

Agenda – Pwyllgor yr Economi, Seilwaith a Sgiliau

Lleoliad: I gael rhagor o wybodaeth cysylltwch a:
Committee Room 4 – Tŷ Hywel **Gareth Price**
Dyddiad: Dydd Iau, 17 Tachwedd 2016 Clerc y Pwyllgor
Amser: 09.00 0300 200 6565
SeneddESS@cynulliad.cymru

Rhag-gyfarfod preifat (09:00 – 09:15)

Sesiwn friffio breifat cyn yr ymchwiliad – Comisiwn Seilwaith Cenedlaethol i Gymru
(09:15 – 09:30)

Gareth David Thomas, Uned Craffu Ariannol, Y Gwasanaeth Ymchwil

1 Cyflwyniad, ymddiheuriadau, dirprwyon a datgan buddiannau

2 Panel y sectorau adeiladu a pheirianeg – Comisiwn Seilwaith Cenedlaethol i Gymru

(09:30 – 10:30)

(Tudalennau 1 – 39)

Neil Sadler, ACE Cymru Wales, Cadeirydd

Mark Bodger, Cyfarwyddwr Partneriaethau Strategol, CITB Cymru Wales

Ed Evans, Cyfarwyddwr, Cymdeithas Contractwyr Peirianeg Sifil Cymru (CECA Wales Cymru)

Mark Harries, Cynghorwr Cynllunio a Pholisi Cymru, Ffederasiwn Adeiladwyr Cartrefi

Dogfennau atodol:

Y Briff Ymchwil

EIS(5)–10–16 (p1) ACE Cymru Wales (Saesneg yn unig)

EIS(5)–10–16 (p2) CITB Cymru Wales (Saesneg yn unig)

EIS(5)–10–16 (p3) Cymdeithas Contractwyr Peirianeg Sifil Cymru (CECA Wales Cymru) (Saesneg yn unig)

EIS(5)–10–16 (p4) Ffederasiwn Adeiladwyr Cartrefi (Saesneg yn unig)



3 Papurau i'w nodi

3.1 Llythyr gan y Cadeirydd at Ysgrifennydd y Cabinet dros Addysg ynghylch Adolygiad Diamond

(Tudalennau 40 – 43)

Dogfennau atodol:

EIS(5)-10-15 (p5) Llythyr gan y Cadeirydd at Ysgrifennydd y Cabinet dros Addysg ynghylch Adolygiad Diamond

3.2 Llythyr gan y Cadeirydd at y Pwyllgor Cyllid ynghylch cyllideb ddrafft Llywodraeth Cymru ar gyfer 2017-18

(Tudalennau 44 – 48)

Dogfennau atodol:

EIS(5)-10-16 (p6) Llythyr gan y Cadeirydd at y Pwyllgor Cyllid ynghylch cyllideb ddrafft Llywodraeth Cymru ar gyfer 2017-18

3.3 Llythyr gan Consortiwm Manwerthu Cymru ynghylch yr ardoll prentisiaeth

(Tudalennau 49 – 50)

Dogfennau atodol:

EIS(5)-10-16 (p7) Llythyr gan Consortiwm Manwerthu Cymru ynghylch yr ardoll prentisiaeth (Saesneg yn unig)

4 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o weddill y cyfarfod a chyfarfod nesaf y Pwyllgor ar 23 Tachwedd 2016

5 Cyllideb Ddrafft Llywodraeth Cymru 2017-18 – Ystyried y llythyrau drafft at Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith a'r Gweinidog Sgiliau a Gwyddoniaeth

(10:30 – 10:45)

(Tudalennau 51 – 58)

Dogfennau atodol:

EIS(5)-10-16 (p8) Llythyr drafft gan y Cadeirydd at Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith (Saesneg yn unig)

EIS(5)-10-16 (p9) Llythyr drafft gan y Cadeirydd at y Gweinidog dros Sgiliau a Gwyddoniaeth (Saesneg yn unig)

Ôl-drafodaeth breifat (10:45 - 11:00)

Digwyddiad i randdeiliaid i drafod y Comisiwn Seilwaith Cenedlaethol arfaethedig i Gymru - Ystafelloedd Cynadledda C a D (Llawr 1af, Tŷ Hywel) (11:00 - 14:00)

Eitem 2

Mae cyfyngiadau ar y ddogfen hon

Mae cyfyngiadau ar y ddogfen hon

Economy, Infrastructure and Skills Committee National Infrastructure Commission for Wales

- **What the role, remit and objectives of the Commission should be;**

CITB Cymru Wales believes the proposed National Infrastructure Commission for Wales (NICW) should:

- Provide certainty around infrastructure projects, including timescales and funding commitments.
- Have a clear and transparent capital budget and seek to maximise capital investment.
- Produce an Infrastructure Skills Plan.
- Ensure construction expertise is involved in the planning and procurement of capital projects.

