

## SOUTH EAST WALES REGIONAL COMMITTEE

### MINUTES OF COMMITTEE MEETING

**Date:** Friday 1 February

**Time:** 9.30am to 12.30 pm

**Venue:** Sobell Sports Centre, Aberdare

#### **Attendance:**

##### *Members:*

Jonathan Morgan (Chair)	South Wales Central
Rosemary Butler	Newport West
Christine Chapman	Cynon Valley
David Davies	Monmouth
Ron Davies	Caerphilly
Michael German	South Wales East
John Griffiths	Newport East
Pauline Jarman	South Wales Central
Peter Law	Blaenau Gwent
Dai Lloyd	South Wales West
David Melding	South Wales Central
Lynne Neagle	Torfaen

Jenny Randerson	Cardiff Central
Owen John Thomas	South Wales Central
Phil Williams	South Wales East

*In attendance:*

Sheila Davies	South East Wales Economic Forum
John Sheppard	South East Wales Economic Forum
Tim Beddoe	Wales Tourist Board
Karen Thomas	Welsh Development Agency
David Davies	Welsh Development Agency
David Morgan	ELWa
Bryan Roderick	ELWa
Teresa Holdsworth	ELWa
Caroline Turner	Welsh European Funding Office
Sheila Maxwell	Welsh European Funding Office
Katherine Himsworth	Welsh European Funding Office
David Howarth	Welsh European Funding Office

*Secretariat*

Roger Chaffey	Committee Clerk
Liz Wilkinson	Deputy Committee Clerk

**Opening remarks**

Christine Chapman formally welcomed the Committee to Aberdare. She extended a welcome to all those present including members of the public and presenters.

The Chair said he was pleased to be meeting at the Sobell Sports Centre, Aberdare. He extended his thanks to Rhondda Cynon Taff County Borough Council the use of their facilities and to the sports centre staff for their assistance.

The Chair said that the theme of the meeting was regional economic development, which would include a discussion on European Structural Funds.

### **Item 1: Apologies for absence**

1. Apologies for absence were received from Lorraine Barrett, Peter Black, Alun Cairns, Jane Davidson, Janet Davies, Jocelyn Davies, Sue Essex, William Graham, Brian Hancock, Jane Hutt, Carwyn Jones, Huw Lewis and Rhodri Morgan.

### **Item 2: Minutes of the meeting held on 7 December SEWR-06-01 (min)**

2. The minutes of the meeting held on 7 December were agreed.

### **Item 3: Open mike session**

3.1 The following issues were raised by members of the public:

- The need to develop an integrated transportation system to facilitate economic growth in the South East Wales valleys
- The number and type of projects which had been approved within Objective 1
- The current position of negotiations between Torfaen County Borough Council and CBI regarding the proposed education centre for North Torfaen
- The closure of schools in North Torfaen and the position regarding Public Finance Initiative
- The role of the Welsh language in contributing to economic development

3.2 In response to the above the following points were raised:

- The Committee felt that further work would be required and considerable investment needed in order to improve transport links in the valleys, particularly the railway network. It would be necessary to develop a sound infrastructure to take forward future developments. It was noted that the issue of transportation within the valleys had been raised with the Minister for Environment.
- Members agreed that it was important to increase flexibility and enhance the frequency of the rail service currently operating between the valleys and Cardiff. This would increase the feasibility of commuting and could assist in attracting business people to the area. In addition, it would improve access to facilities and services based in Cardiff, including events held in the Millennium Stadium and the planned Millennium Centre.
- Most Members felt that European Structural Funds had to date been successful in encouraging and facilitating economic regeneration and revival in South East Wales. It would be important to encourage further participation and to publicise the success of local partnerships and projects. There had been a total of 453 projects approved to date as part of the Objective 1 programme. Information regarding these projects was available on the website of the Welsh European Funding Office.
- It was vital that the funding available through European Structural Funds to take forward the Objective 1 programme was in addition to investment provided by the UK Treasury and the Assembly. It would be necessary for investment in these areas to continue after 2006 in order to achieve sustainability and enable projects to continue to make a difference within communities.
- There was some discussion on the use of Private Finance Initiative (PFI) as a means of generating finance for investment in schools. It was suggested that PFI should be used in the absence of alternative capital funding. However, some Members felt that this form of finance was not cost-effective in the long-term as it would involve revenue payments over the lifetime of the contract.
- The Committee noted that the Culture Committee had taken evidence from the Welsh Development Agency and the Wales Tourist Board as part of its policy review of the Welsh language. The Culture Committee's report would be published by summer 2002, after which the Minister for Culture, Sport and Welsh Language would respond to the recommendations contained within the report.
- It was felt that the promotion of Wales as a bilingual country would have a positive affect on tourism. It would be important to encourage young Welsh-speakers to develop a career in tourism and for appropriate training opportunities to be available through the

