

# Agenda – Economy, Trade, and Rural Affairs Committee

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Meeting Venue:

Hybrid – Committee room 5 Ty Hywel  
and video Conference via Zoom

Meeting date: 8 June 2023

Meeting time: 09.30

For further information contact:

Robert Donovan

Committee Clerk

0300 200 6565

[SeneddEconomy@senedd.wales](mailto:SeneddEconomy@senedd.wales)

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## Private pre-meeting (09.15–09.30)

### 1 Post-EU regional development funding: Findings from engagement

(09.20–09.30)

(Pages 1 – 15)

Attached Documents:

Engagement summary note

## Public meeting (09.30–13.35)

### 2 Introductions, apologies, substitutions and declarations of interest

(09.30)

### 3 Papers to note

(09.30)



### **3.1 Questions to the Minister for Economy: Apprenticeship completions**

(Page 16)

Attached Documents:

Letter from the Minister for Economy to Luke Fletcher MS – 12 May 2023

### **3.2 The Legislation, Justice and Constitution Committee's report: Common Frameworks**

(Page 17)

Attached Documents:

Letter from the Chair of the Legislation, Justice and Constitution Committee – 12 May 2023

### **3.3 UK/Ireland/EC: Financing Agreement on the PEACE PLUS Programme 2021–2027**

(Pages 18 – 22)

Attached Documents:

Letter from the Chair of the Legislation, Justice and Constitution Committee – 12 May 2023

### **3.4 Legislative Consent Memorandum: Data Protection and Digital Information (No. 2) Bill**

(Pages 23 – 27)

Attached Documents:

Letter from the Chair of the Legislation, Justice and Constitution Committee to the First Minister – 15 May 2023

### **3.5 Post-EU regional development funding: Shared Prosperity Fund**

(Pages 28 – 29)

Attached Documents:

Letter from Councillor Morgan, Rhondda Cynon Taf County Borough Council following the Committee meeting on 4 May – 15 May 2023

### **3.6 Economy, Trade and Rural Affairs Committee: Forward Work Programme**

(Pages 30 – 35)

Attached Documents:

Letter from Climate Cymru – 16 May 2023

Letter from the Chair to Climate Cymru – 22 May 2023

### **3.7 Inter-Institutional Relations Agreement: Inter-Ministerial Standing Committee**

(Page 36)

Attached Documents:

Letter from the Council General and Minister for the Constitution to the Chair of the Legislation, Justice and Constitution Committee – 17 May 2023

### **3.8 Supplementary Legislative Consent Memorandum (Memorandum No 3) for the Levelling-up and Regeneration Bill**

(Pages 37 – 38)

Attached Documents:

Letter from the Chair of the Local Government and Housing Committee to the Llywydd and Chair of the Business Committee – 18 May 2023

### **3.9 Legislative Consent Memorandum for the Non-Domestic Rating Bill**

(Pages 39 – 45)

Attached Documents:

Letter from the Chair of the Legislation, Justice and Constitution Committee to the Minister for Finance and Local Government – 18 May 2023

Letter from the Chair of the Finance Committee to the Minister for Finance and Local Government – 26 May 2023

Letter from the Minister for Finance and Local Government to the Chair of the Legislation, Justice and Constitution Committee – 1 June 2023

### **3.10 Meeting of the Inter-Ministerial Group for Trade**

(Page 46)

Attached Documents:

Letter from the Minister for Economy – 18 May 2023

### **3.11 The Committee's inquiry into Post-EU regional development funding**

(Pages 47 – 49)

Attached Documents:

Letter from the Chair to Trades Union Congress (TUC) Wales – 19 May

Letter from the Chair to University and College Union (UCU) Wales – 19 May 2023

Letter from the Chair to UNISON Wales – 19 May

### **3.12 Food (Wales) Bill: Stage 1**

(Pages 50 – 72)

Attached Documents:

Response from Peter Fox MS, Member-in-charge of the Bill to the Economy, Trade and Rural Affairs Committee report – 19 May 2023

Response from Peter Fox MS, Member-in-charge of the Bill to the Legislation, Justice and Constitution Committee report – 19 May 2023

Response from Peter Fox MS, Member-in-charge of the Bill to the Finance Committee report – 19 May 2023

Letter from the Chair to the Minister for Rural Affairs and North Wales, and Trefnydd – fall of the Food (Wales) Bill – 31 May 2023

### **3.13 Review of the Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021**

(Pages 73 – 75)

Attached Documents:

Letter from the Minister for Rural Affairs and North Wales, and Trefnydd – 25 May 2023

### **3.14 Forage maize seed breeders**

(Pages 76 – 78)

Attached Documents:

Letter from Dr Julian Little, Fellow of the Royal Society of Biology (FRSB) – 15 May 2023

### **3.15 Agriculture and Horticulture Development Board (Amendment) Order 2023 (2023 Order)**

(Pages 79 – 81)

Attached Documents:

Letter from the Minister for Rural Affairs and North Wales, and Trefnydd – 26  
May 2023

### **3.16 Welsh Government Draft Budget 2024–25: Engagement**

(Page 82)

Attached Documents:

Letter from the Chair to the Chair of the Finance Committee – 26 May 2023

## **4 Post–EU regional development funding: Minister for Economy**

(09.30–10.30)

(Pages 83 – 118)

Vaughan Gething MS, Minister for Economy

Duncan Hamer, Director of Operations – Business & Regions, Welsh  
Government

Aine Gawthorpe, Deputy Director, Industrial Transformation and  
Foundational Economy, Welsh Government

Peter Ryland, Chief Executive, Welsh European Funding Office, Welsh  
Government

Attached Documents:

Evidence paper – Welsh Government

Research brief

Summary of written evidence

## **5 Manufacturing in Wales: Evidence session 1 – Minister for Economy**

(10.30–11.00)

(Pages 119 – 150)

Vaughan Gething MS, Minister for Economy

Duncan Hamer, Director of Operations – Business & Regions, Welsh Government

Aine Gawthorpe, Deputy Director, Industrial Transformation and Foundational Economy, Welsh Government

Attached Documents:

Evidence paper – Welsh Government

Research brief

### **Break (11.00–11.15)**

## **6 Manufacturing in Wales: Evidence session 2**

(11.15–12.30)

Dr Llyr ap Gareth, Head of Policy (Wales), Federation of Small Businesses Wales

Janis Richards, Membership Director – Wales, MakeUK

Professor David Pickernell, Small Business and Enterprise Development Policy, Business, Swansea University

Mary Williams, Political Officer, Unite Wales

### **Break (12.30–12.35)**

## **7 Manufacturing in Wales: Evidence session 3**

(12.35–13.35)

Professor Keith Ridgway, Chair, Industry Wales and Senior Executive,  
Manufacturing University of Strathclyde

David Hoare, Senior Communications & Site Compliance Leader (Wales), GE  
Aerospace

## **8 Motion under Standing Order 17.42(ix) to resolve to exclude the public for the remainder of the meeting**

(13.35)

**Private (13.35–14.00)**

## **9 Consideration of evidence following the meeting**

(13.35–13.45)

## **10 Consideration of the Committee's Forward Work Programme**

(13.45–14.00)

(Pages 151 – 154)

Attached Documents:

Forward Work Programme – Autumn 2023



# Agenda Item 1

Document is Restricted



Ein cyf/Our ref VG/0138/23

Luke Fletcher MS  
Welsh Parliament

12 May 2023

Dear Luke,

Further to your question in the Senedd on 26 April concerning apprenticeship completions, I am happy to provide additional information.

Our pre-pandemic success (completion) rates were very positive at 80.9%, a level which compared extremely well with other apprenticeship programmes across the UK. It's disappointing that the pandemic has significantly impacted these success rates, falling to 66.3% <sup>(1)</sup>. Sectors such as Health, Public Services and Care; Hospitality and Catering; and Hair and Beauty were hit drastically by the pandemic, and this has followed through to our apprenticeship success rates.

The number of people leaving their apprenticeship to go into employment has increased. This may well be individuals leaving employers for higher wages and better terms and conditions elsewhere - reflecting the economic difficulties being experienced by the sectors mentioned. We are working with providers and employers to further understand why apprentices don't complete and better understand their support needs.

We have recently agreed funding of over £700,000 to support the health and wellbeing of apprenticeship learners, staff and organisations. This will help learners stay on programme to complete their apprenticeship, continuing our focus on maintaining and further developing quality provision – delivering more successful outcomes in future.

I am copying this letter to the Economy, Trade and Rural Affairs Committee.

Yours sincerely,

**Vaughan Gething AS/MS**  
Gweinidog yr Economi  
Minister for Economy

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

**Y Pwyllgor Deddfwriaeth,  
Cyfiawnder a'r Cyfansoddiad**

**Legislation, Justice and  
Constitution Committee**

Llyr Gruffydd MS

Chair, Climate Change, Environment, and Infrastructure Committee

Paul Davies MS

Chair, Economy, Trade, and Rural Affairs Committee

Russell George MS

Chair, Health and Social Care Committee

Mark Isherwood MS

Chair, Public Accounts and Public Administration Committee

12 May 2023

Dear Chairs

You will be aware that my Committee has been maintaining an oversight of the UK Common Frameworks programme while your committees, and other parliamentary committees in the UK, have been undertaking scrutiny of individual frameworks.

We recently agreed to make recommendations to the Welsh Government in respect of cross-cutting issues arising from this scrutiny. Today we have laid our report which includes these recommendations.

We have also sought a debate in Plenary to note the report on Wednesday 12 July 2023. We hope this will also provide an opportunity for you, and members of your committees, to highlight issues arising from your scrutiny of individual common frameworks.

Yours sincerely,



Huw Irranca-Davies

Chair

—  
**Legislation, Justice and  
Constitution Committee**

Paul Davies MS

Chair, Economy, Trade, and Rural Affairs Committee

12 May 2023

Dear Paul,

You will be aware that the Legislation, Justice and Constitution Committee is responsible for monitoring the implementation of non-trade international agreements in the Sixth Senedd.