Certainty

A high degree of uncertainty surrounds many infrastructure projects such as the proposed M4 Relief Road and the Swansea Bay Tidal Lagoon. This makes it difficult for construction firms to plan their recruitment and upskilling approaches. Therefore, CITB Cymru Wales believes the National Infrastructure Commission for Wales should provide clarity and certainty around infrastructure investments.

NICW would do this by producing a long-term pipeline of projects with a clear evidence-base and realistic assumptions on timescales. This should develop the work of the Wales Infrastructure Investment Plan and should be published and updated at regular intervals.

In setting out the remit for NICW, the Cabinet Secretary for Infrastructure (or sponsoring Minister) should publish an annual remit letter setting out key priorities for the body. This could include examination of wider priorities that could benefit from a long-term approach such as investment in home energy efficiency schemes and affordable housing.

Budget

NICW should have a clear and transparent budget for infrastructure investment over a long-term period. In this respect, the recent move to four year capital budget by Welsh Government is a welcome development. NICW should also seek to implement procurement best-practice reflecting the Wales Procurement Policy Statement.

Skills

Training an apprentice in the construction sector typically takes three years and requires significant investment in time and resources from both the employer and the apprentice. NICW should produce a National Infrastructure Plan for Skills, drawing on Labour Market Intelligence to forecast requirements and avoid gaps in demand. CITB Cymru Wales has the capacity to facilitate this process through our Labour Forecasting Tool which has been deployed in the UK Government's corresponding plan.

- **How the Commission should operate, and what methodologies it should adopt for conducting its work;**

NICW should be an independent body and provide recommendations to Welsh Government on infrastructure priorities for Wales. It should seek to include a broad range of expertise on its board, including construction expertise, in order to provide balanced, independent advice and judgement on Wales' infrastructure needs.

It should also base much of its work on a strong evidence-base. CITB Cymru Wales' Construction Skills Network data, published every six months, provides a strong data set on

growth trends in the construction sector and their related skill requirements. This could be used by NICW to inform its recommendations.

- **How the Commission should be governed and funded to ensure its independence from the Welsh Government;**

NICW should have clear governance arrangements that allow for reporting directly into a relevant committee of the National Assembly for Wales. Early dialogue on infrastructure priorities in this way would ensure the evidence-base behind projects is sound and that any issues are identified early, helping to provide certainty.

The remit for NICW should be set out by the Cabinet Secretary for Infrastructure or the equivalent responsible minister as is the case with other bodies at present (such as Careers Wales, Finance Wales etc). The remit letter should include a responsibility for regular consultation with the construction sector.

It should also have a transparent budget based on Welsh Government's recently announced four year capital budget allocation. It should seek to maximise the capital investment based on these funds.

- **Examples of UK and international best practice that the Commission could learn from;**

As mentioned above, the UK Government's National Infrastructure Plan for Skills, produced by the Treasury, provides an interesting approach that could be replicated in Wales. CITB Cymru Wales has significant labour market intelligence that could help forecast the skills requirements of Wales' infrastructure pipeline, including our Labour Forecasting Tool that has recently been deployed in an analysis of the Swansea Bay Tidal Lagoon.

- **How the work of the Commission should incorporate the principles of the Well-being of Future Generations (Wales) Act 2015;**

CITB Cymru Wales believes that the body should seek to implement best-practice in procurement policy, reflecting the Wales Procurement Policy Statement. This should include consideration of the Well-Being of Future Generations (Wales) Act 2015. This is particularly pertinent in relation to Community Benefits policy; with large construction-related capital spend being a significant driver of Community Benefit outcomes.

- **How and to what extent the work of the Commission should influence Welsh Government decision making and prioritisation of infrastructure projects;**

If it is to provide meaningful insight and capacity NICW's recommendations must carry significant weight. We would envisage NICW providing a long-term pipeline of suitable projects through its recommendations to Welsh Government. If Welsh Government were minded not to agree with or fund the recommended projects then there should be a clear onus on them to explain why this is unsuitable.

A similar approach is used for the UK Government's Regulatory Policy Committee (RPC). The RPC provides independent advice and assessment on any new regulations created by the UK Government via a traffic light system. Should the UK Government decide to pursue regulation despite being advised against it by the RPC a full explanation of their reasoning must be published.

- **How the work of the Commission should interact with regional infrastructure priorities and City/Growth Deals; and**

The infrastructure proposals included in the two City Deals and the proposed North Wales Growth Deal could have a significant impact on the Welsh economy. It is therefore crucial that NICW includes an analysis of these proposals in its project pipeline. Where appropriate, public bodies including local authorities should be allowed to commission research and advice from NICW to inform their decision making.

- **What relationship the Commission should have with the UK Government's Commission on cross-border issues and infrastructure in areas that are partially devolved.**

NICW should work closely with the UK Government's Infrastructure Commission on cross-border issues where it is appropriate to do so. It should also draw on the expertise and research of the UK Commission in relation to non-devolved projects in order to inform its own pipeline. For instance, the consenting process for Wylfa Newydd is largely driven by the UK Government; however its skills impact on the North Wales economy will be significant. Therefore, NICW should be factoring the implications and timing of investments such as Wylfa Newydd in to its infrastructure pipeline for Wales, drawing on any work completed by the UK Commission.

