



Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales

# Cofnod y Trafodion The Record of Proceedings

[Pwyllgor yr Economi, Seilwaith a Sgiliau](#)

[The Economy, Infrastructure and Skills  
Committee](#)

01/12/2016

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from the Meeting

Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o’r cyfieithu ar y pryd. Lle y mae cyfranwyr wedi darparu cywiriadau i’w tystiolaeth, nodir y rheini yn y trawsgrifiad.

The proceedings are reported in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included. Where contributors have supplied corrections to their evidence, these are noted in the transcript.

**Aelodau'r pwyllgor yn bresennol**  
**Committee members in attendance**

Hannah Blythyn <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Hefin David <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Russell George <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Vikki Howells <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Mark Isherwood <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Ceidwadwyr Cymreig Welsh Conservatives
Jeremy Miles <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Adam Price <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Plaid Cymru The Party of Wales
David J. Rowlands <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	UKIP Cymru UKIP Wales

**Eraill yn bresennol**  
**Others in attendance**

Ann Beynon	Cadeirydd, Bwrdd Prifddinas–Ranbarth Caerdydd Chair, Cardiff Capital Region Board
Philip Graham	Prif Weithredwr, Comisiwn Seilwaith Cenedlaethol Chief Executive, National Infrastructure Commission
Iwan Prys Jones	Rheolwr Rhaglenni, Bwrdd Uchelgais Economaidd Gogledd Cymru Programme Manager, North Wales Economic Ambition Board

Councillor Rob Stewart   Arweinydd Dinas a Sir Abertawe, Dinas–ranbarth Bae  
Abertawe  
Leader of the City and County of Swansea, Swansea  
Bay City Region

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

Robert Lloyd–Williams   Dirprwy Clerc  
Deputy Clerk

Gareth Price               Clerc  
Clerk

Gareth Thomas           Y Gwasanaeth Ymchwil  
Research Service

*Dechreuodd y cyfarfod am 09:31.*  
*The meeting began at 09:31.*

**Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau**  
**Introductions, Apologies, Substitutions and Declarations of Interest**

[1]   **Russell George:** Good morning. If I can just welcome Members and members of the public to the Economy, Infrastructure and Skills Committee, this is our second meeting in our inquiry in regard to the infrastructure commission. There are no apologies this morning. Could I ask Members if there are any declarations of interest? There are none.

**Safbwynt Rhanbarthol—Comisiwn Seilwaith Cenedlaethol i Gymru**  
**Regional Perspective—National Infrastructure Commission for Wales**

[2]   **Russell George:** I'd like to welcome our witnesses this morning. I would just say to the witnesses that we do operate bilingually. So, translation equipment is available. You may notice some Members typing away on electronic equipment. That doesn't mean they are not listening or paying attention. It just means they are making notes, et cetera. In the event of a fire alarm, please take note of the ushers. If I could perhaps just ask our witnesses this morning to introduce themselves, if I could start with Councillor Rob—.

[3] **Mr Stewart:** Yes, certainly. Thank you, Chair. I'm Councillor Rob Stewart. I am the leader of the City and County of Swansea. I'm also a member of the Swansea bay city region board, and have been leading on the bid that is going through at the present time with the Welsh Government and the UK Government.

[4] **Ms Beynon:** Bore da. Ann Beynon. Fi sy'n cadeirio'r bwrdd dro ar gyfer dinas-ranbarth Caerdydd. Rwyf wedi bod yn gwneud hynny ers mis Rhagfyr y llynedd, yn olynu Roger Lewis.

**Ms Beynon:** Good morning. I'm Ann Beynon. I'm the chairperson of the interim Cardiff capital region board, and I have been doing that since December last year, following Roger Lewis.

[5] **Mr Jones:** Iwan Prys Jones. I provide project management support for the North Wales Economic Ambition Board, and I also play a role in the north Wales and Mersey Dee cross-border rail taskforce.

[6] **Russell George:** I am grateful for your time and for being with us this morning. Members have got a series of questions, and I'll ask Hefin David to kick off.

[7] **Hefin David:** Thank you, Chair. Given Wales's reasonably—compared to the rest of the UK—unique geography and our demographics, is a commission really necessary?

[8] **Ms Beynon:** Efallai y byddaf yn gofyn cwestiwn yn ôl. Rwy'n credu'n gryf iawn mewn cynllunio—bod yn rhaid ichi gael cynllun. Mae'n rhaid i unrhyw gynllun gael isadeiledd yn greiddiol iddo, os ydych chi yn sôn am adnewyddu economaidd. Rydw i hefyd yn credu ei bod yn bwysig bod yna ffocws rhanbarthol yn digwydd. Felly, yn y de-ddwyrain, mae'n rhaid inni atgoffa ein hunain ein bod eisoes wedi cael trafodaeth eithaf manwl ynglŷn â'r M4—ac mae hwnnw'n parhau, wrth gwrs—ynglŷn â'r metro, ac ynglŷn â thrydaneiddio'r

**Ms Beynon:** I might ask a question in return. I believe very strongly in planning—that you need to have a plan. Any plan needs to have infrastructure as a core component of it, if you are talking about economic regeneration. I also believe that it is important that there is a regional focus. So, in the south-east, we have to remind ourselves that we have had a discussion in detail about the M4—and that continues, of course—with regard to the metro, and about the electrification of the railways. So, there are huge components of

rheilffyrdd. Felly, mae yna ddarnau mawr o isadeiledd, i ryw raddau, wedi—. Mae pawb bellach eisoes yn derbyn eu bod nhw'n bwysig. Y perygl, o bosibl, yw nad ydych chi wedyn yn creu cynllun sydd yn sicrhau bod y buddsoddiad enfawr yna yn yr isadeiledd yn cael effaith economaidd. Felly, os oes yna ryw fath o gorff sy'n edrych ar isadeiledd, byddwn i'n dadlau bod yn rhaid i'r corff hwnnw'n allu hefyd creu cynllun i ddefnyddio'r isadeiledd. Ble mae'r safleoedd allweddol ar yr isadeiledd lle dylai fod yna fuddsoddiad? Beth yw'r cynllun i adeiladu tai sy'n berthnasol i'n hisadeiledd? Sut mae datblygu tai yn gallu ariannu, efallai, rhannau o'r isadeiledd? Mae'r ddau beth ynghlwm â'i gilydd. Felly, oni bai eich bod chi'n cael rhyw fath o gynllun cynhwysfawr, lle mae'r isadeiledd wedi priodi gyda'r datblygiad economaidd—ac yn edrych ar sgiliau hefyd—nid yw'n mynd i weithio.

infrastructure that have, to an extent—. Everybody accepts that they are important. But the danger, perhaps, is that you don't then create a plan that ensures that that huge investment in infrastructure has an economic effect. So, if there is some kind of body that is looking at infrastructure, I would argue that that body also has to be able to put together a plan to use that infrastructure. Where are those key sites in terms of infrastructure where investment should be made? What's the plan for building homes relevant to our infrastructure? How can we develop homes in a way that funds, perhaps, parts of the infrastructure? All of these intertwine. So, unless you have some sort of comprehensive scheme, where infrastructure is happens in accordance with the economic development—and looks at skills as well—then it is not going to work.

[9] **Hefin David:** Okay. What was your question?

[10] **Ms Beynon:** Wel, onid ydych chi'n meddwl ei bod yn bwysig bod yna gynllun cynhwysfawr sy'n disgrifio yn fanwl beth yw'r datblygiadau economaidd sy'n mynd i greu'r effaith mwyaf, er mwyn sicrhau bod yr isadeiledd yn cael yr effaith angenrheidiol?

**Ms Beynon:** Well, don't you think that it's important that there is a comprehensive plan that describes in detail what the economic developments are that are going to have the greatest effect, to ensure that the infrastructure does have that vital impact?

[11] **Hefin David:** Okay. With your permission, Chair, I won't answer that at this point. [*Laughter.*]

[12] **Russell George:** That's fine. Thank you, Ann, for your answer. But why can't the Welsh Government do that?

[13] **Ms Beynon:** Wel, gall Llywodraeth Cymru ei wneud e, gall e ddigwydd ar lefel ranbarthol. Nid oes dim rheswm pam na allai Llywodraeth Cymru ei wneud e ac fe fyddai'n hyfryd pe bai gyda ni gynlluniau cynhwysfawr rhanbarthol ar gyfer rhanbarth y de-ddwyrain, y de-orllewin a'r gogledd a bod y rheini wedyn yn cael eu dwyn ynghyd gan y Llywodraeth mewn un cynllun cynhwysfawr i Gymru, ond ein bod ni'n derbyn bod yna wahaniaethau rhanbarthol yn gynwysedig yn y cynllun sydd yn rhoi'r gorolwg cenedlaethol i ni.

**Ms Beynon:** Well, Welsh Government could do it, of course. It could happen on a regional level. There is no reason why Welsh Government couldn't do it and it would be great if we had comprehensive regional plans for the south-east region and the south-west and the north and that they then were all brought together by the Government into one comprehensive plan for Wales, as long we do accept that there are regional variations included within the plan that gives us an overall view.

[14] **Mr Jones:** I think there's a danger sometimes that we think of infrastructure in terms of single projects and I think Ann is right: it actually needs to be a whole-economy approach towards infrastructure. It's not just about a road scheme or about a piece of infrastructure to open up a site. It needs to be comprehensive, and that means I think it needs to be a partnership approach to bring forward infrastructure, so that the road schemes ought to be linked to public transport improvements and ought to be linked to sites and premises and housing infrastructure as part of a joined-up strategic plan for a region. I think at that point we start to see infrastructure really beginning to support the development of a wider economy. I think there is a slightly controversial point. Sometimes I think we arrive at critical decisions about infrastructure provision based on operational issues—you know, there's a bit of congestion here or there's something that's needed on a piece of road because of a given piece of—. I think sometimes the Welsh Government's role is potentially compromised by the fact it has a dual role as a highways authority on the trunk roads agency. So, the operational issues associated with the trunk roads sometimes influence the way in which strategic decisions about infrastructure provision for Wales are arrived at. So, I think there is a case to be made for a balance. That balance exists in England because you've got things like the highways agency as separate agencies from the UK Government, so Ministers are able

to take decisions based on policy rather than the policy being perhaps influenced by operational issues.

[15] **Russell George:** In your written evidence to us, you mention that the commission should go beyond just analysing, advising and recommending. Can you expand on that?

[16] **Mr Jones:** Well, I think there's plenty of advice around, isn't there? It probably needs to go beyond that, I think, and the point that Ann made right at the outset about infrastructure being seen as part of a wider regional plan, a strategic plan, I think is really important. I think there are also issues, increasing issues, I think, about the capacity for delivery across parts of Wales. Local authorities don't carry the kind of structural ability that they had perhaps a decade or 20 years ago to be able to deliver major projects; the Welsh Government is smaller than what it was in staffing terms. So, I think there are issues about delivery and they need to be factored into the equation somewhere and I think there's possibly a need for us to be far more ambitious and innovative around how we identify funding for some of these projects. I think there's a tendency for us to rely almost entirely on Welsh Government or grant support in order to bring infrastructure projects forward and there might be more ambitious approaches based around release of capital value, mixing housing and infrastructure as packages, and all of those are potentially things that we need to look at to extract the maximum value and get that invested back into infrastructure.

[17] **Russell George:** Councillor Rob.

[18] **Mr Stewart:** Thank you. I agree to some extent with my colleagues. What I would add is that, for me, I think the question was a really important one, because where does this sit amongst everything else we're currently doing? You've got Welsh Government, you've got the city regions, you've got the local authorities, you've got the potential for collaboration between the local authorities at an economic development level in future. What value-add will the commission bring and in what space will it work? That's the clarity I'm looking for. Because, if you look at the Cardiff capital region deal and the Swansea bay city region deal, large parts of that will be infrastructure. Would the commission get itself involved in those decisions, would it affect how city regions deliver, would it then connect up with local authorities, and on what basis? I think, as was said, it's all very well having advice—there's plenty of advice around—but what value will it add, what can it do that we can't currently do? And I think that those are the questions that I'm concerned



about at the moment because I'm not clear, depending on the make-up, depending on the remit, how this would function in amongst all of the other structures that we've got. Mark Drakeford's suggestion about simplification of some of the structures that we currently have is an important one in order for us to get on to sort of delivery that both my colleagues have talked about.

[19] **Ms Beynon:** A allaf i ategu hynny? Achos, o siarad gyda'r gymuned fusnes, ac rydw i wedi siarad lot gyda'r gymuned fusnes yn y de-ddwyrain yn arbennig, mae yna ble gref iawn am symleiddio. Mae ymwneud â datblygiad economaidd yng Nghymru yn gymhleth—nid yw'n hawdd. Felly, os yw'n haws i chi ymwneud â datblygu economaidd yn Newcastle, mi ewch chi i Newcastle. Achos mae gyda ni gynigion cryf, ond mae'n gymhleth ac mae'n rhaid i ni gael llai o gyrff drwyddi draw a symleiddio fel, os oes gennych chi rhywun sydd eisiau buddsoddi yng Nghymru, eu bod nhw'n gwybod lle i fynd, a'u bod nhw'n gallu cael arbenigedd. Mae'r pwynt a wnaeth Iwan ynglŷn ag arbenigedd yn allweddol—mae yna bwynt o arbenigedd lle maen nhw'n cael popeth maen nhw eu hangen mewn un diwrnod, fel petai. Mae hynny wedi mynd ar goll ac mae'n rhaid inni fynd yn ôl at hynny.

**Ms Beynon:** Can I just add to that? Having spoken to the business community, and I have had many discussions with them in the south-east especially, I think there's a very strong plea for simplification in relation to economic development in Wales—it's very difficult; it's not an easy thing to deal with. So, if it's easier to deal with it in Newcastle, you'll go to Newcastle. Because we do have strong proposals here, but it's complicated and we need to have fewer bodies in general and simplify matters so that, if you have someone who wants to invest in Wales, they know where to go, and they can get that expertise. The point Iwan made about expertise is really important—there's a centre of expertise so that they can get everything they need in one day, as it were. We've lost that somehow and we need to go back to that point.

[20] **Russel George:** Thank you. We'll move into some areas now of specific questioning. Jeremy Miles.

