ystod y flwyddyn i gofnodi unrhyw ddyraniadau i/o gronfeydd wrth gefn ac adlewyrchu newidiadau i'r llinellau sylfaen gan gynnwys y rhai a gyhoeddir gan Lywodraeth y DU. Caiff unrhyw gyllid sydd wedi'i ail-flaenoriaethu yn ystod y flwyddyn ei gofnodi fel rhan o'r broses hon. Gan fod y cyllidebau atodol yn cael eu cyhoeddi, ni fyddai Llywodraeth Cymru yn cynnig y dylid rhoi diweddariad ar wahân i'r Pwyllgor.

**Argymhelliad 11.** Yn sgil ei awgrym y bydd llai o arian mewn ystod o feysydd, felly byddant yn gallu gwneud llai, dylai'r Gweinidog roi rhagor o wybodaeth i fesur y gostyngiad o ran darparu adnoddau. Dylai'r Gweinidog hefyd nodi sut y bydd hyn yn effeithio ar unrhyw faes o'i bortffolio os bydd gostyngiad o ran yr allbynnau a'r canlyniadau a ddisgwylir, yn enwedig nifer y busnesau a gefnogir.

Ymateb: **Derbyn**

Gan y bydd cyllid yr UE yn dod i ben heb unrhyw gyllid cyfatebol yn cael ei ddarparu yn ei le fel yr addawodd Llywodraeth y DU, bydd angen gwneud dewisiadau anodd. Er bod Llywodraeth Cymru yn parhau i neilltuo adnoddau i'r meysydd hanfodol hyn, bydd angen inni ystyried ein hymyrraeth yn ofalus, wedi'i halinio ag anghenion Economi Cymru. Caiff dadansoddiad manwl o'r canlyniad a'r allbynnau arfaethedig mewn meysydd yr effeithir arnynt, ei gyflwyno i'r Pwyllgor yn fuan.

**Argymhelliad 12.** Dylai'r Gweinidog roi rhagor o fanylion i'r Pwyllgor am y data sy'n cael eu defnyddio i ddatblygu'r cynllun cyflenwi manwerthu, yn enwedig data sy'n cael eu defnyddio i asesu effaith anwastad yr heriau economaidd presennol ar y sector.

Ymateb: **Derbyn mewn egwyddor**

Cyhoeddir y Cynllun Cyflenwi Manwerthu (y Cynllun) ei gyhoeddi yn ystod y misoedd sydd i ddod. Bydd y cynllun yn amlinellu data a ddefnyddir fel tystiolaeth i gefnogi'r camau

gweithredu yn y Cynllun. Mae asesiad effaith hefyd wedi'i ddatblygu a bydd yn darparu adnoddau a data a ddefnyddir i asesu'r materion sectoraidd, a adlewyrchir yn y camau gweithredu a nodir. Bydd Llywodraeth Cymru yn defnyddio data swyddogol i ystyried y sefyllfa yng Nghymru ymhellach, yn ogystal â nodi unrhyw fylchau posibl a all fod.

Datblygwyd y cynllun mewn partneriaeth gymdeithasol â chynrychiolwyr o'r sector manwerthu, busnesau manwerthu, undebau llafur a Llywodraeth Cymru. Mae'r dull hwn o weithredu yn golygu bod pob parti sy'n rhan o'r bartneriaeth gymdeithasol wedi'i gynnwys yn y gwaith o ddatblygu'r Cynllun a nodi tystiolaeth ategol sy'n bwydo i mewn i'r camau gweithredu yn y Cynllun. Mae'r Cynllun yn amlinellu gwaith ychwanegol a wneir yn ystod oes y Cynllun er mwyn llenwi bylchau mewn gwybodaeth am y sector yng Nghymru ac yn nodi ymrwymiad i werthuso effaith y Cynllun ymhen dwy flynedd. Nod y dull gweithredu a amlinellir yw sicrhau y gall y Cynllun ymateb i'r dirwedd economaidd a'r pwysau dynamig a chyfnewidiol y mae'r sector manwerthu yn eu hwynebu.

**Argymhelliad 13.** Dylai Llywodraeth Cymru ddarparu unrhyw ddadansoddiad y mae wedi'i wneud ar effeithiau tebygol cyllideb ar dwristiaeth sydd â llai o adnoddau ac sy'n lleihau'r gwariant marchnata ar nifer yr ymwelwyr i Gymru.

Ymateb: **Derbyn mewn egwyddor**

Mae'r gostyngiad yn llinell y gyllideb ar gyfer twristiaeth yn gyfran gymharol fach ac mae arbedion wedi'u gwneud mewn cyllidebau marchnata a datblygu, heb ganolbwyntio ar un maes penodol yn unig. Ni ragwelir y bydd nifer yr ymwelwyr yn lleihau, yn arbennig yn sgîl ymgyrchoedd lefel uchel, a gynhaliwyd ledled DU ac yn rhyngwladol, mewn perthynas â Chwpan y Byd FIFA.

Byddwn yn monitro'r sefyllfa yn agos drwy gydol y flwyddyn ac mae amrywiaeth o dystiolaeth gysylltiedig y gellir ei rhannu â'r Pwyllgor ar yr adeg briodol. Cynhelir arolygon pwrpasol rheolaidd er mwyn tracio'r galw o du defnyddwyr, cyfraddau trosi teithiau ac ymwybyddiaeth o'r farchnad a defnyddir pob un o'r rhain i lywio prosesau gwneud penderfyniadau drwy gydol y flwyddyn er mwyn sicrhau ein bod cynyddu nifer yr ymwelwyr gymaint â phosibl yn unol â'n huchelgeisiau yn ein strategaeth, Croeso i Gymru.

**Argymhelliad 14.** Dylai Llywodraeth Cymru barhau i roi gwybod i'r Pwyllgor am unrhyw benderfyniadau a wneir yn ystod 2023-24 ar faint y Gronfa Buddsoddi mewn Twristiaeth.

Ymateb: **Derbyn**



Mae dyraniad cyfalaf gwerth £5m yn ein cyllideb ar gyfer 2023-24 gyda dwy brif gronfa gyfalaf ar gael er mwyn cefnogi prosiectau datblygu sefydliadau sy'n gweithredu yn y sector, sef: Y Pethau Pwysig a'r Gronfa Buddsoddi Cyfalaf Strategol.

Mae'r Pethau Pwysig yn gronfa y bwriedir iddi gefnogi gwelliannau bach i seilwaith mewn cyrchfannau allweddol. Yn ddiweddar gwnaethom lansio cronfa gwerth £5m dros ddwy flynedd (£2.5m y flwyddyn) sydd ar agor ar gyfer ceisiadau gan awdurdodau lleol a pharciau cenedlaethol gydag uchafswm grant o £0.300m fesul cais.

Mae'r Gronfa Buddsoddi Cyfalaf Strategol yn ddyraniad blynyddol o £2.5m yn y gyllideb ar gyfer Datblygu Twristiaeth. Mae'r cyllid grant hwn yn galluogi Croeso Cymru i gyflawni ymrwymadau presennol a threalu dulliau newydd o helpu busnesau a chymunedau i ddatblygu'r cynnyrch twristiaeth.

Ochr yn ochr â'r rhaglenni cyfalaf hyn, mae gennym Gronfa Buddsoddi mewn Twristiaeth Cymru gwerth £50m sy'n bartneriaeth rhwng Llywodraeth Cymru a Banc Datblygu Cymru sy'n dod â chyllid masnachol a chyllid grant at ei gilydd mewn un pecyn cyfunol o gymorth ariannol i ddarparu buddsoddiad cyfalaf ar gyfer y sector twristiaeth a lletygarwch. Mae'n cynnig buddsoddiad gwerth rhwng £100,000 a £5m ac, hyd yn ddiweddar iawn, roedd y gronfa yn darparu pecyn cyfunol o gymorth yn seiliedig ar fenthyciadau ad-daladwy ac elfen grant o hyd at 20%. O ystyried yr anawsterau y mae'r sector wedi bod yn eu hwynebu yn sgil pandemig COVID-19 ac, yn fwy diweddar, effaith yr argyfwng costau byw, rwyf wedi cymeradwyo cynnydd yn yr elfen grant o 20% i 40% lle mae achos dros gynyddu'r elfen grant. Bwriedir i'r gronfa barhau i weithredu hyd at ei hadolygiad ffurfiol cyntaf ar ddiwedd 2024-25.

**Argymhelliad 15.** Dylai'r Gweinidog roi diweddariad rheolaidd i'r Pwyllgor ynghylch unrhyw achos o ailffocysu neu ailbroffilio arian sy'n gysylltiedig â'r Warrant i Bobl Ifanc a dylai ysgrifennu at Aelodau gyda'i farn ar ddyfodol y Warrant yn ystod hydref 2023.

Ymateb: **Derbyn**

Byddaf yn gweithio gyda Gweinidog y Gymraeg ac Addysg, y mae ei bortffolio hefyd yn dal cyllid sylweddol sy'n ymwneud â'r Warrant i Bobl Ifanc, er mwyn sicrhau bod y Pwyllgor yn cael diweddariadau rheolaidd ar unrhyw achosion o ailffocysu neu ailbroffilio arian. Byddaf hefyd yn rhoi diweddariad i'r Pwyllgor am y cynnydd sydd wedi'i wneud a chynlluniau ar gyfer y dyfodol sy'n ymwneud â'r Warrant i Bobl yn yr hydref.

**Argymhelliad 16.** Mae'r Pwyllgor Plant, Pobl Ifanc ac Addysg a Phwyllgor yr Economi, Masnach a Materion Gwledig yn argymhell ar y cyd y dylai Llywodraeth Cymru gyflenwi manylion i'r ddau bwyllgor am sut mae Gweinidog yr Economi a Gweinidog y Gymraeg ac Addysg yn cydweithio ar gamau i gymhell pobl ifanc i aros mewn addysg, cyflogaeth neu hyfforddiant. Dylai hyn gynnwys unrhyw waith sy'n cael ei wneud o ganlyniad i gostau byw uwch.

Ymateb: **Derbyn**

Gwnaethom gyhoeddi'r Adroddiad Blynyddol ar y Warant i Bobl Ifanc (2022) ar 8 Chwefror 2023.

Mae'r cyhoeddiad yn nodi'r amrywiaeth o bolisiâu a rhaglenni rydym wedi'u cyflwyno er mwyn cyrraedd y Garreg Filltir Genedlaethol bod '90% o bobl ifanc 16 i 24 oed yng Nghymru mewn addysg, cyflogaeth neu hyfforddiant erbyn 2050' a chefnogi pobl ifanc a sefydliadau yn wyneb yr argyfwng costau byw.

Mae hyn yn cynnwys y fersiwn wedi'i diweddarau o'r Fframwaith Ymgysylltu a Datblygu Ieuenctid a fydd yn chwarae rôl allweddol yn adnabod yn gynnar y bobl ifanc sydd mewn perygl o fod yn NEET yn yr ysgol a hyd at 18 oed.

Mae'n seiliedig ar ddeall eu hanghenion, sicrhau bod cymorth neu ddarpariaeth briodol ar gael a monitro eu datblygiad. Mae'r Fframwaith hefyd yn cyd-fynd â'n hymrwymiad i atal digartrefedd ymhlith pobl ac yn ceisio sicrhau y caiff pobl ifanc eu nodi a'u cefnogi cyn iddynt gyrraedd pwynt argyfwng.

Ym mis Ebrill 2022, gwnaethom lansio Twf Swyddi Cymru Plws (JGW+), a ddisodlodd y rhaglenni Twf Swyddi Cymru a Hyfforddeiaeth presennol. O dan JGW+, mae pobl ifanc 16-18 oed yn cael cymorth unigolig er mwyn sicrhau bod ganddynt yr hyder, y sgiliau a'r profiad i symud ymlaen i ddysgu pellach, dod o hyd i swydd neu aros mewn cyflogaeth. Mae cymorthdaliadau cyflog o hyd at 50% o gyflog y chwe mis cyntaf ynghyd â hyfforddiant yn y gwaith ar gael i fusnesau sy'n cyflogi pobl ifanc 16 i 18 oed drwy'r cynllun.

Ers iddo gael ei lansio (ac erbyn mis Medi 2022), mae 3,470 o unigolion wedi dechrau ar JGW+, gyda 1,270 ohonynt yn cwblhau eu rhaglenni a mwy na 50% yn cael canlyniad cadarnhaol hyd yma.

Ym mis Ionawr 2023, gwnaethom gyflwyno amrywiaeth o gymorth pellach er mwyn helpu pobl ifanc yn ystod yr argyfwng costau byw drwy leihau'r rhwystrau ariannol a all fod yn eu hatal rhag cael ymuno â'r rhaglen ac aros arni.

Mae'r cymorth ychwanegol yn cynnwys:

- Dyblu cyfradd y Lwfans Hyfforddi i £60;
- Lwfans prydau am ddim newydd;
- Caniatáu i unigolion hawlio eu holl gostau teithio (os ydynt yn cael hyfforddiant) fel mesur dros dro

- Ymestyn yr ystod oedran cymhwystra i gynnwys pobl ifanc 19 oed, ar gyfer cofrestru â'r Rhaglen.

Ar wahân i hyn, mae'r argyfwng costau byw yn her sylweddol i golegau ac, felly, mae angen inni edrych ar ffyrdd newydd o weithio. Bydd **Cronfa Fuddsoddi** newydd gwerth £5m yn galluogi darparwyr addysg bellach i ystyried ffyrdd creadigol newydd o weithio a chydweithio ag eraill yn y sector er budd dysgwyr.

O ran addysg uwch, rydym eisoes wedi penderfynu y bydd lefel y cymorth a ddarperir i fyfyrwyr yn gysylltiedig â gwerth y Cyflog Byw Cenedlaethol. Yn y flwyddyn ariannol 2023-24, bydd y **cymorth cynhaliacth** a delir i fyfyrwyr addysg uwch amser llawn a rhan amser o Gymru yn cynyddu 9.4% ar gyfer blwyddyn academiaidd 2023/24. Ar y llaw arall, mae Llywodraeth y DU wedi cyhoeddi cynnydd o 2.8% ar gyfer myfyrwyr sy'n byw fel arfer yn Lloegr.

Mae'r Adroddiad Blynyddol yn nodi'r holl gamau eraill a gymerwyd hyd yma.

**Argymhelliad 17.** Dylai Llywodraeth Cymru barhau i roi diweddariad i'r Pwyllgor ynghylch cyhoeddi fersiwn derfynol ei strategaeth arloesi newydd ac unrhyw gynlluniau gweithredu cysylltiedig.

Ymateb: **Derbyn**

Cyhoeddwyd y Strategaeth Arloesi, *Cymru'n Arloesi: Creu Cymru Gryfach, Decach a Gwyrddach* ar 27 Chwefror. Cyhoeddir cynllun cyflawni yn fuan a fydd yn rhoi rhagor o fanylion am nodau, cerrig milltir camau gweithredu a mesurau o dan bob cenhadaeth.

**Argymhelliad 18.** Dylai Llywodraeth Cymru barhau i roi'r wybodaeth ddiweddaraf i'r Pwyllgor ynghylch unrhyw effaith y bydd ei strategaeth arloesi newydd neu unrhyw gynlluniau cysylltiedig yn ei chael ar ariannu a llinellau yn y gyllideb.

Ymateb: **Derbyn**

Rwyf wedi ymrwmo i gyflwyno adroddiad i'r Pwyllgor ar ôl blynyddoedd 1, 3 a 5 ar yr effeithiau y mae'r Strategaeth Arloesi newydd yn eu cael ar gyllid, yn unol â'n cynlluniau adolygu a gwerthuso.

Mae'r Strategaeth yn nodi'n glir y bydd llai o arian ar gael i gefnogi arloesi yng Nghymru a llai o reolaeth drosto. Felly, mae'n cynnig y dylai fod gan Lywodraeth Cymru swyddogaeth gynnull i ddod â rhanddeiliaid yn agosach at ei gilydd er mwyn datblygu ceisiadau mwy o faint a mwy cymhellol am fwy o gyllid cystadleuol gan y DU a chyllid cystadleuol Rhyngwladol a ddylai wella llinellau yn y gyllideb yn y tymor canolig.

Wrth wneud hyn, byddwn yn gweithio gydag UKRI, Innovate UK ac eraill er mwyn cyflawni eu nodau datganedig o wneud buddsoddiadau pellach sylweddol yng Nghymru a rhannau eraill o'r DU y tu allan i dde-ddwyrain Lloegr.

Mae tirwedd ariannu ymchwil a datblygu yn y DU yn newid (e.e. ymgysylltu â Horizon Ewrop) a bydd angen i ecosystem Cymru fod yn agored i gyfleoedd gwahanol a gwell i sicrhau cyllid arloesi.

**Argymhelliad 19.** Dylai Llywodraeth Cymru ymgymryd â gwaith i amcangyfrif ei gwariant ar fewnfuddsoddiad a rhannu hyn gyda'r Pwyllgor.

Ymateb: **Derbyn mewn Egwyddor**

Mae Llywodraeth Cymru yn derbyn y byddai'n ddefnyddiol darparu'r gyllideb mewnfuddsoddi i'r Pwyllgor er mwyn nodi faint o gyllid sydd ar gael i gefnogi cwmnïau sy'n ceisio sefydlu gweithrediad neu ehangu cyfleuster presennol yng Nghymru.

Fodd bynnag, mae ymdrechion blaenorol i nodi'r gyllideb lawn sydd ar gael i gefnogi mewnfuddsoddiad wedi cadarnhau bod sawl llinell wahanol yn y gyllideb y daw cyllideb ohonynt yn dibynnu ar natur y buddsoddiad a/neu'r gweithgaredd sy'n cael ei gyflawni i ddenu buddsoddwyr posibl i Gymru. Mae hyn wedi golygu na fu'n bosibl nodi'r gyllideb lawn i gefnogi mewnfuddsoddiad yn y gorffennol ac na fydd yn bosibl ei hamcangyfrif ar gyfer 2023-24. At hynny, mae llawer o'r llinellau hyn yn y gyllideb yn gymorth cyffredinol sydd ar gael i fusnesau yng Nghymru, yn ogystal â buddsoddwyr, a thynnwyd cyllideb o'r llinellau hyn ar sail angen.

**Argymhelliad 20.** Dylai'r Gweinidog ysgrifennu at y Pwyllgor yn nodi'r opsiynau sy'n cael eu hystyried ar gyfer rhedeg Safleoedd Rheoli Ffiniau.

Ymateb: **Derbyn**

Byddaf yn cynnwys gwybodaeth am yr opsiynau sy'n cael eu hystyried ar gyfer rhedeg Safleoedd Rheoli Ffiniau yn y diweddariadau rheolaidd ar ddatblygiadau Safleoedd Rheoli Ffiniau a ddarperir i'r pwyllgor, fel y cytunwyd yn yr ymateb i Argymhelliad 21.

**Argymhelliad 21.** Dylai'r Gweinidog roi diweddariad rheolaidd i'r Pwyllgor ynghylch datblygiadau Safleoedd Rheoli Ffiniau, gan gynnwys manylion y trafodaethau ar y mater rhwng Llywodraeth Cymru a Llywodraeth y DU.

Ymateb: **Derbyn**

Mae Llywodraeth y DU yn bwriadu cyhoeddi Model Gweithredu Targed Ffiniau yn fuan. Ar ôl hynny, gallaf roi diweddariad i'r Senedd a byddaf yn parhau i roi diweddariadau rheolaidd i'r Pwyllgor naill ai'n bersonol neu'n ysgrifenedig ar y gyfundrefn Ffiniau newydd a'r cynlluniau ar gyfer Safleoedd Rheoli Ffiniau yng Nghymru.

**Argymhelliad 22.** Dywedodd y Gweinidog wrth yr Aelodau fod Llywodraeth Cymru wedi cael arian gan Drysorlys y DU am wariant y mae Llywodraeth Cymru wedi ei wneud o ran perygl ynghylch paratoi i greu safleoedd rheoli ffiniau. Dylai Llywodraeth Cymru nodi faint o'r arian y mae wedi'i wario 'o ran perygl' ar Safleoedd Rheoli Ffiniau a faint o hynny sydd wedi cael ei ad-dalu gan Lywodraeth y DU.

Ymateb: **Derbyn**

Yn 2020-21 y mynnodd Lywodraeth y DU am y tro cyntaf fod Llywodraeth Cymru yn paratoi ar gyfer archwiliadau newydd ar nwyddau ar Safleoedd Rheoli Ffiniau. Ers hynny, bu'n rhaid inni stopio a dechrau gwaith oherwydd oedi gan Lywodraeth y DU.