About CITB Cymru Wales

CITB Cymru Wales is the sector skills council and industry training board for the construction sector in Wales. Through the CITB Cymru Wales Committee and three regional fora, we work in partnership with government, industry, and education providers to maximise opportunities for skills, training and development within the Welsh construction sector, and to provide the right skills, in the right place, at the right time to support economic growth.

Submission by the Civil Engineering Contractors Association (CECA) Wales to the National Assembly's Economy, Infrastructure and Skills Committee

Thursday 17 November

09:30 until 10.30

To discuss the Welsh Government's plans to establish a National Infrastructure Commission for Wales.

CECA Wales responses to the following issues:

1. What the role, remit and objectives of the Commission should be:

- The role of the Commission should, initially, be to provide independent and evidence based recommendations on infrastructure and related matters to meet the economic, social and environmental ambitions of Wales and the Welsh Government within the context of UK, European and global economic conditions. However, consideration should be given to the Commission developing delivery and investment functions as is the case in other nations.
- Whilst the Commission could initially be established as a non-statutory body (to enable its rapid establishment) it should move quickly to a statutory footing to ensure that its recommendations carry sufficient weight and credibility.
- Strategically its remit should encompass all forms of new infrastructure including social infrastructure such as housing, schools and hospitals. The integration of social infrastructure with transport, for instance, is absolutely essential given the obvious inter-dependencies and the need for connectivity between places of working and living. Operationally consideration should be given to extending its remit to delivery and investment functions either directly, on a commissioning basis or through formal partnerships with others e.g. Welsh Development Bank.
- The objectives of the Commission should be to :
 - Provide independent advice, guidance and recommendations to the Welsh Government on all matters relating to infrastructure including how best to finance and deliver infrastructure programmes;
 - Develop a long-term programme (15-20 years) of prioritised infrastructure projects aligned to the economic ambitions of the nation;
 - Develop an investment strategy to support delivery of the programme;
 - Develop a skills strategy to support delivery of the programme.

2. How the Commission should operate, and what methodologies it should adopt for conducting its work:

- The Commission should operate via a Board of Directors and a small Executive team;
- The strategic direction and governance of the Commission should be provided by the Board of Directors;
- Operational delivery should be managed by a small Executive team of experts commissioning specific pieces of work via appropriate suppliers – although this could increase as the remit of the Commission changes;
- Its initial focus should be on understanding the economic ambitions of the Welsh Government within the context of UK, European and global economic environments and setting out, in broad terms, the infrastructure needed to deliver these ambitions;
- The Commission needs to develop a strong evidence base to inform its decisions;
- It should liaise closely with a wide range of stakeholders across Wales and ensure alignment with other UK infrastructure proposals.

3. How the Commission should be governed and funded to ensure its independence from the Welsh Government:

- The Commission should operate as an “arms-length” body, independent of the Welsh Government, with a Board of Directors, selected via public appointment, with specific areas of expertise;
- It should not be administered by Welsh Government officers but, rather, by a small team of experienced staff to deliver/commission specific pieces of work in support of its objectives;
- It should be funded by the Welsh Government and have a budget which will allow it to commission specific areas of work;
- It should reflect Wales’ diverse communities and should operate/meet across the whole of Wales.

4. Examples of UK and international best practice that the Commission could learn from:

- UK Government National Infrastructure Commission;
- Scottish Futures;
- National Development Agency Ireland;
- Infrastructure Australia.

5. How the work of the Commission should incorporate the principles of the Well-being of Future Generations (Wales) Act 2015:

- The process of embedding the principles of the WFG Act 2015 in Welsh life is at a very early stage;
- The Commission should ensure that all of its outputs consider and report issues against each of the principles so that any justification can be formally considered by stakeholders and other interested parties;
- The Future Generations Commissioner should be a formal consultee to the Commission.

6. How and to what extent the work of the Commission should influence Welsh Government decision making and prioritisation of infrastructure projects:

- If the Commission is to have any value and credibility the outputs of its work (eg recommendations) should be implemented in all cases unless specific consideration is given by Welsh Government Ministers to disregard or amend the proposals. In any instance where the work of the Commission is not implemented a formal report should be presented outlining the reasons why proposals are not progressed;
- Responsibility for the development of an investment strategy to support any proposals is essential if the Commission is to have any credibility and accountability. This should not be limited by a prescribed envelope of funding set by the Welsh Government – particularly as the Commission should also be considering the impacts and benefits of non-devolved and private sector infrastructure projects;
- Recommendations made by the Commission on infrastructure related issues such as future workforce skills should be considered by the appropriate Minister and treated as for direct infrastructure issues.

7. How the work of the Commission should interact with regional infrastructure priorities and City/Growth Deals:

- Given the obvious economic interdependencies and infrastructure connections within the different regions of Wales there needs to be a continuous dialogue between the Commission and the various regional/city bodies to ensure alignment of objectives and priorities and investment;
- NICW should be able to examine regional infrastructure proposals from a broader Welsh perspective to confirm alignment and to identify potential opportunities, impacts and risks for the Welsh economy (similar to Infrastructure Australia).