[21] **Jeremy Miles:** Thank you, Chair.

[22] Mae gan eraill gwestiynau Other people have questions about ynglŷn ag annibyniaeth a *remit*. Ond the independence and the remit of

mae gyda fi gwestiynau ynglŷn â sut bydd y comisiwn yn gweithredu yn nhermau cyrraedd ei benderfyniadau ac ati. Beth yw'ch syniadau chi am sut y dylai fe chwilio am dystiolaeth fel sail i'r penderfyniadau a'r cyngor mae'n ei roi? Pa fath o dystiolaeth? Pa fath o ffynonellau? A oes unrhyw egwyddorion o bwys ynghylch hynny y byddech chi eisiau eu gwyntyllu?

[23] **Mr Jones:** Cwestiwn da iawn, mae'n rhaid i mi ddweud. Fel roeddwn i'n ei ddweud yn gynharach, rwy'n meddwl bod yna demtasiwn i edrych ar isadeiledd fel rhywbeth ar wahân, ond mae o'n rhan o becyn cynhwysfawr o sut i symud yr economi ymlaen. Wedyn, rydw i o'r farn bod angen i ba strwythur bynnag sydd yna allu gweld sut mae isadeiledd yn gallu cyfrannu at beth bynnag ydy'r allbynnau yma mae rhywun yn chwilio amdany'n nhw. Buaswn i'n disgwyl byddai'r comisiwn efo gweledigaeth glir iddo, wedi cael ei rhoi'n wleidyddol, ynglŷn â beth maen nhw'n disgwyl i'r comisiwn llwyddo i'w wneud, a'u bod nhw wedyn yn defnyddio'r weledigaeth yna er mwyn paratoi rhestr o gynlluniau isadeiledd a ffyrdd efallai o weithredu a fyddai'n symud y cynlluniau yna ymlaen fel bod yr allbynnau'n llwyddo i gael eu gwireddu yn y pen draw.

[24] **Jeremy Miles:** A oes gennych chi syniad o ba fath o dystiolaeth y byddech chi'n moyn iddo fe

the body. But I have questions about how the commission will operate in terms of coming to its conclusions, making decisions so on. What are your ideas about how it should seek evidence as a basis for its decisions and the advice that it gives? What kind of evidence should that be? From what sources? And are there important principles with regard to that that you would want to discuss?

**Mr Jones:** That's a very good question, I must say. As I was saying earlier, I think there is a temptation to look at infrastructure as a separate issue, but it's actually part of a comprehensive package of how to move the economy forward. And I am of the opinion that whatever structure we have needs to be able to see how infrastructure can contribute to whatever the outcomes we are looking for are. So, I would expect that the commission would have a clear vision, given to it at a political level, on what they expect the commission to succeed in doing, and that they then use that vision to prepare a list of infrastructure plans and maybe ways of working that would move those plans forward so that the outcomes are successful in being realised, ultimately.

**Jeremy Miles:** Do you have an idea of what kind of evidence base you would want to be used for those

ddefnyddio fel sail i'r penderfyniadau decisions?  
yna?

[25] **Mr Jones:** I raddau, mae'n dibynnu ar beth ydy'r allbynnau mae rhywun yn chwilio amdany'n nhw. Os mai twf economaidd ydy'r prif nod, mae'n bosib sicrhau bod y buddsoddiad yn amlwg wedyn ar sail swyddi sy'n cael eu creu neu dwf economaidd neu well cysylltiadau rhwng busnesau sy'n cefnogi buddsoddiad. Os mai lleihau problemau traffig yw, mae hwnnw'n fater gwahanol; mae'n seiliedig ar beth yw hyd y siwrnai. So, mae cael gweledigaeth wleidyddol glir ynglŷn â beth ydy amcanion y comisiwn yn allweddol, rwy'n meddwl, i'w galluogi nhw i wneud penderfyniadau mewn ffyrdd cywir.

**Mr Jones:** It does depend to some extent on what the outcomes are that you're looking for. If economic growth, for example, is the main goal, then maybe we could ensure that the investment is clearly on the basis of job creation or economic growth or better links between businesses that support investment. If we're looking at reducing traffic problems, for example, that's a different issue; it's based on length of journeys. So, having a clear political vision in relation to the goals of the commission is a key issue, I think, in enabling them to make decisions in the correct way.

[26] **Ms Beynon:** Byddwn i'n mynd nôl i ddisgrifio sgiliau. Felly, os oes gyda chi fwrdd ar y comisiwn, ac rydych chi wedi gosod y weledigaeth yn glir, sef ffyniant economaidd—byddwn i'n dadlau mai dyna'r weledigaeth—rydych chi'n creu rhestr o sgiliau allweddol y byddech chi'n chwilio amdany'n nhw i fod ar fwrdd y comisiwn yma. Felly, byddwn i'n dewis blaenoriaethu sgiliau sydd yn deillio o'r sector preifat, a fyddai'n cynnwys datblygu tir, er enghraifft, ond fe fyddai fe hefyd yn cynnwys creu gwerth, dod â buddsoddiad i mewn, rhedeg cynlluniau'n effeithiol—delifro pethau ar lawr gwlad. So, byddwn i'n creu rhestr o sgiliau allweddol yr ydych chi eu

**Ms Beynon:** I would go back to describing skills. So, if you have a board on the commission, and you've set out a clear vision, namely economic prosperity—I would argue that that is the vision—then you would create a list of key skills that you would seek to have on this board. So, I would choose to prioritise skills stemming from the private sector, which would include development of land, for example, but would also include adding value, bringing in investment, running schemes effectively—delivering on the ground. So, I would create a list of the key skills that you need to ensure that that vision is achieved. And then I would create a team of the

hangen i sicrhau bod y weledigaeth hon yn digwydd. Ac wedyn, byddwn i'n creu tîm o bobl arbennig o dda—nid oes eisiau iddo fod yn lot o bobl, ond tîm arbennig o dda—a fyddai wedyn yn gallu yn gweithredu ac yn cynnal. Felly, os ydych chi eisiau casglu'r dystiolaeth, rydych yn gallu rhoi cyfrifoldeb i unigolyn arbennig o dda, a dweud, 'Reit, dy waith di yw'r cynllun yma—i ffwrdd â ti i sicrhau bod hynny'n gweithio. Cer i siarad gyda phawb, sicrha dy fod di wedi gwrandao ar bawb, a dere nôl a dyweda wrthym ni beth i wneud, ac y bydd hynny yn digwydd'. Felly, rhyw fath o gorff cyflym yna, gyda sgiliau allweddol ar y bwrdd.

09:45

[27] **Jeremy Miles:** A chomisiynu tystiolaeth, ymchwil, ac ati?

[28] **Ms Beynon:** Ie. Mae hynny'n hanfodol. Ond rydw i'n meddwl bod tystiolaeth a gwybodaeth gyda ni. Mae cymaint o wybodaeth gyda ni a'r broblem yw nad ydym ni'n defnyddio'r wybodaeth yna i wneud unrhyw beth i ddigwydd. Felly, rydym ni'n casglu, casglu, casglu gwybodaeth, ond beth rydym ni'n ei wneud gyda'r wybodaeth? Sut mae'r wybodaeth yna, mewn gwirionedd, yn creu prosiectau sydd ar ddiwedd y dydd yn creu swyddi ac yn creu cyfoeth? Dyna'r cwestiwn mawr. Felly, mae eisiau cau'r bwlch yna rhwng y casglu mawr yma a dim lot yn digwydd ar lawr wlad.

very best people—it doesn't have to be a huge team, but a very good team—that would be able to take action and support. So, if you want to gather evidence, you can give that responsibility to an exceptional individual, and say, 'Well, this is your job of work, please do it. Go to talk to everyone and ensure that you've listened to everyone, then come back to us and tell us what to do and we'll do it'. So, it needs to be some kind of fleet of foot body, with key skills on the board.

**Jeremy Miles:** And also commission evidence, research, and so on?

**Ms Beynon:** Yes. That's vitally important. But I think we have the evidence and information. There is so much information and the problem is that we're not using that information to make anything happen. So, we're gathering and gathering information, but what do we do with that information? How does that information lead to projects that ultimately create jobs and wealth? That's the big question. So, we need to close that gap between this huge gathering of evidence that's happening and not much happening at a grass-roots level.

[29] **Jeremy Miles:** So, fydddech chi ddim yn moyn gweld gormod o bwyslais ar y broses o gomisiynu ac ati—mwy o ddelio â'r stwff sydd gyda ni yn barod a gwneud iddo fe weithio.

**Jeremy Miles:** So, you wouldn't want to see too much emphasis on the process of commissioning, but maybe more work in dealing with what we have at the moment at making that work.

[30] **Ms Beynon:** Yn union. Achos rwy'n credu ein bod ni wedi comisiynu adroddiadau—mae yna ddigon o adroddiadau yn casglu llwch ar silffoedd. Mae eisiau cymryd y dystiolaeth yna bellach a sicrhau bod rhywbeth yn digwydd.

**Ms Beynon:** Exactly. Because I think we have commissioned reports—there are plenty of reports gathering dust on shelves. We need to take that evidence now and ensure that something happens.

[31] **Mr Jones:** Buaswn i'n cytuno. Rydw i'n meddwl mai diffyg arian ydy'r broblem, nid diffyg gwybodaeth ynglŷn â lle mae problemau.

**Mr Jones:** I would agree with that. I think a lack of funds is the problem, not lack of information about where the problems exist.

[32] **Mr Stewart:** Yes, Jeremy, I was going to say, and it comes back to my first point, which is: what is the problem we're trying to fix through the national infrastructure commission? Yes, there are plenty of people out there who could give advice in terms of what we could do. What are we doing it for? We're doing it to improve the GVA of a region, of the country. Are we going to try and change the economy? Are we going to try and support the economy, because that seems to be, politically speaking, one of the main aims of the Chancellor in London—this is about growing ourselves out of difficult times rather than the austerity agenda that's been followed up to this point.

[33] So, one thing I think, in terms of their remit, they should look at is around collaboration and the work that's going on with the city regions, with the local authorities, and cross-border infrastructure projects, because there are things that we'll be reliant on in terms of what's going on in England. They will need to be mindful of that. They should be consulting with the business community and the investment community, because, again, it's all very well giving advice on things that could happen, but if they're not viable or if they're not investible, they'll never happen. In the world that we live in today, we can't rely on Governments just to give us the money; the money

has to come from elsewhere.

[34] So, all of those should be considered, and, again, we've got the Well-being of Future Generations (Wales) Act 2015. Again, there are seven principles, or seven goals in there, and I think they should be mindful of those when they are collaborating and collecting their evidence in terms of any suggestions they put out, because this, as I think Ann referred to, has to be aligned to our social infrastructure—so, what's going on in terms of building our communities and the other softer stuff that goes on.

[35] **Jeremy Miles:** Okay. I think somebody else is going to develop that question about the future generations Act a little bit later. But what are your thoughts about—so, the commission will publish reports that, presumably, will just be strategic-level reports, looking at the number of projects, and so on, and then the Government will receive that and will respond to it in some way, and it may, obviously, decide not to proceed with some things and to reschedule things, to respond in its own way. What would you like to see in that response? How would you like to see it happen? What would it look like? What level of detail would it need to include to give you the confidence in the commission?

[36] **Mr Stewart:** Again, speaking politically for a moment, I struggle a little bit with this, because, if a Government is elected to do certain things, and the commission is an advisory board, then the Government obviously doesn't have to follow that advice. Again, I assume the Government's been elected to do certain things that it's promised the people, which might be inconsistent with the advice coming from the commission. So, how do you resolve that one? But, either way, I think the work of the commission, if it's to happen, should be in the public domain. Any advice it gives the Government should be public, and any response should be public.

[37] The other thing I'm unsure of at the moment is what scrutiny there will be around the commission's work, because, again, I think that's important in terms of what the remit is and how the commission is carrying out its duties in terms of its work to advise the Government. So, I would expect, where the Government responds positively, it gives the reasons for doing so, and when it responds negatively, it equally does that. But there's a democratic deficit here, isn't there, because you might have some very well-informed people who are giving advice, which cuts across what the Government have been elected to do?

[38] **Jeremy Miles:** I suppose that goes to the heart of it, doesn't it? You've got the remit from the Government, which is elected, you've got a strategic view from the commission, and then, as you say, you've got a democratic engagement with them.

[39] Can you develop that idea of scrutiny, though, because that's interesting? What would it look like, from your point of view, for it to be effective?

[40] **Mr Stewart:** I'm not here to give answers on what scrutiny should look like, but I will try and give some pointers. The point I was trying to make there is that I assume that the commission will not only give a short-term view of what infrastructure should look like, but that long-term planning. Again, you're probably working, potentially, with five or six different Governments in that time period, so, again, how you reconcile those things is going to be a challenge. In terms of scrutiny, though, we're used to it in local authorities and I'm sure you're used to it in Government. I think it's a normal part of what any public body should be doing, especially one that's advising and influencing Government policy. So, whether that is done via the Welsh Government itself, or whether it's done via bodies who would feed in, I don't know exactly, but, certainly, I think scrutinising the work of the commission would be an important role.

[41] **Ms Beynon:** Mae yna wrthddadl o bosib i'r busnes atebolrwydd gwleidyddol yma. Hynny yw, mae isadeiledd a datblygiad economaidd yn cymryd amser hir, felly nid yw'n rhywbeth sy'n mynd i ddigwydd mewn tymor un Cynulliad neu dymor un Senedd. Rydych chi angen rhywbeth sy'n mynd i fod yna am 10, 20, 30 mlynedd i sicrhau bod y cynlluniau'n cael eu dwyn ymlaen, yn digwydd. Felly, mae yna ddadl o bosib fod y corff yma yn gallu bodoli heb fod newidiadau gwleidyddol yn amharu ar allu'r corff yma i gyrraedd y nod o gyflawni'r strategaeth. Hynny yw, y ddadl yw y byddai'r strategaeth yn cael ei chytuno gan bawb ac

**Ms Beynon:** There is a counter-argument, potentially, to this idea of political accountability. Infrastructure and economic development take a long time, so it's not something that's going to happen within the term of one Assembly, or one Senedd. You need something that's going to be there for 10, 20, 30 years to ensure that the plans do bear fruit. So, there is an argument, possibly, that this body should be able to exist without political changes impairing the ability of this body to achieve that aim of the strategy. So, the argument is that the strategy would be agreed by everyone, and this body would then go about achieving it.

wedyn byddai'r corff yma yn mynd ati i gyflawni'r strategaeth.