During our meeting on 24 April 2023, we considered the UK/Ireland/EC: Financing Agreement on the PEACE PLUS Programme 2021-2027. This agreement provides a mechanism for the UK, Ireland and the EU to jointly fund PEACE PLUS, the EU cross-border peace funding programme. This international agreement will govern the implementation of the PEACE PLUS programme and the parties' contributions.

During our consideration of the agreement, we agreed to draw it to the attention of your Committee to inform its inquiry into post-EU regional development funding. We also agreed to draw the agreement to the attention of the Culture, Communication, Welsh Language, Sport and International Relations Committee, and the Finance Committee, as those committees have also undertaken, or are in the process of undertaking, work on post-Brexit EU funding arrangements.

Our latest report is enclosed for your information.

Yours sincerely,

*Huw Irranca-Davies*

Huw Irranca-Davies

Chair

# **International agreements**

Agreements considered on 24  
April 2023

May 2023



## 1. Background

- 1.** The [Legislation, Justice and Constitution Committee](#) is responsible for the scrutiny of non-trade international agreements in the sixth Senedd.
- 2.** International agreements signed by the UK Government can cover matters within devolved competence or matters which have important policy implications for Wales.
- 3.** The Committee will consider the impact on Wales of international agreements laid in the UK Parliament under the process established by the [Constitutional Reform and Governance Act 2010](#) (CRaG Act 2010). It provides an initial 21-day scrutiny period.
- 4.** Our consideration of an international agreement takes into account:
  - whether it engages the Senedd's competence; and/or
  - whether there are potential policy implications for Wales.
- 5.** On 24 April 2023<sup>1</sup> we considered two international agreements that had recently been laid in the UK Parliament:
  - [UK/Ireland/EC: Financing Agreement on the PEACE PLUS Programme 2021-2027](#)
  - [UK-INTERPOL: Agreement on the Privileges and Immunities of INTERPOL on the Territory of the UK](#)
- 6.** We agreed to take further action in relation to one of the agreements. Details on each of the agreements and our respective actions are set out below.

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<sup>1</sup> [Legislation, Justice and Constitution Committee, 24 April 2023](#)

## 2. Agreement requiring further action

### **UK/Ireland/EC: Financing Agreement on the PEACE PLUS Programme 2021-2027**

- 7.** This international agreement was laid in the UK Parliament on 24 March 2023. Its scrutiny deadline, as required by the CRaG Act 2010, is 18 May 2023.
- 8.** This agreement provides a mechanism for the UK, Ireland and the EU to continue to jointly fund cross-border activities that promote peace and reconciliation and contribute to cross-border economic and territorial development of the Northern Ireland-Ireland border region post-Brexit.
- 9.** Prior to its withdrawal from the EU, the UK committed to continue to fund PEACE PLUS, the EU cross-border peace funding programme, along with Northern Ireland, Ireland and the EU. This international agreement will govern the implementation of the PEACE PLUS programme and the parties' contributions.
- 10.** The agreement relates to international relations which is a reserved matter for the purposes of Schedule 7A to the *Government of Wales Act 2006*. "International relations" includes relations with territories outside the UK and relations with the EU and its institutions.
- 11.** The Explanatory Memorandum to the agreement does not refer to devolution; however, the UK Government notes that the Department of Finance in Northern Ireland was included in the negotiation of the Treaty and that a draft text was shared in advance of signature.<sup>2</sup>
- 12.** As the Finance Committee, the Culture, Communications, Welsh Language and International Relations Committee, and the Economy, Trade and Rural Affairs Committee have all undertaken, or are in the process of undertaking, work on post-Brexit EU funding arrangements, we agreed to draw this agreement to the attention of these Senedd committees.

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<sup>2</sup> UK Government, [Explanatory memorandum: UK/Ireland/EC: Financing Agreement on the Peace Plus Programme 2021-2027](#), March 2023, paragraph 10.1

### 3. Agreement noted for information

#### **UK-INTERPOL: Agreement on the Privileges and Immunities of INTERPOL on the Territory of the UK**

**13.** This international agreement was laid in the UK Parliament on 24 March 2023. Its scrutiny deadline, as required by the CRaG Act 2010, is 18 May 2023.

**14.** This agreement grants the International Criminal Police Organisation (INTERPOL), its officers, officials and country representatives certain privileges and immunities covering their activities in the UK. This is a requirement for the UK to host the 2024 INTERPOL General Assembly, however, this agreement is also intended to provide a long-term framework governing the privileges and immunities of INTERPOL in the UK.

**15.** The agreement relates to international relations which is a reserved matter for the purposes of Schedule 7A to the *Government of Wales Act 2006*. “International relations” includes relations with international organisations such as INTERPOL.

**16.** The Explanatory Memorandum states that:

*“In light of the operational impacts of such privileges and immunities on matters that may be devolved such as justice or policing, the UK Government consulted the Devolved Administrations.”<sup>3</sup>*

**17.** As justice and policing are not devolved in Wales, this implies that only the Scottish Government was consulted, as the Explanatory Memorandum also states that the Scottish Government will prepare a second and parallel Order in Council to the UK Government’s.<sup>4</sup>

**18.** As the operational impacts of such privileges and immunities will not impact on devolved areas in the same way in Wales as they will in Scotland, we agreed to note the agreement for information only.

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<sup>3</sup> UK Government, Explanatory Memorandum: Agreement on the Privileges and Immunities of INTERPOL on the Territory of the UK, March 2023, paragraph 10.2

<sup>4</sup> UK Government, Explanatory Memorandum: Agreement on the Privileges and Immunities of INTERPOL on the Territory of the UK, March 2023, paragraph 10.3



Rt Hon Mark Drakeford MS  
First Minister of Wales

15 May 2023

Dear Mark

Legislative Consent Memorandum: Data Protection and Digital Information (No. 2) Bill

At our meeting on 9 May 2023 we considered for the first time the Welsh Government's Legislative Consent Memorandum for the Data Protection and Digital Information (No. 2) Bill (the Memorandum).

We have a number of questions to put to you, which will help inform our report to the Senedd on the Memorandum.

I would be grateful to receive a response to the questions in the Annex by 1 June 2023.

I am copying this letter to the Economy, Trade and Rural Affairs Committee and to the Culture, Communications, Welsh Language, Sport and International Relations Committee, as these matters may be of interest to their work.

Yours sincerely,

*Huw Irranca-Davies*

Huw Irranca-Davies  
Chair

## ANNEX

### Clauses 54 (Power of public authority to disclose information to registered person) and 56 (Code of practice about the disclosure of information)

You are aware that the UK Government is of the view that clauses 54 and 56 of the Bill do not require the Senedd's consent as, in its view, these clauses relate to reserved matters. We note that it is your view that the UK Government has taken an "extraordinarily wide interpretation" of the reserved matter of 'internet services', and that you consider that these clauses relate to devolved matters of public services, economy and business and are, therefore, relevant provisions for the purposes of Standing Order 29.

**Question 1:** Please would you clarify why, if the Welsh Government is of the view that the devolved areas of public services, economy and business are engaged for clauses 54 and 56, the Senedd's consent should not also be sought for other substantive provisions of Part 2 of the Bill (clauses 46 to 60).

**Question 2:** Specifically in relation to clause 56, at paragraph 39 of the Memorandum you state that further consideration needs to be given to the devolved implications of a UK-wide Code of Practice, and that you will provide an update in due course. Are you as yet in a position to provide an update to the Senedd?

### Clauses 61 to 77 (Part 3, Customer Data and Business Data)

Clauses 61 to 77 of the Bill provide various delegated powers to the Secretary of State and to the Treasury.

**Question 3:** At paragraph 42 of the Memorandum you state that further consideration needs to be given to the devolved implications of the regulation-making powers in clauses 61 to 77 and that you will provide an update in due course. Are you as yet in a position to provide an update to the Senedd?

### Clause 92 (Disclosure of information to improve public service delivery to undertakings)

You will be aware that this clause amends section 35 of the *Digital Economy Act 2017* (the DEA Act 2017) to enable the sharing of information to improve the delivery of public services to businesses, expanding on the existing gateway which allows specified public authorities to share information to improve the delivery of public services to individuals and households. "Specified persons" are listed in Schedule 4 to the DEA Act 2017 and include 'Welsh Bodies' (various devolved Welsh authorities). Section 35 of the DEA Act 2017 allows the "appropriate national authority" to make regulations to add "specified persons" and "specified objectives". The "appropriate national authority" includes the Welsh Ministers in relation to Wales.

The amendments made by clause 92 of the Bill to section 35 of the DEA Act 2017 have the effect of extending a pre-existing delegated power (a Henry VIII power) exercisable by the Welsh Ministers in relation to Wales, by adding the word “undertakings” (meaning businesses and charitable bodies) alongside individuals and households. As an example, the Welsh Ministers would have the power to set a “specified objective” that, subject to other conditions in section 35, would have the purpose of improving a public service provided to undertakings. Previously, the scope of this power would have been limited to improving a public service to individuals and households.

**Question 4:** Please would you confirm that our understanding of the position is correct and that the amendments made by clause 92 do extend a pre-existing Henry VIII power exercisable by the Welsh Ministers, and clarify the reasoning behind this omission of information from the Memorandum.

#### Clause 93 (Implementation of law enforcement information-sharing agreements)

You will be aware that clause 93 provides a delegated power to the Secretary of State to implement, via regulations, international agreements relating to the sharing of information for law enforcement purposes.

In the Memorandum you state that the Welsh Ministers should be given appropriate powers to make regulations for the purpose of implementing an international agreement relating to sharing information for the aspects of law enforcement within the Senedd’s competency, and that this issue is subject to ongoing discussions with UK Government.