8. What relationship the Commission should have with the UK Government's Commission on cross-border issues and infrastructure in areas that are partially devolved:

- Given the obvious economic interdependencies and infrastructure connections between Wales and the remainder of the UK there needs to be a continuous dialogue between both Commissions;
- NICW should be able to examine UK infrastructure proposals from a Welsh perspective to identify opportunities, impacts and risks for the Welsh economy;
- Similarly, there should be opportunities for the UK NIC to scrutinise and challenge any proposals put forward by NICW to ensure that all proposals are fully debated and to ensure alignment.

Submission by :

Ed Evans, Director, Civil Engineering Contractors Association (CECA) Wales

3rd November 2016

National Assembly's Economy, Infrastructure and Skills Committee - National Infrastructure Commission for Wales inquiry

- What the role, remit and objectives of the Commission should be;

The role should include a strategic view of housing and although we understand that the commission could not look in detail at specific site allocations, we do consider that an understanding of where there is the greatest housing need, where housing growth is proposed, and the constraints imposed by current infrastructure on the delivery of Housing would be of benefit to the Commission.

- How the Commission should operate, and what methodologies it should adopt for conducting its work;

The Commission should be an open and engaging as possible will all sectors involved in the delivery of infrastructure projects. Key Stakeholders should be identified for each major infrastructure project and form part of any consultation exercise/working group.

- How the Commission should be governed and funded to ensure its independence from the Welsh Government;

Although we are unable to offer a solution to this issue it is a critical one that needs to be resolved if the work is to have any status. We are sure that there must be examples from elsewhere of good and bad practise.

- Examples of UK and international best practice that the Commission could learn from;
- How the work of the Commission should incorporate the principles of the Well-being of Future Generations (Wales) Act 2015;
- How and to what extent the work of the Commission should influence Welsh Government decision making and prioritisation of infrastructure projects;

This will depend on the way the Commission is set up and operates and also the stage its work is at when a decision has to be made on particular issue. Also a number of the likely infrastructure projects which will feature in the work rely on decisions made by the UK Government. Therefore the status of the work in relation to the UK decisions also needs to be considered and set out.

- How the work of the Commission should interact with regional infrastructure priorities and City/Growth Deals; and

The need for the work of the Commission to interact with regional infrastructure priorities and city/growth deals is consider critical to the success of infrastructure delivery in Wales. Currently the Cardiff City deal is in the progress of being finalised and covers 10 of the LPA's in SE Wales, further a City Deal is also understood to be being progressed for North Wales and for the Swansea area. To date the work of Cardiff City Deal has appeared to be taking place behind closed doors and one issue

that the Commission could consider is the need for City Deals to progress in an open and transparent manner with early engagement with key stakeholders.

- *What relationship the Commission should have with the UK Government's Commission on cross-border issues and infrastructure in areas that are partially devolved.*

Again cross boarder issues are critical in both SE and NE Wales, (M4 and A55 corridors) as both areas are likely to see significant economic and housing growth and therefore are areas where upgraded/new infrastructure will be required to service and allow this growth to take place. Physical Infrastructure takes no account of boundaries so systems must be put in place to ensure consistency in approach across boundaries for infrastructure provision to be successful.

Kirsty Williams AC, Ysgrifennydd y Cabinet dros Addysg

4 Tachwedd 2016

Annwyl Ysgrifennydd y Cabinet

Adolygiad Diamond

Yn dilyn cyhoeddi'r Adolygiad annibynnol o drefniadau cyllido addysg uwch a chyllid myfyrwyr (Adolygiad Diamond) roedd Pwyllgor yr Economi, Seilwaith a Sgiliau yn awyddus i archwilio sut y bydd y gwaith hwn yn effeithio ar feysydd yn ein cylch gwaith.

Yng nghyfarfod y Pwyllgor Plant, Pobl Ifanc ac Addysg ar 12 Hydref manteisiais i a Hefin David ar y cyfle i holi'r Athro Syr Ian Diamond am ei adroddiad a sut y mae'n berthnasol i gylch gwaith Pwyllgor yr Economi, Seilwaith a Sgiliau.

Y diwrnod canlynol cynhaliodd Pwyllgor yr Economi, Seilwaith, a Sgiliau sesiwn rhanddeiliaid i gasglu ymatebion. Roeddem yn ddiolchgar bod uwch-swyddogion o Lywodraeth Cymru wedi dod i'r digwyddiad hwn er mwyn clywed ymatebion yn uniongyrchol ac adrodd yn ôl i chi.

Clywodd y rhanddeiliaid drafodaethau ar yr effaith debygol ar economi Cymru, ymchwil ôl-raddedig ac ar ddatblygu sgiliau lefel uwch. I gloi gwnaethom ofyn hefyd am sylwadau cyffredinol. Mae'r llythyr hwn yn nodi ein casgliadau a'n hargymhellion sy'n deillio o'r cyfarfod hwnnw.

