

Answers to Questions not reached in Plenary 11 January 2001

[R] signifies that the Member has declared an interest.

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Questions to the Deputy First Minister and Minister for Economic Development

Report on Implementing Objective 1

Q6 Mick Bates: Will Michael German make a statement on the task and finish group report on implementation of the Objective 1 programme? (OAQ8826)

The Deputy First Minister and Minister for Economic Development (Michael German): In common with the Objective 1 programme monitoring committee, I welcome the report and look forward to its effective implementation.

Export Opportunities

Q7 Glyn Davies: What is Michael German's policy for promoting awareness of export opportunities among Welsh businesses? (OAQ8749)

Michael German: As I explained in the answer that I gave to Christine Gwyther in Plenary today, we are fully committed to improving our international trade performance. WalesTrade International promotes export opportunities among businesses in many different ways, including seminars, meetings with individual companies, a walestrade.com website, newsletters and the placement of articles in relevant newspapers and business magazines. All that is done in the context of its marketing strategy. The new regional structure provides an additional focus for promoting international trade opportunities and each regional office is being launched separately to businesses and other business service providers.

Lobbying the UK Treasury for Operating Aid

Q8 David Lloyd: What action has Michael German taken to ensure effective co-ordination with the other Objective 1 areas in the UK over the issue of lobbying the UK Treasury for operating aid and other fiscal variations? (OAQ8808)

Michael German: Officials have close contact with the other Objective 1 areas in the UK through the Objective 1 alliance. The issues of operating aid and other fiscal variations have been discussed. I have also been active in talking directly to representatives in the other UK Objective 1 areas.

I am keen that we work together on taking forward this work.

Developing a Strategy for Manufacturing

Q9 Helen Mary Jones: What specific action has Michael German taken to develop a clear and effective strategy for manufacturing in Wales? (OAQ8804)

Michael German: Following extensive consultation and a series of debates in the Economic Development Committee, a draft national economic development strategy is currently being prepared. We

aim to publish it in the form of a consultation paper following a scheduled Plenary debate on 8 February. Following a consultation period, and in the light of responses to the paper, the strategy will be published and the future of manufacturing in Wales will be a central issue.

Discussing the Decline of the Steel Industry

Q10 Nick Bourne: What discussions has Michael German had with the relevant UK Government Ministers in relation to the decline of the steel industry? (OAQ8777)

Michael German: There has been considerable and continuing dialogue between the Assembly and the UK Government at ministerial and official level about the future of the steel industry in Wales.

Responsibilities of the Minister and the Monitoring Committee

Q11 Lynne Neagle: Will Michael German make a statement on the relationship between his responsibilities and those of the Objective 1 programme monitoring committee? (OAQ8844)

Michael German: As a Minister, I am responsible for economic development, and the Objective 1 programme represents an important element in relation to that. The public expenditure survey cover for all the structural funds programmes, including Objective 1, comes from within the economic development main expenditure group, for which I am responsible. According to the single programming document for Objective 1, either I or my nominee can chair the programme monitoring committee, which is constituted under the SPD. In practice, Christine Chapman chairs that committee.

As a Minister, I am responsible to the Assembly for the actions of the Welsh European Funding Office, but that office's principal accountability is to the programme monitoring committee for its running of the Objective 1 programme. The National Assembly is the managing authority for the Objective 1 programme under the relevant European council regulations. That authority has been delegated to WEFO, which has responsibility for the management of the programme and approval of applications. The programme monitoring committee supervises the implementation of the programme, agrees criteria for project selection, reviews progress and advises WEFO on a range of matters.

The Future of Steel Production

Q12 William Graham: Will Michael German make a statement concerning the progress made to ensure the future of steel production in Wales? (OAQ8747)

Michael German: I refer you to the statement that the First Minister made in the Chamber on 19 December. I can add at this stage only that we have been told by Corus that no final decisions have yet been made. Dialogue is continuing at the highest level between the company, the Assembly and the UK Government.