medium of Welsh. In addition, it was necessary to develop Welsh as a technical language, which would be used throughout the business sector. There were further possibilities to develop education and business links which would strengthen bilingualism, for example offering work placements to students through the medium of Welsh.

3.3 The Chair said that the remaining questions from the public would be forwarded to the relevant Minister for a detailed written response.

#### **Item 4: Regional Economic Development**

4.1 The Deputy Minister for Economic Development outlined the state of the economy of South East Wales and the changes it had undergone throughout recent years. He summarised some of the measures being taken by the Assembly, its bodies and other agencies to assist economic growth within the region.

4.2 Sheila Davies said that the South East Wales Economic Forum (the Forum) had been involved in a strategic positioning and brand study which would assist in the marketing and promotion of the region as well as attracting inward investment. The study involved research and analysis, including in-depth interviews with key partners, companies within the region and investors outside of Wales. It found that value for money was a key concept for businesses. In addition, the term 'Capital Wales' and the strapline 'Enter the Dragon Economy' were recommended as part of the marketing and promotion campaign. Following the final consultation, the campaign would be launched jointly by the Forum and its partners.

4.3 Tim Beddoe said that tourism made a significant contribution to the economy of South East Wales and to job creation. He said that the Regional Tourism Partnership would be responsible for preparing a business plan and would work to a strategy which was currently under review. The objectives of the Regional Tourism Strategy were to promote Wales and the region more effectively; to improve product quality; to promote professionalism and innovation and; to embrace a sustainable approach to development. Tim Beddoe outlined a number of key projects within South East Wales. He highlighted the growth areas which had been identified within the region along with the potential areas of product development.

4.4 Karen Thomas outlined the business support provided by the WDA in South East Wales. She said that the Driscoll Report, which resulted from the Assembly's review of business support, had highlighted customer concerns about duplication of support services, unclear signposting and quality issues. It was felt that clarification was needed about who provided advice and how it was accessed. In addition, the report emphasised the importance of partnership. She illustrated the business support which was available at a local level. It would be important

to avoid overlap in service provision and to ensure a consistent approach whilst retaining enough flexibility to meet individual needs.

4.5 David Morgan outlined ELWa's responsibilities for policy and funding of all post-16 education in Wales. He said that ELWa played an important role in developing economic capacity within South East Wales and that this was underpinned by effective education and training. It was vital to have a sound understanding of Economics when planning the provision of education and training. It would be important to raise the numbers of those in learning and the level of learning of those both in work and those who were economically active.

It would be necessary to increase the demand for learning and to ensure that the supply of learning opportunities was capable of responding flexibly and within realistic timescales. David Morgan outlined a number of measures which would be required to address these issues. In addition, he illustrated the work currently being undertaken by Elwa in the region.

4.6 The following points were raised in discussion:

- There was some discussion on the need to subdivide the South East Wales region to take account of the economic disparity between the valleys and Cardiff. It was suggested that two distinct strategies were required to take forward economic development within these geographical areas. In addition, an appropriate mechanism, such as an Economic Policy Board, should be established to ensure a broader strategic overview. Karen Thomas said that, although the two areas required different solutions and objectives, they were economically interdependent and would need joined-up strategies.
- The Committee raised concern about the high levels of deprivation within the South East Wales valleys. In order to address this, it would be necessary to increase public expenditure and investment within these areas. Some Members felt it was important to consider increasing dispersal of public services throughout the region and to locate structures to the valleys. It was suggested that further future development of Cardiff could be to the detriment of the valleys.
- The role of Community Enterprise and Co-operatives were acknowledged as making a positive contribution to economic development in some areas within the region, particularly in the Ronda Cynon Taff.
- There was a continuing need to invest in the M4 corridor, particularly around Newport.