[42] O fy mhrofiad i yn gweithio i Gorfforaeth Datblygu Bae Caerdydd, dyna beth ddigwyddodd. Hynny yw, roedd y gorfforaeth yna am 20 mlynedd, ac fe fuon nhw am ddwy flynedd yn ysgrifennu cynllun manwl oedd yn cynnwys nid jest yr isadeiledd, ond pa safleoedd oedd yn addas i ba bwrpas, beth oedd yr effaith gymdeithasol, sut oedd y gymuned yn mynd i gydweithio, ac yn y blaen. Fe oedd yna gynllun, a fe weithiodd e achos mi oedd cytundeb gwleidyddol rhwng y Llywodraeth yn San Steffan a'r cyngor lleol lawr yng Nghaerdydd ar y pryd—un yn Llafur, un yn Geidwadwyr—ac fe lwyddon nhw i ddod at ei gilydd i greu endid oedd yn gallu goroesi a bodoli, beth bynnag oedd y newidiadau gwleidyddol. Roedd hynny wedyn yn eich galluogi i ddelifro cynllun tymor hir. Mae'n anodd iawn i chi ddelifro rhywbeth sy'n isadeiledd ac yn ddatblygu economaidd o fewn cyfnod o bedair neu bum mlynedd.

From my experience of working with the Cardiff Bay Development Corporation, that's what happened. The corporation existed for 20 years, and they spent two years writing a detailed plan that included not just the infrastructure, but what sites were available for what purpose, what the social effect would be, how the community would collaborate with the scheme. There was a plan, and it worked, because there was political agreement between the Government in Westminster and the local authority in Cardiff at the time—one Labour and one Conservative—and they succeeded in coming together to create an entity that could survive and exist, whatever the political changes were. That enabled them then to deliver a long-term scheme. It's very difficult to deliver something that's economic development and infrastructure within four or five years.

[43] **Russell George:** Can I ask Councillor Rob—you mentioned the future generations commissioner; how should the commissioner work with the commission?

[44] **Mr Stewart:** Well, again, there has to be integration between the two, because, again, the future generations Act is one that tries to provide for future generations in a sustainable manner. Again, I would assume that the work of the infrastructure commission would be about giving a sustainable infrastructure plan that can be delivered over a period of time, as Ann has referred to. So, they have to work closely. I'm not sure of the mechanism for engagement—that's one of the questions that we have in terms of how the



engagement works not just with the commissioner, but between other bodies and the commission.

[45] **Russell George:** And should the commissioner, perhaps, also be responsible for holding the commission to account on the well-being goals? Have you got a view on that?

[46] **Mr Stewart:** I assume the commissioner would, yes.

[47] **Russell George:** Should he have a specific responsibility, though, to ultimately hold the commission to the well-being goals?

[48] **Mr Stewart:** Yes.

[49] **Russell George:** Yes. Okay. There we are. Any other views on the panel?

[50] **Ms Beynon:** A allaf i jest grybwyll y ddeddf amgylchedd, yr ydw i'n gwybod roeddech chi, Gadeirydd, yn rhan ohono? Mae Cyfoeth Naturiol Cymru ar hyn o bryd yn gweithio'n galed iawn ar ei gynllun cenedlaethol, sydd wedi ei gyhoeddi, ac ar y datganiadau rhanbarthol yma. Rwy'n meddwl ei bod hi'n bwysig cymryd y rheini i ystyriaeth, ac mae'n rhaid i mi ddweud fy mod i'n gallu gweld bod Cyfoeth Naturiol Cymru yn gweithio'n galed iawn i siarad gyda'r rhanddeiliaid i gyd yn y maes, gan gynnwys y diwydiant, ac eu bod nhw'n disgwyl hefyd bod y diwydiant a'r rhanddeiliaid yn cyd-ddelifro beth sy'n digwydd. Felly, rydw i'n meddwl bod eisiau cofio hefyd am y gwaith sy'n cael ei wneud gan Cyfoeth Naturiol Cymru yn y maes yma, yn arbennig am eu bod nhw'n datblygu cynlluniau sydd yn gymharol leol.

**Ms Beynon:** Can I just perhaps mention the environment Act, which I know, Chair, you were a part of? Natural Resources Wales is currently working very hard on its national plan, which has been published, and on the regional statements within it. I think it's important to consider those, and I can see that Natural Resources Wales are working extremely hard in order to speak with all stakeholders in the area, including industry, and that they also expect industry and stakeholders to deliver jointly what is happening. So, I do think we need to remember about the work of Natural Resources Wales in this area, especially as they are developing plans that are relatively local.

[51] **Russell George:** Thank you. Hannah Blythyn.

[52] **Hannah Blythyn:** Thanks. You've spoken about the need for simplification of how we approach economic development in Wales, but also the comprehensive regional plans and the importance of them being brought together. So, I guess my first question is: how would the regional bodies would work with the commission, and what are the potential challenges that you see in that relationship?

[53] **Mr Stewart:** Can I take that one first? I think the challenge is that the Cardiff capital deal has already been signed, and I understand that they're working to define their major projects at the present time. The Swansea-based city region isn't signed yet, but we hope to sign in the next couple of months, and we have already defined all 11 projects. Much of this is already in place and being delivered, so the question is: how would the infrastructure commission affect that? If the north Wales deal also gets signed, then you've got large parts of Wales and the majority of the population areas covered by existing city deals that have large parts of infrastructure.

[54] The deals are signed on the basis that those regions are going to deliver, or they won't get the money from both Governments, so how would you affect plans that have already been signed? I think it's a real tricky one. Again, I come back to my question of what's the value added in that respect. I guess, in terms of more general advice covering the whole of Wales and how the regions sit together and how they connect to one another, in the Cardiff capital region, if the metro was to be extended post the city deal to other areas, then again that could be something that the commission could potentially be involved in. But I struggle to see how they would affect the plans currently, because they are either signed or very close to being signed by both Governments.

[55] **Ms Beynon:** Fy nealltwriaeth i, **Ms Beynon:** My understanding is, o siarad gydag awdurdodau lleol yn y having spoken to local authorities in de-ddwyrain, yw eu bod yn disgwyl, the south-east, that they expect, if os yw popeth yn mynd yn dda, y everything goes well, that they will byddan nhw'n llofnodi sign off the governance llywodraethiant ar gyfer dinas- arrangements for the Cardiff city ranbarth Caerdydd tua mis Chwefror. region around February. That's what they're working to at the moment. Dyna maen nhw'n gweithio tuag ato they're working to at the moment. ar hyn o bryd. So, mae pwynt Rob yn So, Rob's point is perfectly correct.

hollol gywir. Mae hynny ar waith That's happening now, so we do nawr, felly mae angen cymryd hynny i need to consider that. ystyriaeth.

[56] **Mr Jones:** I think there's a tendency that, whenever an opportunity for funding comes available, everybody rushes around and digs out the list of all the projects they always wanted to see happen. Then there's big bun fights amongst all the bodies to secure whatever limited resource that goes beyond that. I think what we're striving to try and achieve at the regional level is to go beyond that and develop a kind of maturity of relationship where there's a recognition that not everybody's going to get a slice or an equal slice of everything, but there are some projects that are essential for the benefit of all, either in terms of economic growth or in terms of congestion reduction, or whatever it may be. So, there's a long way to go to get to that, because everybody always wants a slice of everything, don't they? There's a long way to go but, at a regional level, that's very much the approach that I think is trying to be fostered. Certainly, the way that we've been trying to engage up in north Wales has been around trying to get to that position. How you bring that together on a national level then, I think, is really what's at the root of the question as to whether a commission is needed or whether that judge-and-jury role sits within Welsh Government.

[57] **Hannah Blythyn:** Do you think, perhaps, if a national infrastructure commission is established, in terms of the make-up of it, there should be regional representation on that commission?

[58] **Mr Jones:** I would say 'yes'. Speaking from a purely north Wales perspective, there's a strong view, I think, from us restless natives, that we're at the end of everybody's queue, really. We're at the end of the queue in Wales and Wales tends to be at the end of the queue in the UK, so we tend not to get very much of anything from anybody. Bit of an unfair point—I'm sure there are lots of other people who feel the same way. But, yes, you would expect there to be regional representation and you would expect the commission to be unbiased in terms of the process that it has to ensure that, whenever investment decisions are made, there's a good business case, which would achieve the outcomes placed on the commission and which has a good chance of getting funding.

[59] **Russell George:** Mark Isherwood.

[60] **Mark Isherwood:** If I may, just developing on that, Iwan, obviously,

you've provided a model of how councils, cross-party, can work together with the business sector and cross-border partners in academia, and your vision went to both Governments. In terms of the Welsh Government, you asked for the internal devolution of some powers to north Wales. If that were to happen, which I hope it will, how would that fit in with a national infrastructure body, given that some of the powers that it might be exercising, to advise and influence Welsh Government, actually would be needed to be focused more on you? Secondly, in terms of UK Government, I understand that they've come back asking for further detail on priorities. I wonder if you could tell us where you're up to with that.

[61] **Mr Jones:** What we sought to try and do in north Wales is to go beyond this bun fight over the shopping-list-type approach for everybody's pet projects. So, we actually set out to try and put an economic vision in place for north Wales and then work backwards from that in terms of how infrastructure, skills, strategic sites and all that stuff sits within the ability to achieve the outcomes set within that vision. Yes, there is an ask in there for devolved powers. The answer to your question really depends on how ambitious the approach is in relation to establishing the commission. If it's purely an advisory body, then I don't see that there's a tension between those two. If the intention is to go beyond being an advisory body, then you don't need a regional delivery and a national delivery entity; you'd probably look to have one.

10:00

[62] The situation is complicated for us, because of the cross-border issue. I know there's a cross-border economy in south Wales and into the south-west, but I think that the specific issues that we've got in north Wales, north-east Wales in particular, where you've got this huge daily migration of people across the border, and a business community that just doesn't recognise the border as being in existence, are particular issues that we've got to deal with. There has to be a cross-border approach. We've got to work with the Liverpool city region, we've got to work with colleagues in Chester and Warrington, and we've got to work, increasingly, with the Northern Powerhouse around ensuring that infrastructure is—well, not just infrastructure, but infrastructure and services are fully joined up across that border. That's quite complicated in a devolved environment.

[63] What we're trying to do is focus on processes that identify what the strategic priorities are, rather than arguing about the governance to start

with. The governance can always follow on when we've identified what it is that we need to deliver, but it is difficult; it is very difficult.

[64] **Mark Isherwood:** Where are you up to in terms of going back to UK Government with further detail on priorities?

[65] **Mr Jones:** That's a piece of work that we are working on. If there's a criticism of the growth vision, it's quite a long-term list. There are an awful lot of projects in there and there's a very big price tag attached to the delivery of all of that. So, we're actively working through the process now of trying to prioritise exactly what are the key strategic interventions that are necessary, and the reality is that we probably need to focus on one or two smaller-scale projects to start with—almost to develop the proof of concept before we get involved in some of the more complex issues, particularly when they might involve two or three bodies from different sides of the border with different funding regimes and different governance structures coming together to deliver a specific set of projects.

[66] **Russell George:** Vikki Howells.

[67] **Vikki Howells:** Thank you, Chair. To my mind, the most important objective of a commission should be to seek to improve the quality of life for everyone living or working in Wales, and I can see from the submission, Mr Prys Jones, from the North Wales Economic Ambition Board, that those words are echoed in your submission. The Welsh Government has proposed that the commission should focus solely on economic infrastructure, and I wonder what views all of you on the panel had on that. Would that curtail the commission's ability to really make a positive difference on the ground, when social infrastructure is so bound up with economic infrastructure and the future of our communities?

[68] **Mr Jones:** I think you've almost answered your own question in there. As I said at the outset, I think the tendency has been to focus on infrastructure as being road schemes or rail schemes or what have you, and the reality is that it's much more complicated than that. Economic growth depends as much on housing and land for employment and the quality-of-life aspects as it does on a road scheme or a new piece of drainage infrastructure. So, the plan has to be holistic.

[69] One of the starting points, I think, for the piece of work that we did in north Wales was to try and understand what it is that's led to the economic

performance of north Wales being consistently about 25 per cent below UK GVA average for the last 20 some years and what would we need to do as a group of public sector and private sector bodies to change that long-term trend? Actually, that then triggers a really fundamental series of questions around: is that pursuit of economic growth, in those terms, actually what some of our communities really want? Because there's no doubt that some of the implications of chasing that—of closing the gap on economic growth—might actually have profound consequences for some of our communities. I don't have an answer to any of that, but it's all wrapped up in part of the series of discussions that we've been trying to have up in north Wales.

[70] **Russell George:** Hefin David.

[71] **Hefin David:** Sorry, I don't mean to interrupt your line of questioning, but, just given what you said about broadening the remit for the social infrastructure, doesn't that open up more opportunity for conflict with local planning authorities? I know, from experience as a councillor of nearly 10 years, how difficult it is for cross-border working just between one or two authorities. Aren't you creating opportunity for conflict with that?

[72] **Mr Jones:** I think that's what I was alluding to in what I said about the negative consequences of growth on some of our communities. If you want to close the GVA gap with the rest of the UK, there are only two real ways of doing it: you're either going to have to substantially increase the value of the jobs within a community, or your population is going to grow. It might be a bit of both, but, somewhere between those two scenarios, that's how you're going to close the productivity gap with the rest of the UK. For some of our communities, population growth is a really difficult issue to deal with, and there needs to be that maturity of discussion, I think, in terms of how economic growth and infrastructure come together. And you're right, the land-use planning thing is critical in that, in the mix, and there's a great deal of sensitivity around that, particularly in some Welsh-speaking communities or in some communities that don't necessarily want to see population growth.

[73] **Hefin David:** Yes, well, my experience is that land-use growth tends to be closest to Cardiff, and the northern Valleys are largely neglected.