Dros y ddwy flwyddyn ariannol gyntaf (2020-21 a 2021-22), aeth Llywodraeth Cymru i wariant ar gyfer costau yn gysylltiedig â gwaith dylunio a'r rhaglen a oedd yn cyfateb i £6.1m, y gwnaethom gytuno i'w dalu o adnoddau Llywodraeth Cymru ei hun.

Ar gyfer 2022-23, roedd Llywodraeth y DU ond wedi ymrwmo i dalu costau adeiladu sy'n gwbl angenrheidiol ac ni ddarparwyd unrhyw gyllid yn ein Setliad Cyllidebol gan Lywodraeth y DU mewn perthynas â rhaglen Safleoedd Rheoli Ffiniau. Nes i £3.4m gael ei dderbyn gan Lywodraeth y DU fel rhan o Amcangyfrifon Atodol y DU ym mis Ionawr, aeth Llywodraeth Cymru i'r gwariant hwn 'o ran perygl'.

Mae'r cyllid a gafwyd yn talu am ein holl wariant ar ffiniau ar gyfer 2022-23, gan gynnwys costau pellach yr aed iddynt mewn perthynas â gwaith dylunio a'r rhaglen. Mae hefyd yn galluogi ein contractwr i baratoi'r safle ar gyfer y Safle Rheoli Ffiniau yng Nghaergybi. Mae cyfres o gostau rydym wedi ymrwmo iddynt yn 2023-24, sydd unwaith eto yn risg i Lywodraeth Cymru nes i Lywodraeth y DU eu had-dalu iddi. Nid yw Llywodraeth y DU wedi darparu unrhyw gyllid eto ar gyfer y rhaglen Ffiniau yng Nghymru ar gyfer 2023-24.





Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref VG/00117/23

Ian Price  
CBI Director Wales  
[Ian.Price@cbi.org.uk](mailto:Ian.Price@cbi.org.uk)

11 April 2023

Dear Ian,

I understand you spoke to my officials last Thursday, 6<sup>th</sup> April about the reported allegations of misconduct at the CBI.

These allegations are serious, include criminal behaviour and will be personally devastating for the victims involved. Whilst we note that none of the allegations made to date appear to relate to CBI Wales, we cannot be assured that employees are unaffected given that the Wales operation functions within a wider, single CBI. The welfare of employees here will be impacted by the culture and behaviours of the body's UK leadership but I hope that your engagement on the next steps in this process will help to demonstrate that the culture and behaviours within the Wales operation are in a much better place.

We recognise the courage it takes for anyone to speak out after experiencing abuse, harassment, or bullying. The Welsh Government is committed to tackling harassment, bullying and all forms of violence against women head on. Women and girls should be and feel safe in all aspects of their lives, including the workplace. We expect the same level of commitment from all our partners, stakeholders and citizens, including the CBI.

My officials confirmed my intention to pause Ministerial engagement and bilaterals between senior officials and the CBI. Officials at Deputy Director level will continue to engage with the CBI in circumstances where other social partners and/or stakeholders are present. However, this engagement will also be contingent upon assurances regarding the handling of the reported allegations and the CBI's commitment to taking swift and appropriate action pending the outcome of the independent investigation that I understand is underway. I note that the CBI's Director General has now been dismissed and that three employees have been suspended. It is encouraging to see swift action at this stage and the commitment to instigate a root and branch review of culture, governance and processes within the organisation.

I would be grateful for the clarification that you can provide on the following:

- What are the Terms of Reference for the independent investigation and will these be published?

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

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Caerdydd • Cardiff  
CF99 1SN

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[Correspondence.Vaughan.Gething@gov.wales](mailto:Correspondence.Vaughan.Gething@gov.wales)

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

Tudalen y pecyn 42  
We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

- What is the timescale for the investigation, who will it report to and again will its recommendations be published?
- Has a robust whistle-blowing mechanism been established so that others can bring forward concerns safely and anonymously?
- Has the CBI referred any of these matters to the Police and will it co-operate fully with any police investigations that may ensue?
- Is the CBI currently engaging any external support to improve procedures & responses to inappropriate behaviour in the workplace?
- Does the CBI have a workplace sexual harassment policy? If so, how often is this reviewed?
- What processes and procedures does the CBI have in place to protect staff from sexual harassment in the workplace?
- What avenues for reporting concerns are currently in place?
- What grievance processes are used to investigate complaints and carry out disciplinarys?
- Are staff signposted to any external helplines for support?

Further to this and for clarity, I would also expect to see:

- A thorough and transparent independent external review of existing processes and disciplinary procedures.
- A review of workplace cultures and staff feedback to establish a baseline from which to improve. This can include a climate survey, anonymised staff questionnaires & analysis of areas of the organisation where there is a significant gendered power discrepancy.
- Training for all staff in understanding what sexual harassment is, the impact it has and how to maintain a safe and equal workplace.
- Clear signposting to support helplines, including [Live Fear Free](#) and [Rights of Women](#) sexual harassment at work helpline and the [ACAS](#) helpline.
- Regular monitoring of the process and procedures, making modifications where necessary to prevent sexual harassment from happening.

It is important that action is taken to ensure that CBI employees working in Wales receive the care and assistance they might need. I urge the CBI and its members in Wales to engage with our ground-breaking Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015 and to make use of the tools available to establish a best practice approach that supports women. We also provide support for the Live Fear Free, a free, confidential helpline for anyone experiencing any form of violence against women, harassment or abuse. The service can be accessed in several different ways and I would urge you to ensure that all employees in Wales are signposted to the services available to them at the details below. Regardless of whether employees in Wales have highlighted concerns to management, it is important that they are made aware of the free, confidential and expert support that is available to everyone in Wales:

Phone: 0808 80 10 800

Text: 07860077333

Live Chat: [www.gov.wales/live-fear-free](http://www.gov.wales/live-fear-free)

e-mail: [info@livefearfreehelpline.wales](mailto:info@livefearfreehelpline.wales)

The CBI's status as a social partner in Wales is significant. It's wider role affords the organisation a platform that allows it influence our civic and economic life. We must all recognise and act upon the role our institutions play in determining how women and girls feel about their place in society, and their safety.

While these allegations are incredibly serious, the CBI is not alone in facing these issues and the VAWDASV Act exists because we recognise the scale of injustice faced by so many, whether in work, in the community or at home. The expertise and resources we



support are available to help organisations embrace best practice to prevent and act upon VAWDASV.

I hope that the CBI will seek to adopt such an approach via a thorough and transparent process and that here in Wales we can then explore how the essential lessons from this work can support business cultures that tackle VAWDASV at its stem in a fairer Wales.

I recognise that urgent work is now required to swiftly establish that robust process and I look forward to your response.

Yours sincerely,

A handwritten signature in black ink that reads "Vaughan Gething". The signature is written in a cursive, slightly slanted style.

**Vaughan Gething AS/MS**  
Gweinidog yr Economi  
Minister for Economy

Cadeirydd y Pwyllgor Plant, Pobl Ifanc ac Addysg  
Cadeirydd y Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith  
Cadeirydd y Pwyllgor Diwylliant, Cyfathrebu, y Gymraeg, Chwaraeon, a  
Chysylltiadau Rhyngwladol  
Cadeirydd Pwyllgor yr Economi, Masnach a Materion Gwledig  
Cadeirydd y Pwyllgor Cydraddoldeb a Chyfiawnder Cymdeithasol  
Cadeirydd y Pwyllgor Iechyd a Gofal Cymdeithasol  
Cadeirydd y Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad  
Cadeirydd y Pwyllgor Llywodraeth Leol a Thai

19 Ebrill 2023

Annwyl Gadeiryddion y Pwyllgorau,

### Cyllideb Ddrafft Llywodraeth Cymru 2024-25: Ymgysylltu

Yn ein cyfarfod ar 23 Mawrth 2023, trafododd y Pwyllgor Cyllid (y Pwyllgor) ei raglen ymgysylltu ar gyfer Cyllideb Ddrafft Llywodraeth Cymru 2024-25, sydd ar ddod, cyn dadl flynyddol y Pwyllgor yn y Cyfarfod Llawn ar flaenoriaethau gwariant, a drefnwyd ar gyfer 12 Gorffennaf. Rwy'n ysgrifennu at Gadeirydd pob pwyllgor pwnc i rannu ein syniadau. Mae'r Pwyllgor wedi cytuno i gynnal nifer o weithgareddau ymgysylltu cyn i'r Gyllideb Ddrafft gael ei chyhoeddi yn yr hydref. Mae'r rhain yn cynnwys digwyddiad i randdeiliaid, grwpiau ffocws a gynhelir gyda'r cyhoedd, a gweithdy gydag aelodau o'r Senedd leuenctid.

### Digwyddiad i randdeiliaid: Wrecsam

Bydd digwyddiad rhanddeiliaid eleni yn cael ei gynnal ar gampws Prifysgol Glyndŵr (Canolfan Catrin Finch) yn Wrecsam fore Iau 15 Mehefin. Bydd y digwyddiad hwn yn gyfle i'r Pwyllgor glywed yn uniongyrchol gan sefydliadau/unigolion sydd â diddordeb ar y cynigion disgwylidig yn y gyllideb ddrafft, yn ogystal â'u safbwyntiau ar ddull Llywodraeth Cymru o bennu'r gyllideb a blaenoriaethu adnoddau. Gan fod gwaith ar draws y pwyllgorau i ymgysylltu â rhanddeiliaid ar y gyllideb yn hanfodol ar gyfer gwaith craffu effeithiol, hoffwn wahodd Cadeiryddion y Pwyllgorau neu Aelod o bob Pwyllgor i ymuno â'r digwyddiad. Os oes gan Gadeiryddion neu Aelodau ddiddordeb mewn



dod i'r digwyddiad, dylech gysylltu â'r tîm clericio erbyn 22 Mai, gan ddefnyddio'r cyfeiriad e-bost a ganlyn: [SeneddCyllid@Senedd.Cymru](mailto:SeneddCyllid@Senedd.Cymru).

## Ceisio barn y cyhoedd yng Nghymru drwy gynnal grwpiau ffocws ar gyfer ymgysylltu â dinasyddion

Ar ran y Pwyllgor, bydd y Tîm Ymgysylltu â Dinasyddion yn y Senedd yn cynnal cyfres o grwpiau ffocws cyhoeddus ar y gyllideb ddrafft. Mae'r tîm wedi cynnal ymarferion tebyg dros y blynyddoedd diwethaf, a nod y gwaith hwn yw llunio astudiaeth hydredol a fydd yn caniatáu i'r Pwyllgor fonitro safbwyntiau ac agweddau dros amser. Deuir o hyd i gyfranogwyr drwy sefydliadau partner tebyg er mwyn cael yr un ddemograffeg â'r hyn a gafwyd y llynedd, a bydd grwpiau'n cael eu trefnu i ganolbwyntio ar feysydd polisi penodol. Bydd y Tîm Ymgysylltu â Dinasyddion yn rhannu dyddiadau'r sesiynau â phob Pwyllgor, ar gyfer unrhyw Aelod sydd am gymryd rhan. Bydd hyn yn gyfle i Aelodau glywed yn uniongyrchol gan ddinasyddion Cymru ynghylch lle y dylid blaenoriaethu gwariant.

### Senedd Ieuentid Cymru

Y llynedd, i ategu ein gwaith ymgysylltu ymhellach, cynhaliodd y Pwyllgor weithdy gydag Aelodau o'r Senedd Ieuentid. Roedd y profiad o glywed yr Aelodau ifanc hyn yn siarad yn agored am y materion sy'n ymwneud â nhw ac sy'n effeithio'n uniongyrchol arnynt yn hynod fuddiol. Rydym yn awyddus i barhau i adeiladu ar y gwaith amhrisiadwy hwn, a byddwn yn gwahodd yr Aelodau ifanc i gymryd rhan mewn gweithdy eto eleni.

### Dadl y Pwyllgor Cyllid yn y Cyfarfod Llawn ar flaenoriaethau gwariant Llywodraeth Cymru

Fel y soniwyd uchod, mae'r Pwyllgor yn bwriadu cynnal dadl yn y Cyfarfod Llawn ddydd Mercher 12 Gorffennaf ar flaenoriaethau gwariant Llywodraeth Cymru ar gyfer 2024-25. Bydd canlyniadau ein gwaith ymgysylltu yn llywio'r ddadl honno ac yn bwydo i mewn iddi, a dyma fydd y cyfle gorau i ddylanwadu ar flaenoriaethau gwariant Llywodraeth Cymru cyn i'r Gyllideb Ddrafft gael ei llunio yn yr hydref. Fel bob amser, byddem yn croesawu cyfranogiad Cadeiryddion y Pwyllgorau, ynghyd â'r Aelodau eraill, fel rhan o'r ddadl hon, er mwyn sicrhau bod safbwyntiau a blaenoriaethau Pwyllgorau'r Senedd yn llywio cynlluniau gwariant Llywodraeth Cymru.

### Y dull o graffu ar y Gyllideb

Byddaf yn ysgrifennu at y Cadeiryddion cyn hir ynglŷn â dull y Pwyllgor o graffu ar y gyllideb, gan gynnwys gwybodaeth am yr ymgynghoriad a'r amserlen ar ôl i'r Trefnydd roi gwybod i'r Pwyllgor Busnes am ddyddiadau cyhoeddi'r Gyllideb Ddrafft.

Mae'r Pwyllgor Cyllid wedi ceisio sicrhau bod proffil ac effeithiolrwydd y gwaith craffu a wneir ar y gyllideb yn y Senedd yn destun gwella parhaus, a bod y cyhoedd yng Nghymru yn gallu ymgysylltu'n llawn â'r broses honno. Fel y gwyddoch, rydym ar hyn o bryd yn cynnal trafodaethau â'r Gweinidog Cyllid a Llywodraeth Leol ar gynigion i ddiwygio'r [Protocol ar gyfer Proses y Gyllideb](#), sy'n amlinellu'r

ddealltwriaeth rhwng Llywodraeth Cymru a'r Senedd o ran y trefniadau gweinyddol ar gyfer craffu ar y gyllideb ddrafft flynyddol a materion eraill sy'n gysylltiedig â'r gyllideb.

Yn ogystal, yn ystod cylch cyllideb y llynedd, cytunodd y Pwyllgor i ymgynghori â'r pwyllgorau eraill ar y ddogfennaeth a ddarperir gan Lywodraeth Cymru, ochr yn ochr â'i chynigion ar gyfer y gyllideb ddrafft, gyda'r bwriad o geisio gwella'r wybodaeth sy'n cael ei darparu. Ysgrifennais at y Cadeiryddion ar y mater hwn ar 8 Mawrth, ac rwy'n ddiolchgar i'r pwyllgorau sydd wedi ymateb. Wrth i'r gwaith hwn fynd rhagddo, byddaf yn parhau i roi'r wybodaeth ddiweddaraf i'r pwyllgorau am y datblygiadau sy'n dod i'r amlwg.

Yn gywir,



Peredur Owen Griffiths AS  
Cadeirydd y Pwyllgor Cyllid

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.





Llywodraeth Cymru  
Welsh Government

Peredur Owen Griffiths AS  
Cadeirydd  
Pwyllgor Cyllid  
Senedd Cymru Caerdydd  
CF99 1SN

SeneddCyllid@senedd.cymru

20 Ebrill 2023

Annwyl Peredur,

Rwyf am roi'r wybodaeth ddiweddaraf i'r Pwyllgor Cyllid am dystiolaeth newydd sydd wedi ymddangos ynghylch costau gweithredu Bil Bwyd Cymru.

Mae'r [Memorandwm Esboniadol](#) sy'n cyd-fynd â Bil Bwyd Cymru yn nodi 'Gwnaed tybiaethau ychwanegol yn dilyn cyswllt â swyddogion Llywodraeth yr Alban a luniodd amcangyfrifon costau ar gyfer y Bil Cenedl Bwyd Da (yr Alban).' (paragraff 331). Yn dilyn gwaith cyfathrebu rheolaidd fy swyddogion â'u swyddogion cyfatebol yn Llywodraeth yr Alban, mae amcangyfrifon mwy cyfredol bellach ar gael ar gyfer costau gweithredu Bil Bwyd Cymru.

Mae'r costau amcangyfrifedig ar gyfer elfennau cymharol o Ddeddf Cenedl Bwyd Da (Yr Alban) 2022 wedi cynyddu yn sylweddol o'u cymharu â'r rheini yr oedd Llywodraeth yr Alban yn eu disgwyl pan oedd yn Fil, ac a lywiodd Femorandwm Esboniadol Bil Bwyd Cymru. Mae hyn yn golygu bod yr amcangyfrifon a ddyfynnir yn y Memorandwm Esboniadol o ran costau i Lywodraeth Cymru a chyrrff cyhoeddus yng Nghymru wrth weithredu Bil Bwyd Cymru, wedi eu tanamcangyfrif yn sylweddol. Rwy'n tynnu eich sylw at y tabl isod sy'n gosod y costau amcangyfrifedig sydd wedi eu cymryd yn uniongyrchol o Femorandwm Esboniadol Bil Bwyd Cymru, a'u cymharu â'r costau cyfredol y mae Llywodraeth yr Alban bellach wedi eu cyfrifo.

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Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
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[Correspondence.Lesley.Griffiths@gov.wales](mailto:Correspondence.Lesley.Griffiths@gov.wales)

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Costau	Costau amcangyfrifedig Bil Bwyd (Cymru) (yn seiliedig ar amcangyfrif costau 2022 Bil Cenedl Bwyd Da (Yr Alban))	Costau amcangyfrifedig Deddf Cenedl Bwyd Da (Yr Alban) Act – Llywodraeth yr Alban Mawrth 2023
Amser swyddogion LIC i greu <b>Strategaeth Fwyd Genedlaethol</b> a sefydlu'r Comisiwn Bwyd.	£20,960 <sup>[1]</sup> y flwyddyn	£227,600 y flwyddyn am dîm o bump uwch swyddog gweithredol (cymysgedd o swyddi llawn amser a rhan amser), ag eithrio cymeradwyaeth dirprwy gyfarwyddwr, a mewnbwn a chyngor gan gynghorwyr cyfreithiol, economegwyr, timau cyfathrebu a mewnbwn gan dimau nad ydynt yn ymwneud â bwyd.
<b>Y Comisiwn Bwyd</b>	rhwng £750,000 - £1,500,000	£1.1 miliwn y flwyddyn
<b>Cynlluniau Bwyd Lleol</b>	£21,687 fesul Awdurdod Lleol/Bwrdd Iechyd <sup>[2]</sup>	Costau amcangyfrifedig o £46,969 - £61,186 y flwyddyn am un swyddog fesul Awdurdod Lleol, yn ddibynnol ar raddfa gyflog yr aelod staff.

1 [Memorandwm Esboniadol](#) paragraff 325 Tabl 4 a paragraff 374

2 [Memorandwm Esboniadol](#) paragraff 409

Rwy'n anfon copi o'r llythyr hwn at Gadeirydd yr EMMG a Mr. Fox AS.

Cofion,



**Lesley Griffiths AS/MS**  
**Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd**  
**Minister for Rural Affairs and North Wales, and Trefnydd**

cc: Mr. Paul Davies, Cadeirydd yr EMMG  
Mr Peter Fox, AS.

<sup>[1]</sup> [Explanatory Memorandum](#) para 325 Table 4, para 374

<sup>[2]</sup> [Explanatory Memorandum](#) para 409

# Eitem 3

## POST-EU REGIONAL DEVELOPMENT FUNDING

### Submission to the Inquiry by the Welsh Parliament's Economy, Trade and Rural Affairs Committee

Prof Steve Fothergill  
Centre for Regional Economic and Social Research  
Sheffield Hallam University

#### ***Basis of the submission***

*The present note is submitted in a personal capacity in my role as an academic who has worked on many aspects of UK regional and local development. However, it is also informed by my other roles as National Director of the Industrial Communities Alliance – the all-party association of local authorities in the industrial areas of England, Scotland and Wales – and as Secretary to the Westminster All-Party Parliamentary Group on the UK Shared Prosperity Fund.*

#### **Overview**

Under the banner of the UK Shared Prosperity Fund (UKSPF), the post-EU funding for regional development through until March 2025 is now in place. UKSPF funds have been allocated to local areas across the UK, including within Wales, and all the Investment Plans have been signed off. To all intents, what happens over the next couple of years is already fixed.