**Question 5:**

- a) Could you provide an update on these discussions?
- b) What is the Welsh Government’s view of the reserved and devolved matters in this area?
- c) Could you give an example of how international agreements falling under clause 93 might fall to the Welsh Government and/or devolved public bodies to deliver?
- d) Are you aware of upcoming international agreements that would be implemented via the Bill’s powers?
- e) We raised concerns during our scrutiny of the Welsh Government’s Legislative Consent Memorandum for the Health and Care Bill about the implementation of international healthcare agreements using secondary legislation, as proposed in this Bill. At that time, the Minister for Health and Social Services provided assurances that such agreements would be governed by an intergovernmental Memorandum of Understanding (MoU) that was updated to reflect the Bill (a version was made available to us in February 2022). Could you confirm whether similar intergovernmental arrangements will be put in place for international agreements falling under clause 93 of this Bill (if and when enacted)? Is this something the Welsh Government is advocating for?

f) During our consideration of the UK/Switzerland Convention on social security coordination in November 2021, you explained that no new requirements were being placed on Welsh Local Health Boards to deliver its arrangements. What is your view on the extent to which international agreements falling under clause 93 might place additional requirements on the Welsh Government or Welsh public bodies to deliver?

### Clause 36 (Interview notices)

You will be aware that clause 36 inserts into the *Data Protection Act 2018* new section 148A which makes provision about interview notices, which can be used to require a person to attend an interview and answer questions when required by the Information Commissioner (the "Commissioner"). We note that, in practice, the reference to the Commissioner will be read as a reference to the newly-formed Information Commission, courtesy of section 102(2) of the Bill.

Additionally, clause 36 inserts new section 148B, which places certain restrictions on the circumstances in which the Commissioner can require a person to answer questions under an interview notice. Subsection (9) lists bodies to whom the Commissioner cannot give an interview notice, including: "the Office for Standards in Education, Children's Services and Skills in so far as it is a controller or processor in respect of information processed for the purposes of functions exercisable by His Majesty's Chief Inspector of Education, Children's Services and Skills by virtue of section 5(1)(a) of the Care Standards Act 2000." The functions referenced relate to the registration of children's homes in England, residential family centres in England, fostering agencies in England or, where the activities of a fostering agency are carried on from two or more branches, the branches in England, voluntary adoption agencies whose principal office is in England, and adoption support agencies in England or, where the activities of an adoption support agency are carried on from two or more branches, the branches in England.

No similar exemption is contained in the Bill for functions related to registration of similar establishments and agencies in Wales meaning that the Commissioner will be able to issue an interview notice in relation to those matters in Wales but not in England.

### **Question 6:**

- a) Please would you clarify if this represents the Welsh Government's chosen and preferred position?
- b) Has the Welsh Government had discussions with the UK Government about the drafting of clause 36 and its effect in Wales?

### Other matters

In the Memorandum, you outline various concerns that you have with the Bill as a whole. In particular, at paragraph 34, you explain that there are concerns that "the introduction of the Bill creates a risk to

the UK's current adequacy decision, which was granted in June 2021 by the EU for a period of 4 years initially. The potential loss of EU data adequacy is a key concern from a trade perspective as this would be a major threat for Welsh exporting businesses, whose main overseas market continues to be the EU."

**Question 7:**

- a) Are you able to expand on the implications for Wales should that adequacy decision from the EU be lost?
- b) If the Bill passes in its current form, what is your view of its impact on the EU's adequacy decision?
- c) What discussions have you had with the UK Government in relation to this issue?

# Agenda Item 3.5



Dyddiad/Date: 15 May 2022

Thank you for your letter of 9<sup>th</sup> May 2023.

I think it is fair to say that the requirements on lead authorities in Wales are more complex than for many parts of the UK, given the need to co-ordinate across a number of individual councils on a regional level.

To date the key challenges faced by Rhondda Cynon Tac CBC as lead local authority for the South East can be summarised as follows:

- The delayed approval of the regional investment plan caused inevitable delays to the start of the programme and the ability to spend the Year 1 allocation.
- There has been uncertainty regarding the carry forward of funding between financial years therefore making forward planning extremely difficult.
- Although now confirmed that requests for carry forward of funds from Year 1 into Year 2 will be considered, the timescale for determining the outcome of the requests and the subsequent issuing of grant determination letters for the Year 2 allocations is unknown.
- Clarification regarding the ability to adopt flexibility in the use of the Multiply funding has been an ongoing issue. Some flexibility has now been applied to the Year 1 underspend, but restrictions still apply to the Years 2 and 3 allocations where the funding is ring-fenced for the sole use of Multiply. Without ongoing flexibility, full spend within the limited programme period is challenging.
- The limited programme period of three years, further condensed by the delayed approval, makes planning and delivery of local economic interventions much more challenging.

It is however worth noting that these are common challenges faced by each of the four Welsh Regions and at all times and in collaboration with the WLGA we have conveyed consistent messages to UK Government.

Despite delays in decision making within the UK Government and the Treasury, officials from the four lead authorities and WLGA have met regularly with officers from DLUHC which has proved beneficial.

Direct written representation has also been made to Secretary of State for Levelling up, Housing and Communities by me as WLGA Leader and Councillor Rob Stewart, Deputy Leader WLGA and in our roles as Leaders of two of the four lead local authorities for the Shared Prosperity Fund in Wales – Rhondda Cynon Taf and Swansea.

Notwithstanding such challenges, I would like to highlight that there are very positive aspects of the UKSPF programme including, the localised agenda and the ability for Councils and their partners to identify local needs and opportunities and to tackle complex challenges facing our communities is most welcomed. We are already delivering significant levels of SPF activity and positive outcomes through projects in South East Wales with our SPF Regional Investment Plan.

Also, the fact that the programme has been wholly allocated by formula, rather than competitive bidding, again ensuring that funding is delivered where the need is greatest, and maximum benefit can be derived.

I hope this provides some further context for the Economy, Trade and Rural Affairs Committee inquiry into post EU funding, but should you wish to discuss further please do not hesitate to get in touch.

Yours sincerely



**Y Cynghorydd Andrew Morgan**  
**Arweinydd Cyngor Bwrdeistref Sirol Rhondda Cynon Taf**  
Councillor Andrew Morgan  
Leader of Rhondda Cynon Taf County Borough Council

**Swyddfa'r Cabinet**  
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We welcome correspondence in Welsh and corresponding with us in Welsh will not lead to a delay. Let us know your language choice if Welsh or bilingual.



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# Agenda Item 3.6



16.05.23

Dear Paul Davies MS, Chair of the Economy, Trade and Rural Affairs Committee,

## **Future work programme of the Economy, Trade and Rural Affairs Committee**

We are writing on behalf of Climate Cymru, a partner organisation of over 4,000 partner organisations and 13,000 individuals, as we understand that you are considering the future work programme of your committee in the next few sessions.

We wish for you to consider carrying out work in the following areas. We would also like to inform you that our partner network includes specialists in climate change, housing, renewable energy and community development, therefore should you wish to utilise our resources in any way, visit schemes that our partners administer, we would be more than happy to facilitate this.

We wish for you to carry out an inquiry on the possibility of devolving the Crown Estate to Wales. The Estate recently confirmed six new offshore wind energy lease agreements, worth an estimated £1 billion. The Keeper of the Privy Purse has written to the Prime Minister and Chancellor to share the King's wish that this windfall be directed for wider public good, rather than to the Sovereign Grant, through an appropriate reduction in the proportion of Crown Estate surplus that funds the Grant. One of the 6 projects will be located off the North Wales coast, and is an opportunity for offshore wind to support and help grow the Welsh economy. Management of the Crown Estate in Wales is reserved, yet in Scotland, the management has been devolved to the Scottish Government since 2017. There is growing support for the Welsh Government to receive the same powers as Scotland so that we can benefit directly from the economic opportunities presented by the potential renewable energy production in question. We believe that the Committee should explore this matter, with a view to understanding how devolution in this area could better aid our economy.

We also wish for the committee to consider carrying out a piece of work on the announcement by the Welsh Government in October 2022 to launch a publicly owned renewable energy developer. The Climate Change Minister has said energy profits created in Wales will deliver greater benefits for people in Wales, and that surplus funds generated through the new developer will go back into the public purse to be reinvested in improving energy efficiency in homes in Wales and creating good quality, home grown, clean energy jobs. However, since its announcement, we have seen very little public detail on its development. Alongside the organisation Cwmpas we have



written to the Climate Change Minister to discuss how it can be shaped, and while we have had positive engagement from civil servants, we wish for this committee to look into the matter in more detail in relation to taking evidence from civil society to understand what the people of Wales want to see happen in this regard, and comparing it to International examples where Government's run their own such energy system. How does it benefit the economy in their respective countries? How can we ensure that we implement it in Wales having learnt from best practice elsewhere?

Another area of interest that we would wish for the Committee to work on is how to ensure that we have positive benefits for communities and the people of Wales when the private sector invests in renewable energy projects in our Nation. What are the models that would work for our communities, ensuring regeneration and economic stability follows? We are sure you are aware that there are big investors currently working or seeking to put planning permission forward for development in Wales, and wish to utilise their funds to support the communities where their renewable energy infrastructure is or may be built. The question is how can we ensure that their community investment is longstanding, sustainable and is relevant to what the community actually wants? We would appreciate your work on this matter.

Nature Positive is also as relevant to this committee as it is to your colleagues on the Climate Change committee, as it crosses all areas of Government work. We are currently working with partners to seek to influence the Welsh Government to implement a Nature Positive Bill. It would help Wales avoid another lost decade for nature by establishing a duty on Welsh Ministers to achieve a Nature Positive Wales, implemented via a framework of legally binding nature recovery targets. It would create a robust, independent environmental governance body to close the gap that has existed in Wales since the UK left the EU. We would appreciate any views you are able to formulate on this Bill proposition.