The Welsh Industrial Development Advisory Board

Q13 Alison Halford: Will Michael German make a statement on the current regional selective assistance process, with particular regard to the role and composition of the Welsh Industrial Development Advisory Board? (OAQ8817) *Withdrawn.*

List of the Most Deprived Areas in the UK

Q14 Geraint Davies: What representations has Michael German made to the UK Treasury to ensure that areas within Wales are included on the list of the most deprived areas in the UK, drawn up by the Westminster Government, which will benefit from the specific measures announced in the pre-budget statement? (OAQ8798)

Michael German: Assembly officials are engaged with Her Majesty's Treasury officials in drafting a consultation document and in other aspects of proposals referred to in the Chancellor's statement.

Operating Aid

Q15 Dafydd Wigley: Will Michael German give an update on the attempts to persuade the UK Treasury to introduce operating aid and other fiscal variations in Wales? (OAQ8793)

Michael German: I presented a report to the Economic Development Committee on progress with developing proposals for fiscal variations, and fed back to the Committee the preliminary views of the European Commission following my visit to Brussels. Officials have recently visited the Republic of Ireland to learn from the experiences of operating such measures. I will report more fully on progress with this important strand of our partnership agreement at the Economic Development Committee meeting on 17 January. This will include proposals for preparing the ground for discussions with the Treasury.

Formulating a National Economic Development Strategy

Q16 Mick Bates: What progress has been made on the formulation of a national economic development strategy for Wales? (OAQ8825)

Michael German: Following extensive consultation and a series of debates in the Economic Development Committee, a draft national economic development strategy is currently being prepared. We aim to publish it in the form of a consultation paper following a scheduled Plenary debate on 8 February. Following a consultation period, and in the light of responses to the paper, the strategy will be published.

Improving Tourism in Pandy

Q17 David Davies: What is Michael German doing to improve tourism in the Pandy area of Monmouthshire? (OAQ8732)

Michael German: I refer to the written reply that I gave to David Davies on 11 December 2000 on this matter. Monmouthshire has an economic development strategy, which includes tourism development and promotion. Monmouthshire, and the Pandy area, are eligible for financial assistance from the Wales Tourist Board to support capital investment plans. There are also marketing opportunities and initiatives available through joint promotional work between the Wales Tourist Board, regional tourism companies, local authorities and the industry.

Responsibilities of the Minister and the Monitoring Committee

Q18 Ann Jones: Will Michael German report on the relationship between his responsibilities and those of the Objective 1 programme monitoring committee? (OAQ8758) *Withdrawn.*

Local Business Partnerships

Q19 Brian Hancock: Will Michael German make a statement on the local business partnerships in Wales? (OAQ8796) *Withdrawn.*

Developing an Employment Strategy

Q20 Cynog Dafis: Will Michael German make a statement on the progress of developing a proper employment strategy for the Welsh economy? (OAQ8800) *Withdrawn.*

Promoting Economic Development through Sporting Venues

Q21 Glyn Davies: Will Michael German make a statement on promoting economic development in Wales through sporting venues? (OAQ8750)

Michael German: Sporting venues and events can provide great economic and marketing opportunities for Wales. That is why the Assembly, largely through its sponsored bodies, has the objective of promoting Wales through major sporting events and venues.

Recent examples include the 1999 Rugby World Cup, the Network Q Rally and the FA Cup, as well as ongoing efforts to secure the 2009 Ryder Cup for Wales.

Setting up a New Policy Group within Objective 1

Q22 Elin Jones: Will Michael German make a statement on the decision to set up a new policy group within the Objective 1 programme? (OAQ8802) *Withdrawn.*

Urban Investment Grants in the Vale of Glamorgan

Q23 Owen John Thomas: Will Michael German make a statement on the operation by the Welsh Development Agency of the urban investment grant scheme in relation to projects in the Vale of Glamorgan? (OAQ8753)

Michael German: The WDA operates the urban investment grant scheme throughout Wales, including the Vale of Glamorgan, as an approved aid scheme in line with European Commission state aid rules and limits. As the Vale of Glamorgan is predominantly rural in nature, the number of projects supported through UIG is likely to be fairly limited.