It is important therefore to focus on what might come next. The decisions on this would normally be revealed in the UK Government's next Spending Review, anticipated in the autumn of 2024. If there were to be a change in government at or around the end of that year, the new government would have a very narrow window to revise plans that would normally come into effect in April 2025.

The thinking about funding beyond March 2025 has already begun. In March this year the Industrial Communities Alliance, which represents local authorities in many of the areas targeted by EU funding and now by the UKSPF, adopted a number of recommendations. These are based on extensive discussion, including among local authority officers from around Britain, and form the core of the present submission. They apply to Wales as much as any other part of the UK. It would be especially helpful if the Welsh Parliament, and the Welsh Government, felt able to rally round this 'ask' of Westminster.

## Controversies

It is appropriate, however, to begin by commenting on three controversial aspects of the transition to date in Wales from EU funding to the UKSPF.

The first concerns the **quantum of funding**. The UK Government say it is fully replacing EU funding to the regions. The Welsh Government, on the other hand, says that Wales has been seriously short-changed, to the tune of £1.1bn according to a written statement in December 2022 by the Minister for Economy. The Welsh Parliament's Finance Committee, in a report published in October 2022, argued that an independent body needs to assess these conflicting claims.

The truth is that both governments are right. The UK Government's figures refer to *spending in each financial year*, and it is correct that by 2024-25, when the still substantial legacy EU spending finally drops out of the picture, UKSPF funding of £1.5bn for the UK as a whole will broad match in real terms the annual average EU funding (ERDF and ESF) over the last spending round.

Where the Welsh Government is correct is that if the UK has remained within the EU we would at this stage have had a *financial commitment* to a much larger sum. Using the UK Government's figure of £1.5bn a year as a guide, this might have been worth £10.5bn over seven years to the UK as whole, compared to the actual allocation to the UKSPF of just £2.6bn over three years through to March 2025.

The second controversy concerns the **role of Welsh Government**. There has been a major change here. Under EU funding, the Welsh Government was centrally involved in decision-making, though within the tightly defined framework of EU priorities and the UK-wide plan agreed between London and Brussels. As the Welsh Government has repeatedly complained, the involvement of the devolved administrations in the development of the UKSPF has been minimal and the UK Government has allocated funding right down to local authorities.

Whether this greater involvement for local authorities is entirely a bad thing is something the Committee will wish to assess. However, it has not been without problems. No least, the fragmentation of UKSPF funding between so many authorities makes it difficult for organisations that operate across boundaries, or at the level of Wales as a whole, to find a meaningful way to engage. Welsh universities, for example, who previously received substantial funding for research and business development, appear to be among those losing out.

The third controversy concerns the **local allocation of funding**. As the Committee will be aware, a note produced by the Institute for Fiscal Studies (IFS) argued that the way in which the UK Government used the Indices of Deprivation in allocating UKSPF funding to local authorities within Wales was flawed. The UK Government used the *ranking* of each authority; IFS argued that this took no account of the *population* of each authority and therefore favoured some over others. The IFS argument is correct. The effect of this blunder has been to divert several millions to smaller Welsh authorities at the expense of larger Welsh authorities.



## Looking ahead: context

In any discussion of the future of the UKSPF, a key factor the Welsh Parliament and Government need to bear in mind is that the UK Government says it intends to streamline levelling up funding. The UKSPF is of course an integral part of the wider package of levelling up funds.

This intention was flagged up in the February 2022 *Levelling Up White Paper*, repeated in the September 2022 *Growth Plan*, and again in the November 2022 *Autumn Statement*. Now that some of the levelling up funds, including the UKSPF, apply across the whole of the UK there is no reason to suppose that the commitment to streamlining does not apply to Wales.

Streamlining is welcomed by local authorities, especially in England where the multiplicity of funds has created overlapping objectives and a substantial administrative burden. In Wales, fewer UK Government funds apply – principally the UKSPF and the Levelling Up Fund – and the Welsh Government receives Barnett consequentials as a result of other levelling up spending, so there are fewer potential benefits.

Given the UK Government's intention to streamline levelling up funding, should the UKSPF simply be merged into a much bigger levelling up funding pot? Or should it be retained as a separate funding stream? For Wales, which has received approaching a quarter of all the UK's EU and SPF funding, it would certainly be a serious mistake to allocate the UKSPF via the Barnett formula.

## The way forward

**RECOMMENDATION 1:** *The UK Shared Prosperity Fund needs to be maintained as a separate funding stream.*

Despite the substantial attractions of streamlining, in the context of the UKSPF there are serious drawbacks. The attractions of a separate UKSPF Tranche 2 are:

- It would visibly honour the political commitment to replace EU funding. If the UK had remained within the EU, the nations and regions of the UK would at this point have had guaranteed EU funding through until the end of 2027.
- In purpose and allocation, the UKSPF more closely aligns with the aim of regional and local economic development than any of the UK Government's other levelling up funds. The EU funds themselves were always intended to narrow the gaps in prosperity between local economies – arguably the core of levelling up.
- Unlike all the UK Government's other levelling up funds, which have been allocated by competitive bidding (or in the case of England's Towns Fund by invitation only) the UKSPF has been wholly allocated by formula.

- The allocation to date of the UKSPF strongly targets less prosperous local economies. The per capita allocation to Wales is almost twenty times greater than the per capita allocation to South East England. None of the other levelling up funds match this strong skew.
- It's difficult to see how a merger of the UKSPF into other levelling up funding streams would work in the devolved nations, where several of the present funds do not apply and where the devolved administrations also run their own programmes.

*RECOMMENDATION 2: Tranche 1 of the UKSPF is nevertheless imperfect, so there is a case for reform.*

- Local and regional economic development needs to be reaffirmed as the aim. The purpose of the Fund has been somewhat diluted – indeed the UK government now argues that the UKSPF “is not a direct replacement for the EU structural funds”. It need not be a direct replacement in detail but promoting jobs, productivity and growth in less prosperous local economies should remain the key objective.
- The financial allocations in Tranche 1 are driven by out-of-date statistics. The UK government essentially replicated the 2014-20 allocation of EU funding to sub-regions, which means that by 2025 the underpinning data will be fifteen years old. To command confidence and support, the updating of statistics and associated formulas should be open to consultation and scrutiny prior to deployment.
- The duration of funding is too short. It is impossible to deliver transformational projects, especially capital spending, within just two or three years. Local players need early notification of financial allocations for planning purposes and longer timeframes for delivery.
- Funding should not be pre-emptively allocated to specific initiatives, as has been the case with the Multiply adult numeracy programme within UKSPF Tranche 1. It should be for local partners to identify local priorities. Nor should there be a specific requirement for matching finance.
- The devolved administrations should be fully involved in setting the strategic priorities and in the allocation and management of UKSPF funding. In contrast to previous practice, this has not been an integral element of Tranche 1 even though the devolved administrations are major players in their own economies.

As noted earlier, UKSPF funding presently builds up to £1.5bn a year in 2024-25, when legacy EU spending drops out of the picture. Beyond March 2025, to maintain the same level of spending would require an on-going UKSPF budget of £1.5bn a year, uprated for inflation. If the inflation adjustment were to be 20 per cent (not unreasonable perhaps), UKSPF spending from 2025 onwards would need to average at least £1.8bn a year, or £5.4bn over a three-year spending round.

This would still not be a full replacement for EU funding. Adding £5.4bn to the existing three-year allocation of £2.6bn would bring the cumulative UKSPF total to £8bn by 2027-28. As noted earlier, a seven-year EU funding cycle through to the end of 2027 would have been worth £10.5bn, plus a further adjustment for recent inflation of perhaps £1bn bringing the total to around £11.5bn.

The main reason for the gap (some £3.5bn) is that some of the EU funding would have been carried forward to pay for spending in the following years. Rolling forward spending in this way is hugely advantageous because it allows commitments to be made to major schemes that take time to deliver. It is an approach that should be adopted with the UKSPF. To match previous EU funding, an additional £3.5bn should therefore be earmarked in Tranche 2 for spending commitments running on beyond the end of the next spending round.

**RECOMMENDATION 3:** *If as part of streamlining it proves impossible to maintain a separate identity for the UKSPF, the way to carry forward as many benefits as possible would be to establish a 'minimum guarantee'.*

Under a 'minimum guarantee', all parts of the country would be guaranteed to receive not less from the UKSPF funding rolled into the levelling up pot than they would have received if the UKSPF had continued to operate as a separate funding stream.

In effect, this would be a 'fund within a fund' with its own allocation formula but all areas would be reassured that they would not be disadvantaged by the changeover to a streamlined funding system. In terms of spending, however, as part of a new streamlined pot there would presumably be local flexibility to move funding from one project to another within a broad framework of goals.

**Prof Steve Fothergill**  
**April 2023**



# Levelling up in practice >

Interim report from Barry

## RESEARCH NOTE

Adam Hawksbee, Luke Stanley, Shivani H Menon

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### Introduction

This is the fourth interim report from Onward's research into Levelling Up in Practice.

Our first interim report set out the purpose of this programme.<sup>1</sup>In summary, we are working to develop a prototype methodology for levelling up, rooted in evidence and informed by the views of local communities. By taking the insights from the Levelling Up White Paper and applying them to specific places across the country, we want to generate an actionable toolkit for local leaders to improve their areas.

We believe this methodology for Levelling Up needs to be different from past attempts at regeneration. It needs to make places great to live in as well as making them wealthier, prioritise the social fabric alongside economic fundamentals, and bring opportunities to where people live already - rather than expecting them to move. And our methodology needs to marry consistency and flexibility: clear and replicable enough as a playbook that different communities can adopt it, but not so rigid that it ignores the nuances of local context.

Our approach combines three steps:

- *Data Diagnostics* - understanding the economic and social characteristics of an area through a range of quantitative datasets and building a typology of places so that local leaders can identify relevant comparators;
- *Field Visits* - conducting qualitative research in a series of places across the UK, including focus groups with members of the public and discussions with businesses, community groups, local and regional government, schools, colleges, and universities;
- *Levelling Up Playbook* - identifying shared challenges to form the building blocks for a set of replicable and scalable interventions. These will primarily be low-cost, fast-acting, evidence-based interventions, within the gift of local leaders without recourse to central government.

In the spirit of sharing and learning, we will regularly publish interim research which summarises what we have learnt in each place and offer initial thoughts and recommendations. These will serve to prompt discussion and unearth common themes, and improve the robustness of the prototype once all the research has been concluded.

Our first three reports shared our learnings from Oldham, South Tyneside, and Walsall, bringing together a range of data with views from members of the public and leaders from the public, private, and charitable sectors.

### Our research in Barry

The fourth place we have focused on is Barry, which we visited in August 2022.

We are extremely grateful to the individuals and organisations who gave their time to speak to us - including Alun Cairns MP, the member of Parliament for the Vale of Glamorgan; Mark Hooper, a local councillor representing a ward of Barry on the Vale of Glamorgan Council; Dennis Harkus of Focus Barry; Paul Haley of Pride in Barry; and Lorraine Gittins, Rosie James and Lynn Crease from The Bridge Between Community Centre and Barry Uniting Church.

## Barry

“It’s already getting there. Crime is falling, things are getting better. And Gavin and Stacey has put us on the map”

Mark, database administrator

Barry is a town of around 50,000 people in the Vale of Glamorgan, 9 miles south west of Cardiff. Originally a small village, Barry expanded significantly during the 1880s after the development of the local docks, and was the largest coal port in the world in 1913. Following this expansion, Barry absorbed neighbouring villages including Cadoxton. While the significance of Barry as a port declined through the 20th Century, Barry Island became a popular tourist destination, benefiting from local rail infrastructure developed to feed the port. In 1966, a Butlins Holiday camp was opened on the island, which remained in place through to 1996.

Barry has faced real challenges in the last fifty years. The Welsh Indices of Multiple Deprivation show that most deprived neighbourhoods in Wales have persistently been in Barry, with this share improving only marginally since 2011: 5 areas in Barry were among the 10% most deprived in Wales in 2011, falling to 4 in 2014 and 3 in 2019.

But Barry is already well on the way to levelling up. The clearest sign of its renaissance is in the built environment. There have been a number of successful regeneration projects in Barry, including the revitalisation of the Waterfront, which has delivered more than 2,000 new homes in the last eight years and boosted house prices.<sup>2</sup> In 2019, the town had the highest house price growth in Great Britain<sup>3</sup>. Between 2017 and 2021 increase in house prices in Barry (39%) was higher than both the Vale of Glamorgan generally (36%) and the average for Wales (29%).

And there is more to come. A proposed development on a small peninsula of land in the centre of Barry, “the Mole”, could see further regeneration - if the area succeeds in securing backing from the Government’s Levelling Up Fund. The £20 million project would deliver a new marina, along with more housing, co-working spaces, and a new water sports facility that local clubs can use as a community space.<sup>4</sup>

**Figure 1: Barry Waterfront, August 2022**



Discussions with the local council and community leaders make clear that this regeneration hasn't happened by accident. Community groups have been working for decades to bring forward new sites, originally becoming involved in the early 1990s, after the Vale of Glamorgan Council purchased large swathes of derelict industrial land on the waterfront. Activists like Paul Haley, the former chair of local community group Pride in Barry, have advocated for the development of the Marina for over 14 years.<sup>5</sup> And these community-backed proposals have been worked up and championed by local politicians, both from the council and representatives in Westminster.

Local entrepreneurs have also played an important role. In 2015, Vale of Glamorgan council and the Welsh Government invested £1.6m to save an old pump house by the waterfront.<sup>6</sup> This created the condition for Simon Baston, a local businessman, to buy the site and convert it into 'The Pumphouse' - a popular coffee shop and co-working space. Simon also created "Goodsheds" nearby, a "container village" hosting restaurants, retail units, apartments for short-term lets, and workspaces for start-ups. This has created a new centre of activity for Barry on the waterfront, even as the older and more traditional high street in the centre of town has struggled.

Barry's regeneration has also been helped by good fortune, with "Gavin and Stacey" generating interest in the town as a tourism destination. Local entrepreneurs and business owners have taken advantage of this buzz: Marco's cafe, which featured heavily in the series, and other local retailers have launched themed products and signage to attract day trippers. And the local council has worked hard to capitalise on this interest in the town via greater tourism promotion.

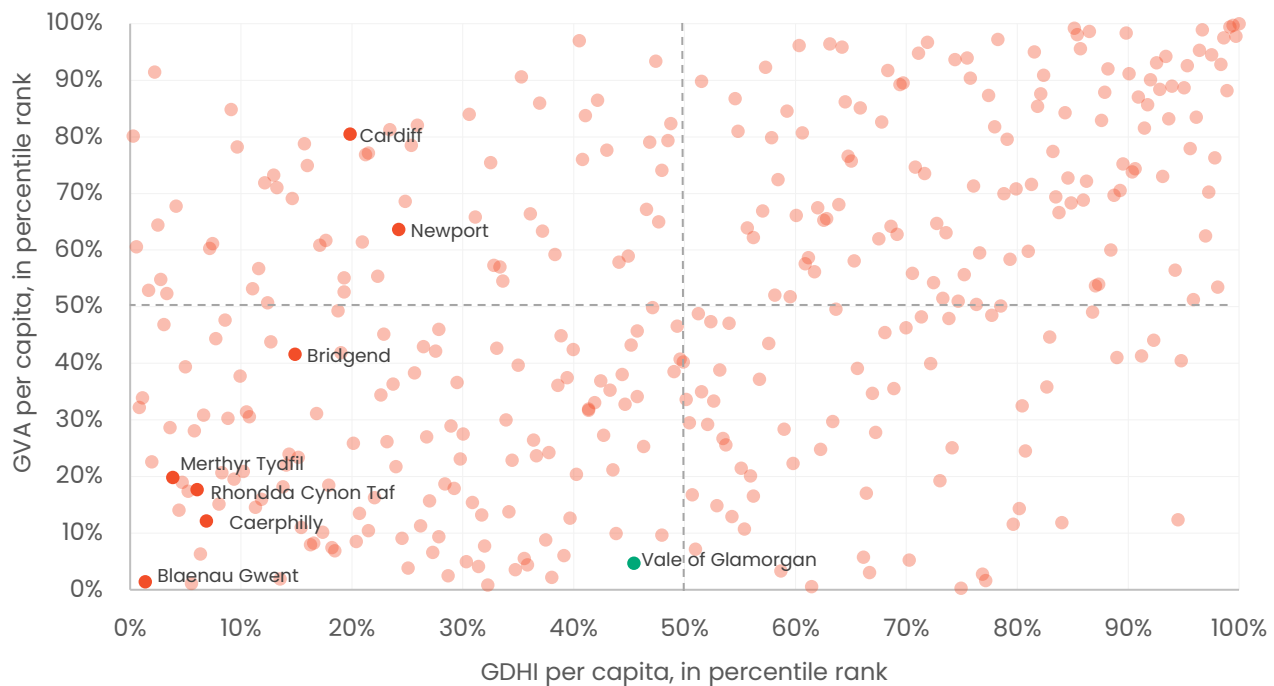
But this recent upswing isn't completely visible in some of the data on the economic and social strength of the area. While averages across the Vale of Glamorgan are reasonably high, this often obscures challenges in Barry.

On the economy, the Vale of Glamorgan looks like a typical commuter suburb. Levels of productivity are very low, with GVA per capita at £14,706, around £8,600 less than the UK average and placing it in the 5th percentile. This is a wider problem across Southern Wales, with similarly low productivity in neighbouring local authorities like Rhondda Cynon Taf, another commuter town. But data on household incomes is more positive for the Vale, with a GDHI of £20,000, far closer to the UK average, in stark contrast to other local authorities across Southern Wales, including Cardiff, which report far lower average incomes.

While productivity and income data is not available for Barry, there appears to be a stark economic divide both between both the town and the rest of the Vale and between the east and west parts of the town itself. For example, parts of Gibbonsdown, in North East Barry, have some of the highest levels of deprivation in the Vale of Glamorgan, while parts of western Barry, like the Baruc ward, are among the least deprived areas of the Vale. Deprivation in the town ranges between LSOA Gibbonsdown 2, the 105th most deprived of the 1909 such areas in Wales, through to Baruc 2, the 65th least deprived LSOA in Wales.<sup>7</sup> The economic divide between Barry and the rest of the Vale was raised repeatedly by people we spoke to in the town. Locals saw it as deeply frustrating, as the affluence of the rest of the county prevented them from being considered for funding from the Welsh Government or the European Union.

**Figure 2: GVA per capita vs GDHI per capita**

Source: Onward Analysis of ONS Regional Accounts, 2019



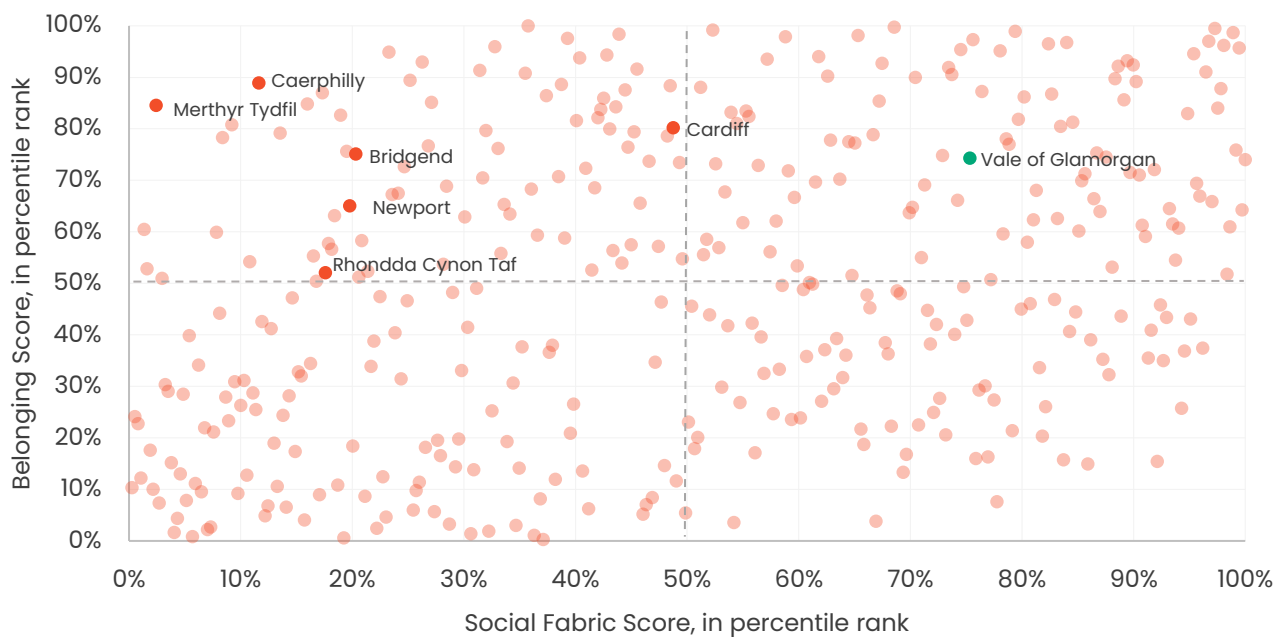


Our data on the strength of community within Barry is also encouraging. While data is not available for Barry specifically, the wider Vale of Glamorgan reports the highest level of community strength, as measured by Onward’s Social Fabric Index, in all of Wales.