We appreciate your time in considering our ideas, and look forward to hearing your response,

Kind Regards,

Bethan Sayed on behalf of Climate Cymru



16.05.23

Annwyl Paul Davies AS, Cadeirydd y Pwyllgor Economi, Masnach a Materion Gwledig,

### **Blaenrhaglen waith Pwyllgor yr Economi, Masnach a Materion Gwledig**

Rydym yn ysgrifennu ar ran Climate Cymru, sefydliad partner o dros 4,000 o sefydliadau a 13,000 o unigolion, gan ein bod yn deall eich bod yn ystyried eich blaenrhaglen waithl yn yr ychydig sesiynau nesaf.

Hoffem i chi ystyried gwneud gwaith yn y meysydd canlynol. Hoffem eich hysbysu hefyd bod ein rhwydwaith partner yn cynnwys arbenigwyr newid hinsawdd, tai, ynni adnewyddadwy a datblygu cymunedol, felly os hoffech ddefnyddio ein hadnoddau mewn unrhyw ffordd, ymweld â chynlluniau y mae ein partneriaid yn eu gweinyddu, byddem yn fwy na hapus. i hwyluso hyn.

Dymunwn ichi gynnal ymchwiliad i'r posibilrwydd o ddatganoli Ystad y Goron i Gymru. Yn ddiweddar, cadarnhaodd yr Ystad chwe cytundeb ynni gwynt alltraeth newydd, gwerth tua £1 biliwn. Mae Ceidwad y Cyfrin Bwrs wedi ysgrifennu at y Prif Weinidog a'r Canghellor i rannu dymuniad y Brenin i'r arian hwn gael ei gyfeirio er budd ehangach y cyhoedd, yn hytrach nag at y Grant Sofran, trwy ostyngiad priodol yng nghyfran Ystad y Goron sy'n ariannu'r Grant. Bydd un o'r 6 phrosiect wedi'i leoli oddi ar arfordir Gogledd Cymru, ac mae'n gyfle i wynt ar y môr gefnogi a helpu i dyfu economi Cymru. Mae rheolaeth ar Ystad y Goron yng Nghymru wedi ei ganoli yn San Steffan, ond eto yn yr Alban, mae'r rheolaeth wedi'i datganoli i Lywodraeth yr Alban ers 2017. Mae cefnogaeth gynyddol i Lywodraeth Cymru dderbyn yr un pwerau â'r Alban fel y gallwn elwa'n uniongyrchol o'r cyfleoedd economaidd a gyflwynir gan gynhyrchiad ynni adnewyddadwy posibl. Credwn y dylai'r Pwyllgor archwilio'r mater hwn, gyda golwg ar ddeall sut y gallai datganoli yn y maes hwn fod o gymorth i'n heconomi.

Rydym hefyd yn dymuno i'r pwyllgor ystyried gwneud darn o waith ar y cyhoeddiad gan Lywodraeth Cymru ym mis Hydref 2022 i lansio datblygwr ynni adnewyddadwy sy'n eiddo cyhoeddus. Mae'r Gweinidog Newid Hinsawdd wedi dweud y bydd elw ynni a grëir yng Nghymru yn sicrhau mwy o fanteision i bobl Cymru, ac y bydd yr arian dros ben a gynhyrchir drwy'r datblygwr newydd yn mynd yn ôl i'r pwrs cyhoeddus i'w ail-fuddsoddi mewn gwella effeithlonrwydd ynni mewn cartrefi yng Nghymru a chreu swyddi o ansawdd da, a chartrefi gyda gwell effeithlonrwydd ynni. Fodd bynnag, ers ei gyhoeddiad, ychydig iawn o fanylion cyhoeddus sydd am y datblygiad o dan sylw.

Ochr yn ochr â'r sefydliad Cwmpas, rydym wedi ysgrifennu at y Gweinidog Newid Hinsawdd i drafod sut y gellir ei siapio. Er i ni gael ymgysylltiad cadarnhaol gyda gweision sifil, rydym yn dymuno i'r pwyllgor hwn ymchwilio i'r mater yn fanylach mewn perthynas â chymryd tystiolaeth gan cymdeithas sifil i ddeall yr hyn y mae pobl Cymru am ei weld yn digwydd yn hyn o beth, a'i gymharu ag enghreifftiau rhyngwladol lle mae'r Llywodraeth yn rhedeg eu system ynni eu hunain. Sut mae'r cwmni ynni yn buddio'r economi yn eu gwledydd priodol? Sut y gallwn sicrhau ein bod yn ei roi ar waith yng Nghymru ar ôl dysgu o arfer gorau mewn mannau eraill?

Maes arall o ddiddordeb yr hoffem i'r Pwyllgor weithio arno yw sut i sicrhau bod gennym fanteision cadarnhaol i gymunedau a phobl Cymru pan fydd y sector preifat yn buddsoddi mewn prosiectau ynni adnewyddadwy yn ein Cenedl. Beth yw'r modelau a fyddai'n gweithio i'n cymunedau, gan sicrhau bod adfywio a sefydlogrwydd economaidd yn dilyn? Rydym yn siŵr eich bod yn ymwybodol bod yna fuddsoddwyr mawr ar hyn o bryd yn gweithio neu'n ceisio cyflwyno caniatâd cynllunio ar gyfer datblygiadau yng Nghymru, ac yn dymuno defnyddio eu harian i gefnogi'r cymunedau lle mae eu seilwaith ynni adnewyddadwy wedi'i adeiladu neu lle gallai cael eu hadeiladu. Y cwestiwn yw sut y gallwn sicrhau bod eu buddsoddiad cymunedol yn hirsefydlog, yn gynaliadwy ac yn berthnasol i'r hyn y mae'r gymuned eisiau mewn gwirionedd? Byddem yn gwerthfawrogi eich gwaith ar y mater hwn.

Mae Nature Positif yr un mor berthnasol i'r pwyllgor hwn ag y mae i'ch cyd-Aelodau ar y pwyllgor Newid Hinsawdd, gan ei fod yn croesi pob maes o waith y Llywodraeth. Ar hyn o bryd rydym yn gweithio gyda phartneriaid i geisio dylanwadu ar Lywodraeth Cymru i roi Bil Natur Positif ar waith. Byddai'n helpu Cymru i osgoi degawd coll arall i fyd natur drwy sefydlu dyletswydd ar Weinidogion Cymru i gyflawni Cymru Natur Bositif, wedi'i gweithredu drwy fframwaith o dargedau adfer byd natur sy'n ei rhwymo'n gyfreithiol. Byddai hefyd yn creu corff llywodraethu amgylcheddol cadarn, annibynnol i gau'r bwlch sydd wedi bodoli yng Nghymru ers i'r DU adael yr UE. Byddem yn gwerthfawrogi unrhyw barn y gallwch eu llunio ar y Bil hwn.

Gwerthfawrognwch eich amser yn ystyried ein syniadau, ac edrychwn ymlaen at glywed eich ymateb,

Cofion cynnes,

Bethan Sayed ar ran Climate Cymru

Bethan Sayed  
Campaigns Coordinator  
Climate Cymru

22 May 2023

**Economy, Trade and Rural Affairs Committee: Forward Work Programme**

Dear Bethan,

Thank you for your letter suggesting issues the Committee could explore.

Due to the breadth of the Committee's remit, we have to prioritise work quite heavily. I believe devolution of the crown estate would fall within the remit of the Legislation, Justice and Constitution Committee, while a publicly-owned renewable energy developer would be more appropriate for the Climate Change, Environment, and Infrastructure Committee to consider.

Members have identified the green skills gap as an area of interest. We will undertake some work on this matter in due course – hopefully in the Spring Term. When developing this work we will bear your suggestion regarding looking at the positive benefits from renewable developments, including ensuring that they are sustainable and are relevant for communities and the people of Wales, and your offer of support in mind.

The Committee does not have a position on a Nature Positive Bill; however, we will follow the development of this work with interest.

Kind regards,

A handwritten signature in black ink that reads "Paul Davies". The signature is written in a cursive style with a large initial 'P' and a long, sweeping underline.

Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: CG/PO/146/2023

Huw Irranca-Davies MS  
Chair  
Legislation, Justice and Constitution Committee  
Senedd Cymru

17 May 2023

## Inter-Institutional Relations Agreement: Inter-Ministerial Standing Committee

I am writing, in accordance with the inter-institutional relations agreement to notify you of the fourth meeting of the Inter-Ministerial Standing Committee, which will take place later today.

The Standing Committee will be chaired by the Secretary of State for Levelling Up, Housing and Communities (and Minister for Intergovernmental Relations). I will represent the Welsh Government at the meeting.

In this virtual meeting I anticipate the discussion will focus on UK legislation, Investment Zones, and Common Frameworks.

I will provide an update after the meeting.

I have also copied this letter to the Finance Committee and the Economy, Trade and Rural Affairs Committee.

## Mick Antoniw AS/MS

Y Cwnsler Cyffredinol a Gweinidog y Cyfansoddiad  
Counsel General and Minister for the Constitution

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[Correspondence.Mick.Antoniw@gov.Wales](mailto:Correspondence.Mick.Antoniw@gov.Wales)

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Elin Jones MS  
Y Llywydd  
Chair, Business Committee

18 May 2023

Annwyl Lywydd,

### Supplementary Legislative Consent Memorandum (Memorandum No 3) for the Levelling-up and Regeneration Bill

You will be aware that the Local Government and Housing Committee has been considering legislative consent memoranda in relation to the Levelling-up and Regeneration Bill and that we published a report on the original, revised and supplementary memoranda on 13 February.

On 25 April, Business Committee agreed to invite us, and three other committees, to consider Supplementary Legislative Consent Memorandum (No.3) ("SLCM No.3") and to report by 22 May. The deadline was subsequently extended to 5 June.