Importance of the Manufacturing Industry

Q24 John Griffiths: What recent discussions has Michael German had with UK Government Ministers on the importance of the manufacturing industry to Wales? (OAQ8744) *Withdrawn.*

Operating Aids for Objective 1 Areas

Q25 Peter Black: Will Michael German make a statement on his discussions with the European Commission with regards to operating aids for Objective 1 areas? (OAQ8735)

Michael German: On 6 December 1999, I met with the Director of State Aid in the Competition Directorate-General to begin to explore the possibility of introducing operating aids for businesses in Objective 1 areas. The meeting was an exploration of the likely attitude of the Commission to a case that might be prepared and submitted by the UK Government.

In taking forward this work, we will wish to work closely with the other Objective 1 areas of the UK.

Tourism in Llangollen

Q26 Karen Sinclair: Has Michael German made an assessment of the impact of the collapse of the Horseshoe Pass to tourism revenue in Llangollen? (OAQ8741) *Withdrawn.*

Response to the Review of Business Support

Q27 Richard Edwards: What steps will be taken in response to the review of business support undertaken by the Economic Development Committee? (OAQ8771)

Michael German: I will not be able to take decisions on the proposals made in the Economic Development Committee's review until after there has been wide consultation on the report. Consultation will begin early in February. I will be widely consulting on the report.

Pay Differentials between Men and Women

Q28 Richard Edwards: Can Michael German make a statement on any pay differentials between men and women in Wales? (OAQ8772)

Michael German: Earnings for women working full time in Wales are 87 per cent of those of their male counterparts. There are a variety of reasons for that, including the predominance of women in low paid jobs. Sixty per cent of women in Wales work in just 10 occupations.

The Assembly is committed to the principle of equal pay for equal work and fully supports the Equal Opportunities Commission, which has equal pay as one of its strategic objectives.

Dealing with low pay and inequality in pay rates between men and women is seen as a key issue in the economic regeneration of Wales.

In February 2001, the equal pay taskforce is due to report its findings and recommendations. The taskforce, which is made up of representatives from the public, private and voluntary sectors, trade unions and academic institutes, was set up specifically to eliminate the gender pay gap. The findings of the taskforce will contribute to the knowledge that we already have regarding the issues around inequality of pay. A framework for action will then need to be established, which takes into consideration variables that may be specific to Wales.

Policy on Providing Public Subsidies to Companies

Q29 Helen Mary Jones: Will Michael German make a statement on the current policy of the coalition Government of Wales regarding the provision of public subsidies to companies? (OAQ8805) *Withdrawn.*

Attracting Inward Investment to the Pandy area

Q30 David Davies: What is Michael German doing to attract inward investment into the Pandy area of Monmouthshire? (OAQ8731)

Michael German: The Welsh Development Agency's international division continues to take the lead role to vigorously promote all areas of Wales to potential inward investors. Team Wales can provide prospective investors with the seamless delivery of a range of services, from the initial inquiry and advice on property, location and workforce issues through to advising potential investors of the availability of grant aid.

Although there is not a programme specifically designed to support Pandy, I assure you that all areas of Wales that would satisfy a particular project's requirements are put forward as potential site locations to the investor.

Questions on Finance to the Minister for Finance, Local Government and Communities

Rate Relief for Valleys Businesses

Q7 Lynne Neagle: Has the Minister for Finance, Local Government and Communities given further consideration to providing additional rate relief for businesses in the Valleys? (OAQ8842)

The Minister for Finance, Local Government and Communities (Edwina Hart): Our consultation paper on local government finance 'Simplifying the System', outlined proposals for a rate relief scheme for small businesses. It sought views on whether the scheme should be more generous to businesses located in the Objective 1 area or the areas that will form part of our Communities First programme. The consultation ended on 31 December.

The introduction of the scheme will require primary legislation. I intend to work closely with my colleagues in Whitehall on the preparation and subsequent passage of legislation to ensure that the Assembly is given maximum flexibility allowing it to develop solutions sensitive to the needs of small businesses in Wales.