On the extent to which Vale of Glamorgan residents feel they belong to their local community, the data is less exceptional, with scores comparable to that of neighbouring Bridgend and below that of Cardiff, but still above the national UK average. This data chimes with the findings of our focus groups, discussed below, in which a number of respondents expressed pride in Barry and pointed to the role of community activities, such as the local “GlastonBarry” music festival, in bringing people together.

**Figure 3: Social Fabric Index score vs Belonging**

Source: Onward Social Fabric Index and Understanding Society Belonging Score, 2020



This data underscores the strength of community and belonging in Barry, while our qualitative research highlights the extent to which the community’s “can-do” spirit has spurred the economic rejuvenation of the town.

The rest of this report will explore in greater detail the progress in Barry to date and what more can be done to build upon this, further address the challenges facing the town, and capitalise upon Barry’s opportunities. We will explore these within the four headings of the Levelling Up White Paper, as well as discussing what Barry can tell us about the “Levelling Up in Practice” playbook.

## 1) Boost productivity, pay, jobs, and living standards by growing the private sector

“If you want a half decent salary in Barry you’ve got no chance”  
Ben, process engineer

Broadly speaking, there are three important strands to Barry’s local economy: tourism, other industries present in the Vale such as employment in manufacturing and public services, and the town’s increased role as a commuter town for Cardiff.

First, on tourism, there has been a resurgence in visits to Barry. Between 2012 and 2018, the estimated number of visitors to Barry Island soared from around 300,000 to 425,000, an increase of 42%.<sup>8</sup> <sup>9</sup>Many locals pointed to the “Gavin and Stacey Effect” as one of the driving factors of this upswing in tourism, with the show, first airing in 2007, driving national awareness of Barry as a tourist destination. This is corroborated by academic research which found almost 20 different news stories by Welsh and UK national press promoting Barry as a tourist destination in the four years after the series began. Some of these billed Barry as a “forgotten resort” while others noted that the show had put Barry “on the map”, a phrase we heard from locals on multiple occasions during our own visit.<sup>10</sup>

**Figure 4: Tourist attractions on Barry Island, August 2022**



Some locals also pointed to Gavin and Stacey as helping Barry reinvent itself by creating a new “cafe culture” on the island. The show prominently features a local cafe, Marco’s, which some locals told us had helped generate greater footfall to cafes on the island. Crucially, this “cafe culture” appears to attract different kinds of visitors than those coming to visit Barry Island’s amusement attractions, helping the town attract visitors all year round and easing seasonal pressures. And the revitalisation of the Island has been supported by the Vale council’s £3.3m renovation of the promenade, which provided new street furniture, toilets, and beach huts.<sup>11 12</sup>

One of the factors preventing the visitor economy in Barry reaching its full potential is the low level of overnight stays by tourists, as evidenced by the relative lack of hotels in the town. Given that overnight stays generate significantly more for the local economy than day trips, Barry is not currently generating as much revenue from its reputation as a tourist destination as the town could be doing. Some steps have already been taken to address this, with the Vale council supporting a new Premier Inn as part of the Waterfront’s redevelopment in 2013.

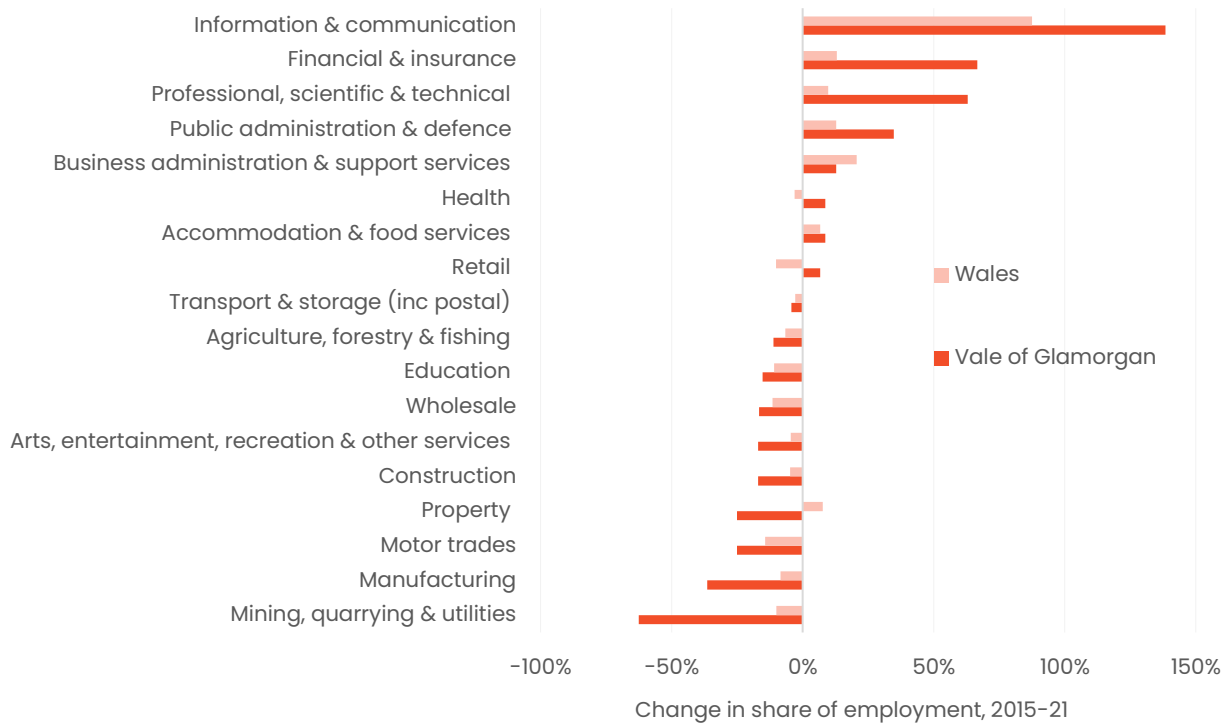
However, even if Barry were to maximise the benefits of the tourism economy in such a way, employment in this sector tends to be poorly paid. The latest figures show that the average weekly wage for someone employed in accommodation or food services across Great Britain is £286, half the average wages of those employed across the economy (£613).<sup>13</sup> Therefore, to prevent Barry becoming trapped as a low wage economy, more must be done to support skilled jobs in other industries within the area, which the Vale council have included as a priority in their Barry Growth Programme.<sup>14</sup>

Second, on industries in the Vale more broadly, the industry-mix of employment has changed significantly in recent years. Between 2015 and 2021, the proportion of Vale residents employed in financial and insurance has grown 67%, with similarly large increases in professional, scientific and technical services (63%), and public administration and defence (35%). Each of these increases have been far faster than the average increases for Wales generally.

By contrast, there have been significant reductions in traditional staples of the local economy: mining, quarrying and utilities (63%), manufacturing (36%), and wholesale (17%). Again, each of these declines have been far faster than the average declines across Wales, showing the extent to which Barry and the Vale are transitioning rapidly to a new economy.

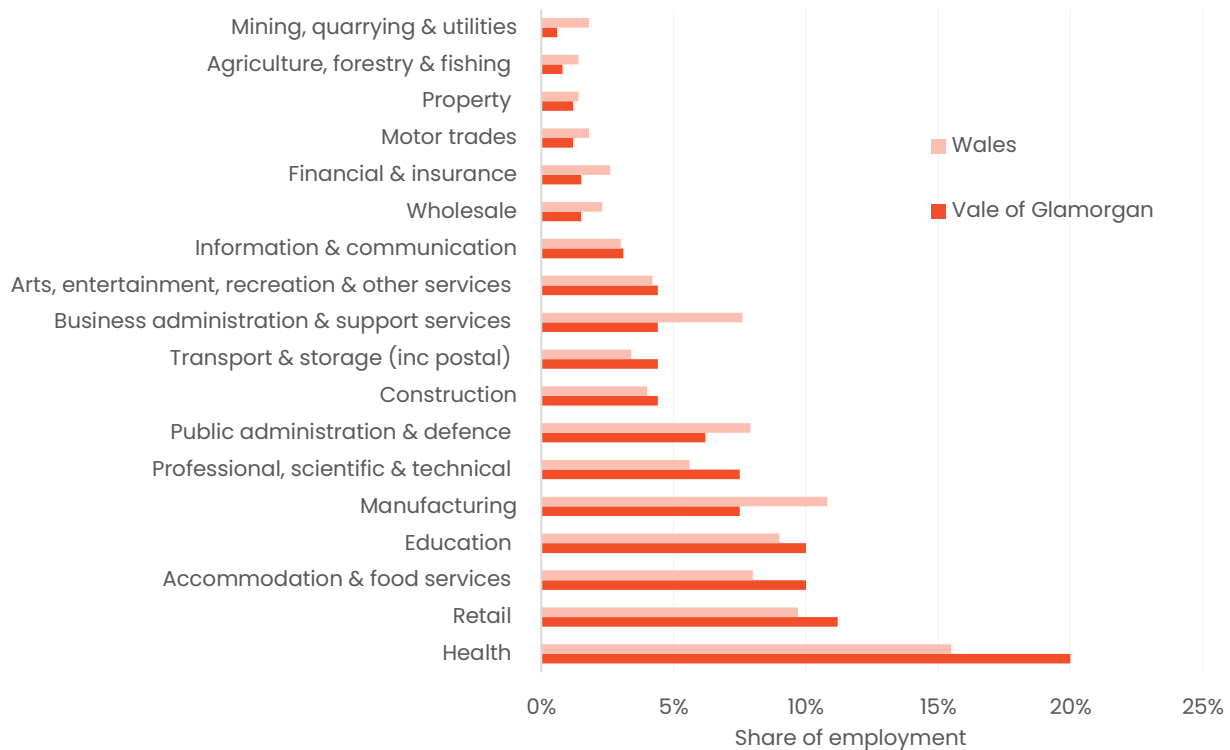
**Figure 5: Change in share of employment by industry, 2015-21**

Source: Business Register and Employment Survey



**Figure 6: Share of employment by industry, 2021**

Source: Business Register and Employment Survey



Despite these changes, employment in the Vale in many of these traditional sectors, such as manufacturing, remains above the average for the UK (9% to 8%). The decline of manufacturing in Barry can be exaggerated. As recently as 2020, Aston Martin opened a new factory in St Athan, within the Bro Tathan Enterprise Zone which is now employing over 700 people in well paid jobs.<sup>15</sup> And last year Forward Waste Management opened new premises in Barry producing equipment for waste management and recycling operations across the UK.<sup>16</sup> Harlech Doors, a large manufacturer previously based in Cardiff has also relocated to Barry, bringing further jobs to the area. But participants in our focus groups, particularly those from less affluent backgrounds, are still keen to see more manufacturing jobs brought to the town.

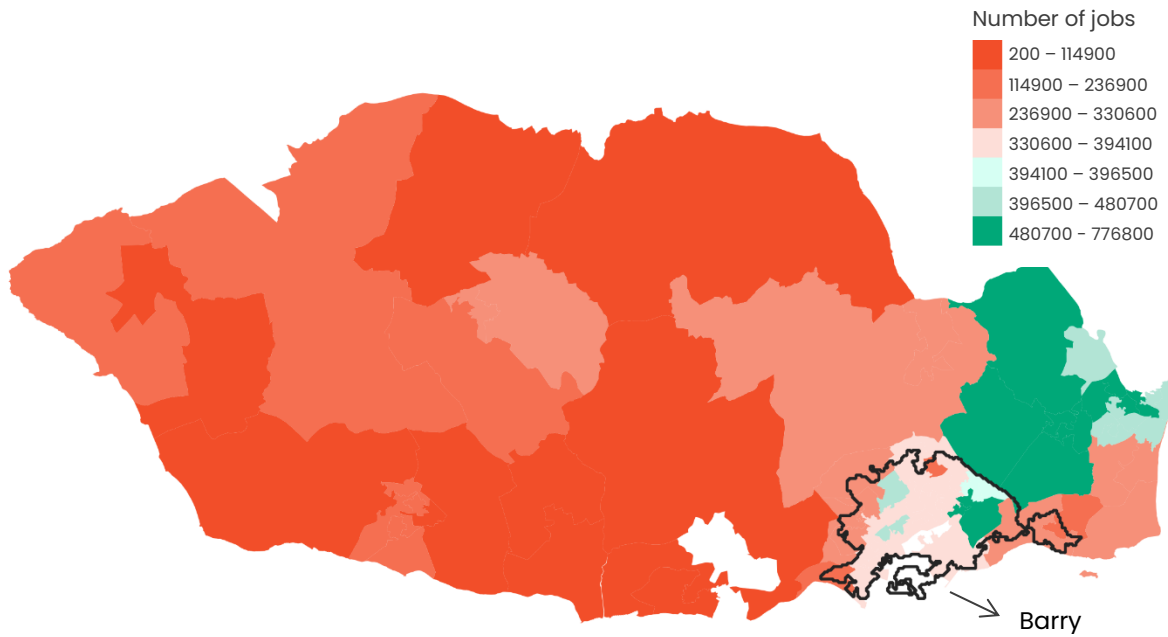
So what more can be done to bring skilled, technical jobs to Barry to compliment roles in the tourism industry? One attempt so far has been to position the Vale as a clean growth hub. In 2021, then-leader of the council Neil Moore outlined his ambition for the Vale to achieve this by investing in green technology.<sup>17</sup> The Barry Growth Programme also includes an aspiration for the town to lead on decarbonisation.<sup>18</sup> However, Barry's biomass burner, which began construction in 2015, has been unpopular with the local community, while legal problems resulting from the plant being built differently to approved plans have also been a source of local controversy.<sup>19</sup>

Third, many Barry residents working in professional jobs are employed in Cardiff and either commute in or work from home, with the town benefiting from its proximity and connectivity to the nearby city. While there is no specific data for Barry, the prevalence of commuting across the Vale of Glamorgan area is highlighted by the fact that average resident weekly pay for the local authority is £61 more than that of average workplace weekly pay, equivalent to 10% more.<sup>20</sup> Most Vale residents are commuters into Cardiff, Rhondda Cynon Taf, and Bridgend, even though the number of jobs per capita within 5 miles is greater in the Vale (45 jobs per capita) than in Rhondda Cynon Taf (24) and Bridgend (20).<sup>21</sup> Participants in our focus groups told us that while there were lots of retail jobs in Barry, "you need to go to Cardiff for office or call centre jobs" while one local community leader told us that Barry "is and always will be a dormitory for Cardiff".

Looking at the number of jobs reachable within 90 minutes on public transport, it is clear that Barry and other eastern parts of the Vale disproportionately benefit from proximity to Cardiff. However, these benefits are not spread equally across Barry. Those living in the best connected LSOA within Barry can access 455,600 jobs within 90 minutes of travel, 24 times the amount that can be reached by those in the worst connected one (18,900 jobs). This is despite the town having significant transport infrastructure, including four train stations.

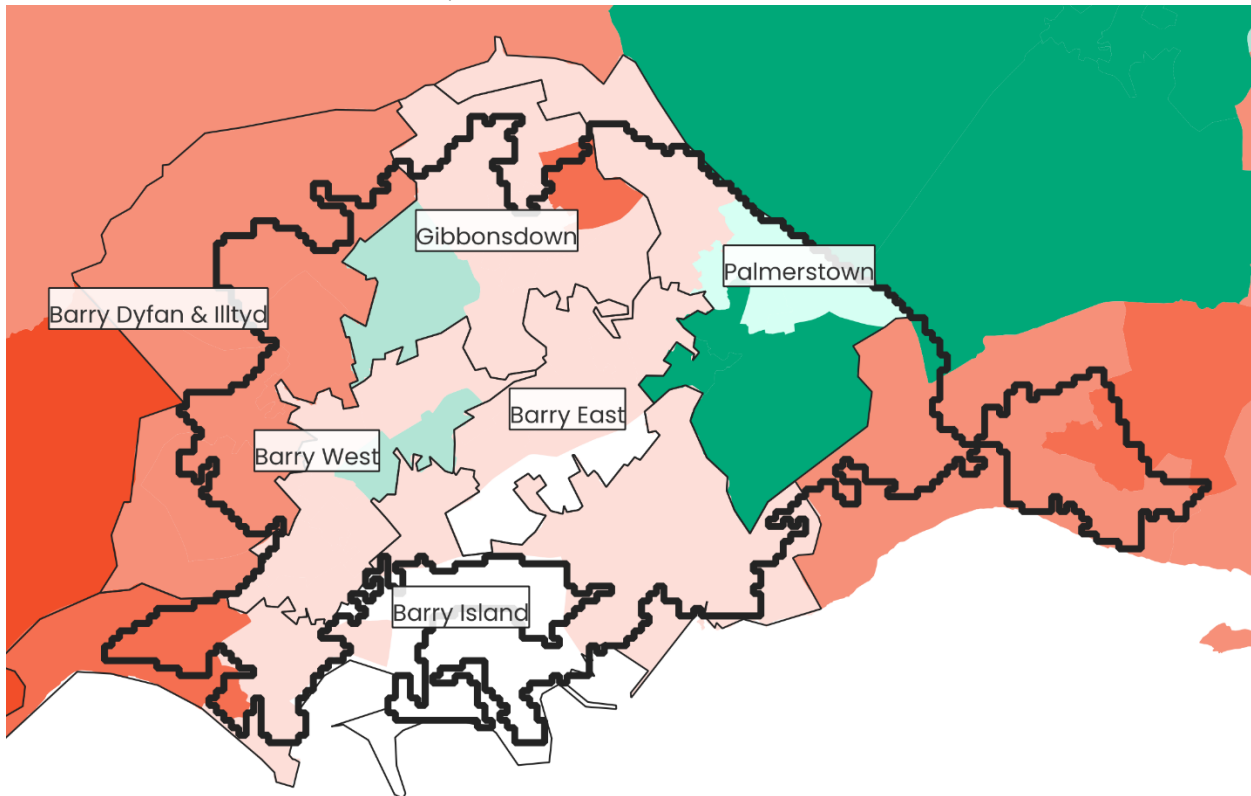
**Figure 7(a): Jobs reachable within 90 minutes on public transport in the Vale of Glamorgan**

Source: Onward Network Effects data, 2021



**Figure 7(b): Jobs reachable within 90 minutes on public transport in Barry**

Source: Onward Network Effects data, 2021



Levels of commuting in Barry and across the Vale is likely a result of the lack of high-skilled jobs: Rhondda Cynon Taf, Cardiff and Bridgend have more employment prospects in traditionally higher skill sectors. But data on change in industry mix over time shows that this shift to higher skilled jobs has gradually been happening in the Vale. This is also reflected in the NVQ Level qualifications data - the Vale has 49% of its population educated to NVQ4 or above, compared to 38% in Wales and 44% in Great Britain.

### *What might this mean for the levelling up playbook?*

So there are three problems facing Barry's economy, which interventions should seek to tackle. First, Barry is not unlocking the full economic benefits of its position as a renowned tourism destination, due to a lack of overnight capacity. Second, Barry risks being overdependent on low-paid jobs in tourism and needs to diversify its economy and bring more skilled jobs to the area. Third, Barry is dependent on Cardiff for professional occupations, and can do more to help local residents to work remotely in order to boost access to these jobs. There are a number of actions that could help address these problems.

First, the local council could work to encourage more overnight visits to Barry in order to unlock even greater tourism spending within the town's economy. One way to achieve this would be to work with short-term letting platforms to better advertise options for staying in Barry, helping encourage more visitors to stay locally rather than in Cardiff. Airbnb, for example, is seeking to champion underlooked tourism destinations around the UK to spread the benefits of tourism more evenly across the country.<sup>22</sup> While more short-term lets in the town could impact house prices, which are already growing rapidly, the Welsh Government's proposals for a licensing scheme for holiday lets will help clamp down on second homeowners misusing these platforms.<sup>23</sup> This would build on the work the Vale council is already doing in promoting Barry and signposting to existing accommodation via its website.