4.7 The Chair thanked the representatives from the South East Wales Economic Forum, Wales Tourist Board, the Welsh Development Agency and ELWa for making their presentations and for answering Members' questions.

## Item 5: European Structural Funds

5.1 The Chair welcomed the representatives from the Welsh European Funding Office to the meeting.

5.2 Caroline Turner outlined the range of European Structural Funds which were available to assist in economic development and regeneration within the South East Wales region.

5.3 She made the following points:

- Funding available for the Objective 1 programme was limited compared with other sources of funding. It was important that projects satisfied the eligibility criteria and that the right projects were selected to maximise benefits for the local economy. A wide range of projects had been approved covering the full geographical area of South East Wales. Objective 1 projects were approved at both a local or all-Wales level.
- The key principles underlying the approach to European Structural Funds were partnerships and strategies at all levels. It was felt that these would ensure a more effective use of funds. Improving links between local and regional partnerships would ensure further future progress of the programmes. In addition, it would be important to develop capacity within organisations throughout local authorities to take full advantage of the funding available.
- It was envisaged that a new database would be established by the summer 2002 to enable effective monitoring and evaluation of projects. This would allow detailed analysis of information and the identification of areas for improvement based on sound rationale. This would also allow comparisons between regions to be made more easily.

5.4 The following points were raised in discussion:

- There was concern raised that North Wales had benefited more considerably than the valleys from European Structural Funds. It was felt that the least deprived areas were receiving the greatest amount of assistance. Members noted that North Wales had successfully adopted a joint-working approach and had submitted a number of large sub-regional applications. This enabled the region to move ahead more quickly and could, in part, explain its comparative success. It was noted that partnerships within the valleys were increasingly working together and that further funding applications were being prepared.

- It was important for sub-regional work to be effective. This would be achieved through a high level of co-operation, including involvement of key bodies. It would be necessary to identify factors which prohibit partnership working at a sub-regional level and, if appropriate provide assistance to help organisations overcome these difficulties. In addition, it would be important for local authorities to engage closely with regional partnerships to ensure programme success, particularly within the valleys.
- There was some concern at the length of time taken to develop a single, detailed database. The Committee felt that the introduction of a single database would allow for more effective monitoring of partnerships as well as individual projects. It would be important to introduce more effective monitoring systems as soon as practicable.
- It was felt that effective communication would be crucial to the future success of European Structural Funds. It was necessary to encourage innovation and to ensure information and advice were readily available to interested parties.
- Members noted that European Structural Funds projects were in their infancy with approval of Objective 1 and 3 projects having commenced in October 2000. In addition, Objective 2 commenced a year later and all partnerships had been given indicative funding allocations. It was noted that a large number of applications for Objective 2 had recently been received and were being dealt with.
- The Committee noted that the length of time taken to process applications was dependent upon the standard of applications and the level of development of the project. The target for project approval was 90 days.
- Members felt it was vital to measure the long-term success of the programmes and to assess their effectiveness in creating sustainable economic development. It was noted that currently the emphasis was on the monitoring and evaluation of partnerships and projects. However, it was envisaged that a broader evaluation would be undertaken next year.

5.5 The Chair thanked the representatives from the Welsh European Funding Office for making the presentation and for answering Members' questions.

**Item 6: Date of next meeting: 8 March**

6.1 The Chair said that the next meeting would focus on disability issues and would include a presentation from the Disability Rights Commission. The meeting in the summer term would be about Cardiff International Airport and transportation issues.

6.2 The Chair sought Members' views about changing the time of future meetings. The



Committee agreed that there should be no changes to the current meeting time of 9.30am to 12.30pm.