Private Finance Initiative Policy (Suitability for Wales)

Q8 Janet Ryder: Does Edwina Hart have any plans to review the suitability for Wales of the principles underlying the private finance initiative policy? (OAQ8833)

Edwina Hart: The development of the private finance initiative in Wales has been debated by the Assembly. The principles involved are suitable as long as they continue to deliver value for money.

Staging the FA Cup Final (Allocating Additional Funds)

Q9 Nick Bourne: What consideration has Edwina Hart given to allocating additional one-off funds to the culture and sports budget in order to stage the FA Cup final matches of 2001-02 in the Millennium Stadium? (OAQ8809) *Withdrawn.*

Trends in Capital Expenditure

Q10 Ann Jones: What are the trends in capital expenditure projected for local authorities in Wales over the next three years? (OAQ8780)

Edwina Hart: I announced provisional details of support for local government spending on 12 December. For capital funded services, the provisional settlement provides Assembly support for local government capital expenditure in 2001-02 of £418.4 million.

The planned capital settlements for 2002-03 and 2003-04 will show an increase of 11.1 per cent and 4.6 per cent respectively over the previous financial year.

Simultaneous Translation Facilities (Community and County Borough Councils)

Q11 William Graham: Will Edwina Hart make a statement concerning the funding of simultaneous translation facilities for community and county borough councils? (OAQ8785)

Edwina Hart: This is a matter for the councils concerned, taking account of their Welsh language scheme. The explanatory and financial memorandum to the Welsh Language Act 1993 stated that where Welsh language schemes result in additional costs for public bodies, 'these will be accommodated within mainstream budgets'.

Steps to Make the Assembly's Budget Understood and User Friendly

Q12 John Griffiths: What steps will be taken to make the Assembly's budget more easily understood and user friendly? (OAQ8762)

Edwina Hart: I believe that the transparent approach I have adopted as Minister for Finance, Local Government and Communities ensures that our budgets are easily understood and are user friendly. I am

open to any suggestions in how current practice can be improved and keep these issues under review myself.

Rural Deprivation (Additional Money from the Assembly Budget)

Q13 Nick Bourne: Will Edwina Hart be making additional one-off money available from the Assembly's budget to tackle the problem of rural deprivation? (OAQ8827)

Edwina Hart: The issue of deprivation was addressed in the recent budget round and such resources that were available have been allocated.

Trends in Capital Expenditure (Statement)

Q14 Richard Edwards: Can Edwina Hart make a statement on the trends in capital expenditure projected for local authorities in Wales over the next three years? (OAQ8782)

Edwina Hart: I announced provisional details of support for local government spending on 12 December. For capital funded services, the provisional settlement provides Assembly support for local government capital expenditure in 2001-02 of £418.4 million.

The planned capital settlements for 2002-03 and 2003-04 will show an increase of 11.1 per cent and 4.6 per cent respectively over the previous financial year.

New Assembly Sponsored Bodies' Offices (Funding and Location)

Q15 Christine Gwyther: Will Edwina Hart make a statement on the funding and location of offices of new Assembly sponsored bodies? (OAQ8779)

Edwina Hart: Assembly sponsored public bodies receive their funding through grant in aid because we want them to operate at arms length. Decisions on location will be therefore primarily a matter for the body itself taking into account value for money and other similar considerations as well as guidance issued by the Assembly. The Assembly guidance is currently under review and consideration is being given to how it might encourage new sponsored bodies to consider locating their offices in areas across Wales where they best meet the needs of their client group; make optimal use of the opportunities presented by ICT in considering the benefits of establishing locally based offices; co-location and the use of existing properties within the Assembly estate.

Three of the 13 existing executive Assembly sponsored public bodies have their head offices located outside Cardiff. Many others also have offices or sites in locations around Wales reflecting their business needs.