Second, more can be done to attract skilled jobs to the town. Companies offering skilled work are already increasingly coming to Barry and the Vale, as shown by the new Aston Martin manufacturing plant. The council could build on this record by working with the local college campus to strengthen links with potential employers. For example, the council could put on more regular career and job fairs in Barry, set up work experience programmes with skilled employers across the South of Wales, or create a careers role model scheme whereby skilled workers come to the local college campus to talk about their jobs, building on existing efforts in this area by large employers in the town. As the Careers and Enterprise Company have noted, UK literature suggests that career events are "consistently effective" in boosting young people's educational and employment outcomes.<sup>24</sup> And on job fairs specifically, international studies show that while attendance at these events "does not facilitate direct matches with a job-fair employer, attendance leads to a large increase in reported formal sector employment", suggesting they play a role in "encouraging individuals to move to the formal sector and for conveying information about labour market prospects."<sup>25</sup> Anything that builds links between the local college campus and skilled manufacturers will help showcase the talents of the people of Barry and help attract greater business presence in the area.

Third, the council could provide more workspaces within Barry. Broadly speaking, the people of Barry are relaxed about the town's developing position as a commuter hub for Cardiff. This is welcome, and recognises the reality that there will always be better job opportunities in a capital city like Cardiff than in smaller towns. But for those who would prefer to work within Barry rather than commute into Cardiff, the delivery of more workspaces within the town could help them work locally, increase footfall for the local high streets and boost the local economy. The plan to deliver more co-working spaces within the Mole development, as well as Simon Baston' Tramsheds, are steps in the right direction. One model for providing even more coworking spaces would be for the Vale council to buy up vacant high street units on Holton Road and offer them to a coworking provider rent free. This would build upon their existing work with Town Square to facilitate more co-working spaces across Barry and mirror action taken by other councils such as Leicester and Islington.<sup>26</sup>

## 2) Spread opportunities and improve public services

"The A&E is open 9-3. So if you are going to break your arm, make sure it's before 3pm"  
Leanne, social worker

There is a stark poverty divide within Barry. While the growth in tourism, skilled work, and commuting into Cardiff discussed above have benefited Barry's economy, these benefits have not been spread evenly. The west of the town is much more affluent, including Barry Island, with its tourist attractions and cafe culture. By contrast, the east is far more deprived, with high concentrations of social housing and empty high street stores. Many residents we spoke to also pointed to this geographical divide within Barry, with some describing Gibbonsdown area in the North East as "one of the most deprived areas of Wales".

Despite levels of deprivation, Barry has not benefited from economic development investment in the same way that other areas of Wales have done, due to the town being within the boundaries of the affluent Vale of Glamorgan County Council. As local MP Alun Cairns has pointed out, West Wales and the Valleys have received more than £5 billion from the EU since 2000 but the town has missed out because the Vale's affluence has meant Barry did not qualify as a priority area.<sup>27</sup>

This divide is highlighted by data on educational and health deprivation for the town. Comparing Barry with the Vale of Glamorgan more broadly highlights that educational and health deprivation is much more prevalent in the town than the rest of the Vale. For example, across the Vale just 3 of the 79 LSOAs (4%) are in the top decile for education deprivation in Wales, but all 3 of these are in Barry. There is a similar trend for health deprivation, with the most unhealthy areas of the Vale concentrated in Barry.



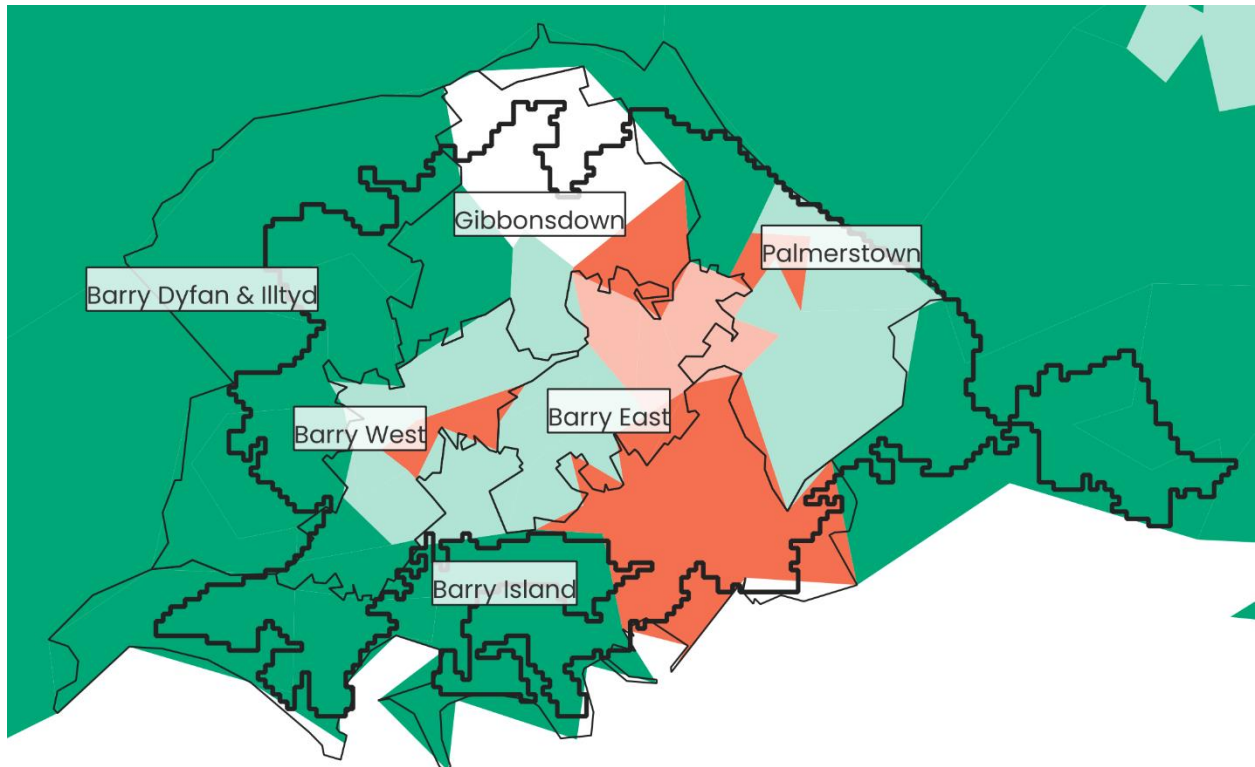
**Figure 8(a): Education deprivation in the Vale of Glamorgan**

Source: Welsh Index of Multiple Deprivation, 2019



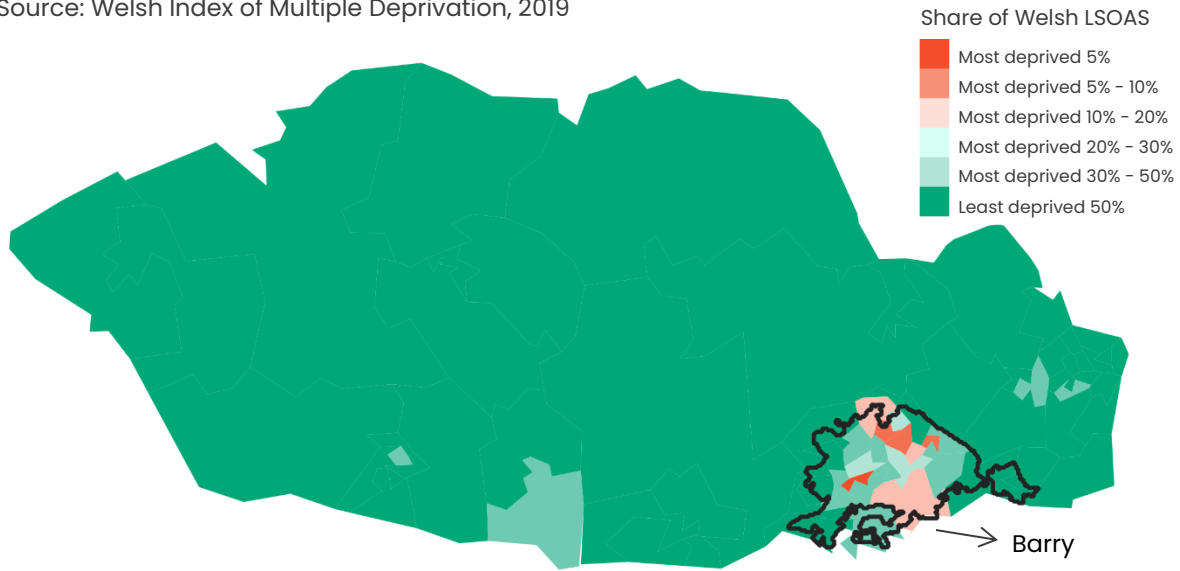
**Figure 8(b): Education deprivation in Barry**

Source: Welsh Index of Multiple Deprivation, 2019



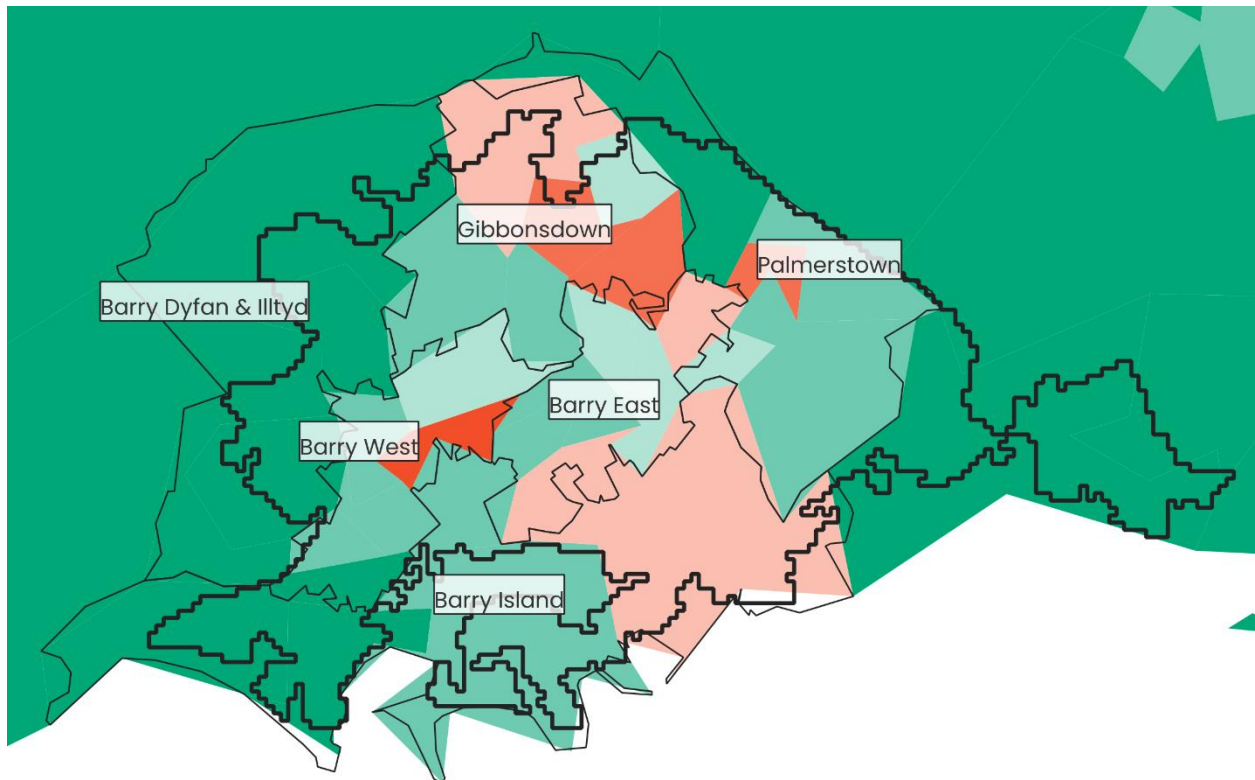
**Figure 9(a): Health deprivation in the Vale of Glamorgan**

Source: Welsh Index of Multiple Deprivation, 2019



**Figure 9(b): Health deprivation in Barry**

Source: Welsh Index of Multiple Deprivation, 2019



Higher levels of health deprivation within Barry are matched by resident concerns about health services in the town. A number of participants in our focus groups criticised the decision to close the local A&E, claiming that it made it harder to access care in the event of an emergency. While Barry Hospital does host a Minor Injury Unit, this is only open between 9am and 3.30pm on Mondays to Fridays, in contrast to the 24/7 service of an A&E department.<sup>28</sup> Some residents expressed concerns that they would have to drive to a neighbouring town in the event of an emergency in order to receive care. Regardless of the clinical case for the closure, which may have merit, this reduction in public confidence is concerning.

By contrast, public confidence in Barry's education system was much higher, with participants in our focus groups noting the strength of local schools. There appears to be very little divide in school quality between the East and West of Barry. For example, Barry Island Primary, in the more affluent West of the town, received three "Excellent" and two "Good" ratings at their last official inspections, the same as that of Cadoxton Community Primary in the East of the town.<sup>29</sup> Indeed, local people reported that problems in specific schools across Barry were less to do with deprivation or geography, and more to do with certain schools having poor leadership.

Barry has also benefited from the 21st Century Schools Programme, a collaboration between the Welsh Government and local authorities to provide a long term strategic investment in educational estates across Wales. Through this programme, the Welsh Government, Vale Council and others are investing £130 million in expanding or rebuilding schools across Barry.<sup>30</sup>

Opportunities for a high-quality technical education in Barry have also improved in recent years. In 2015, the local college Cardiff and Vale College opened a new campus in the centre of Cardiff to cater to 4,000 students as well as thousands more on apprenticeships, short courses, and employer training.<sup>31</sup> The college is also planning to open a new campus on Barry Waterfront to replace its existing campus in the town on Colcot Road. A new Advanced Manufacturing Centre for the College is also being set up by the nearby Cardiff Airport, which will help support the aerospace and automotive sectors in the area.<sup>32</sup> One local we spoke to suggested that the renewed success of the College and its expanding presence in Barry was instrumental in influencing Aston Martin's decision to open their new nearby factory in 2020.

### *What might this mean for the local playbook?*

The council and public service leaders have done a lot to date to improve the quality of Barry's public services. There are two remaining areas where efforts should be focused. First, more needs to be done to restore public confidence in health services. Second, steps should be taken to improve educational attainment in specific schools which struggle with poor leadership. There are two actions that could be taken to achieve these aims.

First, the Vale council could work with local health leaders to improve health services within Barry. To a certain extent, this is already happening, with the Vale council currently working with the Cardiff and Vale University Health Board to restore a local medical centre, the Broad Street Clinic,

which was in danger of shutting down.<sup>33</sup> The council could explore using vacant stores on the high street to serve as community clinics or diagnostic hubs to increase the visibility of services. Steps such as increasing social prescribing or investment in community health services could also provide health support to individuals that are likely to be harder to reach for statutory services. Actions such as these will help restore Barry residents' confidence that they can access health services within the town.

Second, the council should ramp up support for schools struggling with poor leadership. One option to help achieve this would be to encourage greater mobility for senior teachers, including head teachers, between schools across the town. Those teaching at the more successful schools could be encouraged, potentially using financial benefits, to relocate to some of the less successful schools, to improve teaching there. This would mirror the national scheme seeking to encourage teachers to move to more disadvantaged schools.<sup>34</sup> It would also build on the existing scheme where each school in Barry has a shared Challenge Adviser from the Central South Consortium (a joint education service for local authorities in South Wales) to raise standards and share best practice.<sup>35</sup>

### 3) Restore a sense of community, pride, and local belonging

“When it was the Queen’s Jubilee there were street parties. You wouldn’t get that if there was no community spirit”

Lynn, retired NHS administrator

Barry residents are overwhelmingly positive about their town, with locals reporting a strong sense of both pride in place and community, and relatively low levels of concern about crime and anti-social behaviour in the area. This starkly contrasts with some of the other areas which Onward has visited as part of this Levelling Up in Practice programme. So what is driving these high levels of pride, community strength, and low levels of concern about crime?

First, local people in Barry reported a strong sense of pride. This was particularly prevalent within our focus groups, with one woman, stating that “if anyone outside of Barry criticises Barry, I get quite defensive”. Asked to describe Barry, participants stated they had “nothing but positive” things to say, that the town had “potential” and was “vibrant”, and had started “going in the right direction”. One of the aspects of the town that residents were most proud of was the local football team, Barry Town United F.C., with many locals raising the fact that the team had played in Europe after winning the Cymru Premier and Welsh Cup during the 1990s and 2000s. Other residents pointed towards the natural beauty of Barry and its beaches as a source of local pride.

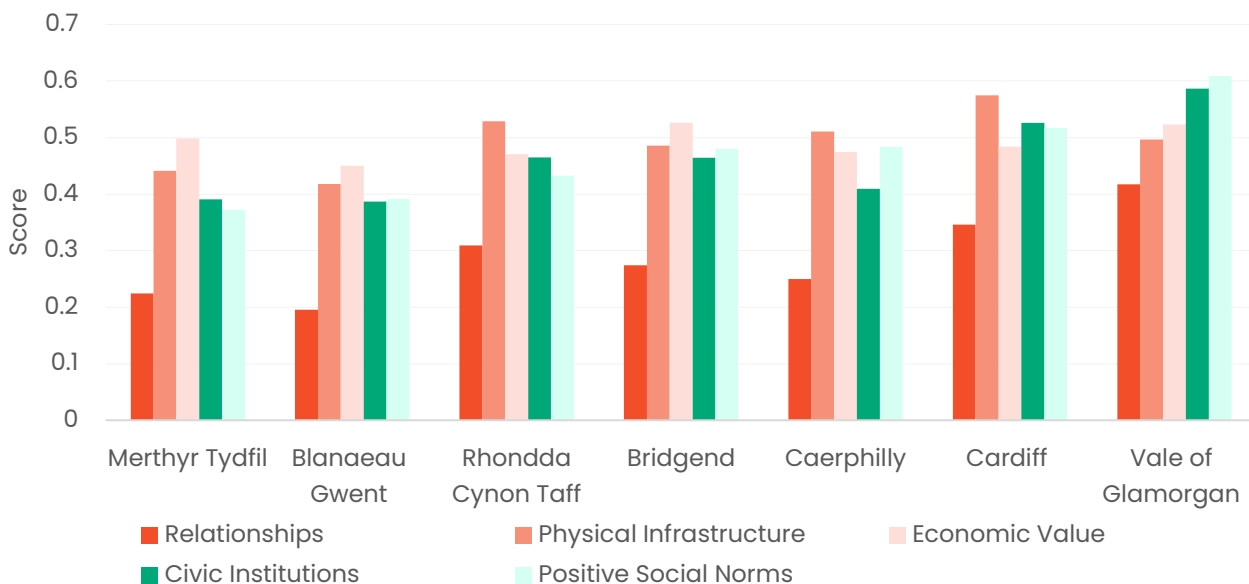
Second, on community strength, most residents we spoke to said that Barry benefited from strong community ties, although locals from lower income backgrounds were less likely to report this. Participants in our focus groups cited a variety of shared community experiences in the area as strengthening community ties and belonging. These included the local music festival “GlastonBarry”, held annually since 2013, and the Barry Festival of Light, a fireworks display organised annually by the Vale county council and the local Barry Town Council which attracted almost 12,000 visitors in

2021.<sup>36</sup> Other residents raised the local Sea Cadets for young people, the male voice choir, and the war museum as other important community institutions. However, a few residents from less affluent backgrounds said that while there had been a strong sense of community in the past when everyone knew one another, an influx of new residents over recent years had diluted this.

This strength of community in Barry is highlighted by data from Onward’s Social Fabric Index. Data from the index shows a Vale of Glamorgan score of 5.3 compared to a 4.6 average for Wales and well above the 4.4 figure for the neighbouring local authority of Rhondda Cynon Taf. This high score is primarily driven by the strength of relationships, positive social norms, and civic institutions in the Vale, all of which are higher than those in neighbouring local authorities.

