

SOUTH EAST WALES REGIONAL COMMITTEE

MINUTES OF COMMITTEE MEETING

Date: Friday 1 October 1999

Time: 9.30am to 12.30pm

Venue: Civic Centre, Castle Street, Merthyr Tydfil

Attendance:

Members

Carwyn Jones (Chair)	Bridgend
Lorraine Barrett	Cardiff South and Penarth
Peter Black	South Wales West
Jane Davidson	Pontypridd
Janet Davies	South Wales West
Geraint Davies	Rhondda
Sue Essex	Cardiff North
Michael German	South Wales East
Janice Gregory	Ogmore
John Griffiths	Newport East
Brian Hancock	Islwyn
Jane Hutt	Vale of Glamorgan
Pauline Jarman	South Wales Central
Peter Law	Blaenau Gwent

Huw Lewis	Merthyr Tydfil and Rhymney
David Melding	South Wales Central
Rhodri Morgan	Cardiff West
Jenny Randerson	Cardiff Central
Phil Williams	South Wales West

In Attendance

Chris Burns	South East Wales Economic Forum
John Sheppard	South East Wales Economic Forum
John Taylor	South East Wales Economic Forum
Karen Thomas	South East Wales Economic Forum
Brian Willott	South East Wales Economic Forum
Alan Lansdown	Head of European Affairs Division

Secretariat

Martin Stevenson	Clerk
Ian Dawes	Deputy Clerk

Opening remarks

0.1 Cllr Bernard Driscoll, Deputy Mayor, welcomed the South East Wales Regional Committee to Merthyr Tydfil County Borough Council. The Chair thanked Cllr Driscoll and said how pleased he was that the Committee was able to meet in Merthyr Tydfil.

0.2 Peter Law asked for reserved car parking to be provided for Members at Regional Committee meetings.

Item 1: Apologies for absence

1.1 Apologies for absence were received from Rosemary Butler, Alun Cairns, Christine Chapman, Jocelyn Davies, Ron Davies, David Davies,

William Graham, David Rhys Lloyd, Jonathan Morgan, Lynne Neagle and Owen John Thomas.

Item 2: Minutes of the meeting held on 9 July

2.1 The minutes of the meeting held on 9 July were noted.

Item 3: Postal addresses

3.1 The Chair explained that the Post Office were unfortunately unable to attend the meeting. However, they were keen to take the opportunity to meet the Committee, and it was hoped that they would be able to attend the next meeting on 3 December, with their representation led by a Member of the UK Post Office Executive Board. The Chair reported that the Board would not be in a position to discuss specific operational and/or commercial decisions, but would be able to explain the consultation procedures involved when changing services to local communities.

3.2 The Committee noted the Royal Mail's Code of Practice on 'Changing Addresses and Postcodes', as set out in a leaflet distributed at the meeting. Members asked whether a Welsh language version of the leaflet was available.

Item 4: Economic development strategy for South East Wales:

SEWR-03-99 (p.1)

4.1 Introducing this item, Brian Willott said that the Forum had been established to agree a common economic strategy for the South East Wales region which would reflect both local and regional needs. The strategy document was very much a draft and the discussion with the Committee was part of a continuing consultation process. Six working parties had been set up to take the detailed work forward.

4.2 The Forum highlighted the role of the South East Wales region in the economic development of Wales as a whole. The perception was that South East Wales received more than its fair share of investment, but it was stressed that this was misleading and potentially damaging to the region's economic development. The importance of understanding the relationship between indigenous business development and inward investment was emphasised.

4.3 The following points were made in discussion:

- There was concern about transport links in the region, particularly between Cardiff and the Valleys and to Cardiff International Airport. Members highlighted the importance of good communications in economic development. The poor state of public transport in South Wales was noted, and it was suggested that building more roads would only increase congestion on the existing network.
- Members suggested that greater emphasis should be given to research and development and the role of universities in the economic development of South East Wales. Liaison between the business sector and universities and the link between lifelong learning and economic growth needed to be brought out in the final strategy document.
- Members were keen to reduce the dependency on manufacturing industry in South East Wales and to develop a stronger service sector, particularly IT and Internet businesses.
- There was some discussion about the relationship between inward investment and investment in indigenous businesses. It was incorrect to claim that allocating resources for attracting inward investment was detrimental to indigenous businesses. To the contrary, it was explained that inward investment not only creates employment directly but also generates demand for goods and services from local businesses, stimulating home grown economic activity and local enterprise.