We considered SLCM No.3 at our meeting on 11 May and decided not to report on it. In our [report](#) on the original, revised and supplementary memoranda, we stated that "our consideration of the memoranda focused only on the provisions within our remit" and that we were "not in a position to make a recommendation on any of the other provisions in the Bill which fall within the legislative competence of the Senedd". The amendments detailed in SLCM No.3 relate to environmental outcomes reports which do not fall within the Committee's remit. On that basis, and the fact that it has been referred to other committees which may have a greater interest in these amendments, we decided not to report on the memorandum on this occasion.

I am copying this letter to the Legislation, Justice and Constitution Committee; the Economy, Trade and Rural Affairs Committee; and the Climate Change, Environment and Infrastructure Committee.

Yours sincerely

John

John Griffiths MS

Chair, Local Government and Housing Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.





Rebecca Evans MS  
Minister for Finance and Local Government

18 May 2023

Dear Rebecca

The Welsh Government's Legislative Consent Memorandum for the Non-Domestic Rating Bill

At this week's meeting we discussed the Welsh Government's Legislative Consent Memorandum for the Non-Domestic Rating Bill (the Memorandum).

In order to fully inform our consideration of the Memorandum before we report to the Senedd, I would be grateful if you would respond to the questions in the Annex to this letter by 1 June 2023.

I am copying this letter to the Counsel General and Minister for the Constitution, and to the Local Government and Housing Committee, the Economy, Trade and Rural Affairs Committee, and the Finance Committee.

Yours sincerely,



Huw Irranca-Davies  
Chair

## ANNEX

**Question 1:** At various places in the Memorandum (including paragraphs 4, 6, 7 and 63) you state that the Welsh Government has sought and requested provisions for Wales in the Bill. Can you confirm when collaborative discussions began with the UK Government and when provisions for Wales in the Bill were formally sought.

**Question 2:** At paragraphs 45 to 47 of the Memorandum you note the delegation of powers in relation to clause 13 and Part 4 of the Schedule. You state that "There was insufficient time prior to the introduction of the Bill to reach firm agreement on the appropriate delegation of powers to Welsh Ministers". You also state that the Welsh Government continues to engage with the UK Government and "further discussions around these specific powers [are] anticipated throughout the passage of the Bill".

a) Given the commentary we have highlighted in question 1 – that there appears to have been collaborative working on the Bill – please would you provide further clarity as to how and why there was "insufficient time prior to the introduction of the Bill to reach firm agreement on the appropriate delegation of powers to Welsh Ministers".

b) We note that the Bill is likely to complete its passage through the House of Commons by the end of May, after which it will proceed to consideration by the House of Lords. Should your discussions with the UK Government result in amendments being made to the Bill during Lords' consideration which provide new delegated powers to the Welsh Ministers, please would you confirm that you will lay the required supplementary legislative consent memorandum (containing full details of all relevant changes made to the Bill) in a timely fashion to allow Senedd Committees sufficient time to undertake their scrutiny.

**Question 3:** At paragraph 39 of the Memorandum you note that several provisions in clause 15 of the Bill apply in relation to Wales. In particular, you state that subsection 3(d) "alters the procedure for making regulations from made affirmative to draft affirmative". This regulation-making power, and the made affirmative scrutiny procedure attached to it, was delegated to the Welsh Ministers via the *Local Government and Elections (Wales) Act 2021*. No detailed explanation is given as to why you are using a UK Bill to change (by downgrading) a scrutiny procedure for a delegated power which the Senedd itself only approved two years ago. Please would you provide a thorough explanation as to why the changes introduced by clauses 15(3)(d) and 15(4) are being made.

Rebecca Evans MS  
Minister for Finance and Local Government

26 May 2023

Dear Rebecca

## The Welsh Government's Legislative Consent Memorandum on the Non-Domestic Rating Bill

The Finance Committee considered the Welsh Government's Legislative Consent Memorandum for the Non-Domestic Rating Bill ('the memorandum') at our meeting on 24 May, alongside a letter issued by the Chair of the Legislation, Justice and Constitution Committee ('LJC') on 18 May raising further questions about its content.

We share the concerns expressed by the LJC Committee in relation to the following areas:

The memorandum states, in relation to clause 13 and Part 4 of the Schedule to the Bill, that "the Welsh Government continues to engage with the UK Government" and "further discussions around these specific powers [are] anticipated throughout the passage of the Bill".

We reiterate calls made by the LJC Committee and ask for assurances that, if discussions with the UK Government result in amendments being made to the Bill which provide new delegated powers to the Welsh Ministers, a supplementary legislative consent memorandum will be laid before the Senedd. This would provide sufficient time for Senedd Committees to scrutinise any



changes made to the Bill and enable our committee to fully understand and consider the financial implications, if any, of such powers being delegated.

Secondly, paragraph 39 of the memorandum notes that clause 15(3)(d) of the Bill “alters the procedure for making regulations from made affirmative to draft affirmative”. As the letter from LJC makes clear, this regulation-making power was delegated to the Welsh Ministers through the Local Government and Elections (Wales) Act 2021. Like LJC, we are concerned that a UK Bill is being used to downgrade a scrutiny procedure for a delegated power which the Senedd itself only approved two years ago.

Given the impact this will have on the ability of Senedd Committees to scrutinise the full impact of these regulations, both financial and otherwise, we reiterate calls asking you to provide a thorough explanation as to why the changes introduced by clauses 15(3)(d) and 15(4) are being made.

In order to inform the Committee’s further consideration of the memorandum before the reporting deadline of 22 June, I would be grateful for a response by 9 June.

I am copying this letter to the Local Government and Housing Committee, the Economy, Trade and Rural Affairs Committee, and the Legislation, Justice and Constitution Committee.

Yours sincerely



Peredur Owen Griffiths MS  
Chair of the Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.





Ein cyf/Our ref: MA/RE/0660/23

Huw Irranca-Davies MS  
Chair of the Legislation, Justice and Constitution Committee  
Welsh Parliament

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[Private.office@senedd.wales](mailto:Private.office@senedd.wales)

01 June 2023

Dear Huw,

## **The Welsh Government's Legislative Consent Memorandum on the Non-Domestic Rating Bill**

I am writing in response to your letter of 18 May to fully inform the Legislation, Justice and Constitution Committee's consideration of the Memorandum on the Non-Domestic Rating Bill (the Bill), prior to reporting to the Senedd.

***Question 1: At various places in the Memorandum (including paragraphs 4, 6, 7 and 63) you state that the Welsh Government has sought and requested provisions for Wales in the Bill. Can you confirm when collaborative discussions began with the UK Government and when provisions for Wales in the Bill were formally sought.***

Discussions with the UK Government in relation to the Bill began in March 2022 and provisions for Wales (with the exception of those relating to the Digitalisation of Business Rates – see response to question 2a) were sought on 20 June 2022. At that stage, discussions were taking place in confidence and it was unclear if and when the Bill would be finalised and introduced.

***Question 2: At paragraphs 45 to 47 of the Memorandum you note the delegation of powers in relation to clause 13 and Part 4 of the Schedule. You state that "There was insufficient time prior to the introduction of the Bill to reach firm agreement on the appropriate delegation of powers to Welsh Ministers". You also state that the Welsh Government continues to engage with the UK Government and "further discussions around these specific powers [are] anticipated throughout the passage of the Bill".***

- a) Given the commentary we have highlighted in question 1 – that there appears to have been collaborative working on the Bill – please would you provide further clarity as to how and why there was "insufficient time prior to the introduction of the Bill to reach firm agreement on the appropriate delegation of powers to Welsh Ministers".***

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

When the engagement described in response to Question 1 took place, provisions relating to the Digitalisation of Business Rates (DBR) Programme were not part of the Bill content being developed. These provisions were developed during February and March 2023, shortly before introduction of the Bill. On 14 February, I wrote to the relevant Bill Ministers to request details of the provisions being developed and that consideration be given to extending them to Wales. Following a positive response and consideration of the detailed proposals, I formally sought provisions on 17 March and requested further discussion in relation to the relevant delegated powers. I recognised that it might not be possible to conclude those discussions prior to planned introduction of the Bill and a further exchange of letters with the Bill Ministers followed.

***b) We note that the Bill is likely to complete its passage through the House of Commons by the end of May, after which it will proceed to consideration by the House of Lords. Should your discussions with the UK Government result in amendments being made to the Bill during Lords' consideration which provide new delegated powers to the Welsh Ministers, please would you confirm that you will lay the required supplementary legislative consent memorandum (containing full details of all relevant changes made to the Bill) in a timely fashion to allow Senedd Committees sufficient time to undertake their scrutiny.***

I can confirm that our discussions with the UK Government on this matter concluded during the Bill's passage through the House of Commons. No amendments to the Bill are required as a result of those discussions. It is the Welsh Government's intention to support the Bill provisions extended to Wales in their entirety.

The powers delegated to the Commissioners of HMRC are limited. They do not need to be exercised to enable the legislative framework set out in the Bill to operate, and will only be used where a relevant administrative change to ensure the effective operation of the DBR programme by HMRC is considered necessary. Whilst any secondary legislation made under the delegated powers would alter the requirements placed on NDR ratepayers in Wales, it would also directly affect the functions conferred by the Bill on HMRC.

The Bill requires that the Commissioners of HMRC must consult the Welsh Ministers before making secondary legislation under the delegated powers and to the extent that it makes provision in relation to Wales. This approach will enable the aims of the DBR programme to be delivered and intended benefits realised in Wales. Only HMRC can deliver DBR for Wales, as the programme relies on the sharing and linking with information held by HMRC in relation to non-devolved taxes, as well as NDR.

I will lay a supplementary LCM to clarify the Welsh Government's position on this matter and address any amendments that are made to the Bill, in a timely manner.