**Figure 10: Social Fabric Index scored for local authorities across Southern Wales**

Source: Onward Social Fabric Index, 2020



That said, Barry residents did report concerns about one of the most regular sources of community strength and pride that a place can have: the local high street. Barry is home to two different high streets in the town, one in the more affluent western part of Barry and another, Holton Road, in the more deprived eastern area. The former remains fairly vibrant, with relatively few vacant stores and high levels of independent businesses. But the latter, Holton Road, is struggling with high vacancy rates and participants in our focus group described the high street as a “disgrace” and said that it was “dying”. Data from the Vale of Glamorgan shows that vacancy rates on Holton Road are around twice that of the main high street. That said, the vacancy rate for Holton Road (18%) is only marginally more than the average for Great Britain (14%).<sup>37</sup>

**Table 1: Commercial vacancy rates in Vale of Glamorgan high streets.**

Source: Vale of Glamorgan Council

<b>Year</b>	<b>2021</b>	<b>2022</b>
Barry (High Street/ Broad Street)	4%	8.9%
Barry (Holton Road)	14%	17.7%
Cowbridge	11.6%	9.7%
Llantwit Major	3%	6.9%
Penarth	2.3%	3.9%

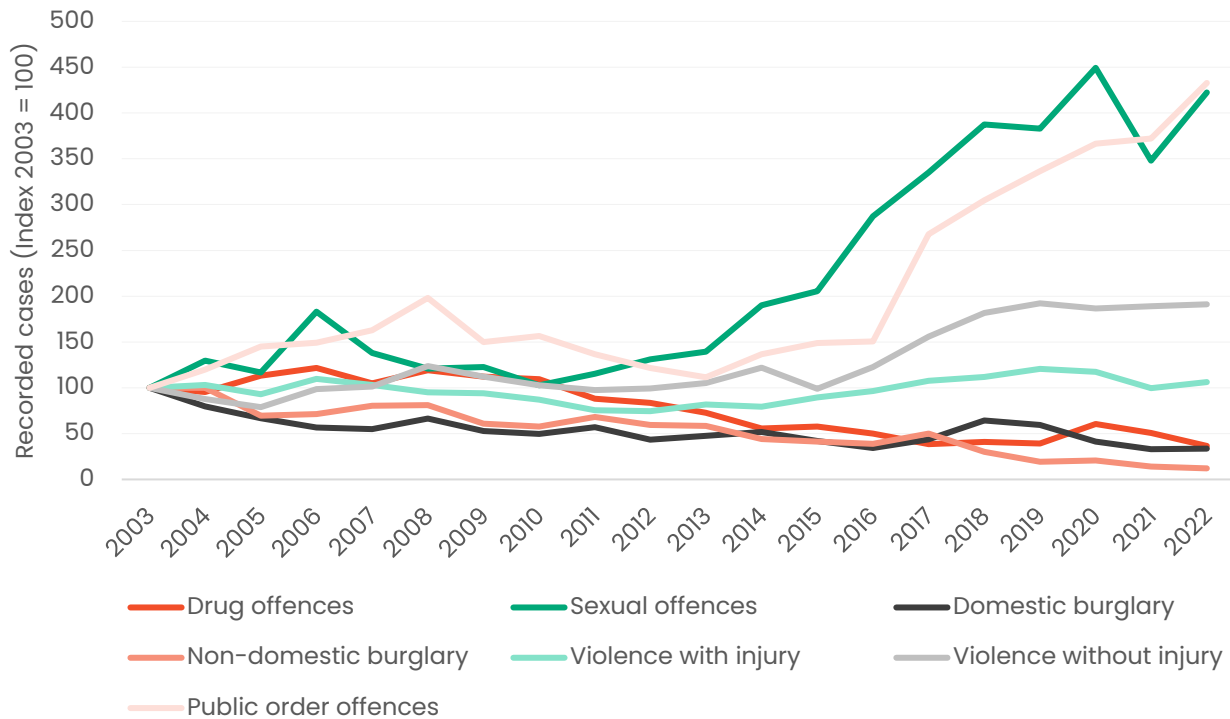
Finally, on crime, there is relatively little concern about criminal activity and anti-social behaviour in the area. A few locals did complain about the prevalence of drug use in “rough pockets” of Barry. Others noted the importance of their kids living in a safe area and expressed a desire for more police officers in the town. However, these concerns were far less prevalent than those expressed in other areas of the country as part of Onward’s “Levelling Up in Practice” programme.

There were a few different explanations put forward by locals to explain the relative lack of crime and anti-social behaviour within the community. One resident pointed towards the role of Superintendent Colin Jones of the Vale of Glamorgan police division in helping reduce crime in the area during the 1990s, who was honoured with a Queen’s Policing Medal in 2003 for his services.<sup>38</sup> Other locals argued that there had been a strong and anti-social drinking culture in the town in the 1980s which had contributed to Barry’s decline as a tourism destination, but that this had been curbed by Public Space Protection Orders preventing drinking in public spaces on the island that were introduced in the last decade.<sup>39</sup>

That said, official data from across the Vale of Glamorgan suggests that there has been a fairly large increase in some kinds of crime over the last decade. Violence without injury doubled between 2008 and 2018, with similar increases in public order offences. The number of shoplifting offences also increased by almost 50%. By contrast though, drug offences, cited as a particular problem in Barry, more than halved. These results suggest that the Vale-wide data may not be representative of what is happening in Barry.

**Figure 11: Reported cases of crime in the Vale of Glamorgan (Index 2003 = 100)**

Source: Home Office police recorded crime, 2003-22



Overall, there is a strong sense of comfort with the direction of travel for Barry. Locals tended to be fairly confident about the future of the town. For example, one local community leader told us “we’ve become a commuter town for Cardiff” but that it was “an advantage to be in the shadow of Cardiff”. Another local community leader told us that being so close to Cardiff used to be seen as a negative but not anymore, due to the pandemic allowing people to work remotely. However, some of those from lower socio-economic backgrounds in our focus groups were more concerned that the town’s identity would suffer from further influxes of people. One local told us that “When I grew up in Barry, I knew everyone and everyone knew me. Now the influx from the Valleys means you can walk up the high street and nobody knows you”.

*What might this mean for the local playbook?*

There are three problems in Barry’s sense of community that could be addressed. First, while most Barry residents report a strong sense of community, not all do so and greater action could be taken to find ways to bring locals together. Second, while the high street in the more affluent western part of town is a source of local pride, the Holton Road high street in East Barry is still struggling. Third, there is growing concern about crime within Barry, despite crime rates remaining low. There are a number of actions that could be taken to address these challenges.

First, the local councils and the local community could deliver more regular community events. Barry residents frequently mentioned the role of events such as the Barry Festival of Light in

bringing the community together. However, most of these annual events, with the notable exception of GlastonBarry, tend to occur in the autumn months of the year. For example, the majority of big community events, as shown on the local Barry Town Council website, occur in November and December.<sup>40</sup> More signature community events in the winter and spring months could help more people feel connected to the community all year round. Barry Town Council could organise Nature Days during the Spring months, like Matlock Town Council and Eynsham Parish Council have done.<sup>41</sup> They could also take part in the Great Get Together initiative, which helps communities across the UK put on events to tackle loneliness at the end of June each year, bringing millions of people together.<sup>42</sup>

Second, further action can be taken to support the high street. While the high street in the more affluent West of Barry is thriving, the large number of empty stores on Holton Road is damaging local pride in the East of Barry. The Vale council has already taken action to support the high street, including spending £600,000 in upgrading the shopfronts of commercial properties on Holton Road, as well as nearly £1 million on residential property refurbishment to improve the look of the area.<sup>43</sup> Perhaps the most successful and imaginative intervention taken to support Barry's high street stores in recent years has been the Vale Council's "Meanwhile Uses" pilot. This project supported 23 micro-businesses to temporarily occupy a vacant store, giving them the opportunity to test the market and gain experience, while adding to the vibrancy of the high street.

But the local council could go further by working with businesses in the area to create a High Street Buyout Scheme, a shared pot of funding that community groups could borrow from to take ownership of empty stores. Such a scheme could work in a similar fashion to proposals from Power to Change for a nationwide High Street Buyout Scheme, and build on the investment the council has already made in the area.<sup>44</sup> It could be funded through a combination of council revenue, contributions from local businesses, perhaps through a new local Business Improvement District, and charitable donations from local philanthropists. Funding raised in these ways could also be used to invest in an expanded and longer-term version of the "Meanwhile Uses" programme.

Third, the Vale council could support a community-led focus on crime and anti-social behaviour in Barry. Barry residents are keen to see a greater police presence in Barry, to deliver a stronger sense of security from crime. To deliver greater security, the Vale council could seek to boost community-led crime prevention. This could be achieved by encouraging more households to join the Vale of Glamorgan Neighbourhood Watch, which is active in Barry.<sup>45</sup> The council could also work with the local police force to initiate a recruitment drive of Special Constables in Barry, helping to reverse the 30% decline in the number of Special Constables across South Wales in the last decade.<sup>46</sup> There is clear evidence that community action to reduce crime works, with a College of Policing study finding that for every 100 crimes committed in the UK, a further 15 are prevented by Neighbourhood Watch schemes.<sup>47</sup>



#### 4) Empower local leaders and communities

“The council say they will do this, this and this, and then they don’t do it because they realise they don’t have the funding”  
Alice, public sector official

That there is such comfort locally with the direction of travel for Barry is a testament to how far the progress made within the town over the last two decades has been driven by the community. Above all, there have been two crucial forums through which the local community has played a role in setting the agenda for the regeneration of the town.

First is the local “Pride in Barry” group. Set up in 1994 as a group of around 30 locals passionate about their place, Pride in Barry would regularly meet with local councillors to pass on their views on priorities for regenerating the town, with the group given seats on the independent portion of the council’s regeneration board. This link between local government and the local community was an important aspect in driving the regeneration of Barry forward. As part of their role scrutinising the regeneration of the town, Pride in Barry also kept a “Barry Balance Sheet” comparing what developers have delivered for Barry. At one point the group succeeded in getting all the local parties to sign up to their plans for the regeneration project, to ensure it did not become a political football.

Second, is Focus Barry. This group also offered a platform for local community groups to come together between 2009 and 2020. An example of its role in harnessing community power was the group’s involvement in local protests against the unpopular biomass plant, discussed above. Focus Barry also used to run local hustings for elections in the area, providing a platform for Barry residents to scrutinise the candidates.

Even looking beyond these two community groups, the extent to which local residents in Barry felt a strong sense of responsibility for their place is striking. In our focus groups, a number of participants raised the role of local people in improving Barry. One argued against Barry becoming a “dependent society” and argued that “if you want to live in a nice place, you need to do your bit”. Another participant stated that levelling up was “our responsibility” but that the local council was still accountable.

But despite the role that community groups have played in working with the Vale of Glamorgan County Council to help make the regeneration of Barry a success, local people had mixed views about the Vale Council. A number of participants in our focus group reported a degree of scepticism about the council’s ability to level up Barry, with one going so far as to say “the biggest problem in Barry is the council”. This scepticism appears to have been driven by a handful of unpopular decisions taken by the council, such as filling in the local swimming pool and reducing road capacity by adding bike lanes. Some locals also complained that public consultations by the council were not genuine and were a tick box exercise. Finally, a few local residents said that the decision by a

number of councillors elected as Conservatives to switch to independent in 2019 and allow in a Labour administration, had damaged trust, and that frequent changes in the council's political complexion had led to frequent shifts in the council's approach.

Alongside the Vale of Glamorgan County Council, a small number of powers rest with the local community council, Barry Town Council, who manage two community centres, green spaces and a number of events within the town.<sup>48</sup> Despite this, the town's residents appear to underestimate the responsibilities which Barry Town Council has, with many locals telling us that the council only provides cemetery services. This suggests that the town council could do more to raise awareness of its role within Barry.

Finally, it is worth noting that the efforts of both local community groups and the Vale Council to improve Barry have been supported by the Welsh Government. Locals told us that the devolution of powers to the Welsh Government in 1998 had made it far easier for Barry to secure financial and institutional support by bringing locals closer to policy makers. Examples cited included Welsh Government funding for Vale Council initiatives like the "Meanwhile Uses" pilot and the Pride in Barry group successfully using the Senedd's Petitions system to secure £9 million for the regeneration of Barry Island in 2009.<sup>49</sup>

### *What might this mean for the local playbook?*

Barry is already fortunate to have an empowered community and local council, which have been instrumental in driving the regeneration of the town. But there are two main challenges on empowerment facing Barry. First, there is a lack of local champions for the deprived eastern parts of the town, particularly for the local residents and businesses around Holton Road. Second, there is a perception that local people do not have a say over what the Vale council does in Barry, because of a lack of trust. There are two actions which could be taken to address these issues.

First, more can be done to channel community engagement into more formal institutions, to give local community leaders more influence. For example, the role of local business owners in improving Barry could be strengthened if they were to create a new Business Improvement District across Barry. This kind of body, which raises money via a levy on local businesses, would raise funding to invest in further improving Barry. Locals told us that there had been some past interest in creating a BID in the town centre, but that this had failed to get off the ground.

One of the main issues that a local BID could seek to address would be the deprivation of the Holton Road high street. Some of the funding raised through the organisation could be used to invest in bringing empty stores on the high street back into profitable use. This would follow the example of other pioneering BIDs, such as one in Sunderland, which is involved in a high street regeneration programme which seeks to cut empty retail unit numbers by 20%.<sup>50</sup>

Second, the Vale of Glamorgan council could seek to improve its links with the local community in Barry. Given the perception that the council changing hands has led to changing approaches to

Barry, the council could try to build a cross-party consensus around regeneration projects in Barry, in order to restore community trust. In practice this could mean the council leaders working with their opposition counterparts to identify areas of disagreement over their recently published Barry Growth Plan, being willing to tweak parts of the plan to get opposition support, and councillors from both parties then releasing a joint statement endorsing the Plan and committing to retain it after the next set of elections (2027), no matter who wins control of the council. The council has already made a strong start on this via the Barry Place Board.

## Conclusion

“Barry will be a better place in five years”  
Andy, franchise consultant

Barry is an example of how a local community can level itself up, with only limited intervention from Westminster. From the Vale of Glamorgan Council and the local community’s lead in regenerating the town’s Waterfront, to the role of local entrepreneurs in investing in the local area, Barry is showing the way when it comes to levelling up. Of course, the town has been incredibly lucky to benefit from the “Gavin and Stacey Effect”. But the role of local businesses in capitalising on this, like Marco’s cafe on Barry Island, is just as important.

That this process began with the local council and community groups like Pride in Barry working together over the last 30 years has embedded a collaborative approach within the social fabric of the town. So too have the local council and the community shown a maturity about the future direction of their town and the inevitability that it will increasingly become economically linked to Cardiff. This collaborative and mature approach to the future of Barry has made it much more likely that the town’s regeneration will continue in the long-term.

But there is still a lot of work to be done in Barry. More can be done to improve the local economy, by capitalising on the benefits of tourism at the same time as diversifying by bringing more skilled jobs to the area. Health services and education within the town can still be improved. Action is still needed to support the local Holton Road high street and to give the people of Barry a greater sense of security from crime. And local community groups and the local councils can still work together better.

The progress being made in Barry is a testament to what local people can achieve when the community’s social fabric is strong, and local people care about their place. Other towns and communities across the UK who are keen to get on with improving their place but don’t know how effective they can be without central government support should look no further than Barry.

## Acknowledgements

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# Appendix 1 – Focus Groups

This is a short overview of two focus groups that Onward moderated in Barry on the evening on 25 August 2022. Participants were from the socioeconomic group BC1 in the first group and C2DE in the second, with all of them living within Barry.

## 1. How do people define levelling up?

- Participants in both groups had awareness of what levelling up meant. People spoke about levelling up in the political sense, describing it as what “Boris has been saying” and the “Tory slogan in the last election”. But they were also aware of the economics of the phrase, with participants noting it referred to “making the North as equal as the South” and “trying to make everyone as affluent as the South East”. A couple of participants in the C2DE group said they did not recognise the phrase until others started talking about it, but then it jogged their memory.
- In both groups there was a good deal of scepticism about the Government’s aims and their ability to deliver. This was strongest among C2DEs participants, with one participant, Lorraine, talking about levelling up being a “tickbox exercise” designed to get votes in the North of England while Mark, a contractor, argued “they are not levelling us up, they are doing the opposite”. Among BC1s, the scepticism was more moderate, with one participant noting that “If they did it, it would be great! But you have to out some action to it”
- When it came to what levelling up meant for Barry, both groups discussed the need for greater support for the local high street, with participants describing the high street as a “disgrace” and arguing that the local Holton Road high street was “dying”. People in the B1C group also noted the need for greater road capacity and local infrastructure, while those in the C2DE group discussed the prevalence of drug use. While C2DEs argued there was a lack of jobs in the area, this was not raised in the BC1 group, with many of these participants working in Cardiff or from home.
- Many of the participants in the BC1 group were more positive generally about the future of Barry. One person noted the local waterfront regeneration project as an example of levelling up in action. Another participant, a contractor called Mike, said “I don’t think it’s as bad as people think by any stretch” and that there were “lots of positives for Barry” but “like any area, there are always things that can be improved”.

## 2. How do people feel about how their place could be improved?

- When asked what makes a good place, participants cited a number of characteristics, focused around four aspects:
  - *Natural resources.* Participants raised the importance of green spaces like parks and local woodlands. With Barry in mind, both the BC1 and C2DE groups raised the natural beauty of Barry’s beaches, with Connor, a warehouse worker in the latter group, noting the town’s “cracking coastline”.

- *Community facilities and experiences.* The important role of community facilities was noted by both groups, with a particular premium placed on amenities like cafes and a vibrant high street. Participants also noted the importance of activities “to keep the youth off the street”, such as bowling and the cinema. Both groups cited shared community experiences that bring people together, with one participant referencing the local music festival, “GlastonBarry”, as an example.
- *Strong infrastructure.* Both groups raised the importance of local infrastructure, including reliable public transport, well-maintained roads, and affordable, high quality housing. Participants in the C2DE group also raised the availability of public toilets and free parking.
- *Job opportunities.* While both groups raised the issue of work, this featured more heavily in the discussions of the C2DE group. Ben, a process engineer in the latter group argued that “if you want a half decent salary in Barry you’ve got no chance”, while another participant suggested that Barry was “basically a suburb of Cardiff”.
- When pressed on what mattered most for a good place, participants noted the importance of a good sense of community and a sense of local pride. Local pride seemed to be strong among the participants, with Leanne, a social worker, stating that “if anyone outside of Barry criticises Barry, I get quite defensive”. There was a more mixed response as to the depth of community feeling in the area. The contractor Mark stated that in the past everyone knew each other but now the influx of new residents had removed this sense of community, while Lynn, a retired NHS admin, countered that recent Jubilee street parties were a signal of community strength. Participants also noted the importance of living in a safe area, with a couple of participants noting that they wanted their “kids to feel safe” and that more police officers and PCSOs would help achieve this in Barry.
- Participants were then asked what sort of areas in particular had these aspects that made a good place. The BC1s group tended to note areas nearby to Barry, such as Cardiff, Penarth, as well as rural areas in the South West, including the Cotswolds. However, this was not universal, with the social worker Leanne stating she “would personally rather put needles in my eyes than go to Cardiff”. The C2DEs group also mentioned the South West, including Bournemouth and Ilfracombe, alongside areas further afield, such as London and the South of France.
- Asked to describe Barry, both groups were largely enthusiastic. Participants in the BC1 group stated they had “nothing but positive” things to say, while those in the C2DE group said the town had “potential”, was “vibrant”, and had started “going in the right direction”. Among the latter group, though, a few participants stated that Barry was overpopulated.
  - *What Barry does well.* Many participants raised the natural beauty of Barry, from the beach to local parks. On economic opportunity, the BC1 participants raised good transport links into Cardiff, allowing them to access job opportunities, while both groups noted the strength of local schools in Barry. Both groups also mentioned firework displays as an example of the kind of community activities that brought Barry together, while BC1s cited the local Barry football team, which had played in Europe.

- *What Barry does poorly.* Both groups pointed towards the decline of the high street, with the BC1s noting that many of the independent stores did not last long, as well as a lack of health facilities, following the recent closure of the local A&E. BC1s and C2DEs alike raised the issue of a lack of job opportunities in the local area, but differed on the extent to which Barry was a place in which you could succeed. Alice, a civil servant in the BC1 group suggested that “You can succeed here, but you’d need to commute if you wanted an office based job”. By contrast, those in the C2DE group agreed that if you wanted to get ahead in the private sector you would have to move away, although there were some good public sector jobs in the area, such as teaching. Other negatives raised by the BC1 group included the West / East poverty divide in the town, a lack of activities to bring families and communities together, and declining water quality in the sea.