Casgliadau

Mae argymhellion Diamond wedi cael eu croesawu gan groestoriad eang o randdeiliaid. Mae brwdfrydedd penodol o ran y syniad y bydd pob myfyriwr – nid yn unig yr israddedigion hynny sy'n 18 oed neu'n hŷn mewn addysg amser llawn –



yn gymwys i gael cymorth ar sail angen. Mae'r syniad y gallai Cymru arwain y ffordd yn y dull hwn wedi bod yn boblogaidd iawn.

Mae'n arbennig o boblogaidd o ran gwella sgiliau'r gweithlu presennol, gyda llawer ohonynt yn ystyried cymorth ar gyfer astudio'n rhan-amser ochr yn ochr â'u gwaith yn arbennig o apelgar.

Er bod argymhellion Diamond yn cael eu gweld fel ateb i gylch gwaith penodol a roddwyd i'r grŵp adolygu, mae cydnabyddiaeth eang bod angen ystyried materion eraill ym maes addysg uwch – er enghraifft recriwtio a chadw staff – a bod angen cymryd camau yn hyn o beth.

Rydym yn ymwybodol, yn dilyn eu cyfarfod â'r Athro Diamond, fod y Pwyllgor Plant, Pobl Ifanc ac Addysg wedi argymhell bod argymhellion Diamond yn cael eu rhoi ar waith yn llawn, ac yn cael eu hariannu'n llawn drwy gydol y Cynulliad hwn.

Argymhellion

Rydym yn argymhell y canlynol:

- bod y camau gweithredu yn cael eu hintegreiddio â'r gwaith sy'n mynd rhagddo i sicrhau bod ein system addysg yn galluogi unigolion i ddatblygu'r sgiliau y bydd eu hangen ar economi Cymru, a'r gwaith ar Strategaeth Economaidd newydd;
- bydd angen gwneud rhagor o waith i fynd i'r afael â diwygiadau mewn addysg uwch sydd y tu hwnt i gwmpas Adolygiad Diamond;
 - gall hyn gynnwys mesurau i wrthbwysu effaith Brexit ar recriwtio myfyrwyr a staff addysgu o dramor;
 - ond gall hefyd ystyried mesurau i fynd i'r afael a'r effaith sylweddol ar lwyth gwaith darlithwyr, yn enwedig o ystyried nifer y myfyrwyr rhyngwladol, sydd eisoes yn uchel, yn enwedig ôl-raddedigion.
- bod y Gweinidog Sgiliau a Gwyddoniaeth yn adolygu maint y cymorth a geir gan Lywodraeth Cymru ar gyfer prosiectau arloesi a bod Ysgrifennydd y



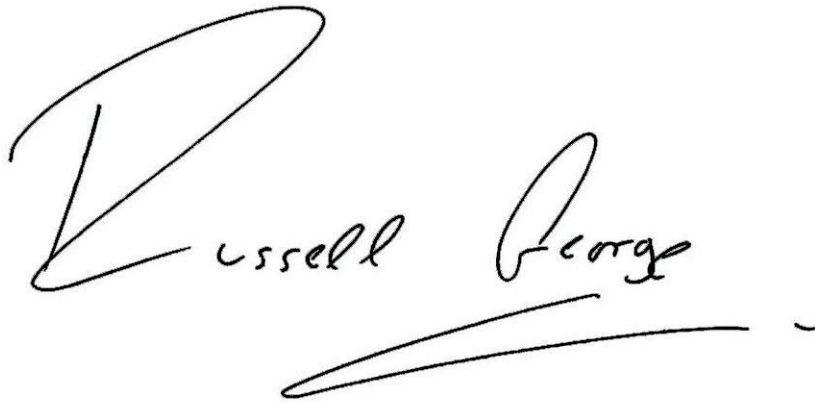
Cabinet dros Addysg yn ystyried pa mor effeithiol y mae'r sgiliau entrepreneuraidd yn cael eu meithrin ym maes addysg uwch. Clywodd aelodau'r Pwyllgor y gall symiau bach o gymorth ariannol ar gyfer prosiectau arloesi arwain at fanteision sylweddol;