[74] **Ms Beynon:** Dyna pam rwy'n **Ms Beynon:** That's why I go back to mynd yn ôl i'r pwynt cychwynnol my initial point about having a plan. ynglŷn â chynllun. O ddatblygu In developing a comprehensive plan,

cynllun cynhwysfawr, byddech chi'n disgrifio pa safleoedd yn union ym Mhen y Cymoedd ac yng nghanol y Cymoedd fyddai'n cael eu blaenoriaethu. Rydym ni wedi gwneud gwaith dan fwrdd dinas-ranbarth Caerdydd ar safleoedd. Mae Jones Lang LaSalle wedi gwneud y gwaith yna i ni, ac rydym ni'n gwybod yn barod beth yw'r bwlch yn y farchnad o ran safleoedd i gwmnïau bach, canolig a mawr. Felly, rydym ni bron yna yn nhermau disgrifio lle y byddech chi, felly, yn gwario arian a beth fyddai'r pecyn y byddech chi'n mynd ag ef i'r farchnad i gael buddsoddiad. Lle rydym ni wedi cyrraedd yw'r syniad bod rhaid inni ddechrau cael pecyn mawr ar gyfer yr ardal, gwerth rhyw £50 miliwn, a mynd â hwnnw i'r farchnad, ac wedyn pecynnau llai, a bod yna wedyn benderfyniad yn gorfod digwydd ar le mae'r arian cyhoeddus yn cael ei wario i gau'r bwlch lle nad yw'r buddsoddiad masnachol yn mynd i ddigwydd. Ond, oni bai eich bod chi'n dechrau disgrifio lle yn union rydych chi'n mynd i ddatblygu, ni allwch chi wneud dim byd.

[75] Rydw i'n meddwl bod yna ddealltwriaeth o'r cysylltiad rhwng buddiannau cymunedau a'r angen i dyfu'r economi. Mae yna densiynau amlwg, ond o siarad gyda'n cymunedau ni trwy'r amser—. A dyna sydd wedi bod ar goll, rydw i'n meddwl, sef cynnwys y cymunedau yna yn y sgwrs sy'n digwydd ynglŷn â beth sy'n mynd i ddigwydd i'w

you would describe what exact sites in the Heads of the Valleys and the mid Valleys would be prioritised. We've done work under the Cardiff city region board on sites. Jones Lang LaSalle has been doing this work for us, and we know already what the gap in the market is in terms of sites for SMEs and large companies. So we're almost there in terms of describing where you would spend funds and what the package would be that you would take to market for investment. Where we've reached is the idea that we need to start having this large-scale package for the area of around £50 million, and then smaller packages, and then a decision has to be made about where the public funds are spent to close the gaps where this commercial investment isn't going to happen. But unless you start describing where exactly you are going to develop, then you can't do anything.

So, I think that there's an understanding of the link between community benefits and the need to grow the economy. There are clear tensions there, but from talking to the communities—. And that's what's been missing hitherto, I think, namely including those communities in the discussion that happens about what's going to happen to their

cymuned nhw, fel eu bod nhw'n teimlo eu bod nhw'n cael eu cynnwys, ac nad yw pethau'n cael eu gwneud iddyn nhw, ond eu bod nhw'n rhan o rywbeth sy'n digwydd. Rwy'n meddwl bod yn rhaid inni gyrraedd hynny. Nid oes digon o ddeialog wedi bod yn digwydd ar lawr gwlad gyda'r bobl o fewn y cymunedau sydd fwyaf dan straen.

community so that they feel that they are included, and that things aren't being done to them, but that they're part of what's happening. I think we need to reach that point. There's not enough dialogue been happening at a grass-roots level, including those people within those communities that are under greatest strain.

[76] **Hefin David:** That sounds like an implicit criticism of local authorities, Councillor Stewart.

[77] **Ms Beynon:** Na, pawb.

**Ms Beynon:** No, it's everyone.

[78] **Mr Stewart:** To just correct Ann on one point here, our local development plan, and I'm sure it's the same for other areas and local authorities, has been in the process of being consulted upon and worked up for 10 years. So, it's not as if people in the locality have not had a chance to input into that plan and to affect how their communities grow and prosper. But I would come back to the more substantial point that was made, which was about, 'Can you do this infrastructure without doing the social infrastructure or affecting it?' No, you can't. The point here is: how communities live, where the schools are and where the houses are, is important in terms of the infrastructure planning. I think, historically, local authorities, the 22, haven't been great in collaborating in planning terms, but, again, I'm quite supportive of Mark's suggestion around regional planning co-operation on a city region footprint, which underpins the planning that would take place to deliver the city region project.

[79] Again, for our city region, the whole thrust of the city deal is about changing the economy of the region, closing the GVA gap, bringing prosperity to the region and creating jobs. Now, it's not about building roads. It's not about building buildings. That is not the aim of the city deal. That will come as a consequence of what we're doing, but this is about entirely what you said: it's about creating that social uplift and that economic uplift in terms of what we need. I assume that the infrastructure commission, if it's set up, would want to consult with city regions in order to make sure they were aligned to that, and, to come back to the point that I didn't comment on, I think it's absolutely necessary that city regions would be



represented on the infrastructure board, because the city regions are going to be the people delivering the economic plans that have been signed with both Governments.

[80] **Russell George:** Vikki Howells.

[81] **Vikki Howells:** So, just to sum up, then, am I correct in my understanding that all three of you on the panel feel that, if the framework is too prescriptive, then it could compromise the quality of the outputs?

[82] **Mr Stewart:** My comment would be: you can't just do infrastructure in the traditional terms on its own in isolation. You would not get sensible answers out of that.

[83] **Ms Beynon:** Yes.

[84] **Mr Jones:** I think how the outcomes are framed is essential to what the commission needs to be to achieve the outcomes. It's the outcomes that should drive the process, not the other way around.

[85] **Vikki Howells:** Thank you.

[86] **Russell George:** I'm just conscious that we've got three subject areas and we do need to finish at 10:30 because we need to get some technology ready for our next session. So, Mark Isherwood.

[87] **Mark Isherwood:** Diolch. How important is it that the commission should be independent from the Welsh Government and will proposals for it to be set up as a non-statutory body deliver that?

[88] **Russell George:** Who wants to answer that? [*Laughter.*]

[89] **Mr Stewart:** I'll just repeat the comment that I made earlier: it depends what problem you're trying to fix here. Again, the city region boards will be independent from the Welsh Government. I assume, from the proposals, that the commission will be. Look, the important thing about the commission is, if it's going to be set up, that it has the right people and the right remit to effect change, and it adds value to the structures and the organisations that we already have delivering for the people of Wales. That, for me, is the nub of the question here. Independent or non-independent—I'm not convinced yet whether an independent commission is the right way to go on this or

whether the Welsh Government should continue to take control at a national level and bring together what's being done at a regional level. I need to be convinced of the argument on this one.

[90] **Russell George:** Mark.

[91] **Ms Beynon:** Byddwn i jest yn troi'r peth ar ei ben. I fynd yn ôl at bwynt Iwan: beth yw'r nod? Beth y mae rhywun yn trio ei gyflawni? Gwnawn ni dechrau gyda'r fan honno. Beth ydym ni eisiau ei gyflawni fan hyn, a beth yr ydym ni angen ei wneud i gyflawni hyn? Byddwn i'n mynd yn ôl at y pwynt bod angen symleiddio. Felly, os yw'n helpu i symleiddio, os yw'n helpu i gyflawni, dylai'r strwythur ddilyn y gallu i gyflawni.

**Ms Beynon:** I would just turn it on its head, really. Coming back to Iwan's point: what is the goal? What are we trying to achieve? And we start there. What do we want to achieve here, and what do we need to do to achieve it? I'd come back to that point about simplification. So, if it helps to simplify things, and if it helps to achieve things, the structure should follow a structure that we're able to use.

[92] **Mark Isherwood:** Before Iwan answers, could I also ask why north Wales believes that the Welsh Government may set the commission up as a non-departmental public body and what benefits, if any, you feel that might bring?

[93] **Mr Jones:** I don't think we said they should. I think we said 'they may'. I think it depends on—

[94] **Mark Isherwood:** Correct. Apologies.

[95] **Mr Jones:** I think it depends on exactly what the role of the commission will be. I think, if it's an advisory commission, frankly, I don't see any point in it being a non-devolved body. If, however, it's going to have a role to play either in terms of financing or in terms of any part of the delivery process, then I think there might be an argument for that. But that would be heavily dependent on exactly the role that the Ministers and the Welsh Government want to set out for the commission.

[96] **Mr Stewart:** Could I also say, I think one of the things that we should not do is to set up a commission just because England are setting one up? That would be a mistake. The problems and the challenges in England, with

their population, their cities, et cetera, are far different from those in Wales. I think just to duplicate because England have set one up would be the wrong action to take. We have to set up the structures and the delivery mechanisms that suit Wales, and I totally agree with Ann—it's about making sure that we simplify stuff and that we actually put in place the structures and the bodies that we need to deliver.

[97] **Mark Isherwood:** Okay. My final question: what specific areas of expertise do you believe that the commission will need, and should people be appointed by the public appointments process to achieve that?

[98] **Ms Beynon:** Gwnes i ddisgrifio **Ms Beynon:** I described earlier that I gynnuau y byddwn i'n rhestru sgiliau would list the skills related to sydd yn ymwneud â gwybodaeth o knowledge of infrastructure, but also isadeiledd, ond hefyd gwybodaeth o of economic development, especially ddatblygiadau economaidd, yn in the commercial sphere. I would list arbennig yn y byd masnachol. those skills specifically and appoint Byddwn i'n rhestru'r sgiliau yna yn according to those skills, whether the benodol ac yn apwyntio yn erbyn y commission is a body that gives sgiliau yna, boed y comisiwn yn gorff advice or is statutory. Those skills are sydd yn rhoi cyngor neu'n gorff sydd vital, and we do need to attract the yn statudol. Felly, mae'r sgiliau yna'n best people to apply for those posts. allweddol. Mae'n rhaid inni ddenu So, the other question that I would pobl dda i gynnig eu hunain gerbron. ask is: what would make those Felly, cwestiwn arall y byddwn i'n ei exceptional people who have those ofyn: beth fyddai'n gwneud i'r bobl skills want to be part of the orau, â'r sgiliau yna, eisiau bod yn commission? Why would you, as a rhan o'r comisiwn? Pam y byddech chi, sy'n berson dawnus, yn time on this commission? What can penderfynu treulio amser ar y you do? So, there is a question about comisiwn yma? Beth ydych chi'n gallu powers and people's ability to feel ei wneud? Felly, mae yna gwestiwn that they are making a difference, I ynglŷn â phwerau a gallu pobl i think. deimlo eu bod yn gwneud gwahaniaeth.

10:15

[99] **Mr Jones:** Again, it comes back to exactly what the role of the commission is. It wouldn't be unreasonable to expect a mix. I think the immediate tendency would be to think that it's stuffed full of engineers or

something like that, but actually it probably needs to be a mixture of economists, planners, financiers, and project managers/engineering-type responsibilities, depending on exactly what role is identified for the commission. So, it needs to be a broad balance. And, as I said, depending on whether it's purely all about assessing competing bids against each other, or if it's about understanding innovative funding approaches, or if it's about supporting a project delivery mechanism, each of those has got a different skill set really, and to expect a single person to be able to do all of those is quite ambitious.

[100] **Mr Stewart:** Just to add, looking at the potential sectors that it would advise on energy, transport, water and sewerage, drainage, waste, digital communications, flood and coastal erosion management, you could have a team of about 20 people there, just to cover those roles effectively. You're not going to have the same skill set to deliver digital communications as you are drainage and sewerage solutions for Wales. So, again, I just repeat what has been said. It's going to be a very long list of skills that are required to deliver this, but, of course, when you go through those, there's a lot of duplication with people already planning and doing this stuff. So, what value added is it going to bring?

[101] **Ms Beynon:** O'r rhestr yna, **Ms Beynon:** From that list, I think at least a quarter of them are already happening through NRW, and there are very good discussions happening through the Wales water forum in relation to floods, for example. So, why do we want—? To go back to the point of simplification, are we creating additional complexity by adding all of those into this responsibility?

O'r rhestr yna, mae yna eisoes o leiaf chwarter ohonyn nhw yn digwydd yn barod drwy Cyfoeth Naturiol Cymru, ac mae yna drafodaethau da iawn yn digwydd drwy fforwm dŵr Cymru ar hyn o bryd, ynglŷn â'r cwestiwn ynglŷn â llifogydd ac yn y blaen. Felly, pam ydyn ni eisiau—? I fynd yn ôl i'r pwynt o symleiddio, a ydyn ni'n creu cymhlethdod ychwanegol drwy ychwanegu'r rheini i gyd mewn i'r cyfrifoldeb yma?

[102] **Mark Isherwood:** And public appointments process, yes or no?

[103] **Ms Beynon:** Dibynnu ar y rôl. **Ms Beynon:** I think that depends on the role. If it's just consultative, then Os taw dim ond ymgynghorol, nid oes pwynt, oes e? Os yw e'n gorff I don't think there's any point, is statudol, yna byddai'n rhaid i chi gael there? But if it's a statutory body,

system agored, oni fyddai fe?

then you would have to have an open system of appointment, wouldn't you?

[104] **Russell George:** Adam Price.

[105] **Adam Price:** Mae'r cwestiwn o beth yw prif bwrpas, beth yw nod y comisiwn yma, wedi bod yn is-thema ac wedi cael ei daflu yn ôl i ni, ac mae'n un digon teg. Rwy'n croesawu hynny a dweud y gwir. Un o'n atebion i—ac mae Rob Stewart ac Iwan Prys Jones wedi cyffwrdd ar hyn—yw ehangu'r ystod o ffynonellau cyllid sydd ar gael ar gyfer buddsoddi mewn isadeiledd, a thrwy hynny gynyddu'r swm, oherwydd bod yna gyfyngiad ar y ffynonellau traddodiadol, sef Llywodraeth Cymru a chronfeydd strwythurol. Ac wrth gwrs rŷm ni, ar yr un pryd, yn gwybod bod yna alw yn y sector breifat am gronfeydd sefydliadol ar gyfer buddsoddi mewn isadeiledd, oherwydd mae'n cynnig dychweliad sefydlog dros amser hir.