### 3. Who is responsible for Barry’s fortunes?

- Participants were then asked what sort of areas in particular had these aspects that made a good place. The BC1s group tended to note areas nearby to Barry, such as Cardiff, Penarth, as well as rural areas in the South West, including the Cotswolds. However, this was not universal, with the social worker Leanne stating she “would personally rather put needles in my eyes than go to Cardiff”. The C2DEs group also mentioned the South West, including Bournemouth and Ilfracombe, alongside areas further afield, such as London and the South of France.
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### 4. What would people do to level up Barry?

- Participants were then asked about what they would do to level up Barry if they had the power to do so. Responses centred on four aspects:
  - *Lived environment.* Both focus groups stated that they would prioritise improvements to the appearance of the town by investing in the high street and seeking to attract new businesses and stalls. The BC1s group also suggested money be spent on improving the appearance of the deprived parts of Barry, by planting trees, flowers and hanging baskets, so as to attract more visitors to that area of the town.
  - *Crime and anti-social behaviour.* Again, both focus groups called for a greater focus on community policing in Barry. Participants in the BC1 group suggested that a greater community police presence could reduce anti-social behaviour and improve local businesses. Those in the C2DE group argued that community policing would better safeguard children and deter crime, and complained that the police presence in Barry had decreased in recent years.

- *Activities.* The BC1 group were keen to see Barry provide more family-oriented activities such as paddle-boarding, cinemas, and bowling. While participants acknowledged there were often these kinds of activities available in nearby Cardiff, there was a reluctance to visit the city among commuters: one said that “after I’ve been working in Cardiff all week, the last thing I want to do on weekend is to go back into Cardiff”. Others noted they wanted to “spend our money in our town” rather than in Cardiff.
- *Jobs.* The C2DE focus group called for a greater focus on job opportunities, suggesting a focus on opening up new working spaces and trying to attract a new manufacturing company to provide jobs.
- Finally, participants were asked how optimistic they were about Barry’s future. Participants in the BC1s group tended to be fairly confident about the future, with the franchise consultant Andy saying that “based on the last ten years, yeah I think the next ten years will be better”. Although another, the database administrator Mark, said they thought that in 15 to 20 years Barry would just be a suburb of Cardiff. By comparison, the C2DE group was much more negative, with participants stating that Barry would get worse as the density of people in the area continued to grow.

## Endnotes

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**Senedd Economy, Trade and Rural Affairs Committee Consultation  
Post-EU regional development funds  
Institute of Welsh Affairs Response  
21 April 2023**

**About the IWA**

We are a think tank and charity, independent of government and political parties. By bringing together experts from all backgrounds, we conceive ambitious and informed ideas which secure political commitments to improve our democracy, public services and economy.

We provide platforms for debate, opportunities for people to make their voices heard and agenda-setting research. We are funded by our members, income from our events and training sessions, and supported by trusts, foundations and other funding bodies. We are a proud signatory to the Zero Racism Wales pledge, a Living Wage employer and hold NCVO Trusted Charity Mark Level One.

Our vision is to create a Wales where everyone can thrive.

The IWA is a registered charity in England and Wales: 1078435 and a company limited by guarantee registered in England and Wales: 02151006

**Introduction and context**

The IWA has been an influential and important voice throughout key moments in Wales' recent economic history, from the post-industrial transition and the establishment of devolution onwards. Our work has helped to progress and shape the development of distinctive approaches to economic development, from the formulation of the South Wales Metro to the potential for smart technologies and the economic opportunities of green energy.

The UK Government's 'levelling up' agenda, in conjunction with Britain's exit from the European Union, represents a new chapter in Wales' economic history. Depending on your political persuasion, it represents either an opportunity or a threat. At the very least, it has reintroduced and sped up the discussion on the effectiveness of the devolution settlement, casting a particular focus on fiscal power, sovereignty and Wales' deep and long-standing economic challenges.

**How effective were EU Structural Funds at transforming the Welsh economy?**

From the most recent funding programme, between 2014 and 2020, the UK as a whole was allocated around £9.7bn<sup>1</sup> from European Structural Investments (ESI), supplemented by an additional £7.2bn in domestic 'match funding'. West Wales and the Valleys were eligible for the highest amounts of European Regional Development Fund funding for successive seven-year programmes, as determined by these regions Gross Value Added per capita being less than 75% of the EU average at the start of this period.

From an incoming funds perspective, Wales undoubtedly did well out of ESI funding, with £123 per person per year coming to Wales<sup>2</sup>. This is far above other UK nations, with Northern Ireland getting £50 per head, Scotland £40, England £24, with a UK average of

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<sup>1</sup> [Institute for Government, 2018, Explainer: European structural funds: the UK Shared Prosperity Fund](#)

<sup>2</sup> [House of Lords Library, 2021, Brexit: Replacing EU funding in Wales](#)

£31<sup>3</sup>. Wales received on average £400 million per year from ESI between 2014 and 2021. As a result of its demographics and with an older, poorer and less healthy population, Wales therefore received a large amount of funds from the EU, and in fact did the best out of all UK nations. How EU funds are replaced by the UK Government is therefore felt distinctly intensely in Wales.

However, did ESI funds help transform the Welsh economy? That's up for debate. There are mixed reports from the House of Commons Welsh Affairs Select Committee, which found that whilst 'certain sectors in West Wales and the Valleys have benefitted from ESI funding, these funds have not been able, and were not expected on their own, to deliver a transformative change for the Welsh economy' with Wales still economically lagging behind other regions of the UK and the EU<sup>4</sup>. There is, however, an obvious lack of a counterfactual. Where would Wales' economy be without ESI funding? The same Committee report also highlighted how it is clear that individual sectors of the Welsh economy have benefited substantially from ESI, with investment in infrastructure running into hundreds of millions of pounds<sup>5</sup>. Welsh Government has said that EU funds supported the creation of 48,000 new jobs and 13,000 new businesses in Wales and assisted 25,000 businesses and supported 86,000 people into employment<sup>6</sup>. They argue that 'EU funds have improved broadband coverage, built research capacity, invested in renewable energy, and developed vital infrastructure for transport, tourism and business'<sup>7</sup>. ESI therefore helped to fill funding gaps, enabling Welsh Government to act in areas it identified as priorities.

Indeed, this is the reflection when looking over the approved projects over the 2014-20 period funded by EU Structural Funds<sup>8</sup>. Clearly many sectors have received tangible benefit from ESI, and whether in local government or small- and medium-sized businesses, ESI helped to close those fiscal gaps that Wales experienced and still experiences. This is especially the case in those areas which received EU Regional Development Funding, West Wales and the Valleys.

So, whilst the picture is mixed, it is undoubtable that ESI provided funding for projects that were conceived of and dictated by Welsh Government and aligned to their goals. It enabled Welsh Government to 'level up' its economy – to borrow a phrase – attempting to directly intervene in regions of Wales which were particularly poorly performing, economically speaking. So while the Welsh economy benefited greatly from ESI, it did not 'transform' Wales' economy. However that was never the funding's intention as such.

Wales' widespread economic challenges remain. ESI did not solve these, nor is it likely that its UK replacement funds will in the short to medium term. The solution requires both fundamental fiscal reform in the short to medium term and constitutional reform in the longer term.

The IWA's October 2022 paper on Welsh Government's fiscal framework *Fiscal Firepower*<sup>9</sup> argues that, despite having fairly strong powers and a budget in the tens of billions, Welsh Government has only limited economic ability to kickstart major projects to improve people's lives. This is due to the fact that a vast majority of Welsh Government's budget is essentially pre-committed to their statutory responsibilities of public service delivery, with

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<sup>3</sup> Ibid

<sup>4</sup> [House of Commons Welsh Affairs Select Committee 2020, Wales and the Shared Prosperity Fund: Priorities for the replacement of EU structural funding](#)

<sup>5</sup> [Written Evidence from Jeremy Miles \(then\) AM, 2020](#)

<sup>6</sup> [Welsh Government, 2019, Not a penny less - Welsh Government calls for commitment on Shared Prosperity Fund](#)

<sup>7</sup> Ibid

<sup>8</sup> [Welsh Government, 2017, EU Structural Funds programme 2014-2020: approved projects](#)

<sup>9</sup> [IWA, 2022, Fiscal Firepower: Effective policy-making in Wales](#)

relatively little finance available over and above this to implement any new or ongoing major projects. Their lack of prudential borrowing powers is particularly relevant to this discussion. In this context, with a stuttering Welsh economy, and a Welsh Government unable to finance economically transformative interventions, EU investment of over £1.5 billion per Senedd term amounted to ten times the amount of Wales' annual capital borrowing limit of £150 million. The amount of funding Wales received from the EU therefore represented a huge proportion of the Welsh Government's fiscal firepower, above and beyond funding derived from Barnett consequentials. The EU funding enabled Welsh Government to do things for which they would otherwise not have had the fiscal headroom.

So, it is not merely the loss of the funding itself which will be felt by the termination of EU funds, but also the loss of fiscal headroom for Welsh Government specifically. Decision-making powers about post-EU funds, whether Levelling Up (LUF) or Shared Prosperity Funding (SPF), were repatriated from the EU to UK Government, removing a key pot with which Wales could at least attempt to transform its economy. It is a loss of autonomy as much as a loss of funding. We will return to this later in our response. The context of Wales' budget and what the loss of EU funding actually means is, however, an important context when attempting to distinguish the degree to which ESI funding 'transformed' the Welsh economy.

Finally, it is important to state that the UK Government's current approach compares unfavourably with ESI, and especially the European Regional Development Fund, which created clear funding criteria that was linked to key metrics, provided a theoretical framework to guide partners in designing programmes and, importantly, facilitated robust evaluations that over time have contributed to a wealth of evidence to inform regional development practice in Wales. ESI thus gave benefit beyond the lifespan of its investment projects, with robust evaluation frameworks feeding into better decision making on regional development going forward. The UK Government would be wise to follow this approach going forward. Any funding programme without a clearly set out framework for monitoring and evaluating its progress and success against objectively verifiable indicators will fail in its purpose.

To summarise, whilst it is important to attempt to understand the degree to which ESI has transformed Wales' economy, it was largely never actually doing so. It was instead filling in glaring gaps in Wales' funding, enabling a raft of policy interventions which greatly benefitted communities and regions across the whole of Wales. In that sense, this funding was 'levelling up' in action, with many funds purposefully targeted at Wales' most economically disadvantaged areas.

**Whether the funding that Wales will receive to 2024-25 through the Shared Prosperity Fund and the tail-off of remaining EU Structural Funds matches the level of funding that Wales received through Structural Funds while the UK was a member of the EU and any potential Structural Funds that would have been available through the next programme.**

Between 2022-23 and 2023-25, Wales has been allocated £585 million from the SPF<sup>10</sup>. UK Government have set out how they have reached this figure<sup>11</sup>, and claim that this matches ESI funds that Wales would have received over this period<sup>12</sup>. Welsh Government disagree, arguing that the Shared Prosperity Fund falls considerably short (by £772 million) of what EU funding provided<sup>13</sup>.

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<sup>10</sup> [UK Government, 2022, Communities in Wales handed control over £585 million to level up](#)

<sup>11</sup> [UK Government, 2022, UK Shared Prosperity Fund allocations: methodology note](#)

<sup>12</sup> [UK Government, 2022, Communities in Wales handed control over £585 million to level up](#)

<sup>13</sup> [Welsh Government, 2022, Written Statement: Loss of funding to Wales as a result of the UK Government's arrangement for replacement EU funding](#)

Looking objectively at the countering claims of UK and Welsh Government, it would appear that the Welsh Government have a point. The figures do indeed suggest that Wales is set to miss out on over £1 billion of funding from the transition from EU funding to Shared Prosperity Funding.

In the IWA's Levelling Up Paper<sup>14</sup>, we found that:

*'In terms of funding to Wales, there has been a clear and significant decrease in funding in 2021-[2]2, from £375 million the previous year under ESI to around £153 million (including £110 million from the LUF and £43 million from the CRF). This represents a cut of more than 50%.'*

There is also a wider point on the democratic accountability and lack of transparency that such a shift in funding has opened up. It leaves both UK and Welsh Government pointing fingers at each other whilst it is the Welsh economy – and citizens – that suffers. If UK Government were to stand by its 2019 General Election manifesto commitment to ensure that Wales be 'not a penny' worse off post the UK's departure from the EU, then UK Government should spell out clearly how this is the case now. We think that these figures should be agreed between all levels of governments and available for scrutiny by both parliaments.

In addition, while the introduction of new regional bodies, like Cardiff Capital Region, are to be welcomed from the point of view of improved regional targeting and coordination of resources around shared priorities, they further complicate the democratic accountability of where the funding comes from, and who is responsible for the delivery of projects. It is therefore impossible for citizens' voices and views on the effectiveness of these resource allocations to be heard other than at election time.

Additionally, it is important to note that it is not just Welsh Government who are claiming to have a budgetary shortfall from the transition to Shared Prosperity Funding. The Scottish Government have reported a 60% shortfall (£300 million) in funding<sup>15</sup>, whilst figures in Northern Ireland suggest the loss of £23 million on average per year<sup>16</sup>. As discussed above, the shortfall in Wales, due to how Wales disproportionately received more from EU funds than other UK nations, is felt particularly distinctly.

**Which elements of the two new funds have worked well so far, and which have been less effective. What lessons could be learnt for the future to maximise the impact of the funds.**

One thing that has worked 'well', is that Wales has continued to gain more from these new funds than other nations and regions of the UK<sup>17</sup>. Wales is therefore arguably in a comparatively 'better' position than any other part of the UK from a quantum perspective. However, as discussed above, this does still fall far below a like for like replacement of ESI funding. It also does not reflect the funding allocation representing an independent assessment of relative need across the different parts of the UK.

The introduction of SPF and LUF have significantly shortened the delivery time for key projects, with funding needing to be spent within annual or financial year timescales, rather than the seven-year period enabled by ESI. The funds themselves are tied to the end of the current UK parliament and must be spent by March 2025<sup>18</sup>. We are already seeing a real difference from ESI, with programmes not now announced several years in advance of commencement. This makes it difficult for partners or recipients to plan in advance or

<sup>14</sup> [IWA, 2021, What does 'Levelling Up' mean for Wales?](#)

<sup>15</sup> [Scottish Government, 2022, EU replacement funding 60% shortfall](#)

<sup>16</sup> [Hansard, 2023, EU Funding: Northern Ireland](#)

<sup>17</sup> [Institute for Fiscal Studies, 2021, Spending Review 2021 analysis](#)

<sup>18</sup> [UK Government, 2022, UK Shared Prosperity Fund: frequently asked questions](#)

coordinate across different areas, and it means that ‘shovel ready’ projects may be prioritised over more strategically important, longer term projects. This could have significant consequences for Wales’ transition to a net zero economy amongst other things, as difficult decisions and longer term investment need to be made to encourage and give confidence to accompanying private sector investment.

There are further concerns around both funds and whether the UK Government manifesto promise of ‘not a penny less’ to Wales can be met. With no equivalent to the role of the Welsh European Funding Office as a holder of a regional funding allocation, the spending of SPF and LUF is determined by the quality of bids that local authorities submit, and this is not a level playing field. Not all local authorities have the same opportunities, capacity and resources to develop bids, putting some local authorities at severe disadvantage. The IWA has therefore called for the establishment of a coordinating body for Wales, jointly created by UK and Welsh governments, bringing together the two governments, local authorities, business and, crucially, civil society to administer the LUF and SPF allocations for Wales. It is our view that such a body would have an essential role to play in ensuring that SPF and LUF allocations and projects are co-created across all levels of government. There is a clear argument that people in Wales have elected Welsh Government to be in charge of its economic development<sup>19</sup>. These funding decisions should be made in line with Welsh Government aims, as this is within devolved competency.

In June 2022, the IWA ran a roundtable with businesses in Wales, looking at how the LUF was being delivered and the impact this was having<sup>20</sup>. It was very clear there was a near total lack of engagement and awareness raising activities with businesses to help them to support bids. Businesses were not aware of the existence of the funding, the process to follow to access it, the decision-making and funding timeframes, whom to contact at local authorities and how to feed in their expertise. Local authorities were equally unaware of the potential value add of businesses in their areas and what they might contribute to the bidding process. We recommended then that UK Government support lead local authorities with content and funding in order to engage with business specifically to raise awareness of the funds falling under the ‘levelling up’ umbrella. Welsh Government should also build on its existing programmes of engagement with businesses in raising awareness of new regional structures, such as Corporate Joint Committees and City Growth Deals, and the phasing out of key business support packages as a result of the withdrawal of EU funding. Welsh regional lead local authorities should work with Welsh Government to pool funding for business support to develop pan-Wales programmes, including bolstering Business Wales, in order to provide consistent support for businesses across Wales and support links between businesses and local authorities.

The IWA’s engagement with the business community on this issue also led us to recommend that Welsh and UK governments should build on the Organisation for Economic Co-operation and Development (OECD) 2020 report *The Future of Regional Development and Public Investment in Wales*<sup>21</sup> and undertake an assessment of post-2024 capacity to provide agile financial support to businesses in Wales in need of support to grow or at risk of failure. UK Government correctly identifies innovation as key to driving economic growth<sup>22</sup>. Indeed, businesses in Wales told us that access to innovation funding is crucial to their development. Whilst noting their opinion that it was overly-bureaucratic and inflexible in some areas, businesses considered EU funding for business innovation as straightforward to access. Conversely, we heard that accessing funding through Innovate UK, part of UKRI, was more difficult, and that the process is opaque. In order to achieve private sector growth in Wales and deliver on the goals of SPF, it is important that businesses have clarity over where

<sup>19</sup> [Welsh Government, 2021, Economic Development - What is devolved?](#)

<sup>20</sup> [IWA, 2022, Putting Businesses at the heart of Levelling Up in Wales](#)

<sup>21</sup> [OECD, 2020, The Future of Regional Development and Public Investment in Wales, United Kingdom](#)

<sup>22</sup> [BEIS, 2021, UK Innovation Strategy](#)

and how to access innovation funding and for this funding to be available. UK Government should undertake a listening exercise with businesses to learn from the positive aspects of EU innovation funding and apply this learning to SPF and LUF. There should be a rigorous culture of constant learning and improvement to shape future programme design and investment. We are unconvinced that this is currently the case.

**What types of intervention are being delivered through the Shared Prosperity Fund, and to what extent do these differ from Structural Funds interventions.**

We are yet to see any public communication on the projects in Wales that have received SPF beyond announcements in the media as to the allocation of funding. One of our key concerns here is that many of the initiatives being funded by both LUF and SPF address issues like road improvements, community facilities and public spaces, which would normally be considered part of the day-to-day working of local government. While important to local communities' day to day lives, they are often smaller, far less strategic projects without the potential to leverage longer term economic change by signalling strategic investment that might give confidence to other stakeholders and encourage them also to invest.

**Whether the funds are successfully identifying and supporting the communities and areas of Wales that are in greatest need, and how the geographical spread of funding compares to Structural Funds.**

In regards to the LUF, we can establish from the second round of successful projects that Wales has received £208 million<sup>23</sup>. There were 11 successful projects out of 45 bids from local authorities in Wales, according to Welsh Government<sup>24</sup>. A number of these projects deliver funding that are clearly in areas of devolved competency, such as active travel infrastructure for example. In this way, these projects bypass Welsh Government, directly allocating funding to local authorities, when it is our view that this money should flow through Welsh Government, as indeed was the case with ESI.

Much like ESI, Wales received the most funding per head of the UK nations and regions from the first round of LUF<sup>25</sup>. The UK Government originally established a matrix to identify which areas were most in need of investment from the LUF, with indicators considered including areas in need of economic recovery and growth, improved transport connectivity and regeneration<sup>26</sup>. This was then revised for round two<sup>27</sup>. Wales has a disproportionately high number of local authorities categorised as category one, that is, authorities most in need of funding, with 19 out of 22 local authorities placed in this category for round two<sup>28</sup>. There was therefore an acknowledgement at UK level that communities in Wales require a disproportionate amount of funding from the LUF. The broader picture is that those communities categorised as category one received the most funding across both rounds of LUF so far, with 59 per cent of funding going to them<sup>29</sup>. The North West of England and Wales had the highest number of successful category one bids, with 20 each<sup>30</sup>.