***Question 3: At paragraph 39 of the Memorandum you note that several provisions in clause 15 of the Bill apply in relation to Wales. In particular, you state that subsection 3(d) "alters the procedure for making regulations from made affirmative to draft affirmative". This regulation-making power, and the made affirmative scrutiny procedure attached to it, was delegated to the Welsh Ministers via the Local Government and Elections (Wales) Act 2021. No detailed explanation is given as to why***

***you are using a UK Bill to change (by downgrading) a scrutiny procedure for a delegated power which the Senedd itself only approved two years ago. Please would you provide a thorough explanation as to why the changes introduced by clauses 15(3)(d) and 15(4) are being made.***

The relevant regulation-making power allows Welsh Ministers to substitute the effect of the Consumer Prices Index on the setting of the non-domestic rating multiplier. This power has been exercised annually in recent years, to freeze the multiplier, as part of the package of support provided to ratepayers during the pandemic and subsequent economic pressures. As the related policy and funding decisions form part of the Welsh Government's Draft Budget, published in December each year, the timing constraints imposed by the existing procedures on the exercise of this power, including the interaction with the Senedd's consideration of the local government finance report, have proved themselves to present a practical challenge. In some years this has impacted negatively on the time available for Senedd scrutiny of the legislation, when the local government finance reports have been considered relatively soon after publication of the Draft Budget.

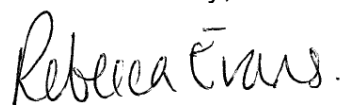
Clause 15(3)(d) removes the existing deadline (before the earlier of 1 March or the Senedd's approval of the local government finance report) for approval of the regulations by the Senedd and ensures that a draft of the regulations is scrutinised by the Senedd before it is made. I do not, therefore, consider that the change of procedure from made affirmative to draft affirmative amounts to a downgrading of scrutiny. If anything, in combination with the removal of unnecessary timing constraints, it will help to ensure that the Senedd has appropriate time for scrutiny of the regulations.

Clause 15(4) removes the existing restriction on when the multiplier can be calculated and confirmed for billing authorities. This will ensure that billing authorities and ratepayers in Wales can be provided with clarity as early as possible and are not disadvantaged compared to those in England due to procedural constraints which do not enhance (and may in some circumstances constrain) scrutiny.

Taken together, these changes will: ensure the Senedd has a consistent opportunity for scrutiny before regulations are made; and reduce the risk of delayed non-domestic rates billing, to the benefit of local authorities and ratepayers in Wales.

I am copying this letter to the Counsel General and Minister for the Constitution, and to the Local Government and Housing Committee, the Economy, Trade and Rural Affairs Committee, and the Finance Committee.

Yours sincerely,



**Rebecca Evans AS/MS**

Y Gweinidog Cyllid a Llywodraeth Leol  
Minister for Finance and Local Government



Llywodraeth Cymru  
Welsh Government

Huw Irranca-Davies MS  
Chair of Legislation, Justice and Constitution Committee  
[SeneddLJC@assembly.wales](mailto:SeneddLJC@assembly.wales)

Paul Davies MS  
Chair of Economy, Trade, and Rural Affairs Committee  
[SeneddEconomy@senedd.wales](mailto:SeneddEconomy@senedd.wales)

18 May 2023

Dear Paul, Huw,

I wanted to let you know, per the inter-institutional relations agreement, that a meeting of the Inter-Ministerial Group for Trade is scheduled for 25<sup>th</sup> May 2023.

The agenda will include:

- an update on the UK-India Free Trade Agreement Negotiations
- an update on US State Memorandum of Understandings (MoUs), and
- an update on the UK-Canada Free Trade Agreement Negotiations

I will update you further following the meeting.

Yours sincerely,

**Vaughan Gething AS/MS**  
Gweinidog yr Economi  
Minister for Economy

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



# Agenda Item 3.11

**Pwyllgor yr Economi,  
Masnach a Materion Gwledig**

**Economy, Trade and  
Rural Affairs Committee**

**Senedd Cymru**

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**Welsh Parliament**

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0300 200 6565

Shavanah Taj  
General Secretary  
Wales TUC

19 May 2023

## Post-EU Regional Development Funding

Dear Shavanah,

The Economy, Trade and Rural Affairs Committee is undertaking an inquiry into the Shared Prosperity Fund and Levelling Up Fund. This week we heard some evidence from Universities Wales and the Wales Council For Voluntary Action regarding job losses at universities and in the third sector resulting from the transition from Structural Funds to the replacement funding structure.

Members would like to investigate this further. As representatives of TUC Cymru and unions representing members of the higher education and third sector workforce, we felt that you may have an insight into the impact of the move to the new funding structure on jobs in Wales.

We would be very interested to hear any information you have on job losses, and any other information you feel pertinent to the inquiry. If possible I would appreciate this information by 16 June.

Kind regards,



**Paul Davies MS**

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English

**Pwyllgor yr Economi,  
Masnach a Materion Gwledig**

**Economy, Trade and  
Rural Affairs Committee**

**Senedd Cymru**

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Jamie Insole  
Wales Official  
UCU Wales

19 May 2023

### Post-EU Regional Development Funding

Dear Jamie,

The Economy, Trade and Rural Affairs Committee is undertaking an inquiry into the Shared Prosperity Fund and Levelling Up Fund. This week we heard some evidence from Universities Wales and the Wales Council For Voluntary Action regarding job losses at universities and in the third sector resulting from the transition from Structural Funds to the replacement funding structure.

Members would like to investigate this further. As representatives of TUC Cymru and unions representing members of the higher education and third sector workforce, we felt that you may have an insight into the impact of the move to the new funding structure on jobs in Wales.

We would be very interested to hear any information you have on job losses, and any other information you feel pertinent to the inquiry. If possible I would appreciate this information by 16 June.

Kind regards,



**Paul Davies MS**

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English

**Pwyllgor yr Economi,  
Masnach a Materion Gwledig**

**Economy, Trade and  
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Richie Lewis  
Assistant National Officer  
Unison Wales

19 May 2023

### Post-EU Regional Development Funding

Dear Richie,

The Economy, Trade and Rural Affairs Committee is undertaking an inquiry into the Shared Prosperity Fund and Levelling Up Fund. This week we heard some evidence from Universities Wales and the Wales Council For Voluntary Action regarding job losses at universities and in the third sector resulting from the transition from Structural Funds to the replacement funding structure.

Members would like to investigate this further. As representatives of TUC Cymru and unions representing members of the higher education and third sector workforce, we felt that you may have an insight into the impact of the move to the new funding structure on jobs in Wales.

We would be very interested to hear any information you have on job losses, and any other information you feel pertinent to the inquiry. If possible I would appreciate this information by 16 June.

Kind regards,



**Paul Davies MS**

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English

Member of the Senedd for  
Monmouth

Paul Davies, MS  
Chair of the Economy, Trade and Rural Affairs Committee

19 May 2023

Dear Paul,

### **Food (Wales) Bill: response to the Economy, Trade and Rural Affairs Committee's Stage 1 report**

I would like to thank the Economy, Trade and Rural Affairs Committee for their scrutiny of the Food (Wales) Bill ("the Bill") during Stage 1 and for the report which was published on 12 May 2023. I would also like to pass on my thanks to all those who took the time to give evidence to the Committee, whether that was in writing or in person during the Stage 1 scrutiny sessions. I have been overwhelmed by the level of engagement on this Bill throughout the legislative process.

I have set out my response to the Committee's recommendations in Annex A. Where recommendations are aimed at Welsh Government rather than for me as the Member in Charge of the Bill, I have noted these, but have included my own thoughts in response where appropriate.

While it has not been possible for me to accept all of the Committee's recommendations, I hope you will find this response useful. I will also be writing to the Chairs of the Finance Committee and the Legislation, Justice and Constitution Committee with respect to their Stage 1 Reports, and will copy the letters to all three Committee Chairs.

Kind regards,



**Peter Fox MS for Monmouth**  
**Member-in-Charge, Food (Wales) Bill**

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Peter Fox MS 

### Response from Peter Fox, MS to the Economy, Trade and Rural Affairs Committee's Stage 1 Report on the Food (Wales) Bill

**Recommendation 1.** Although the Committee unanimously supports the policy objectives of the Bill, it cannot come to a unified position on the need for legislation to deliver those objectives. We therefore recommend that the Senedd decides whether it agrees the general principles of the Bill.

**Response: Noted**

I welcome the Committee's unanimous support for the policy objectives of the Food (Wales) Bill. This very much reflects the majority of evidence that I have seen presented to the Committee.

It is disappointing that the Committee could not reach a unified position on the need for legislation to achieve the policy objectives. As you have stated in your report, the majority of those who responded to the Committee's consultation were in favour of the legislation, with support from farming unions, environmental non-governmental organisations, animal welfare groups, academics, local authorities and local health boards.

There are specific objectives of the Bill that could be delivered without the need for primary legislation – for example, the Welsh Government could bring forward a national food strategy. However, I have been clear all along that one of the benefit of setting out the policy through primary legislation is that future Welsh governments would be bound by the legislation to deliver the policy in a consistent way. The lack of legislation to deliver the policy would also leave that policy without any proper mechanism for scrutiny or accountability.

I note the recommendation that the Senedd decides whether it agrees the general principles of the Bill. I very much hope that the Senedd reflects on the overwhelming support for the Bill from stakeholders and organisations across Wales, and decides to support its General Principles.

**Recommendation 2.** The Welsh Government must improve its approach to the food system by ensuring policies are joined-up and complementary. This could either be through this Bill or by non-legislative means. If the Bill falls, the Welsh Government must examine which elements of the Bill it could take forward by a non-legislative route.

**Response: Noted**

I welcome the Committee's recommendation. One of the key reasons underpinning the need for this Bill is the disjointed way in which Welsh Government approaches its food policy. As I state in the EM, and as you have quoted in the report: *"Current Welsh Government policy relating to food is not joined up, leading to policy incoherence and unintended consequences. There is a need for a single, overarching holistic approach to the whole food system in Wales to maximise the wide range of benefits a coordinated, resilient and sustainable food system can bring."*

In my own consultation on the draft Bill, 100% of those who responded on this specific question agreed that Welsh Government food policy was not joined up.