**Adam Price:** The question of what the main function or aim of the commission should be has been a sub-theme that's been thrown back at us, and it's fair enough. I welcome that to be honest. One of my responses would be—and Rob Stewart and Iwan Prys Jones have already touched on this—to expand the range of funding streams that are available for investment in infrastructure, and by doing that, increasing the sum of money, because there is a restriction on the traditional sources, namely the Welsh Government and structural funds. And, at the same time, we know that there is demand in the private sector in relation to funds for investment in infrastructure, because it offers a consistent return over the long term.

[106] Felly, y cwestiwn yw: a ddylai'r comisiwn yma fod yn chwarae rôl wrth ehangu'r ffynonellau cyllid amgen mwy arloesol ar gyfer cynyddu'r buddsoddiad mewn isadeiledd?

So, my question would be: should this commission play a role in expanding the alternative and more innovative funding streams available, so as to increase the investment the infrastructure?

[107] **Ms Beynon:** Wel, mae'n mynd yn ôl eto i'r ffaith os ydych chi eisiau codi arian ar y farchnad agored—ac mae yna arian ar gael; rwy'n hollol gytûn, nid oes prinder arian—mae'n rhaid i chi gael cynnig sydd yn

**Ms Beynon:** Well, this comes back once again, of course, to the fact that if you want to raise funds on the open market—and there is money available; I agree that there is no lack of funding available—you do need to

ddeniadol. Ac mae'r cynnig fel arfer yn fwy na jest isadeiledd. Mae'r cynnig yn gorfod cynnwys pethau fel tai, safleoedd masnachol ac yn y blaen. Felly, os nad yw'r cynnig sy'n mynd i'r farchnad yn un cynhwysfawr, a mynd yn ôl i'r pwynt arall rydym ni wedi'i drafod ar y cychwyn, nid wyf yn gweld eich bod chi'n mynd i gael yr arian. Felly, mae'n rhaid iddo fe fod yn gynig holistig, a defnyddio gair Rob. Beth sydd gyda ni ddim ar hyn o bryd, neu beth rydym ei angen, yw cyflymu'r broses o fod â'r prosiectau yma'n barod, ac mae hynny'n gorfod digwydd nawr. Mae'n fater o frys bod y prosiectau hyn yn bod nawr. Ac mae marchnad MIPIIM ym mis Mawrth yn allweddol. Bydd y Northern Powerhouse yna yn bendant. Bydd dinasoedd y byd yna. Mae eisiau i Gymru fod yna, ac mae'n rhaid i ni fod yna gyda'n prosiectau ni nawr. Felly, gallwn ni ddim aros i'r comisiwn. Dyna'r broblem.

[108] **Adam Price:** Rwy'n cytuno â hynny, ond mae economegwyr yn sôn am *co-ordination failures* weithiau. Rydym yn gwybod bod y galw yna, fel rydych yn dweud, yn y marchnadoedd cyfalaf, ond a ydym ni'n cynhyrchu, fel roedd Rob Stewart yn dweud, cynigion buddsoddiadwy yma? Ac oes yna rôl i'r comisiwn ar lefel genedlaethol i weithio gyda'r cyfundrefnau rhanbarthol a dweud, 'Ocê, ble mae'r cyfleoedd?', a bod gan y comisiwn wedyn yr arbenigwyr ar yr ochr ariannol sydd yn gallu

have a proposal that is attractive. And the proposal is usually more than just infrastructure. It does have to include things like housing, commercial sites and so on. So, if that proposal that goes to the market isn't comprehensive, to go back to that point again, I don't see how you're going to get that funding. So, it has to be a holistic proposal, to use Rob's word. What we don't have at the moment, or what we need, is to hasten the process of getting these projects ready, and it has to happen now. It is urgent that these projects are ready now. The MIPIIM market to be held in March is crucial. The Northern Powerhouse will be there, most definitely. The cities of the world will be there. Wales needs to be there and we need to be there now with our projects. So, we can't wait for the commission. That's the problem.

**Adam Price:** I agree with that, but economists sometimes talk about *co-ordination failures*. The demand is there in capital markets, as you say, but are we producing, as Rob Stewart said, these investable proposals? And is there a role for the commission on a national level to work with the regional regimes and ask, 'Well, where are the opportunities?', and for the commission to have the experts on the financial side of things who can package things, and then can arrange and co-ordinate a range of

pecynnu pethau, ac yn gallu trefnu a chydlynu ystod o ffynonellau—efallai peth ohono fe yn arian cyhoeddus, ond peth ohono fe yn arian preifat—a gweithio gyda chi i roi'r cynigion yna at ei gilydd mewn ffordd sydd yn ymarferol?

[109] **Mr Stewart:** Potentially. However, just to replay the numbers in our city deal: £241 million from Government, £305 million from the public sector, £728 million from the private sector in terms of commitments. So, those discussions around alternative sources of funding have been had, as we've created the projects to deliver the deal. I'm not sure, again, what the role would be on top of that. And, again, I thought this was an advisory board, so would they be negotiating or commissioning, or bringing together potential funders? Again, that sounds me to like a role that's played at the moment by the business, investment and skills department in London, and people like Rio and others who also are helping with our city deal. They are the people directly from London helping us to do exactly the role you're talking about. But, again, that's a statutory Government role played by the departments in London to assist us, whereas you're suggesting that it would be an advisory role by people who aren't public servants.

[110] **Adam Price:** Wel, rwy'n gofyn y cwestiwn: 'A ddylai e fod yn fwy na chynghorol?' Mae yna sôn ar y lefel Brydeinig am greu banc isadeiledd a fyddai'n gorff hyd braich. Mae Canada, wrth gwrs, newydd greu un. Mae'r darpar Arlywydd Trump am greu un yn yr Unol Daleithiau. A ddylid bod swyddogaeth yna sy'n trefnu cynigion buddsoddi—*investment deals*—er mwyn cael rhagor o arian y marchnadoedd arian i mewn, ochr yn ochr gydag arian cyhoeddus, lle mae yna gyfleoedd i fuddsoddi? A ddylai fod y capasiti yna gyda ni yng Nghymru trwy'r comisiwn?

**Adam Price:** Well, I'm asking the question: 'Should it be more than an advisory body?' There is mention made on the British level about creating an infrastructure bank that would be an arm's-length body. Canada has just created one. President-elect Trump is going to create a similar body in the United States. Shouldn't there be a function of arranging investment deals in order to draw down funds from the financial markets, side by side with public funds, where there are opportunities to invest? Should there not be that capacity in Wales through the commission?

[111] **Mr Stewart:** You could potentially do that. My understanding of at least one of the models of how that works is that you have to pool some of the assets that you have, or the development land, or others, in order to make that happen. Again, if you're talking about co-operation across 22 local authorities to bank land, you'd need to have a really robust plan in order to do that, which would have to encompass and sit upon everything that the regions have done. I'm not sure that that is something potentially doable at the present time. I know it's only one model in terms of how it could work. Again, where would the control go for that asset then in terms of the actual scheme that would be rolled out?

[112] **Mr Jones:** Rwy'n credu bod yna gyfleon i fod yn llawer mwy masnachol yn y ffordd rydym yn gweithredu efo cwmnïau preifat ynglŷn â dod a datblygiad i fewn. Nid yw'r math o sgiliau a'r gallu i wneud hynny ddim bob tro yn eistedd yn gyfforddus o fewn cyrff statudol neu gyrff cyhoeddus, yn enwedig y gallu i wneud penderfyniadau sydyn, y gallu i fod yn hyblyg ynglŷn â phrosesau ariannol, a'r weledigaeth, o bosibl, i fod yn fasnachol a gweld cyfleon lle maen nhw'n dod, ac wedyn ymateb yn synhwyrol i'r rheini. Nid yw'r sgiliau yma yn eistedd yn hawdd o fewn fframwaith cyrff cyhoeddus. So, mae yna gyfle i wneud hynny. Yn amlwg, mae yna botensial i ddefnyddio gwerth tir, gwerth tai a gwerth datblygu er mwyn cyfrannu at welliannau isadeiledd, ond mae'n rhaid i ni gael proses dra gwahanol i'r hyn sy'n bodoli ar hyn o bryd os ydym yn mynd i weld hynny yn digwydd. Felly, efallai bod yna gyfle yn y maes yna i weld rhywbeth eithaf radical o'i gymharu efo'r strwythurau presennol, ond mae hynny dipyn yn wahanol i'r math o syniadaeth sydd

**Mr Jones:** I think that there are opportunities to be far more commercial in the way we work with private companies in bringing developments forward. Those types of skills and the ability to do that do not always sit comfortably within statutory bodies or public bodies, especially the ability to make quick decisions, the ability to be flexible in relation to financial processes, and the vision, maybe, to be commercial and to see opportunities wherever they may arise, and then respond sensibly to them. Those skills don't always sit comfortably within public body frameworks. So, I think there is an opportunity to do that. There is potential, of course, to use land value, housing value and development value to contribute to infrastructure improvements, but we do need to have a very different process for that than what we have at the moment if we're going to see it happen. So, maybe there is an opportunity in that area to see something quite radical in comparison with current structures, but that's rather different to the type



yna yn y dogfennau rydym ni wedi eu gweld ynglŷn â hwn ar hyn o bryd.

of ideas that we've seen in the documents about this at the moment.

[113] **Ms Beynon:** Os caf ddweud hefyd, mae yna lot o waith wedi digwydd yn y gorllewin, y dwyrain a'r gogledd ar gynlluniau rhanbarthol. Rwy'n credu y byddai'n beryglus i greu rhywbeth sydd yn tanseilio neu yn arafu'r rheini ar hyn o bryd, achos mae angen cyflymu'r rheini, mwy na dim byd. Felly, efallai bod yna ddadl dros ddweud, 'Oes, mae angen y sgiliau. Dim cwestiwn.' Efallai y dylai'r sgiliau hynny eistedd ar hyn o bryd yn y dair rhanbarth, ond bod yna gydlynu'n digwydd ar lefel genedlaethol, achos mae yna elfennau o werthu. Hefyd, mae angen gweithio gyda'r cyrff sy'n gwerthu'r Deyrnas Gyfunol dros y môr hefyd—nid dim ond meddwl am weithio gyda Llywodraeth Cymru, ond gyda'r Llywodraeth yn Llundain—i sicrhau ein bod ni yna pan fydd gwerthu elfennau o Brydain yn digwydd. Byddwn i'n tueddu i feddwl ar hyn o bryd, a derbyn beth sy'n digwydd ar lawr gwlad, fod angen i'r rhanbarthau gael eu cyfle i osod eu strwythurau yn eu lle, ac wedyn bod angen cydlynu'r rheini yn ofalus.

**Ms Beynon:** If I may say, a great deal of work has happened in the west, the east and the north on regional plans. I think it would be dangerous to create something that would undermine or slow down those processes, because we do need to accelerate those, if anything. So, perhaps there is an argument for saying, 'Yes, we do need the skills. There's no doubt about that.' But perhaps those skills should sit in the three regions, but that co-ordination should happen on a national basis, because there is an element of marketing. We also need to work with those bodies that market the United Kingdom overseas—it's not just about working with the Welsh Government, but the Government in London—to ensure that we are there when elements of the United Kingdom are being marketed. I would tend to think, accepting what is happening on the ground, that the regions should have the opportunity to put their structures in place, and then that there is a need to co-ordinate those very carefully.

[114] **Russell George:** David Rowlands.

[115] **David J. Rowlands:** One of the themes that has been mentioned time and again throughout our briefing document is the fact that, obviously, there are going to be two commissions: there is going to be the UK commission and there would be the Welsh commission. You have already mentioned cross-border matters a few times, and I would like to just drill down on that a little more. How do you think the UK and Welsh commissions could work

together on cross-border issues, such as road and rail networks and some of the non-devolved infrastructure?

[116] **Mr Jones:** I think the cross-border thing is absolutely essential. Anybody who travels down the M56 into north Wales will know that you come out of England on a reasonably good, if congested, motorway—a nice three-lane highway—and all of a sudden you have to slam your brakes on, swerve around some concrete blocks in the middle of the road and go up a hill into Wales. It is not the greatest gateway, and I think it's proof of what can happen if there isn't a joined-up approach to infrastructure provision on a cross-border basis. So, there needs to be that working relationship, and that's especially the case with rail investment, which is obviously not devolved at the moment. I think it's probably fair to say that Wales is comparatively under-served in terms of the amount of investment it gets from the national rail pot. Again, we seem to be pretty much at the end of everybody's queue. So, we do need to continue to have a UK-wide role. I think we also need to be far more astute in terms of how we use our collective voice to campaign within the UK structures for our fair share of funding, if you want to put it in those terms, and that has to be based on clear economic outcomes. That seems to be the language that is being spoken in England at the moment.

[117] **David J. Rowlands:** Following on from that, there's a suggestion that there would be a member from the UK commission on the Welsh national board. Do you think that this would help to facilitate the problems that might arise?

[118] **Ms Beynon:** A ydy e'n dibynnu ar bwy yw'r person? Hynny yw, a ydy'r person yna'n was sifil, a ydy e'n wleidydd, a ydy e'n rhywun annibynnol? Eto, mae'n dibynnu ar natur y comisiwn Prydeinig a natur y comisiwn yng Nghymru. Yn sicr, mae eisiau cydweithredu, ond nid jest un person. Dylai'r cydweithredu yna fod yn rhywbeth sy'n digwydd bob dydd, yn rhan greiddiol o'r ffordd y mae'r corff yn gweithio, rŷch chi wastad yn meddwl. Rwy'n cytuno ag Iwan: mae economi Cymru yn gweithio o'r west to east. It doesn't work north to

gorllewin i'r dwyrain. Nid yw'n south because people down here gweithio o'r de i'r gogledd achos trade more with people across the mae'r bobl lawr fan hyn yn masnachu border. In the same way, that mwy gyda'r bobl dros y ffin. Yn yr un happens in north Wales, but it isn't modd, mae hynny'n digwydd yn y so visible. That is what I would gogledd, ond nid yw mor weladwy. suggest: yes, we do need to work Dyna y byddwn i'n ei awgrymu: oes, together, but just having one mae eisiau cydweithio, ond nid yw person—. We need a culture where cael un person—. Mae eisiau we collaborate consistently. diwylliant lle rydym yn cydweithio'n gyson.