We agree with Thomas Pope of the Institute for Government, that LUF is 'neither large enough nor targeted enough to make a dent in regional inequalities<sup>31</sup>. Competitive funding bids run through central Government have led to a thin spread of projects across large swathes of the UK. Competitive funding in and of itself is inefficient and not effective in tackling regional inequality. That bids go into UK Government for approval leads to

<sup>23</sup> [UK Government, 2023, Levelling Up Projects in Wales awarded £203 million by UK Government](#)

<sup>24</sup> [Welsh Government, 2023, Written Statement: Levelling Up Fund round 2](#)

<sup>25</sup> [UK Parliament, 2023, Which areas have benefitted from the Levelling Up Fund?](#)

<sup>26</sup> [UK Government, 2021, Levelling Up Fund: Prioritisation of places methodology note](#)

<sup>27</sup> [UK Government, 2022, Levelling Up Fund Round 2: Prospectus](#)

<sup>28</sup> [UK Government, 2022, Levelling Up Fund Round 2 list of local authorities by priority category](#)

<sup>29</sup> [UK Parliament, 2023, Which areas have benefitted from the Levelling Up Fund?](#)

<sup>30</sup> Ibid

<sup>31</sup> [Pope, T, 2023, The Levelling Up Fund will not deliver o the government's flagship agenda](#)

successful bids that echo UK Government priorities, not the needs as identified by Welsh Government or indeed the communities making the bids. As such, the subsidiarity principle is reversed, with local authorities pitching bids that meet UK Government aims, not their own. We are concerned by the abject lack of involvement of citizens' voices in determining what 'success' looks like in terms of these new funding interventions and in feeding into any ongoing learning process.

There is an argument that the bids from local authorities may not be in the best interest of the area but, due to a decade of austerity decimating local government budgets, LUF represents the only show in town so they must therefore be pragmatic in applying for any funding that is available. As such, whilst local authorities in Wales have received the highest amount of funding than the other regions and nations of the UK, the successful projects offer little progression towards improved regional economic growth, let alone a 'levelling up' of the nation. For example, the projects do not offer the ability to decrease Wales' productivity gap<sup>32</sup>, a key driver of regional economic inequality.

### **The extent to which the processes and timescales set by the UK Government for the funds support local authorities and regions to achieve their intended outcomes.**

In determining that LUF would be administered centrally by the UK Government, and be awarded directly to local authorities, the 'levelling up' agenda represents a significant break both with previous practice, and with much of the evidence, in relation to the geography of regional development.

Wales' position as both an economic and political region was strengthened through ESI, and although some funding went directly to West Wales and the Valleys and East Wales regions, much of Wales' ESI funding was used to fund all-Wales activities. Examples of all-Wales activities include Business Wales, support for job-seekers through all-Wales programmes such as Jobs Growth Wales, and infrastructure projects that cross local authority boundaries, such as the Heads of the Valleys Road. The replacement of ESI with SPF and LUF will severely impact the potential for such programmes and investment to continue, as it will not be possible for any pan-Wales body to apply for funding. The 'levelling up' agenda therefore risks doing away with the concept of Wales as an economic entity, and seeks to bypass the governance structures that have been constituted through the democratic process and which are scrutinised by the Senedd.

We have serious concerns about what this means for accountability in terms of the scrutiny that should be undertaken by parliaments. In September 2020 the IWA launched Missing Links<sup>33</sup> and called for the formalisation of inter-parliamentary relations, a strengthening of the role of legislative consent to devolved parliaments and an improvement to public information about inter-parliamentary relations and decision making. While the Dunlop review of intergovernmental relations<sup>34</sup> published in 2021 and the joint review of intergovernmental relations published in 2022<sup>35</sup> were both welcome, the pausing of intergovernmental meetings in mid-2022, during the various crises in the Conservative party leadership, meant that opportunities for formal intergovernmental joint working were non-existent in relation to economic development. Where then were the opportunities for both parliaments to scrutinise their respective governments' decisions and actions in this area if no decisions or actions were being taken within this supposedly agreed framework? We note that those decisions that were taken were taken unilaterally – including on levelling up funding.

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<sup>32</sup> [Economic and Social Research Council, 2021, Wales' Productivity Challenge: Exploring the Issues](#)

<sup>33</sup> [IWA, 2020, Missing Links: Past, present and future inter-parliamentary relations in the devolved UK](#)

<sup>34</sup> [Dunlop, A., 2019, Review of the UK Government Union Capability](#)

<sup>35</sup> [UK Government, 2022, Review of intergovernmental relations](#)



As discussed above, the shift to shortened timescales set by UK Government for SPF and LUF hinders local authorities' ability to deliver transformative policy proposals. Not only that but it privileges certain local authorities over others. The way that SPF and LUF are structured puts different local authorities in Wales in direct competition with each other. There are winners and losers in the dog-eat-dog fight for UK funding. We would argue that this is in direct opposition to the way that Wales – or indeed any nation – should address one of its key priorities, by working collaboratively to diminish regional inequalities. Indeed, it is our firm view that any attempt to address wide-ranging, within-area inequalities, as the LUF and SPF pertain to do, must start with stable, multi-annual programmes for local government finance, and not competitive, short-term grants administered by UK government departments. One of our key concerns is that many of the initiatives being funded address issues like road improvements, community facilities and public spaces, which might normally be considered part of the day-to-day work of local government. However, over the past ten years, UK Government austerity has cut local government budgets, and now looks to repackage and rebadge some of this support in these new competitive funds. This approach is not fit for the challenges that we face whether in Wales, or indeed across the wider UK. To address the economic and climate crises properly, we need a long-term and sustainable plan for local government finance, empowering local government to play a greater role in economic development, in close partnership with the democratically elected Welsh Government. The LUF and SPF take us further away from achieving this.

The compressed nature of the timescales of LUF and SPF compared to ESI is frustrating to many stakeholders in Wales, as reported in the IWA's *Levelling Up* report<sup>36</sup>. ESI's multi-annual framework enabled the development of clear priorities for regions across Wales, in advance of the award of funding for projects. This enabled co-construction of projects with communities and stakeholders alike (in a manner which is underpinned by the five ways of working as set out in the Wellbeing of Future Generations (Wales) Act<sup>37</sup>). This co-creation enabled the development of high-quality bids which would deliver impact. The compressed funding windows of SPF and LUF leave little opportunity for such work to be undertaken. Indeed we are again dismayed by the lack of any such opportunities for any co-creation of solutions with civil society across Wales.

### **How effectively the different levels of governance in Wales are working together in relation to these funds.**

The 'levelling up' agenda creates difficulties for local government as a result of the approach taken to collaborative structures. These structures have distinct impacts on local authorities, which UK Government purport to empower with the new funds. Examples of such collaborative structures in Wales, underpinned by legislation, include Public Service Boards, City and Growth Deal Partnerships and the (relatively) new Corporate Joint Committees. Ultimately, both SPF and LUF structures are complicating and confusing the democratic accountability and cooperation between local authorities, leading to poorer outcomes for communities across Wales.

Local leaders whom the IWA spoke with as part of our *Levelling Up* paper<sup>38</sup> noted that their applications to the UK Community Renewal Fund (the precursor to SPF) strongly focused on within-area projects. This is potentially shrinking the sphere of influence of local economic policy making. One Welsh authority told the IWA that the competitive nature of the Community Renewal Fund meant that they were more guarded in their discussions as part of their relevant 'deal' partnership, wary of sharing information that could be used by a neighbouring authority for a competing project. This is not the collaborative local

<sup>36</sup> [IWA, 2021, What does 'Levelling Up' mean for Wales?](#)

<sup>37</sup> [Future Generations Commissioner for Wales, N.D., Well-Being of Future Generations \(Wales\) Act 2015](#)

<sup>38</sup> [IWA, 2021, What does 'Levelling Up' mean for Wales?](#)

partnership approach we want to see. UK Government claims that true devolution in this sense is giving decision making to local authorities. But we are already seeing the drawbacks of such an approach, and an undermining of devolution at a Welsh Government level. By cutting Welsh Government out of decisions and decision making processes which are within devolved competency, UK Government is rolling back devolution and muddying the waters of who is making decisions for a community and on behalf of whom. Effective scrutiny by citizens or public service media is nearly impossible in this situation. The 'levelling up' agenda as it is being pursued will continue to blur the lines of accountability in Welsh politics.

The rollout of SPF and LUF have been messy for all levels of government in Wales. The IWA calls for the establishment of clear principles for devolution and subsidiarity in the context of the delivery of SPF and LUF. There are real inconsistencies in how sub-national bodies are established and referred to within government programmes such as 'levelling up' which need to be addressed. Without these key principles both in place and adhered to, the funds will further confuse democratic accountability, the ability of local authorities to work together and – most importantly – lead to poorer outcomes for communities across Wales.

The IWA also calls for any future regional development funding in the UK to incorporate a formal role for the UK's devolved governments. Doing so would be a recognition of their important role in aligning policy priorities, recognising their democratic mandates and relationships with key regional actors. Given the political sensitivity of the issue, this could be achieved through an arms length body, modelled on the now defunct Welsh European Funding Office, that brings together representatives of the two governments, as well as local authorities, business and civil society partners. This body could work to create shared strategic priorities to inform project bids, allocate funding and commission appropriate monitoring and evaluation processes. Such a body could provide regular updates to both the Senedd and the House of Commons' Welsh Affairs Committee and as such be subject to scrutiny by elected representatives.

### **The challenges and opportunities these funding streams provide for bodies such as businesses, colleges, universities and voluntary sector organisations who received Structural Funds.**

A number of sectors in Wales have highlighted their concern at the cliff edge presented by the loss of EU funds at the end of 2022. These include, in particular, the voluntary sector in Wales (as highlighted by the WCVA<sup>39</sup>) and the higher education and research sectors<sup>40</sup>. The loss of key projects in these sectors is therefore a major challenge and is already having a negative impact on organisations delivering vital services in Wales.

Ends

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<sup>39</sup> [The Guardian, 2022, Charities and employers struggling due to post-Brexit funding delays](#)

<sup>40</sup> [The Guardian, 2023, Welsh Universities face 1,000 jobs being lost as EU research funding ends](#)

Mae cyfyngiadau ar y ddogfen hon

## **ECONOMY, TRADE AND RURAL AFFAIRS COMMITTEE**

### **CONSULTATION: POST-EU REGIONAL DEVELOPMENT FUNDING.**

The Welsh Local Government Association (WLGA) and Industrial Coalfields Alliance (ICA) will be submitting their own responses to this consultation. However, there are specific areas where we wish to provide additional views and commentary from a Rhondda Cynon Taf County Borough Council (RCT) perspective which will add value to these submissions and these are set out in the paragraphs below.

#### How effective were EU Structural Funds at transforming the Welsh economy?

RCT has successfully benefited from significant levels of investment from EU Structural Funds which has facilitated the delivery of key physical and social regeneration projects including infrastructure development, town centre regeneration, business and community development as well as employment and skills programmes.

Examples of successful projects include

- The regeneration of the town centres of Pontypridd, Aberdare and Ferndale which helped transform public spaces in each town centre and upgrade the public realm and townscape features to strengthen the commercial core and town centre distinctiveness.
- The restoration of Lido Ponty, the National Lido of Wales at Ynysangharad Park.
- Investment in much needed Grade A business space at two former derelict brownfield industrial sites. These are both now being occupied by local new and growing businesses proving that strong demand does exist for this kind of investment.
- Programmes to support employment and skills development funded from the European Social Fund.

#### How will the funding that Wales receives from the Shared Prosperity Fund and the tail-off of remaining EU Structural Funds compare to the level of funding that Wales received through Structural Funds while the UK was a member of the EU and any potential funding that could have been received through the next Structural Funds programme?

This question will be addressed as part of the response from the Welsh Local Government Association (WLGA), which we support as a member authority.

Which elements of the two funds have worked well so far, and which have been less effective? What lessons could be learnt from this for the future to maximise the impact of the funds?

Elements of the Funds that have worked well include;

- The UK Shared Prosperity Fund (UKSPF) has been wholly allocated by formula, rather than competitive bidding, with all areas of the UK receiving an allocation via a funding formula rather than competition. This means the Investment Plans developed to access these allocations, can reflect the specific local needs and opportunities of the area, ensuring that funding is delivered where it can be of most benefit.
- The fact that the funding is being planned and delivered via local authorities provides the opportunity to build on their knowledge of local needs and opportunities. However it is acknowledged that working with partners is essential in tackling the complex challenges facing our communities.
- There will be local flexibility over how the Fund is best delivered for example, competition for grant funding, procurement, commissioning or in-house delivery. Local authorities can also determine the most appropriate scale for each intervention – for example, local or regional.

Elements of the Funds which have been less effective;

- The highly competitive nature of the Levelling Up Fund bidding process meant that it was difficult to engage with the development of the Fund and with officials who were managing the application and assessment process. This remoteness from how the Fund is managed meant that it was difficult to understand what the real drivers for successful projects were and how best to engage with them. The fact that RCT were successful in Round 1 is because we were well prepared. The application and assessment process demanded a high level of commitment to project development and business case assembly which can be very costly with no guarantee of a successful outcome. This is not a sensible approach to delivering significant projects which require a high level of development cost to be successful.
- The recent outcome of the LUF Round 2 bidding and assessment process has highlighted that the nature of the assessment and decision making process can be wasteful of resources and time to develop successful bids. In Wales no local authority which had a successful bid in Round 1 was successful in Round 2 and no local authority received approval for more than one bid. If this was to be the case it should have been made clear to applicants from the outset to avoid wasting time and resources on project and LUF bid development.
- The delivery of LUF Round 1 approved projects has also been subject to some lack of clarity and certainty relating to the LUF monitoring and assurance requirements. These were not clear at the outset following approval and have

developed through the period of project delivery with a requirement to have to back fill reporting requirements that were not made clear at the approval stage such as for setting and monitoring of targets and outcomes and project assurance requirements.

- UK Government's Shared Prosperity Fund (SPF) shares some of the characteristics outlined above for LUF although the competitive bidding process is not part of the arrangements which is to be welcomed. However the timescale given for the development and submission of the Regional Investment Plan (mid April – end of July 2022) was very challenging, particularly given the delivery arrangements required in South East Wales.
- The duration of SPF funding is too short, as it is currently a 3 year programme with limited scope for moving spend between years 2 and 3. EU funding was allocated over a seven-year period with the potential for a roll-over of a further three years. The 3 year timescale makes delivery of transformational projects very challenging, and also leads to uncertainty over what happens at the end of the 3 years. The South East Wales Regional Investment Plan was not approved by UKG until early December 2022 as was the case for all Investment Plans, 1 year in to the 3 year programme. This has impacted on the timescales for delivery, particularly where it needs to be commissioned or procured.
- The regional arrangements agreed to deliver SPF in Wales do not fit well with some of the delivery and management arrangements set out by UK Gov. In South East Wales SPF is being delivered by a collaboration of the participating 10 local authorities and Cardiff Capital Region with RCT Council acting as the Accountable Lead Body on behalf of the others in terms of financial payments and monitoring requirements. The SPF arrangements have clearly been established for a simpler model of delivery which is more characteristic to arrangements in England based on a single local authority SPF allocation. We are currently working hard with UK Gov officials to resolve outstanding issues as quickly and as early as possible in the SPF delivery period.

To what extent are the funds successfully identifying and supporting the communities and areas of Wales that are in greatest need? How does the geographical spread of the Shared Prosperity Fund and Levelling Up Fund compare to Structural Funds?

- The UK Shared Prosperity Fund (UKSPF) has been wholly allocated by formula with all areas of the UK receiving an allocation via a funding formula rather than competition. In Wales 40% of funding has been allocated on a per capita basis across Wales, 30% using the same needs-based index previously used to identify UK Community Renewal Fund priority places and 30% allocated using the Welsh Index of Multiple Deprivation. Of the allocations for South East Wales local authorities, RCT CBC had the highest at 16% of the total.
- This means the Investment Plans developed to access these allocations, can reflect the specific local needs and opportunities of the area, ensuring that funding is delivered where it can be of most benefit.

- RCT Council were very successful in round one of LUF with three out of four bids and investment and a commitment to develop schemes to a point where a compelling business case can be assembled to enable us to successfully achieve financial packages of external funding for major project delivery. These projects include the introduction of a new transport interchange in Porth, the redevelopment of the Muni Arts Centre in Pontypridd, and the dualling of the A4119 between Coedely and Llantrisant, providing improved access to employment opportunities for surrounding businesses and residents. But the fact that these were the only successful LUF bids in South East Wales does suggest that there is a lack of targeting of areas of need such as former coalfields.

Part 2 of this question will be addressed as part of the response from the Welsh Local Government Association (WLGA), which we support as a member authority.

What types of interventions are being delivered and designed through the Shared Prosperity Fund, and to what extent do these differ from those delivered through Structural Funds?

There is a broad menu of interventions through the UKSPF which offers more flexibility than the previous Structural Fund Programmes, where the priorities were more fixed. UKSPF is predominantly revenue funding with over 80% of the financial allocation per year for revenue costs.

How helpful are the processes and timescales set by the UK Government for the funds in supporting local authorities and regions to achieve their intended outcomes?

Please see the earlier comments regarding bidding processes, timescales, delivery arrangements and duration of funding.

How effectively are the different levels of governance in Wales working together in relation to these funds?

The successful delivery of UKSPF in South East Wales requires robust governance arrangements and the commitment and active involvement of key stakeholders.

In South East Wales, the ten local authorities have adopted a parallel local and regional approach to governance, partnership arrangements and stakeholder engagement. This approach reflects the size, complexity and diversity of the region and the differing challenges and opportunities that exist.

Each local authority will utilise existing local partnership arrangements to provide the governance structure appropriate to their area, ensuring that arrangements are in line with the UKSPF programme requirements, with a particular focus on the diversity of partners. Across the region there are existing highly effective cross sector partnerships that are well established and best suited to providing local insight and expertise and

are therefore best placed to deliver the function of a local partnership group as outlined in the UKSPF Prospectus.

Each authority will also be responsible for establishing appropriate structures for the ongoing engagement of local Members of Parliament within their respective areas. Local partnership working will be reinforced through the legal agreement between the lead authority and partner authorities. It is aimed at safeguarding the interest of all parties and ensuring that UKSPF is delivered in a compliant manner.

However it is also recognised that there is the potential to further maximise efficiency and value for money via a regional approach where appropriate. At a regional level, governance arrangements will also be provided by the existing partnership structures established through the City Deal and CCR and more latterly the CJC, with local partnership groupings feeding insight into regional arrangements as required.

The South East Wales Regional Directors Group which comprises local authority directors and senior officers of the Cardiff Capital Region (CCR) Team – part of the City Deal - will provide a strategic consultative and advisory role to ensure the successful delivery of the UKSPF at both a local and regional level.

There has been positive engagement at a regional level with Welsh Government and Business Wales and there is a commitment to meet regularly to ensure business priorities and the regional business support offer is aligned. Positive engagement with Welsh Government's Communities, Homes and Places colleagues and the region has also taken place and again where there are opportunities to align activity and add value to respective funding streams then this will be explored.

#### What challenges and opportunities do these funding streams provide for organisations who received Structural Funds?

As mentioned previously the shorter duration of the current funding streams makes planning and delivery of local economic interventions much more challenging.

As the funding is delivered via local authorities, other regional and national organisations including 3<sup>rd</sup> Sector and Universities who were applicants and grant recipients of Structural Funds in their own right, are no longer able to apply directly for the Levelling Up funding streams. Also the scale of funding that was previously available to Higher Education institutions is no longer available.

However there are range of ways that other organisations can access the funding in the Regional Investment Plan through procurement and commissioning opportunities or via open calls for grant schemes, without the administrative bureaucracy that comes with being the direct accountable body.



How is the Multiply programme developing across different parts of Wales? What are the potential barriers and opportunities in relation to delivering this programme?

Part 1 of this question will be addressed as part of the response from the Welsh Local Government Association (WLGA), which we support as a member authority.

The main issues in respect of delivering the Multiply programme;

- The scale of investment focussed on numeracy alone is significant. Although the potential investment is welcome, the scale of the challenge to increase capacity to deliver the programme cannot be underestimated.
- If the impact of the Multiply programme is to be maximised across the South East Wales region, then the programme must also address participants' literacy and digital skills. This trio of skills are central to people's job and career prospects and to their ability to be actively engaged within their communities and directly align with the ambitions of UKG's Levelling Up agenda.
- The previous comments regarding the timescales of the UKSPF programme also apply to the implementation of Multiply. Time will be required to;
  - commission relevant partners to deliver elements of the programme so that as many residents as possible, especially those from disadvantaged groups can be engaged.
  - increase the capacity of partnerships to upskill tutors and staff who will be supporting participants to develop their numeracy skills
  - recruit additional tutors and staff who are appropriately qualified to deliver the programme.
  - engage the people who most need support to improve their numeracy skills which has always been a challenge and to ensure effective referral pathways that will increase the likelihood of engaging with and retaining learners.