- bod Llywodraeth Cymru yn hyrwyddo perthynas fwy "deinamig" rhwng addysg bellach ac addysg uwch, gan gynnwys adolygu a gwerthuso gwahanol fodelau o gydweithredu a phartneriaeth rhwng addysg bellach ac addysg uwch, sy'n ategu yn hytrach na dyblygu; Manteision posibl hyn yw'r canlynol:
 - annog datblygiad myfyrwyr unigol;
 - cynyddu nifer y dysgwyr sy'n ennill sgiliau lefel uwch;
 - hyrwyddo llwybrau mwy hyblyg rhwng addysg/dysgu (amser llawn a rhan-amser); anweithgarwch economaidd; a chyflogaeth (amser llawn a rhan-amser); a
 - helpu i adfywio cymunedau sydd â lefelau uchel o anweithgarwch economaidd ac amddifadedd.
- bod Llywodraeth Cymru yn adolygu'r ffyrdd y mae busnesau bach a chanolig yn ymgysylltu â'r sector addysg uwch a'r ffyrdd y gellir gwneud hyn yn fwy effeithiol. Yn aml, nid oes gan fusnesau bach a chanolig yr amser, yr adnoddau na'r ddealltwriaeth o sut i ymgysylltu â'r sector addysg uwch yn effeithiol;
- bod Llywodraeth Cymru yn gwerthuso effaith argymhellion Adolygiad Diamond. Rydym yn credu y dylai hyn ddigwydd tair blynedd ar ôl gweithredu'r newidiadau.

Deallaf y bydd Llywodraeth Cymru yn cyhoeddi ei hymateb i argymhellion Diamond yn yr wythnosau nesaf, a hyderaf y bydd ystyriaeth y Pwyllgor o'r materion a'r argymhellion yn ddefnyddiol i chi.



Cofion gorau,

A handwritten signature in black ink that reads "Russell George". The signature is written in a cursive style with a large, sweeping initial 'R' and a long horizontal flourish underneath.

Russell George AC

Cadeirydd

Pwyllgor yr Economi, Seilwaith a Sgiliau

Copi at: Alun Davies AC, Gweinidog y Gymraeg a Dysgu Gydol Oes (gan gynnwys Addysg Bellach)

Copi at: Julie James AC, y Gweinidog Sgiliau a Gwyddoniaeth

Copi at: Lynne Neagle AC, Cadeirydd, Y Pwyllgor Plant, Pobl Ifanc ac Addysg



Annwyl Aelodau'r Pwyllgor Cyllid

Cyllideb ddrafft Llywodraeth Cymru ar gyfer 2017–18

Ar 3 Tachwedd 2016, fel rhan o'n gwaith craffu ar gyllideb ddrafft Llywodraeth Cymru ar gyfer 2017–18, cynhaliodd Pwyllgor yr Economi, Seilwaith a Sgiliau sesiwn holi gyda'r Ysgrifennydd Cabinet dros y Seilwaith a Sgiliau a'r Gweinidog Sgiliau a Gwyddoniaeth.

Ysgrifennaf i dynnu eich sylw at nifer o'r prif faterion.

Chwyddiant

Clywsom gan y Dirprwy Ysgrifennydd Parhaol mai tua 2–3% oedd y rhagdybiaethau ar gyfer chwyddiant yn y gyllideb. Cyhoeddodd y Sefydliad Cenedlaethol Ymchwil Gymdeithasol ac Economaidd ragolwg ar ddydd Iau 3 Tachwedd yn awgrymu y gallai chwyddiant godi i 4% erbyn diwedd 2017. Er mai 4% yw'r ffigur a ragwelir, mae'n arferol i gyfraddau chwyddiant fod yn wahanol, ac o bosibl yn uwch, ar gyfer sectorau gwahanol.

Yn y portffolio seilwaith mae sawl prosiect buddsoddi mawr aml-flwyddyn – y mwyaf nodedig o'r rhain yw ffordd liniaru'r M4 a Metro De Cymru – a gallai costau'r prosiectau hyn godi'n sylweddol, pe bai chwyddiant yn codi'n sydyn ar ôl cyfnod hir o fod ar lefel hanesyddol isel.



Er bod cynnydd o 1–2% mewn chwyddiant yn y flwyddyn ariannol 2017–18 yn debygol o fod yn anodd, gall portffolio'r economi a seilwaith ymdopi ag ef, ond pe bai'r gyfradd yn codi'n uwch yn y blynyddoedd i ddod, byddai'n effeithio'n sylweddol ac yn negyddol ar gostau hirdymor prosiectau gwerth miliynau o bunnoedd. Mae'n hanfodol bod y Llywodraeth yn cydnabod y perygl a geir yn sgil chwyddiant cynyddol, nid yn unig i'r gyllideb, ond i'w holl nodau polisi.

Nodwn hefyd nad ar y portffolios sy'n dod o dan ein cylch gwaith un unig y byddai cyfraddau chwyddiant uwch yn effeithio; mae hefyd risg posibl i bob maes o weithgarwch y Llywodraeth yn y blynyddoedd i ddod.

Byddem yn croesawu rhagor o fanylion am sut y mae'r adran yn modelu effaith bosibl chwyddiant uwch.

Proses y gyllideb

Ym mis Gorffennaf 2016, argymhellodd y Pwyllgor Cyllid y dylai Llywodraeth Cymru gyhoeddi "mwy o dystiolaeth yn y dyfodol sy'n nodi'r rhesymeg y tu ôl i ddyraniadau'r gyllideb, gan gynnwys manylion am yr effaith economaidd a ragwelir." Derbyniodd Llywodraeth Cymru yr argymhelliad hwn.