Improvements to Flood Defences (Additional Funding)

Q16 David Davies: Does Edwina Hart plan to make additional one-off funding available to the Environment Agency and Welsh local authorities in order to facilitate improvements to our ageing flood defences? (OAQ8738)

Edwina Hart: Under the high level targets that were issued for consultation in July 2000, the Environment Agency will be expected to ensure that a programme is in place for regular inspections of flood defences. They will report the results of those inspections to the National Assembly and provide an assessment of the risk of flooding. Adequate funding will be provided to facilitate any improvements that can be justified. The evidence from the recent flooding is that existing defences performed well.

Financial Support to Regenerate Town Centres (South Wales Valleys)

Q17 Lynne Neagle: What financial support will be made available to aid the regeneration of town centres in the south Wales valleys? (OAQ8841)

Edwina Hart: There is a range of financial support mechanisms to aid the regeneration of town centres in the south Wales valleys.

Under Communities First, partnerships could use funds for town centre regeneration. Local authorities can also use the local regeneration fund to target town centre developments. Funding of local authority housing strategies can also contribute, through the conversion of empty properties into living accommodation.

The Welsh Development Agency's major regeneration programme builds on partnerships with local authorities. Financial support available includes urban investment, town improvement, and environmental improvement grants.

Community Regeneration Work Formerly Funded by CBDC

Q18 Rhodri Glyn Thomas: Which body or bodies inherited the remit for the community regeneration work formerly funded by Cardiff Bay Development Corporation? (OAQ8839) *Transferred for answer by the Deputy First Minister and Minister for Economic Development.*

Michael German: Following the wind up of Cardiff Bay Development Corporation on 31 March 2000, strategic responsibility for the economic, social and environmental regeneration in the former CBDC area transferred, as appropriate, to Cardiff City and County Council and the Vale of Glamorgan Council. Certain development assets, which might also impact on community regeneration, also transferred to the Welsh Development Agency, together with liabilities to pay grants.

Public Funds for Equal Opportunities

Q19 Helen Mary Jones: Will Edwina Hart outline the procedures for ensuring that the National Assembly's core commitment to equal opportunities is delivered by bodies receiving public funds for that purpose? (OAQ8835)

Edwina Hart: The four organisations currently in receipt of funding from the promoting equality in Wales project development fund have all been established to take forward equality issues. It is a requirement of the fund that all recipients ensure that they apply a policy of equal opportunities as employers, as users of volunteers, and as providers of services, regardless of race, sex, religion, or disability.

Equal Opportunities for Ethnic Minorities

Q20 Jocelyn Davies: Will Edwina Hart make a statement on the processes in use to promote equal opportunities for ethnic minority communities? (OAQ8836)

Edwina Hart: The Assembly has a statutory duty to exercise its functions and to carry out its business with due regard to equality of opportunity. The Committee on Equality of Opportunity has examined a number of issues affecting ethnic minority communities and has made recommendations, in particular about the training of Assembly members and staff. The Equality Policy Unit provides advice to the Committee and to the Assembly on these issues and on how the Assembly can meet the needs of ethnic minorities. It has carried out an equality audit and reported to the Committee. The next stage is to promote the need to take account of equality issues, including the needs of ethnic minorities in the Assembly's policies.

Fees Earned by the Rogers Partnership (New Assembly Building)

Q21 Glyn Davies: Further to my WAQ8110 can Edwina Hart now advise on what is the maximum amount that can be earned in fees by the Rogers Partnership in respect of the new Assembly building? (OAQ8760)

Edwina Hart: The fees to be paid to the Richard Rogers Partnership will be capped based on an agreed figure once the cost plan is agreed.

Local Government Expenditure 2001-02

Q22 Richard Edwards: Can Edwina Hart indicate whether there will be any likely increase in local government expenditure in 2001-02? (OAQ8781)

Edwina Hart: I announced provisional details of increased support for local government spending on 12 December. For revenue funded services, the provisional settlement would enable local councils and police to increase their spending significantly in the next financial year. My proposals are based on assumed budget increases of 5 per cent by police authorities and just over 5.5 per cent by local councils. Actual decisions on budgets will be a matter for individual authorities.

For capital expenditure I refer to the answer I gave you in response to OAQ8782.