[119] **Mr Jones:** I would say 'yes', but I would also say that it's probably more important that the Welsh commission has a really strong and influential voice within the UK commission, because that's where some of the big decisions or the big money potentially lie. I think we know from experience in north Wales that, unless we put a huge amount of effort into engaging with the Northern Powerhouse or developments in England, we get forgotten about quite quickly. So, yes, by all means have a rep from the National Infrastructure Commission of the UK on the Welsh board, but let's have strong representation on the UK commission as well.

[120] **David J. Rowlands:** How do you suggest that that should come about?

[121] **Mr Jones:** I think that should be a point of agreement between the Welsh Government and the UK Government. I'm not saying that you would want that person to necessarily have a super-vote within the commission, but I think there has to be some kind of process by which investments that are essential to Wales and that enable Wales to contribute positively to the UK economy have to be heard more effectively in the UK context.

10:30

[122] **Mr Stewart:** Could I just add to that? What role are we hoping both of those individuals will play? I think that's the key point here. Again, I come back to my previous point. Just because England's having a commission, it doesn't necessarily follow that we need one. But, again, I would've thought, if a commissioner from our commission were to sit on the English one, then they would be concerned, I would've thought, solely with those issues that come across the border; they wouldn't be having a view on everything that's going on in England.

[123] But I have to say I think we've got to remember that we're a devolved nation and the messages from Government in London are quite strong, sometimes, which are: 'This is a devolved matter. The infrastructure money is coming to Wales and the Welsh Government or its commission will make its decisions'. So, I'm sure those messages will come loud and clear whichever relationship we have. There would need to be a link, I guess, between either the Welsh Government or the commission and what infrastructure decisions are made in England. But, again, I'm not clear what role we would be asking the English person to play in Wales and what we would be hoping to get out of that relationship.

[124] **Mr Jones:** Partially in response to that point, I would say that probably three of the big investment and infrastructure projects that we would want to see in north Wales are actually all in England. We'd want to see improvements to the A5 and the A483; we'd want to see improvements to the A483 and A55 junction, which happens to be in Chester, and Chester station capacity improvements are absolutely essential to running more train services in and out of Wales. So, we can invest every penny we have in investment in Welsh infrastructure, but the reality is that those constraints, which are just over the border, would prevent there being any real value of any of those investment decisions, and that's why we need to have a cross-border approach.

[125] **Russell Grant:** Have you finished your questions, David?

[126] **David J. Rowlands:** Yes.

[127] **Russell Grant:** In that case, could I say thank you to witnesses this morning? Diolch yn fawr. We're very grateful for your time this morning. You will receive a transcript of proceedings in the next few days, so please look over that and, if there are any issues, please let us know. We're grateful for your time this morning.

[128] We'll take a short break now. If we can try and be back for 10:40, because we need to start at 10:45 sharp. There are just a few issues to talk about before we start at 10:45. Okay. Thank you.

*Gohiriwyd y cyfarfod rhwng 10:32 a 10:46.  
The meeting adjourned between 10:32 and 10:46.*

**Comisiwn Seilwaith Cenedlaethol y DU—Comisiwn Seilwaith  
Cenedlaethol i Gymru (drwy gyfrwng Cynhadledd Fideo)  
UK National Infrastructure Commission—National Infrastructure  
Commission for Wales (via Video-conference)**

[129] **Russell George:** Welcome back to the second part of the infrastructure, economy and skills committee. In regard to our inquiry on the infrastructure commission, I would just like to say now our next witness before us is Philip Graham and I would perhaps ask Philip if you could just introduce yourself and your role.

[130] **Mr Graham:** Yes, of course. My name's Philip Graham, I'm the chief executive of the UK National Infrastructure Commission and have been playing that role for approximately a year now since the UK commission was first established in October last year.

[131] **Russell George:** Thank you, Philip. Perhaps I'll kick off and just ask you to highlight to us what you think are the main benefits of establishing the UK commission.

[132] **Mr Graham:** Absolutely. Well, I think it's important to track back, in terms of the history of the UK commission, to the work that was carried out before the last election by John Armitt through the Armitt review, which he carried out for the Labour Party, and also by the London School of Economics Growth Commission, which had a— John Armitt's review was looking at infrastructure planning and strategy in the UK. The LSE commission had a broader remit, looking at all of the factors that were holding back productivity growth in the UK, but it, too, paints a view that infrastructure was an absolutely crucial factor in that. Both of these organisations, both of these reviews, came to the view that one of the things that had made it difficult for the UK to progress its infrastructure strategy and to build consensus around the infrastructure projects that needed to be delivered and the policies that needed to be in place to make that happen was that infrastructure decisions have essentially been taken by politicians who were always conscious of the short-term political cycle, when actually a lot of the benefits were likely to be delivered, from any infrastructure project—given that these often take more 10 years or more to be delivered—over a much longer term. So, both reviews recognised that infrastructure is inevitably going to be a political issue. These are going to be decisions to be taken at the political level. But, by providing robust, evidence-based, independent

and, in particular, public advice on long-term infrastructure priorities to inform those political decisions, you would make it easier and provide a context in which the political decision makers could think more effectively about the long term and step away from some of the shorter term political considerations that have led to some projects in the UK going around in circles or being stuck in the mud. So, essentially, I think the benefits—and I think we're starting to see this on the back of some of the reports that we have done—are around a more evidence-based approach to infrastructure policy making, around a more consensual approach to infrastructure policy making, around an integrated approach that doesn't look at each of the infrastructure sectors in silos, but actually looks at how they work together, but, in particular, an independent approach that is based on a long-term view and based on evidence that is as strong as possible and is on as open and collaborative a process as possible.

[133] **Russell George:** Thank you, Graham. In setting up the commission, what—? Sorry, Philip, I should have said. Thank you, Philip. What international models were looked at in setting up the UK commission?

[134] **Mr Graham:** I think, certainly, John Armit, when he carried out his review, did a fairly significant review of best practice around the world in this. We, actually, ourselves, shortly after we were established, held a seminar, which the OECD helped us to run, to look at some of the international models. I think the truth of the matter is there are only a few countries that have really tried to tackle this problem in the way that we have.

[135] Singapore is extremely strong with this. It's very good at long-term planning. It's very good at thinking across infrastructure sectors and thinking about how its infrastructure interacts with its economy. On the other hand, Singapore is a fundamentally different country. It's basically a city on an island with nothing else around it and it has a very different form of Government that doesn't quite have the same democratic structures in the same way that the UK does.

[136] The best comparator that we've seen and we think the one that has had the most positive impact is Infrastructure Australia. Infrastructure Australia began as part of Government. It wasn't an independent body to begin with. It provided advice on the use of, effectively, a pot of central Government funding that could be allocated to the states in Australia for particular projects. It provided advice on how that money should be spent. It

was seen as having performed that very successfully and has subsequently been given statutory independence and a broader remit to carry out an overall assessment of infrastructure priorities across the country as a whole that could have a bigger impact on policy making.

[137] We think, from what we've seen, and we've had quite a lot of discussions with the chief executive and the senior staff there, it's performed that pretty well. Last year, it published its first ever national infrastructure assessment for Australia. That's been able to start building consensus around some of the key projects that are needed. Very much like the UK, they have a highly controversial capital city airports project that has been going backwards and forwards for many decades. On the back of their work, that's starting to move forward more quickly. They've also started to build a consensus around thinking about new ways of pricing road use and new ways of funding the roads that the country needs, particularly around some of their major cities.

[138] So, I think they have been quite successful. There are two quite important differences between the remit that they have been given and the remit that we have. One is that their remit is more short term: they've been asked to look 10 to 15 years ahead, whereas we've been asked to look ahead to 2050. The second is that we have this concept of a fiscal remit that we will need to work within. So, the Government has provided us with an indication of what level of public expenditure it thinks should be made in infrastructure over the next 30 years and it's set that as a percentage of GDP. That was set as part of the autumn statement. The Chancellor wrote to us and said that we should plan on the basis of public expenditure totalling 1 per cent to 1.2 per cent of GDP each year over the next 30 years. We then have to make recommendations within that hard limit of public funding, whereas Infrastructure Australia were simply asked to identify the full list of projects that would offer value for money if they were taken forward and to identify priorities within that.

[139] So, they don't quite have the hard limits that we are going to be forced to live within, which, of course, means we'll have to make perhaps some more harder-edged decisions about what projects we recommend and what projects we don't. But, actually, in terms of the way that they've approached their work, in terms of the evidence-based approach, in terms of some of the quality of approach, there's a lot that we can learn from them. We've been talking to them a lot.

[140] The other difference is that they don't have the second part of our remit, which is around carrying out specific infrastructure projects, but they do provide independent advice on the business case for any project submitted by one of the Australian states for federal funding. I think there's something interesting to learn there about whether getting independent advice of that kind is something that makes those decisions more robust.

[141] **Russell George:** I was struggling to see any examples in Europe of models across Europe. Are there any models at all in Europe?

[142] **Mr Graham:** We haven't come across any countries that have set up an infrastructure commission of exactly the kind that we are. We are aware of some good practice, in terms of some the evidence of the work that we'll take forward. I think, for example, the French have something called the commission for national debate, which is an independent body where major infrastructure projects are put forward, which carries out, essentially, an independent consultative process on the case for that document, the views of stakeholders and so on and provides advice to the Government that's been independently collated. I think that's quite an interesting model for how you can build consensus around these projects, but I'm not aware of a European example of an organisation exactly like ours. The best examples have tended to be in Canada, more often at the state level rather than the federal level, and Infrastructure Australia. There is a body in New Zealand as well, but that's less mature. It's in those countries we've seen organisations that are most comparable to what we have been asked to do.

[143] **Russell George:** Thank you, Philip. We've got about seven subject areas of questions, so each Member will lead a particular section. So, I'll go through each one. The first is Jeremy Miles.

[144] **Jeremy Miles:** Thank you, Chair. I'd like to ask you some questions about how the commission works in practice. You've touched already on the question of the fiscal remit—you've got the fiscal remit and you've got the remit letter. Can you just elaborate for us on how the existence and content of those two remit indications flows through, in practice, to the kind of work that you're doing, and I appreciate that you're a year in? So, in particular perhaps on the fiscal remit, how does that constrain your discussions or decision making around what you're going to recommend?

[145] **Mr Graham:** I think the fiscal remit is clearly a constraint on what we can recommend. If I talk through the way in which we're proposing to



approach our national infrastructure assessment, essentially, the first part of our work is trying to establish long-term needs for infrastructure. We're looking at how the key drivers of infrastructure need are going to develop over the long term, what some of the uncertainties are, and how we can take those in hand in building some scenarios, using the demand forecast and models that are available to us for what long-term needs we'll look at.

[146] So, we're looking at population growth and demographic change. We're thinking about the impacts of an ageing society on infrastructure requirements. We're looking at technological change, and how new technologies might either increase or manage the demand for our infrastructure, but might also increase the capability of the infrastructure to support that. We're looking at economic growth—[*Inaudible.*]— in the structure of the economy and whether that makes any difference to infrastructure need. We're looking at environmental change, and in particular the requirements of decarbonisation associated with the Climate Change Act 2008.

[147] Once we've worked through that process of identifying long-term need, in parallel, we're carrying out a series of sector reviews to effectively look at what we think business-as-usual investment, in those infrastructure sectors if the commission didn't exist, would deliver in that time period. That is going to allow us time to identify the most important gaps between where we're going to get to, if we carry on as we are now, and where we need to be. Then we'll carry out an option-generation assessment and appraisal process to look at the options that are available for plugging those gaps, some of which may be big capital investments, but many of which may be about changes to the policy framework, changes to the market structures—to enable private investors to invest—or changes in the way infrastructure is managed and operated.

[148] Where that process drives us towards capital investment, then the fiscal remit becomes quite crucial because that sets a limit on the amount of capital investment that we can recommend. While 1 per cent to 2 per cent of GDP is a fairly big number—in Cardiff's circumstances, it would be about £20 billion a year—there would clearly be, if you look at it, certainly over the next 10 to 15 years, quite significant infrastructure programmes in progress, and committed to, by the Government, which are going to swallow up quite a lot of that. That capital funding also has to cover some of the maintenance costs and other costs that accrue to our infrastructure.

[149] So, I think what we will be able to show and what we'll be looking to do is to prioritise the projects that a) are most targeted at what we think the crucial problems are going to be, and that's a piece that we're working through at the moment, and b) offer the best value for money to identify those that can be afforded most easily within the fiscal remit. I think it's worth saying that, while we have no choice but to—. It's our job to show what a programme of infrastructure investment, consistent with the fiscal remit, would look like, I think the commission would say that it will also be open to them to identify some of the constraints that sticking within that fiscal remit might present. So, I don't think they could see that it's out of their gift to say, 'This is what you can buy within your fiscal remit, but if you were to spend a certain amount more, we believe that there would be a set of projects that would offer very good value for money that could be delivered within that'. But we do have to show what the best programme of investment that is consistent with that remit would be.

11:00

[150] I think it's very important to note that the fiscal remit only applies to public investment in infrastructure. Actually, in current circumstances, that applies predominantly to transport, with a certain amount for flood defence and some slithers of funding for digital and for energy. Actually, the majority of the UK's infrastructure is privately owned and delivered and, in large part, not subject to Government subsidy or support. In those areas, it's still our job to make recommendations. We do so in the context of what is slightly confusingly referred to as the economic remit, which is not a hard limit in the way that the fiscal remit is, but is rather a requirement that we are as transparent as we can possibly be about the impact of our recommendations on the bills that consumers will pay—both individuals and businesses. I think the view is that it would be very difficult to set a hard limit in those circumstances, but that requirement on transparency is going to force the commission to be realistic about what they think it might be rational for consumers to swallow.

[151] **Russell George:** Jeremy Miles.

[152] **Jeremy Miles:** I just wanted to clarify—so, you'll be making judgments about, obviously, the availability of private finance to fund some of the things that you'll be recommending, and that may affect—. To the extent to which you can project the availability of that, that would free up the sums within the fiscal remit to fund projects that you think would be less

attractive. Is that broadly what you plan to do?

