

EUR- 03-00(p.5)

COMMITTEE ON EUROPEAN AFFAIRS

Date: 30th November 2000
Time: PM
Venue: Committee Room 1, National Assembly Building

Title: The Euro Taskforce for Wales

Purpose

1. To provide information to members on the role and work of the Euro Taskforce for Wales. The Taskforce chairman and its manager will be attending the Committee meeting to answer questions on its work.

Recommendation

2. Committee members are invited to note the content of this report and to comment on the action proposed.

Background

3. The Euro Taskforce in Wales was established in November 1998 by Peter Hain MP, following an initiative by HM treasury and the DTI.

The Taskforce is now supported by the Assembly (from the Miscellaneous European Support Services BEL), and includes representatives from the business community in Wales.

4. Since the Taskforce first met in November 1998, it has been very active in increasing awareness of the introduction of the Euro amongst businesses. The Taskforce is not concerned with the issues of UK membership of the Euro but focuses on ensuring that Welsh businesses are aware of the implications that the introduction of the Euro in the 12 countries may have on them, particularly if they export or trade with countries in the Euro-zone. This has been done through a variety of measures including conferences, exhibitions, a telephone helpline with access to an expert panel, an information website and leaflet distribution.

5. Peter Graham-Woollard, Director of Manufacturing Operations at "Rizla UK Limited" took over the Chairmanship of the group from Ken Truman, Area Director for Commercial Banking at Lloyds TSB Bank PLC, in late March 2000.

6. Peter Graham Woollard recently met with officials to review the role of the Taskforce' purpose, membership and future direction, particularly since the issue of the Euro has become far more controversial.

7. A paper has been prepared by officials proposing a way forward, and is attached for information at Annex A.

8. Members discussed the paper at the last Taskforce meeting on Wednesday, September 13th. The agreed outcome is as follows:-

- There was a strong consensus that the Taskforce should remain in being, but should only meet when appropriate;
- The group should focus on issues that are specifically important to business, identify where it can support them and build upon the existing information and networks already available;
- Members must at all times remember that the Taskforce is non-political;
- There is a need to focus upon objectives for the future, to identify business ambassadors' with working knowledge of the opportunities and pitfalls of dealing in Euros and stimulate interest in the Euro in Mid and North Wales specifically.

Compliance

9. Functions under the Industrial Development Act 1982 have been transferred to the Assembly and delegated to First Minister. Section 11 of that Act which may make provision for the giving of advice (whether free of charge or otherwise) to persons carrying on or proposing to carry on a business. There are no issues of regularity or propriety. The Assembly Compliance Office has been consulted and is content with the compliance aspects.

Financial Implications

10. All Taskforce members give their time free, except for John Casteron, Taskforce manager, who is a retired Director of Commercial Banking from Lloyds Bank. He is paid a consultancy fee of about £9,000 per annum, and makes presentations at conferences, and to business and other relevant groups on behalf of the Taskforce.

11. Other expenditure is used for additional activities, including the web-site, helpline and literature. Total expenditure during this financial year will be accommodated within the 2000-01 budget of £30,000. Financial Planning Division has been consulted and is content with the financial aspects.

Contact Point

12. European Affairs Division.

Annex A

Euro Taskforce for Wales

Review of Purpose, Membership and Future

Background

In March 2000 Peter Graham-Woollard took over the role of Chairman of the Euro Taskforce for Wales, and at the same time responsibility for the secretariat was transferred from Financial Accountability Division to the European Affairs Division of the National Assembly for Wales. The issue of whether the United Kingdom should join the Euro has become a much more visible and controversial political issue during 2000, and this trend is likely to intensify over the next year or two. This therefore seems to be an appropriate time to review the Taskforce's purpose, membership and future direction.

Terms of Reference

When the Euro Taskforce for Wales was established in November 1998 the following Terms of Reference were agreed:

- Co-ordinate and provide a focus in preparing for the Euro
- Identify the impact of the Euro on the region
- Facilitate the sharing of resources
- Encourage and consider regional intermediaries' plans for Euro preparations
- Identify further action needed at a regional level and initiate action
- Contribute to the development of regional media communication strategies
- Monitor regional progress and report key regional issues to the Euro Preparations Unit.

The following **Mission Statement** appears on the Taskforce's web-site:

"To ensure that all Welsh businesses are aware of the challenges and benefits before them following the arrival of the Euro in the eleven countries making up Eurozone".

As has been made clear on a number of occasions, the Taskforce is apolitical and is not concerned to make the case for the UK's adoption of the Euro; rather it is to ensure that businesses in Wales are aware of the implications for them of its adoption by the twelve who have already joined the Euro or have agreed to do so.