Fodd bynnag, yn y 10 tudalen ar gyfer y gyllideb gyfan yn asesiad effaith strategol eleni, nid oes ond un cyfeiriad at ardaloedd menter, a dywed hwnnw: "research has shown that area based initiatives, like enterprise zones, can have positive impacts on employment and regional GDP." Mae hwn yn un o'r cyfeiriadau at bortffolio'r economi a seilwaith a wnaed heb resymeg sy'n seiliedig ar y dystiolaeth y gofynnodd y Pwyllgor Cyllid amdani, ac a gytunwyd gan y Llywodraeth. Mewn ymateb i'n cwestiynau, nododd y Gweinidog nad oedd mesur canlyniadau economaidd yn wyddor fanwl – a gwir y gair. Ond er mwyn i eraill asesu a yw'r blaenoriaethau a ddewiswyd yn rhesymol, ac a yw'r allbynnau disgwylidig yn rhoi gwerth am yr arian cyhoeddus a fuddsoddwyd, mae'n hanfodol bod mwy o ymdrech yn cael ei gwneud o ran rhannu'r gwaith meddwl a'r dystiolaeth sy'n sail i benderfyniadau gwariant y Llywodraeth. Mae'r gwaith



meddwl hwnnw weithiau i'w ganfod mewn mannau eraill (cawsom enghraifft yn adroddiad blynyddol Cyllid Cymru), felly dylid ei gynnwys yn naratif y gyllideb.

Mesur allbynnau a chanlyniadau

Mae hefyd waith i'w wneud i sicrhau bod allbynnau a chanlyniadau'n ystyrllon a bod modd eu mesur. Yn yr economi bresennol, gyda chyflogaeth yn uwch nag erioed, nid 'swyddi a grëwyd' bob amser yw'r mesur mwyaf effeithiol o lwyddiant o reidrwydd, na'r mwyaf dewisol ychwaith, yn enwedig os nad yw'r swyddi hynny yn rhai sy'n denu'r gweithlu lleol nac yn cyfateb yn dda i'w sgiliau. Yn yr un modd, mae'n bosibl bod busnesau yn ceisio cymorth gan Lywodraeth Cymru i gynyddu eu cynhyrchiant a chodi eu hallbwn, ond heb ddymuno creu swyddi na chyflogi staff ychwanegol yn y broses.

Dylid adlewyrchu realiti'r economi bresennol bob tro yn y cymorth sydd ar gael gan Lywodraeth Cymru ac yn y dangosyddion a ddefnyddir i fesur llwyddiant.

Yn ein trafodaeth â'r Gweinidog Sgiliau a Gwyddoniaeth, nododd bod angen ystyried ei llinellau cyllideb ar gyfer arloesi, er enghraifft, yn y tymor hwy er mwyn gwerthuso adenillion ar fuddsoddiad o gymharu â grant syml ar gyfer creu swyddi.

Mae'n hanfodol bod y gwaith parhaus i ddatblygu strategaeth economaidd newydd yn cynnwys ymdrech i sicrhau bod modd rhagweld yn fwy effeithiol y canlyniadau a fydd yn codi o ganlyniad i fuddsoddiad Llywodraeth Cymru a'u mesur wedyn. Yn y ffordd hon, byddai'n bosibl cynnal gwaith craffu gwirioneddol effeithiol ar y penderfyniadau sydd y tu ôl i'r dyraniadau yn y gyllideb, ac effaith net y buddsoddiad hwnnw. Bydd hyn yn ei gwneud yn gliriach lle mae'r cynlluniau'n aflwyddiannus.



Themâu trawsbynciol

Mae'r Llywodraeth newydd wedi pennu blaenoriaeth uchel ar natur drawsbynciol portffolios a chyfrifoldebau'r Llywodraeth. Mae'r symud ymaith o'r ffordd o weithio mewn seilo sydd wedi nodweddu'r Llywodraeth ar bob lefel i'w groesawu.

Fodd bynnag, nid yw'r gyllideb gyfredol wedi cael ei chyflwyno mewn ffordd sy'n cyfleu effaith y themâu trawsbynciol hyn yn dda iawn. Nac ychwaith lle mae cyllidebau adrannol lluosog yn cyfrannu at ddyheadau (e.e. teithio llesol, lle y gallai gwariant ym mhortffolios iechyd, llywodraeth leol neu'r economi a seilwaith gyfrannu at lwyddiant wrth weithredu'r Ddeddf teithio llesol.)

Yn ei chyllideb ei hun, ni allem yn hawdd ganfod cyfanswm gwariant Llywodraeth Cymru ar sgiliau ei staff ei hun, er enghraifft. Ac ni allem ddweud faint a wariwyd ar ymchwil a datblygu.

Llesiant a Chenedlaethau'r Dyfodol

Er i'r ddau Weinidog nodi'n glir yn eu hymatebion i'r Pwyllgor fod yr egwyddorion o ran cenedlaethau'r dyfodol wedi cael eu hymgorffori yn eu holl benderfyniadau, nid oedd yn glir i ni sut yr oedd hyn yn cael effaith ar benderfyniadau cyllidebol, nac ychwaith beth – os unrhyw beth – oedd wedi newid o ganlyniad. Pan ofynnwyd am enghraifft benodol, cyfeiriodd Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith at barhau i ariannu Grant Cymorth Gwasanaethau Bysiau (BSSG) gyda £25 miliwn.