[153] **Mr Graham:** I wouldn't say that's exactly what we're trying to do. I think we are going to be looking at whether there are alternative ways of funding and financing some of the infrastructure. We might well look at whether there are alternative ways of funding and financing some of the infrastructure, which is currently fully Government funded. If there were new ways of funding it—it's important to stress 'funding' rather than 'financing'—then that might make a difference in terms of the fiscal remit, but I was more stressing the fact that, actually, a lot of recommendations might be about getting the policy framework right, and the market structures right, to enable private investment to come in in the right way and at the right pace in those sectors that aren't, even now, publicly funded.

[154] One of the biggest infrastructure challenges, it appears to the commission, that we face, is that we've got sufficient energy-generating capacity over the next couple of decades, where a large proportion of that capacity is due to reach life expiry. I think there, the answer is not about the Government going out and subsidising that, but it's about making sure that the policy frameworks are right so that that investment comes in at the time it's needed and in the way it's needed.

[155] **Jeremy Miles:** Okay, and just finally, if I may, in terms of the overall operations of the commission, what level of staffing and funding do you have at your disposal?

[156] **Mr Graham:** The plan is that we should have a staff of around about 30. We've been building up to that over the course of the past year, but we're getting very close to that level now. Actually, I suspect that, over the next year, because that's the crucial period for the preparation of our national infrastructure assessment, I think we may end up being a little bit larger than that. That's a combination of civil servants drawn from a range of departments, but particularly from the Treasury and the key infrastructure departments, such as—I was going to say the Department of Energy and Climate Change—the Department for Business, Energy and Industrial Strategy, as it is now, and the Department for Transport, the Department for Environment, Food and Rural Affairs, and secondees from regulators and from industry into the commission. So, we're a diverse team; we're not just a group of civil servants sat in a different building.

[157] In terms of the budget, that's still under discussion, but we have a

budget for this year of a little over £5 million. We're working through with the Treasury at the moment, as we move from being an interim body to a permanent body, what the right budget, going forward, ought to be. But I think it feels, on the basis of the work that we've done so far, that that kind of level—possibly slightly higher during peak periods of the work programme, for example, as we're approaching a national infrastructure assessment—which we've given to Parliament, is about the right level.

[158] **Jeremy Miles:** Thank you very much.

[159] **Russell George:** Thank you, Philip. We're going to move to a new section now, which is around your first infrastructure assessment, and Mark Isherwood is going to ask some questions around that.

[160] **Mark Isherwood:** Good morning. You've referred to your first national infrastructure assessment. What could a Welsh commission learn from your experience?

[161] **Mr Graham:** We're not very far down the line at the moment, so I wouldn't—*[Inaudible.]* I don't know if this is a fair thing to do, but my previous role was running the Airports Commission for Sir Howard Davies, which was a body that recommended expanding and providing a new runway at Heathrow Airport, which is the recommendation the Government picked up recently. A lot of the learning that I have taken into the work that we're doing on the national infrastructure assessment was drawn from that experience.

[162] I think the key lessons that I learned there were: clarity about process and providing people with an opportunity to provide views on and inform the development of the process and the methodology, as well as simply to provide views on what they think the answer at the end should be. So, we would endeavour to be very clear throughout the—*[Inaudible.]*—work, how we were going to answer the question as well as what we were trying to answer. I think you need as robust as possible a methodology, but also honesty about where economic analysis can answer the question and where judgment is going to be required and, as I've stressed a number of times already this morning—and I do think this is crucial—you need an open and collaborative approach. I think you have to talk to people, you have to be seen to talk to people, and you have to be open to the ideas that people are presenting to you. You don't end up having to—*[Inaudible.]*—with all of them, but you have to be going into those discussions in a spirit of

openness. You can't do these kinds of jobs in a black box and expect to be able to build consensus around the recommendations that you come up with at the end of that. You have to be able to show how those recommendations have come about, and you have to show that you've listened to people as you undertake them.

[163] **Mark Isherwood:** Thank you. What work are you undertaking to identify long-term infrastructure projects of strategic importance and, alongside that, how are you focusing on gaps in the evidence base and decision-making functions?

[164] **Mr Graham:** We're carrying out a series of pieces of work. The first, in terms of the long-term strategic infrastructure, is that we're beginning not by looking at projects, but by trying to focus on need. So, the first piece of work that we are undertaking, as I described earlier, is looking at what will drive changes in infrastructure need over the next 10 to 30 years and what the impact of those changes will be, and how that compares to plans that are currently in place at the moment.

[165] Alongside that, we have a very open call for evidence that's running at the moment. So, we're going to be gathering ideas for both what the problems are, but also what the potential solutions to the problems are from stakeholders across the piece, but we're also engaged in an ongoing discussion with both the key infrastructure departments within Government, with the regulators who deal with this, and also with the major infrastructure owners and operators about what they see as being the strategic projects and the changes to the policy and planning frameworks that could enable us to meet this. So, we're carrying out that work.

[166] It's also important to note that, alongside our work on the national infrastructure assessment, we carry out specific studies into particular infrastructure challenges, and that actually feeds directly into the national infrastructure assessment work. So, we have carried out a piece of work on the long-term transport infrastructure needs of London, and the analysis that we did there suggested that, ultimately, a scheme like Crossrail 2, or a scheme very similar to it, is going to be needed in the late 2020s or 2030s. That will then feed into the national infrastructure assessment so that we can look at how that project relates to the other things that we see as priorities.

[167] Similarly, our work on the energy sector identified, through a specific study, that, while there is a long-term need for generating capacity, that

need can be significantly mitigated by creating a more flexible energy system. So, again, that will feed into the national infrastructure assessment. So, I think the way in which these two parts of our remit interact is quite important.

[168] **Mark Isherwood:** Thank you. My final question: what influence do you expect your infrastructure assessment to have on the UK Government's long-term infrastructure planning?

[169] **Mr Graham:** It's very difficult for me to say. Again, as a civil servant, I can't speculate on what Ministers are going to do, but I think there is already a change as a result of this in the sense that if you look at the UK Government's infrastructure pipeline, and the policies associated with that, I think essentially it looks out for about 10 years, with a small number of marquee projects like Hinkley and HS2 that stretch out beyond that, perhaps into the early 2030s. Beyond that, it's a black hole. There is no policy beyond that. Actually, I think we are already changing the picture, because we are forcing, through the work that we're doing and the engagement that we're having, the Government, the regulators and the infrastructure bodies to think long term and to think about what the next set of priorities would be, and indeed whether that programme that will take place over the short to medium term is going to be pointing you in the right direction.

[170] So, I can't say for certain whether Ministers are going to accept our recommendations, but we're going to be working as hard as we possibly can and doing as strong a job as we possibly can to put them in a position where it would be foolish for them not to. But I think the mere fact that we're going to be making recommendations that take that genuinely long-term view is going to change the way in which infrastructure is thought about in this country. So, I think that is an impact that will necessarily happen, and is already starting to filter through.

[171] **Russell George:** Thank you, Philip. I'll move now to Hefin David, who's got a new line of questioning.

[172] **Hefin David:** I think that Mark Isherwood has kind of addressed the question of influence on UK Government, but you talk of an open and collaborative approach. How do you ensure that that open and collaborative approach engages with local government?

[173] **Mr Graham:** We're spending a lot of time talking to local government

through our programme of studies. Also, part of our engagement programme that we have under way at the moment is a series of visits to each of what were once known as the regions of the UK. We're also planning on coming to Scotland, to Wales and to Northern Ireland over the course of, probably, the next six months of next year. In the course of those visits, we're sitting down with local authority leaders and senior local authority officials from across each of the regions, and we're sitting down with a broader group of stakeholders that the local authorities have helped us to pull together—that's generally business representatives, it's often universities, it may be infrastructure owners and operators who are based in those regions—to get a clear sense of the local priorities.

[174] I think one of the things that will be interesting as this plays forward is whether our recommendations shape policy-making on a local level as well as the national level. I hope that they will. We don't have the same requirements upon local government or combined authorities to respond to our recommendations in the way that national Government does, but I hope ultimately that the impact of our work is going to be based on the quality of the work, not on what is said in the legislation or what the rules and regulations say. I hope that if our work is good enough, and has been open and collaborative enough, then local authorities will look at what we're saying and see the value in it, and it will help them to set their own long-term agenda and plan well for the future.

[175] **Hefin David:** Do you think you can assist with cross-working across local authority borders as well, or is that a bit of a narrow remit?

[176] **Mr Graham:** No, I think it can. I think we're setting quite a high-level framework. We're a group of 30 people and we're trying to look across seven different infrastructure sectors in the entirety of the country, so we are going to be working at this at quite a high level. But if you can get that high-level framework in place, so that different authorities on either side of the border, whether that's Wales and the UK or whether that's Manchester and Leeds, can agree to that broad framework, then that should help them to draw up integrated plans that work on both sides of the divide.

[177] **Russell George:** Adam Price.

[178] **Adam Price:** I'd like to turn to the question of the independence of the commission from the Government. Sir John Armitt, to whom you've already referred, in his review, I believe, commissioned by the last Labour

Government, which led to the establishment of the commission, made a strong case for it to be established on a statutory basis in order to give it the focus on the long term—free from the short-term vagaries of politics and politicians. Now that you don't have that statutory underpinning, how is the commission going to insulate itself from the capriciousness of people like us, I suppose?

11:15

[179] **Mr Graham:** There is a whole spectrum of views about whether the decision of the Government not to proceed with the legislation that had previously been planned was the right decision. Certainly, some of our stakeholders, as you've said, have referred back to the work that John and his team did as part of their review, and see that, and look upon where we've ended up now as a weakening.

[180] There are factors that the loss of statutory status makes a change to. I think permanence, which is a critical thing, is one of those. Ultimately, if the establishment of the commission isn't taken forward through statute, then the commission can be disestablished without statute. I think there is a perception issue around that, which some of our stakeholders have picked up on. Actually, in terms of the independent operation of the commission, I think that we have ended up in a place where that's quite well safeguarded. Although the legal term for our new status is 'executive agency', we're not an executive agency in any normal sense. An executive agency, normally, is a body that carries out the executive functions of a Government department and is directly beholden to that Government department to do so.

[181] The UK passport agency, for example, is told by the Home Office exactly how many passports it should issue and what they should look like, and it has a service-level agreement. We are in a very different situation. We're a different kind of body. The crucial factor for us is that the Government has published what it calls the charter for the National Infrastructure Commission, which sets out very clearly the roles and responsibilities of the commission in carrying out its work and of Government in terms of setting the remit for that work and in terms of responding to that work. But in terms of letting the commission carry out that work independently, that document—which is published, which is up on our website and the Treasury's website—crucially says that we have complete discretion, within the remit Government sets us, to set our own work programme, identify our own methodologies, reach our own



recommendations, and agree the content of our documents and our public statements.

[182] So, effectively, the charter is providing exactly the same framework of independence that the legislation was intending to provide to us. And if there's a downside in terms of loss of permanence, I think there's an upside in the fact that we've got—without people having to go through the process of taking the Bill through Parliament—there's a certainty and a speed and a pace at which we can get that in place, which is much quicker and much further than would have been the case if the Bill had to work its way through Parliament over the course of six months. So, I think there are upsides and downsides to this, but I think the charter gives us the space that we need to do our work and to hold the Government to account on whether it takes our recommendations forward and how speedily it does so.

[183] **Adam Price:** One of the comments made by Lord Kinnock, for example, in response to the decision not to make the commission a statutory body, was that it diminished its credibility, which I think relates to your point about permanence, and that that would, for example, have an effect on the ability of the commission to recruit experts of a sufficient calibre. Has that been borne out by your experience?

[184] **Mr Graham:** In terms of our ability to recruit, no. Just as an example of that, we very recently announced that we have put in place two expert panels to support our work and to provide access to leading-edge expertise, both in terms of the economic and analytical side of our work, but also in terms of the technical aspects of our work—engineering, planning, environmental analysis and so on. I think we've pooled groups of some of the leading experts in the country together on those and those people have been very, very keen to support the work of the commission and to give their time to it. So, I think that, no, I haven't seen that. I think that the mere fact that Lord Kinnock is making those remarks does indicate that there is an impact from these kinds of changes, and there is an impact in the short term. I think that, in the long term, whatever the status the commission is going to be—whether it is statutory, whether it is non-statutory, whether it's an NDPB, whether it's an executive agency—it will be the quality and the impact of our work that builds our credibility. The legal status of the body will only be at the forefront of people's minds temporarily. It will be the quality of our work, the quality of our recommendations, and the impact and influence of that that make us credible or not credible.

[185] **Adam Price:** Finally, I read that you were located physically in the City of London and not in a Government office, or certainly not in Whitehall. Do you think that that's a useful contribution to creating the perception of independence that you want to create?

[186] **Mr Graham:** Broadly speaking, yes, I do. For the first few months of our existence, we were based inside the Treasury building because we were—and, formally, still are—a part of the Treasury until the move to an executive agency happens. I think it was very difficult, when our stakeholders came in to speak to us and when we were out presenting our work and talking to the communities that we needed to deal with, to make the case that we were genuinely an independent body, when we were sitting inside the same four walls as the people who were meant to be scrutinising and responding to us. Getting out of the Treasury building was crucial. I actually think that getting out of Whitehall has been important as well. We shouldn't just be recreating the work of the civil service in a different building. We should be building new networks and new relationships with industry, with some of our stakeholders in other areas—the planning bodies, the environmental NGOs, and local government. We should be seen to be separate. Actually, I have seen a change in mindset in terms of the commission, but particularly the team that I have working with me. We feel much more separate and independent as a result of that step away from the Whitehall melee. There are upsides and downsides. Ultimately, our job is to influence Government, and we do spend rather a lot of time on the Circle line, going backwards and forwards. But I think it does make a difference, to be away from that.

[187] **Russell George:** Vikki Howells.

[188] **Vikki Howells:** I'd just like to ask a question based around the potential impact of infrastructure decisions on housing supply works. I was wondering what work the UK commission has done, in conjunction with the UK Government's policy that housing is delivered through local plans?