Membership and Meetings

The Taskforce met on a monthly basis during the first year of its existence. At that time there was a significant amount of detailed work to set up publicity material. At its meeting in February 2000 there was general agreement that the Taskforce "...met too frequently", and meetings are now held on a quarterly basis. This is justifiable since the Taskforce now has a web-site, a help-line, a poster and a leaflet which should last for the next twelve months or so. However, there is concern at attendance levels, particularly from the business sector. It might be appropriate to change the structures of the Taskforce so that the time of business people is used more effectively. This could include:

- The Taskforce as a whole meeting on a six-monthly or annual basis around an important event
 - A Steering Group consisting of intermediaries taking forward day-to-day issues and meeting as necessary
 - Identifying a network of business contacts in all parts of Wales to act as "ambassadors" for the Taskforce, working alongside the Taskforce Manager in relaying the message to other businesses.
1. **The Taskforce** – events which would justify bringing business people and intermediaries together may include an address by the First Secretary, a presentation from an Irish representative on the practical implications of introducing the Euro, an address from a major business figure.
 2. **The Steering Group** could consist of intermediaries from the public, private and voluntary sector who can facilitate access to the broader business community for the Taskforce Manager and "ambassadors". A list of possible members is attached at Appendix 2.

3. **Ambassadors** – key business people who have been involved with the Taskforce in the past. Would need to identify people in all parts of Wales, in particular North Wales, Mid Wales and West Wales. They could work with the Taskforce manager to identify groups of businesses to target at a local level, and when appropriate attend meetings and seminars in their area with the Manager.

Activities

The Taskforce has achieved a considerable amount in a relatively short time. It launched a brochure early on, and a more attractive brochure was recently launched, along with a poster. It has established and recently re-vamped its web-site, which provides comprehensive information and links to other relevant web-sites; this site has attracted a considerable number of hits, which continue to increase each month. A Help-line was established last year, with back-up support provided by an Expert Panel. The

Taskforce manager has spoken at a considerable number of events, and attended exhibitions as appropriate. He has also arranged publicity for the Taskforce's activities in publications aimed at the business community. A list of activities is attached at Appendix 3.

It is unlikely that the Taskforce will need any additional publicity material over the next twelve months since the brochure and poster were recently distributed, and the web-site has been re-designed. Future activity could therefore focus on taking the message to businesses. Many organisations have already been targeted and it is necessary to identify new opportunities. This could either be arranged directly with businesses or through intermediaries. The following are potential sources of contacts with new businesses:

- Welsh Development Agency
- Wales Tourist Board
- Business Connect
- Local Government Economic Development Officers
- National Assembly for Wales Overseas Trade
- National Assembly for Wales Industrial Development Division
- National Farmers Union
- Farmers Union of Wales
- CBI
- FSB
- Regional Economic Fora.

It may be necessary to raise awareness amongst some of these intermediaries and explain how the Taskforce can help. It might be appropriate for the Taskforce Manager to discuss potential audiences directly with some of these intermediaries.

Future Role

The issue of the UK's membership of the Euro has recently become more important as part of the political debate, and this is likely to intensify in the period leading up to the next General Election. Should the current government be re-elected a Referendum on the issue of the UK's entry is likely to be held early. In these circumstances the Euro Taskforce for Wales and those representing it must be very careful in their activities in case they are caught up in the political debate.

The Taskforce is apolitical as set out in its publicity brochure:

"The Taskforce is not concerned with the issue of whether or not the UK joins the single european currency. Its role is to ensure businesses in Wales are aware of the impact and risks to businesses of operating adjacent to a huge new single market".

Despite this, it is possible that the Taskforce may be mistaken for an organisation campaigning on the

issue of the UK's membership either by the media, businesses or those campaigning on either side of the political debate. Individual members of the Taskforce must take great care to clarify their role in any presentations they make, whether formal or informal. If members wish to express an opinion on the issue of UK entry into the Euro, they must do so in a personal capacity and ensure that it is made clear that they are not speaking on behalf of the Taskforce.

Appendix 2

Proposed list of members for the Steering Group

Chairman – Peter Graham-Woollard

Taskforce Manager – John Casterton

National Assembly for Wales

- European Affairs Division (Secretariat)
- Industry Division
- Business Partnership - Roger Thomas

European Commission's Head of Representation in Wales

Euro Info Centre

Bank of England

Confederation of British Industry

Federation of Small Business

Wales TUC

National Farmers Union

Farmers Union of Wales

Wales Tourist Board

Welsh Development Agency

Welsh Local Government Association

Business Connect

ACCA

EURO TASKFORCE FOR WALES Appendix 3

Action since July 1999

January 2000

- The Taskforce approved the design for the new marketing brochure.

February 2000

- Taskforce manager addressed the West Wales Exporters Association.

March 2000

- Peter Graham Woollard took over as Taskforce chairman following Ken Truman's resignation).

April 2000

- Coasters and brochure completed and sent out.
- Website redesigned and translated into Welsh.

May 2000

- On the 10th and 11th May The Euro Taskforce hosted a stand at Business Exhibition Wales. Then, on the 12th May the Chairman chaired a working group on the Euro at the NAFW's Wales Forum on European Affairs.
- Bethan Jones (Export Association) and Russell Lawson (Small Business Association) invited to future meetings of Taskforce. David Jenkins (TUC) also asked to join the group.
- Brian Meredith gave presentations to Mid Wales Business Connect and the Wales European Information Network. Mail shot went out to 4,300 companies.
- presentation to Valleys Enterprise 31 May

June 2000

- Presentations given at :-

Gwynedd County Council's Economic Development Committee - 14th June

Gwent Business Forum - 20th June

Export Association at Margam Park - 28th June

July 2000

- Designs for the Taskforce's logo agreed and sent for printing