**Recommendation 3.** If the Bill proceeds to Stage 2 the secondary food goals should be amended to be less sectoral.

**Response: Accept in principle**

During the development of the Bill, there was a high level of engagement on the detail of the food goals. I received suggestions from many stakeholders and organisations across different sectors about what the food goals should contain, and the areas they should cover.

Unfortunately, it would not have been possible to accommodate everybody's expectations and wishes on the face of the Bill.

I made a commitment to the Committee during Stage 1 that I would consider all of the evidence that was received to explore where the food goals may need to be amended. I am, however, not absolutely clear what providing 'less sectoral' food goals would mean in practice. However, reiterating the commitment above, I will be happy to work with the Committee, stakeholders, and with the Welsh Government to explore potential amendments to the food goals.

The key policy objective of the Bill is to deliver affordable, healthy, and economically, environmentally and socially sustainable food for people now and for future generations. The establishment of "food goals" in the opening part of the Bill provides a mechanism to help towards the delivery of that key policy objective. It is therefore vital that the food goals are aligned so that they feed in to delivering an integrated food system.

**Recommendation 4.** If the Bill falls the Welsh Government should commit to publishing a document setting out all of its food policies, across departments, and how these align against its key overarching objectives. This document should be regularly updated.

**Response: Noted**

I note the Committee's recommendation.

As with a number of the Committee's recommendations, I truly hope that the Bill does proceed to Stage 2 of the legislative process. My responses throughout this report reflect my belief that the best way to achieve the policy objectives I have set out, and to which the Committee has unanimously agreed, is through enactment of the Food (Wales) Bill.

On this specific recommendation, I would welcome the publication of such a document by Welsh Government. It is important that all of their food policies are properly mapped out against objectives – and published.

**Recommendation 5.** If the Bill proceeds to Stage 2 it should be amended to require a strong monitoring and evaluation mechanism to be incorporated for each food target when that target is set.

**Response: Accept in principle**

The Bill already includes mechanisms for monitoring and evaluating the food targets. In particular:

- the reporting requirements in section 6 provide the mechanism for scrutiny and accountability for progress towards meeting the targets set; and
- the reviewing requirements in section 7 help ensure that the targets set in accordance with the Bill remain relevant and measurable.

However, I agree that the monitoring and evaluation mechanisms for the food targets need to be robust and as strong as they can be. I would therefore be happy to work with stakeholders and the Welsh Government to explore whether amendments at Stage 2 are necessary to strengthen these requirements.

**Recommendation 6.** If the Bill falls the Welsh Government should undertake a gap analysis exercise of existing targets of relevance to the food system, and in consultation with stakeholders introduce new targets to fill any gaps.

**Response: Noted**

I agree that the Welsh Government should commit to undertaking work in this area to ensure that there are no 'gaps'. However, this should not be done in isolation, and this work should be aligned to any work the Government does to develop any new food strategies etc.

**Recommendation 7.** If the Bill proceeds to Stage 2 it should be amended to require the Welsh Government to consult on expanding the functions of the Welsh Food Commission to include additional responsibilities. These could include monitoring UK and international food policy and trading relationships which impact on the Welsh food system.

**Response: Reject**

The functions of the Food Commission should be set out on the face of the Bill. As introduced, the Bill does not provide Welsh Ministers with the power to amend those functions through Regulations. To meet this recommendation, the Bill would not only need to be amended to require the Welsh Government to consult, it would need to be amended to introduce a new Regulation making power to enable the Welsh Government to amend the Commission's functions.

If the functions of the Food Commission were to be expanded, the most appropriate mechanism for doing this would be through amendment at Stage 2. Given the strength of views expressed during Stage 1, I would be happy to bring forward relevant amendments at Stage 2 for this purpose and will consult stakeholders accordingly.

**Recommendation 8.** If the Bill falls the Committee recommends that the Welsh Government should either establish an internal food policy board or work with the Future Generations Commissioner to create a dedicated food-systems post to drive joined-up food policy in Wales, with the aspiration of delivering affordable and healthy food that is economically, environmentally, culturally and socially sustainable for people now and in the future. The Minister should update the Committee on the work of this board on an annual basis.

**Response: Noted**

I note the Committee's intentions here, but strongly believe that the best way to drive forward joined-up food policy in Wales – with the aspiration of delivering affordable and healthy food that is economically, environmentally, culturally and socially sustainable for people now and in the future – would be to enact the Food (Wales) Bill and establish an independent Food Commission.



**Recommendation 9.** Regardless of whether the Bill proceeds or falls, the Committee supports the development of a national food strategy by the Welsh Government with the key aim of joining up Welsh Government food policy across departments.

**Response: Noted**

I very much welcome the Committee's recommendation. As set out in my response to Recommendation 2, Welsh Government food policy needs to be much more joined up. The development of a national food strategy is integral to that.

**Recommendation 10.** The national food strategy should include existing and any new food targets set.

**Response: Reject**

Unfortunately it is not clear what the intention of this recommendation is, as there is insufficient narrative around this issue in the report.

If this recommendation is referring to new targets set under Section 4 of the Bill, then these would be reflected in the national food strategy as part of the process set out in the Bill (i.e. the strategy must set out the policies to be pursued in order to meet the targets – and that would apply to all targets made under the Bill).

If however, the Recommendation is referring more generally to the food targets the Welsh Government sets outside of the Bill's provisions, it is not clear whether the Committee is calling for amendments to the Bill to ensure they are included in the strategy.

Without that detail, I am unable to accept the recommendation.

**Recommendation 11.** If a Welsh Food Commission is established it should have a strong role in advising the Welsh Government in the development and implementation of the national food strategy.

**Response: Accept**

While I accept this recommendation, the Bill already provides mechanisms that will enable the Food Commission to have a strong role in advising, and scrutinising, Welsh Government on the development and implementation of the national food strategy. In particular:

- Section 12 of the Bill already makes it a requirement for Welsh Ministers to seek the advice of the Food Commission before making the national food strategy.
- Section 10 of the Bill (functions of the Commission) includes the function to scrutinise the national food strategy and local food plans.

I would be happy to work with the Committee at Stage 2 to explore whether amendments are needed at Stage 2 to further strengthen these mechanisms, if that is considered appropriate.

**Recommendation 12.** If the Bill falls and the recommendation to establish an internal food board within Welsh Government is taken forward this board should have an oversight role regarding development and implementation of the strategy.

**Response: Noted**

As with recommendation 8, I note the Committee's intentions here, but strongly believe that the best way to take this forward would be to enact the Food (Wales) Bill and establish a Welsh Food Commission.

Specifically in relation to whether the internal food board should have an oversight role on the development and implementation of the Food Strategy, I do not believe an internal, non-statutory, Government Board would have the level of independence required to have proper oversight of Welsh Ministers in delivering this policy.

**Recommendation 13.** The strategy must not "sit on the shelf" and should be implemented at both a national and local level. If the Bill proceeds to stage 2 consideration should be given to amendments that would support public bodies' implementation of the strategy.

**Response: Reject**

The way the Bill is intended to operate is that there would be a national food strategy, implemented on a national level. That national food strategy would set out the overall strategy and policies the **Welsh Ministers** will pursue to advance the food goals and achieve the food targets.

The Bill then requires public bodies to make local food plans, to be implemented on a local level. These local food plans would set out the policies the **public bodies** will pursue to advance the food goals and achieve the food targets. In making the local food plans, a public body must have regard to the national food strategy.

The distinction between the national strategy and the local plans is a very important one. It is not intended that the national strategy should be implemented on a local level, as that is what the local food plans will do.

**Recommendation 14.** Section 17 should be amended to include the need for local food plans to support local procurement of food.

**Response: Accept in principle**

As I have set out in relation to Recommendation 13, local food plans would set out the policies the public bodies will pursue to advance the food goals and achieve the food targets.

The primary food goal includes the provision of socially sustainable food; the Economic well-being secondary food goal includes reference to creating new economic opportunities through promotion of locally produced food. In advancing these food goals a public body could include local procurement of food within its local food plans.

However, I would be happy to work with the Committee at Stage 2 to amend the Bill to make it more explicit that local procurement of food should be included in local food plans. I believe the most appropriate way of doing that would be to amend the description of the relevant food goal in Section 3, rather than amending section 17 itself.

As I set out in my response to Recommendation 3, I made a commitment to the Committee during Stage 1 that I would consider all of the evidence that was received to explore where the food goals may need to be amended.

**Recommendation 15.** If the Bill progresses to Stage 2 an amendment to section 18 should be considered to include a duty to consult with community-based organisations currently delivering and promoting local food projects.

**Response: Reject**

Section 18(1) of the Bill provides that before making a local food plan, public bodies **may** consult with specific bodies or persons. In developing the Bill this provision was carefully considered, and drafted to ensure that any consultation undertaken by public bodies was a choice rather than a duty. It was considered that making this a duty could potentially negatively impact on certain public bodies, who already undertake substantial work on delivering local food policies.

Section 18(1)(a) & (b) contain specific reference to two bodies that may be consulted (the Food Commission and the Future Generations Commissioner for Wales). Section 18(1)(c) of the Bill sets out a general provision relating to consultation with 'such other persons as the public body considers appropriate'. This would enable those community-based organisations to be consulted if the public body considered it appropriate.

I do not believe it would be appropriate to provide a list of who those 'other persons' should be within section 18 of the Bill. This opens up a Pandora's box of who should be included and who shouldn't. This general provision for consultation is also consistent with similar provisions in other legislation including the Well-being of Future Generations (Wales) Act 2015.

**Recommendation 16.** If the Bill falls the Minister should, via appropriate guidance, encourage actions that would promote the implementation of local food plans to encourage the use of locally sourced food by public sector organisations.

**Response: Noted**

As with earlier recommendations, I note the Committee's intentions here, but strongly believe that the best way to take this forward would be to enact the Food (Wales) Bill which would require the implementation of local food plans, which build from a national strategy. I find it extremely difficult to see how the use of non-statutory guidance to encourage action in this area would have the desired effect. The use of guidance in this way would also not ensure a consistent approach that is maintained over future years.