[189] **Mr Graham:** We don't have a remit to give direct recommendations on housing, but we have a very specific remit as part of the remit provided by Government to look directly, exactly as you put it, at the interactions between infrastructure provision and housing supply. In terms of our national infrastructure assessment, we are at a relatively early stage in that process, but we are much more advanced in terms of looking at the interaction between those issues in the work that we have been doing on the Oxford–Milton Keynes–Cambridge corridor, which is one of the areas of the

country that has the greatest challenges in terms of housing supply. It has some of the most unaffordable housing markets in the entire country, and we have heard from businesses in those areas that housing unaffordability is already becoming a brake on their ability to recruit and retain the staff that they need. What we have found is that, in many ways, for reasons of bureaucratic structure, housing and infrastructure are not often being thought of strategically as a piece. Often, you find out that transport planners want to know where the housing is going to go so that they can plan their transport routes in that direction, but the local authorities that have to produce the plans for housing are asking where the transport routes are going to go. You end up in a vicious circle where no-one is able to take an effective decision because everyone is waiting for the other person to do their work. So, what we are trying to do through our work on that corridor is to bring those groups of people together to facilitate a more sensible dialogue. Actually, we are aiming to produce by the end of that project a sort of shared vision that the local authorities across that country and the transport infrastructure owners and operators are all signed up to that links investment in new infrastructure across that corridor and particularly new east-west links, which are what seem to be sorely lacking at the moment, with a joined-up plan for housing that maximises the opportunities that new infrastructure would provide.

[190] **Vikki Howells:** Thank you.

[191] **Russell George:** David Rowlands.

[192] **David J. Rowlands:** Good morning, Philip. One of the most crucial factors in deciding whether we should have a commission in Wales is the ability to interact with the UK commission, particularly when you're talking about areas of infrastructure where central and devolved Government responsibilities react. Can you tell me whether there's been any joint working or discussion between the UK commission and the Welsh Government so far?

[193] **Mr Graham:** The short answer is 'not so far', but it is a clear part of our work programme that this is something that we are going to need to do, and we're expecting, as I was saying in response to one of the earlier questions—we're engaging in a process of visits and knowledge building about infrastructure priorities, both around the different regions of England, but also the different areas of Wales, Scotland and Northern Ireland. We are expecting to come across to Wales in the early part of next year to begin those discussions.

[194] **David J. Rowlands:** Obviously, such things as rail networks are crucial in this matter, aren't they? Do you see any problems with working in those sorts of areas with a commission?

[195] **Mr Graham:** The rail networks are clearly crucial, and, no, I don't see any problem of that kind. I expect that we will have a very open and very sensible dialogue. I think it's worth saying, ultimately, we work for our commission, and if the commission reaches a different view from the Welsh Government, then that is their prerogative. But, really, from the point of view of my team, I want to minimise that if at all possible. I want to be working to a point where we all share a similar evidence base, and we have all worked through it in the right way, and we have a shared view about what the priorities are going to be.

[196] But it's not just road and rail. I think that we need to look towards the long-term energy mix, and as we look towards long-term sustainability in terms of water supply, different regions of the country are going to have different strengths and different weaknesses. I know Wales has been looking to promote—has been working with the UK Government on the potential for tidal energy, for example, which isn't necessarily something that would be picked up in other areas of the country. We need to make sure that we're taking that into account as we think about the viability of different sources of energy supply to contribute to the overall mix going forward. I suspect there are similar issues in water; there may even be similar ones in digital, but I'm not as far advanced in my thinking about that.

[197] **David J. Rowlands:** It's been mooted that we might have a Welsh commission member on the UK commission. Would that in any way—? Do you see that as a possibility, and perhaps, vice versa, one of your commission members being on the Welsh commission?

[198] **Mr Graham:** I think this wouldn't be for me, or indeed for the commission. The membership of our commission is the responsibility of the Chancellor, although he does obviously discuss these matters with the chair, as you would expect. I think the thing that I would say quite strongly, and which I know is picked up in the Welsh Government's consultation on your own proposals for a national infrastructure commission, is that I think it would be dangerous to get into a situation where you're appointing commissioners to represent particular constituencies or points of view, not least because, by the time you start clocking up the number of constituencies

and the number of points of view that you might want to have represented, it's not very difficult to end up with a commission of 50 people. I think this has to be a group of commissioners who are brought together on account of their individual experience and expertise—a balanced panel that brings a range of different backgrounds and viewpoints—but a group of sufficiently small size—and we have said that our commission should be no more than a dozen—so that you can actually reach the judgments that you need to reach, and you can build the consensus around those judgments.

11:30

[199] So, I wouldn't rule out the idea that there might be someone from Wales who at some point ends up being on the commission, but I would be very cautious about the idea that there should be a Welsh commissioner on the National Infrastructure Commission, just as I would be quite cautious about the idea that there should be an English commissioner or a UK commissioner as a member of your commission. I think you need to get the right group of people and I would be nervous about building it on the basis of separate representative interests.

[200] **David J. Rowlands:** Thank you for that. Lastly, obviously, there is great scope for evidence gathering and research, which may be transferred between one commission and another. Do you see an opportunity for that?

[201] **Mr Graham:** Absolutely. I mean, we would, over time—. As your own body is established and as it builds up its capability and its evidence base, we, I think, would almost inevitably see you as the experts on evidence and data on infrastructure in Wales. Similarly, if not simply in terms of our relationship with the national infrastructure commission for Wales, but broadly in the way in which we try and do our business as a whole, we would expect to be quite open and transparent about the evidence that we're using and the analytical techniques that we're using, and we'd be open to challenge about those if you felt they needed to be challenged.

[202] **David J. Rowlands:** Thank you very much, Mr Graham.

[203] **Russell George:** Thank you, Philip. I was just considering your last comments with regard to a Welsh representative on the commission. I understand your point about a member not representing a particular area, but with regard to the number of cross-border schemes in England and Wales, in that context, wouldn't it be beneficial to have a Welsh perspective

in that regard?

[204] **Mr Graham:** I think it's important that the commission—*[Inaudible.]*—and can engage properly with the Welsh perspective. That might be—. As I said, in my view, it would be a decision for the Chancellor and the Treasury to invite someone to join the commission to provide that perspective. I think there are other ways in which that perspective can be gained. You could invite someone to join a—*[Inaudible.]*—to come along to a—*[Inaudible.]*—meetings to present that. So, far, we've had people from a number of infrastructure sectors who've come to talk about how those work and there's no reason why the commission couldn't have sessions on a regional basis or with the devolved administrations to talk about that. It could be through similar arrangements to the expert panels that we've put together, whereby you're—*[Inaudible.]*—have people on whose expertise they can draw and who can be invited in to talk to particular commissioners if needed. I don't disagree for a second that we need to understand the Welsh perspective. One way of doing that might be through inviting someone to join the commission, but I think there are others as well.

[205] **Russell George:** Hannah Blythyn.

[206] **Hannah Blythyn:** Thank you. In the earlier session this morning, we heard from representatives of a number of regional bodies. On that, I'm keen to hear today how the UK commission so far has, perhaps, engaged in and co-ordinated with regional bodies and stakeholders. I know it's quite early days, still, but are there any lessons learnt that you're able to share with us, or even best practice in that area?

[207] **Mr Graham:** I think it is early days. The best and fullest experience that we have is through the work that we've done with particular regions about the particular studies that we carried out. So, earlier in the discussion, I mentioned the work that we've been doing on the Oxford–Cambridge corridor. We had a similar experience in terms of our work on transport infrastructure in northern England, and there I would say there are a set of lessons learnt, some of which are pretty obvious and probably don't need saying, but the first of which is: get out and go and see those people where they work and in their own towns and cities—don't expect them to come to you—and make sure that you're not just talking to people, but you're actually visiting them and seeing the things that they're concerned about. Andrew Adonis spent a day travelling across pretty much the entirety of the northern rail network to get a first-hand understanding of the congestion issues, the

journey-time issues and so on. So, I think those are important lessons.

[208] The other thing that we have very much encouraged and tried to steer and facilitate the local authorities and stakeholders towards is to build a shared view of what the priorities are. That's often very difficult and sometimes it's been more successful, sometimes less successful. But I think both in the north and in the Oxford–Milton Keynes–Cambridge corridor, partly as a result of us being in existence and doing this work but also through encouragement trying to identify shared interests and so on, I think we did move to a point where there was a clearer consensus about what the priorities would be, and when bodies provided submissions into our consultations and calls for evidence we were able to get them, in many cases, to provide joint submissions rather than have a whole set of different submissions from different bodies presenting completely different perspectives. So, I think that has been a success. It's hard work—it requires work both on the part of the authorities and it also requires work on the part of the commission itself to try and identify the joins that can be made and to provide that encouragement and facilitation. But I think it does make a difference in terms of generating a strategy that has genuine buy-in and that makes sense for the area as a whole rather than just the one particular stakeholder.

[209] **Russell George:** Thank you, Philip. We're drawing to an end now, so I will ask Members if they have any final questions. But can I ask if there are any lessons that can be learnt from the setting up of the UK commission that the Welsh Government or we could learn from?

[210] **Mr Graham:** I think the thing that has been a success in terms of the early life of the National Infrastructure Commission was that when we were set up, we were given a sort of two-part remit: both to carry out the longer-term piece of work that would lead to a national infrastructure assessment, but also to look at a small number of particular infrastructure challenges that had been recognised as particular challenges for some time and to provide early advice on those issues. It meant for me personally that those three or four months of the commission's existence were extraordinarily hectic, as I was trying to build a team to pull together three quite major, significant reports to an extremely tight timescale. But it meant that the commission had an immediate impact and was able to start building—and partly to demonstrate to the wider stakeholder committee that it could have influence at an early stage. But also it provided it with a hook for us to start building networks with our stakeholders, building networks at local level and with

others that would be of benefit as we moved forward. So, I think getting the right blend between long-term strategy and short-term focused pieces of work that can be completed quickly and that can show that the commission is a body that can make a difference is something that worked well and something that I would encourage the Welsh Government to think about as they establish this body.

[211] **Russell George:** Thank you, Philip. Are there any other questions from Members? Mark Isherwood.

[212] **Mark Isherwood:** Thank you very much. I just want to clarify a little better some of the comments you've made around cross-border joint working about the deficits in east-west, west-east connectivity, and you referred also to HS2. Again, in the first session, which Hannah Blythyn referred to in her questions, we had evidence from representatives of Welsh regions, including the North Wales Economic Ambition Board. Their model, for example—and their proposal, their growth vision, which has gone to both Governments—envisages an electrification of rail from Holyhead to Crewe to connect with HS2, so you've got the England access to Wales and Ireland and Ireland and Wales access to the north-west of England and beyond. In your work thus far and as you envision this going forward, how proactively are you considering those west-east connections, from our perspective, into Wales?

[213] **Mr Graham:** I think we will need to look at those kinds of issues quite actively. The two east-west projects that I've discussed so far, the one looking at the Oxford-Milton Keynes-Cambridge corridor and the one looking at transport infrastructure in the north, which looks predominantly at the east-west intercity—[*Inaudible.*—]—were particular studies that we were remitted to carry out by the Government rather than part of the overall national infrastructure assessment process though they will feed into that. I think, as we carry out our broader national infrastructure assessment, we need to look at where the gaps in connectivity are and where prioritisation will be required and where filling those gaps in connectivity is going to do most to support productivity and competitiveness, to improve quality of life, to deliver social benefits, and so on. And I think making the most of the major new transport infrastructure that's due to be provided over the coming years is probably going to be an important part of that. So, if there are strong options that provide broader connectivity by linking in to HS2, or, in the longer term, other transport investments, never mind where they might be made, then I think that's something we need to take very seriously and we



need to look at properly. I would hope that, through the call for evidence that we have running at the moment, those bodies will start to make the case and will start to bring those potential projects to our attention. We'll be going out ourselves to understand. We're both doing this from a bottom-up approach of gathering ideas from around the country, but also going out ourselves and talking to the major infrastructure providers, and looking at the maps of capability across the country at the moment to identify where the most important gaps are.

[214] **Russell George:** Thank you, Philip. Is there anything that you would like to share with us that perhaps would be useful for us to know that we haven't asked in questions?

[215] **Mr Graham:** No, I don't think so. I think there was a very broad range of questions, and I think we've touched on the issues that I think have been most important in the work that we've done so far, particularly around the collaborativeness and the transparency of the approach, and the importance of demonstrating our independence through the credibility and the influence of the recommendations that we make and the reports that we write. So, no, I think it's been a really helpful session just to hear the types of questions you've been putting to me, and I hope I've been helpful in return in my responses.

[216] **Russell George:** Thank you, Philip. I can confirm you've been really helpful to us as a committee. Your evidence this morning has been invaluable to us, so we're extremely grateful for your time with us this morning. So, thank you very much and we're very grateful.

[217] **Mr Graham:** Thank you very much.

[218] **Russell George:** I should say, Philip, as well, that there will be a transcript that will be made available to you, if you could have a look over that and let us know if you want to add to that or if there are any issues that you want to raise following receiving the transcript.

[219] **Mr Graham:** Okay, I will do; no problem. Shall I hang up now?

[220] **Russell George:** The session is over, so, yes, we're very grateful. Thank you, Philip.

[221] **Mr Graham:** No problem. Good luck with your inquiry.

[222] **Russell George:** Thank you. Okay. I think that was a very useful session. We'll have some opportunities to discuss that a little bit further in a moment.

11:42

**Papurau i'w Nodi  
Papers to Note**

[223] **Russell George:** Can I just move to item 4? Are Members happy and content to note the papers? Yes, Members are, so thank you for that.

11:43

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd  
o'r Cyfarfod  
Motion under Standing Order 17.42 to Resolve to Exclude the Public  
from the Meeting**

*Cynnig:*

*Motion:*

*bod y pwyllgor yn penderfynu that the committee resolves to gwahardd y cyhoedd o weddill y exclude the public from the cyfarfod yn unol â Rheol Sefydlog remainder of the meeting in 17.42(vi).*

*accordance with Standing Order 17.42(vi).*

*Cynigiwyd y cynnig.*

*Motion moved.*

[224] **Russell George:** So, to move to item 5, under Standing Order 17.42 to resolve to exclude the public from the remainder of the meeting. Are Members content? They are. So, I thank you for that.

*Derbyniwyd y cynnig.*

*Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 11:43.*

*The public part of the meeting ended at 11:43.*