Private Finance Initiative Projects (Effects on Public Finances)

Q23 Cynog Dafis: How will Edwina Hart monitor the long-term effects of private finance initiative projects on public finances? (OAQ8838)

Edwina Hart: The operation of the private finance initiative in Wales is currently under review. During this review, we will continue to contribute and co-operate with evaluations of the benefits and affects arising from the use of the PFI.

Additional Money received by the National Assembly after Spending Announcements

Q24 Peter Black: What additional money has the National Assembly received as a result of UK Ministers spending announcements since July 2000? (OAQ8739)

Edwina Hart: The additions to the Assembly's budget since the outcome of the spending review in July, which have resulted from UK Ministers spending announcements, are set out in the table below:

£,000

	2000-01	2001-02	2002-03	2003-04
Education (capital repairs)	9,900			
Education (e-learning)	295			
Floods		1,003	1,003	1,003
Aggregates Levy			1,700	1,700
Capital Modernisation Fund (1)		600	24,800	33,100
TOTAL	10195	1,603	27,503	35,803

(1) Indicative allocations resulting from provisional allocations to English departments – not all of which will have been announced to date.

Representations to the Treasury (Funding for Road Repairs)

Q25 David Davies: What representations has Edwina Hart made to the Treasury on the matter of securing additional one-off funding to tackle the backlog of road repairs in Wales? (OAQ8737)

Edwina Hart: I have not made any representations to the Treasury. Any backlog on the trunk road network is within the target. As for local authority roads, I announced details of my proposals for increased support for local government spending on 12 December. It will be for individual councils to take decisions on budgets and spending priorities taking into account local needs and priorities.

Public Finance Initiative Contracts

Q26 Owen John Thomas: Will Edwina Hart state whether clawback clauses have been negotiated in respect of PFI contracts for projects in Wales? (OAQ8763)

Edwina Hart: The negotiation of PFI projects in Wales is undertaken with reference to established principles and published guidelines. We will continue to develop new guidance to ensure the implementation of best practice.

Ethnic Minority Communities (Capacity Building)

Q27 Gareth Jones: Will Edwina Hart make a statement on capacity building within ethnic minority communities? (OAQ8828)

Edwina Hart: I fully recognise the benefits of capacity building, and the need to provide disadvantaged communities with the ability to fully engage with the Assembly. Therefore I have provided funding for the establishment of the All Wales Ethnic Minority Association (AWEMA) which will develop the capacity of communities to determine their own needs and ensure that they are addressed by the Assembly when developing its policies and services. Through other funding opportunities and on-going projects the Assembly has also supported other organisations that undertake community development work with the ethnic minority communities in Wales (for example, the Black Voluntary Sector Network and Mewn Cymru).

Funding to Address the Effects of Flooding and Landslides

Q28 William Graham: Will Edwina Hart confirm the level of funding available to address the effects of flooding and landslides caused by the recent inclement weather conditions? (OAQ8784)

Edwina Hart: Funding available from the National Assembly towards flood defence capital works is:

2000-01	2001-02	2002-03	2003-04
£7,271,000	£8,274,000	£8,274,000	£8,156,000

In addition, resources are provided through general revenue support towards expenditure incurred by the local authorities for their own flood defence work and in meeting levies from the Environment Agency. These resources are unhypothecated.

There is no specific funding available to address the effects of landslides. Bellwin financial assistance is available to help local authorities meet emergency expenditure such as dealing with the aftermath of the recent flooding, including clearing and shoring up of landslides. All eligible claims above the Bellwin threshold will be met in full for the recent severe weather conditions.

Additional Funds for Health

Q29 Kirsty Williams: Is Edwina Hart making any additional funds available for health this financial year? (OAQ8846)

Edwina Hart: No.

Council Tax Increases

Q30 Alison Halford: How does the range of council tax increases predicted for 2001-02 compare to the average 3 per cent increase stated in the partnership agreement? (OAQ8814)

Edwina Hart: My provisional local government revenue settlement allows the pledge made in the partnership agreement on council tax increases to be met, as set out in my written announcement to the Assembly of 12 December.