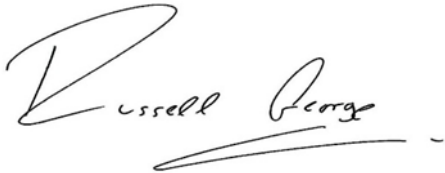
Mae'r gronfa hon wedi'i bennu ar £25 miliwn er 2013-14 – ymhell cyn i Ddeddf Llesiant Cenedlaethau'r Dyfodol ddod yn gyfraith.

Er i Gomisiynydd Cenedlaethau'r Dyfodol nodi ei bod yn disgwyl i effaith y Ddeddf ar gyrff cyhoeddus gynyddu dros amser – gan gynnwys yr effaith ar Lywodraeth Cymru – nid yw'n glir ar hyn o bryd a yw'r fframwaith newydd yn cael ei defnyddio i herio'r status quo, neu i gyfiawnhau penderfyniadau a gymerwyd o'r blaen.



Cododd ein trafodaeth nifer o faterion penodol eraill, a byddwn yn codi'r rhain, ac yn eu monitro, gyda'r Gweinidogion perthnasol yn ein gwaith craffu rheolaidd drwy gydol y flwyddyn.

Yn gywir

A handwritten signature in black ink that reads "Russell George". The signature is written in a cursive style with a long horizontal flourish underneath.

Russell George AC

Cadeirydd

Pwyllgor yr Economi, Seilwaith a Sgiliau



Russell George AM, Chair of the Economy, Infrastructure and Skills Committee

The National Assembly for Wales
Cardiff
Cardiff Bay
CF99 1NA

Dear Chair

I would like to draw your attention to the extreme concern of the retail industry over our understanding that the retail industry and other Levy-payers in Wales will not have any opportunity to see a direct return from their contribution to the Apprenticeship Levy.

During your Committee meeting held on 3rd November 2016 the Minister suggested that there will not be the money available to give back to levy payers to support their apprenticeship development as the provision is not there. It was also suggested that the Welsh Government will be simply moving ahead with their plans as they feel people require clarity. We are hugely disappointed to hear that there will not be the opportunity for our members to engage in consultation on this issue, as has been the case in Scotland, and that it appears there will be no opportunity for our employers to access the funds we have paid in, as will be the case elsewhere in the UK.

As Wales's largest private sector employer, with over 135,000 employees, the retail industry places great value on investing in the skills and training of our colleagues. We believe that it is unfair for medium and large businesses, who already contribute through taxation, to further subsidise apprenticeships and skills training in sectors which most likely don't affect them. If the UK Government restricts eligibility to access the funds to England based employees, then that will mean there is likely to be a funding disparity between training in England and the devolved nations. The consequence is that there will be a significant incentive for large businesses to relocate training outside the devolved nations. Long term the consequence of this is likely to be less training within Wales, leading to lower productivity, with the consequential impacts on the wider economy.

We do sympathise with the way in this Levy has been imposed on the devolved nations, and the complexity that arises from a UK-wide Levy relating to a fully devolved area of policy. In Scotland, in particular, we have been somewhat reassured by proactive discussions and consultation where the Government has shown it is keen to work with industry to hopefully find a system that will bring some benefit to levy payers there. The intention of the Levy is for companies to be able to 'get out' what they 'put in' and while it is unlikely that businesses will ever achieve full return it is particularly disappointing that Wales is simply viewing the Levy consequential as a revenue stream, and not linking it to those that have contributed to it.

You will no doubt be aware of the transformational change that is facing the retail industry, unprecedented change which is presenting major challenges. We are predicting that the cumulative burden from costs including business rates, noting the increased provisional multiplier for Wales, and the introduction of the National Living Wages will lead to 900,000 fewer retail jobs across the UK over the next ten years. With shop vacancy rates in Wales amongst the highest in the UK, and with the highest rate of shop closures, our industry is seeking stability and opportunities which will enable future investment to take place.

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We are concerned that a decision not to allow retail Levy-payers in Wales to directly benefit from the monies generated will demonstrate a perceived disregard for the industry in terms of our value to the Welsh economy, and the implications that may arise from this in terms of investment opportunities.

The WRC and our members would urge the Economy, Infrastructure and Skills Committee to look at the issue of the Levy, it's implementation in Wales, the cross border implications and the way in which the Welsh Government is engaging with employers over this issue. We feel that any policy decision which restricts Levy-payers' ability to draw down funding would be bad for the industry and bad for Wales; the EIS Committee has the opportunity to explore these impacts further and we hope that this will be something you would consider as part of your ongoing work programme.

Sincerely

Sara Jones

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Mae cyfyngiadau ar y ddogfen hon

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