- It was noted that the widely held perception of South East Wales being a prosperous area was misleading. Only certain parts of the region had experienced significant economic growth, and even Cardiff had areas of poverty. Members were particularly concerned about the Valleys, which suffered from some of the worst economic conditions in Wales. There was a feeling that the Valleys were regarded as dormitory towns for Cardiff and the M4 corridor. It was suggested that a Development Corporation for the Valleys should be created.
- Concerns were expressed that certain communities, for example Newport, would suffer as a result of being outside the Objective 1 area.
- Many Members highlighted the issue of social exclusion and its inherent links with the economic agenda. It was noted that the strategy would need to both increase participation rates in the economy and to secure higher value added jobs. Members were concerned to ensure that there was consistency between the economic targets in the strategy and the targets for social inclusion and ill health. In terms of training, it was suggested that there was a pressing need to develop the skills of those who had none, as well as increasing the skills of those already in work.
- It was noted that the retail industry was a major employer in many Valleys communities, and there was concern about whether retailing was adequately represented on the Forum.
- It was suggested that the strategy should make greater reference to sustainable development.
- It was noted that in parts of the Valleys there was a serious shortage of land for development. It was suggested that there was a need for further investment in land reclamation.

4.4 The Chair thanked the Forum for their presentation and said that he hoped that they would take account of the points raised in developing the economic strategy for the region.

Item 5: Implementation of the new European Structural Funds programmes: SEWR-03-99 (p.2)

5.1 Introducing the paper, Alan Lansdown explained that the fundamental issue was how to operate and implement the new Structural Funds programmes. The Task Force had been considering the arrangements for securing a more strategic assessment of areas' needs, as well as the organisational arrangements for the body which will administer the new programmes.

5.2 On the arrangements for making strategic assessments, it was reported that the Task Force's general approach was to recommend a move away from the current rather haphazard arrangements whereby sponsors apply for funding for discrete projects. Instead of the present system of bidding rounds on the basis of a multiplicity of applications for individual projects, there would be a more strategic approach comprising national and local strategies. A participative approach based on partnerships, involving local authorities, the private and voluntary sectors, would emphasise the local nature of the strategies.

5.3 Alan Lansdown said that the Task Force was likely to recommend the creation of a new executive agency, along the lines of Cadw, Welsh Historic Monuments, to administer the programmes. The agency would be housed within the National Assembly and staffed by officials having the status of Civil Servants. It would however be a distinct entity with separate accounts and an advisory board which could include a variety of outside interests. The agency's functions would include those currently undertaken by the Wales European Programme Executive.

5.4 The following points were made in discussion:

- In developing a strategic approach at both the national and local levels, there was a need to mainstream cross-cutting issues such as social inclusion, equal opportunities and sustainable development.
- There was concern about the particular problems faced by black and ethnic minority communities. Here it was noted that there was scope for the use of facilitators to work with the communities in developing local partnerships.
- Members felt that it might be necessary to safeguard the interests of the voluntary sector in local partnerships. Alan Lansdown said that the monitoring arrangements would consider the representation within the local partnerships.
- There was some concern about whether the body which will administer the new programmes would be in place by 1 April 2000. It was noted that an executive agency could be established by administrative action, and it should be relatively straightforward to prepare a framework document setting out the operational guidelines for the new body. In addition, a senior member of staff had just been recruited specifically to address the implementation arrangements.
- Members were anxious to ensure that communities outside the Objective 1 area should not be neglected. It was noted that the proposals for the Objective 2 area had been delayed, but these were about to be submitted to the European Commission.
- Members were keen to maximise the amount of flexibility in terms of the implementation and monitoring arrangements for the programmes, so that any improvements which became apparent in the light of experience could quickly be introduced. Alan Lansdown said that the Commission had agreed a formal mid-term review in 2003, and it would be possible to approach the Commission to seek an earlier review if necessary.

5.5 The Chair thanked Alan Lansdown for his presentation and asked him to take account of the Committee's views in taking the proposals forward.

Item 6: Analysis of take-up of Structural Funds: SEWR-03-99 (p.3)

6.1 Alan Lansdown explained that the paper set out an analysis of European Regional Development Fund grant under the Industrial South Wales Single Programme Document for 1994-96 by local authority area. The allocation of project costs to individual local authorities had involved an element of pro-rating. In addition, he reported that there was still some £15 million, mainly relating to major tourism projects, which was still to be allocated under the programme.

6.2 The Committee noted the analysis and raised the following points in discussion:

- With regard to the uncommitted resources, it was noted that there was still some three months left to commit expenditure under the programme. If any of the major tourism projects were abandoned, the Wales European Programme Executive held a reserve list of quality projects.
- Alan Lansdown explained that the pattern of the take-up of grants largely reflected the quality of the individual applications rather than any spatial measures. The projects would have been assessed on the basis of criteria set by the Monitoring Committee.
- Each project would be evaluated against the employment opportunities that had been created.

6.3 The Chair thanked Alan Lansdown for providing the analysis requested by the Committee.

Item 7: Open mike session

7.1 The Chair invited members of the public who had registered their desire to present their views to the Committee to do so. There were questions on road speed limits and the availability of funding for local authorities to create jobs in their areas. The Chair said that he would invite the relevant Assembly Secretary to reply to the points raised.

Item 8: Arrangements for the next meeting

8.1 It was agreed that integrated transport would be the theme of the next meeting on Friday 3 December. The agenda would also allow time for a discussion on postal addresses and an open mike session. The venue would be confirmed as soon as possible.

Committee Secretariat

October 1999