**Recommendation 17.** If the Bill falls the Welsh Government should encourage more emphasis on food sustainability at a local level through the best mechanisms available under the Well-being of Future Generations Act 2015. This could be through including a new Well-being indicator/s with milestones to support a better food system. This should result in Public Services Boards further considering public procurement and sustainability of food in their well-being plans and assessments.

**Response: Noted**

It will be for the Welsh Government to discuss with the Future Generations Commissioner how this could be done through the Well-being of Future Generations Act.

## Peter Fox OBE MS

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Huw Irranca-Davies, MS  
Chair of the Legislation, Justice and Constitution Committee

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Peter Fox MS 

19 May 2023

Dear Huw,

### **Food (Wales) Bill: response to the Legislation, Justice and Constitution Committee's Stage 1 report**

I would like to thank the Legislation, Justice and Constitution Committee for their scrutiny of the Food (Wales) Bill ("the Bill") during Stage 1 and for the report which was published on 11 May 2023.

I have set out my response to the Committee's recommendations in Annex A.

While it has not been possible for me to accept all of the Committee's recommendations, I hope you will find this response useful. I will also be writing to the Chairs of the Finance Committee and the Economy, Trade and Rural Affairs Committee with respect to their Stage 1 Reports, and will copy the letters to all three Committee Chairs.

Kind regards,



**Peter Fox MS for Monmouth**  
**Member-in-Charge, Food (Wales) Bill**

### Response from Peter Fox, MS to the Legislation, Justice and Constitution Committee's Stage 1 Report on the Food (Wales) Bill

**Recommendation 1.** As part of its review of the Member Bill procedure, the Business Committee should explore the feasibility of introducing a more transparent process for engagement between the Welsh Government, its officials and Members of the Senedd who have secured leave to proceed to introduce a Member Bill.

**Response: Noted**

I very much welcome this recommendation. I understand, and accept, that the process for introducing primary legislation into the Senedd needs to be robust – and that includes Member Bills. However, it is difficult for individual Senedd Members to fully meet the requirements of Standing Order 26.6 without having engagement with and assistance from Welsh Government officials.

While Senedd Members are responsible for developing the policy and drafting the Member Bill, it will in most cases be the Government that has to implement the legislation once enacted.

In relation to the Food (Wales) Bill, it was necessary to provide flexibility for Welsh Government to (for example) shape the National Food Strategy, or set the food targets. Greater communication between Welsh Government, its officials and the Member will only help the development of the legislation.

Having had the experience of winning the Ballot and securing leave to proceed, I would be happy to feed in to any wider review of Member Bills that might be undertaken by Business Committee.

**Recommendation 2.** The Member in charge should table an amendment to the Bill to provide that statutory guidance must be issued to public bodies on how the duties imposed on them by the Bill interact with their existing duties under the Well-being of Future Generations (Wales) Act 2015.

**Response: Accept**

I acknowledge the concerns raised during Stage 1 about how the provisions of the Bill would interact with the Well-being of Future Generations (Wales) Act. While I believe both Acts would work seamlessly together, I can see the benefit of issuing statutory guidance to public bodies setting out how the duties under the Food Bill would interact with existing duties

under the Future Generations Act. I will, therefore, bring forward an amendment at Stage 2 for this purpose.

**Recommendation 3.** The Member in charge should table an amendment to the Bill to remove section 2 of the Bill, which sets out the primary food goal.

**Response: Reject**

I believe the inclusion of the primary food goal provides an overarching vision for the food system in Wales, as well as acting as an anchor point that policy created through the Bill will aim to achieve. I do not agree that this should be removed from the Bill.

The Bill was developed following extensive engagement and consultation with stakeholders across Wales. The inclusion of this overarching primary food goal was included in the draft Bill in response to discussions I had had with stakeholders who felt there was a need for a key principle to be set out in the Bill.

In the consultation on the draft Bill 59% of those responding agreed with the inclusion of a primary food goal supplemented by secondary food goals. Only 8% of those who responded disagreed with this approach. There were views expressed about the detail and focus of the primary food goal, there was majority support from stakeholders to its inclusion.

Discussions during the Economy, Trade and Rural Affairs Committee's Stage 1 scrutiny highlighted again that there were differing views amongst stakeholders on the detail of the primary food goal, but there was no call for its removal.

**Recommendation 4.** The Member in charge should outline the mechanisms by which public bodies will be provided with full and comprehensive information about the secondary food goals and how they are to be interpreted.

**Response: Accept**

In the drafting of the Bill it was envisaged that the Commission will proactively be providing public bodies with information in the day to day exercise of its functions. The statutory framework set out in the Bill aims to promote ongoing cooperation between the Commission and the relevant public bodies.

Section 10 of the Bill sets out the functions of the Welsh Food Commission. These include developing, and assisting public bodies to develop, policies in relation to food matters; as well as advising, informing and assisting public bodies in relation to food matters. The functions of the Food Commission also include, in particular, a function:

*(d) to provide oversight and performance review of the exercise of the functions of public bodies in relation to the food goals and food targets;*

Section 18 of the Bill provides that public bodies may consult the Food Commission, Future Generations Commissioner, or other appropriate persons, before making a food plan. This would include seeking advice on the food goals.

I believe these functions provide the mechanisms by which public bodies will be provided with all the information they need on how the food goals should be interpreted, in order for them to develop and make their local food plans.

**Recommendation 5.** The Member in charge should table an amendment to section 3(3) of the Bill so that the duty to consult before amending the descriptions of the secondary food goals applies to other appropriate bodies as well as the Welsh Food Commission.

**Response: Accept**

As I set out in my letter to the Committee of 8 March 2023, the intention through the Bill is that the Welsh Food Commission will lead on driving the food goals forward, playing a central role as the body that the Welsh Ministers look to for advice and information. That's why there is a requirement that the Welsh Ministers consult the Commission before amending any of the secondary food goal descriptions.

Having that requirement does not prevent Welsh Ministers also seeking the views of other bodies and stakeholders. For example, if the Welsh Ministers decide to amend the description of the environment secondary food goal, they may seek the views of (for example) Natural Resources Wales as well as the Food Commission.

However, as I also set in my letter, if there was a consensus among the Committee that there was a need to specify on the face of the Bill that other appropriate persons may or must be consulted prior to the descriptions being amended, then this is something that I would look to do through amendments at stage 2.

**Recommendation 6.** The Member in charge should table an amendment to section 4(5) of the Bill to provide that the first regulations setting one or more targets for each secondary food goal must be made and come into force within two years of section 4 coming into force.

**Response: Accept**

As set out in my letter to the Committee on 8 March 2023, I agree that this amendment is necessary. It is my intention to bring forward this amendment at Stage 2.



**Recommendation 7.** The Member in charge should table an amendment to the Bill to expand the duty within section 5 of the Bill to consult the Welsh Food Commission to also include bodies the Welsh Ministers deem appropriate to consult.

**Response: Accept**

The detail in the Committee's report seems to suggest that the concerns around Section 5(1)(b) of the Bill were with the inclusion of the duty for Welsh Ministers to seek advice from "other persons the Welsh Ministers consider to be independent and to have relevant expertise".

While this recommendation seeks for section 5 of the Bill to be expanded to **also** include bodies the Welsh Ministers deem appropriate to consult, the narrative in the report, and in the scrutiny session, seem to suggest that the amendment you wish to be tabled would actually remove the reference to 'other persons the Welsh Ministers consider to be independent and to have relevant expertise' and replace it with reference to 'other persons who the Welsh Ministers consider appropriate'.

As I set out to the Committee during the scrutiny session, this was an area that we needed to reflect on further to ensure that we didn't exclude somebody who could usefully contribute or who the Government might want to consult. I would therefore be happy to bring forward an amendment at Stage 2, as I set out above.

**Recommendation 8.** The Member in charge should table an amendment to section 17 of the Bill to extend the period of time within which a public body should publish a local food plan, from two years after the Bill coming into force to three years after that date.

**Response: Accept**

I agree with the committee that extending the period in which public bodies should publish their food plans would reduce the risk of imposing additional pressures on public bodies if the Welsh Government has been unable to publish the national food plan in good time.

As I outlined to the Committee, I find it inconceivable that a Government couldn't put together a food strategy within two years, however the suggested amendment would reduce risk should that happen.

**Recommendation 9.** The Member in charge should provide examples of circumstances where a public body may be removed by the Welsh Ministers from the list of public bodies within section 22(1) of the Bill.

**Response: Reject**

As currently drafted, there is only a limited list of public bodies included on the face of the Bill. I cannot think of any circumstances where those public bodies already listed would be removed from Section 22(1).

However, section 22(2) of the Bill also allows Welsh Ministers to add public bodies to the list. It is possible therefore that the list of public bodies may look different over time.

Without knowing which bodies might be added to the list it would not be possible to provide specific examples of the circumstances that might lead to them being removed from the list. The provisions set out in Section 22(2) of the Bill (that public bodies may be removed) is included in the Bill to 'future proof' this particular section of the legislation. If circumstances arise where it is considered appropriate to remove a public body, the provision is there.

In general terms, each public body (including any additional bodies added) must publish periodic reports assessing the effectiveness of its local food plan, and in particular, the contribution it has made towards advancing the food goals and achieving the food targets. Over time, those periodic reviews may underline that placing a duty on a particular body to produce local food plans does not align with the work or functions of that body. The decision may then be made to remove that body from the list.

**Recommendation 10.** The Member in charge should set out the disadvantages of providing in section 22(5)(b) of the Bill that the Welsh Ministers must consult with a person which is to be removed from the list of public bodies within section 22(1) of the Bill.

**Response: Reject**

The drafting used in section 22 of the Bill is consistent with other Welsh legislation including section 52(4) of the Well-being of Future Generations (Wales) Act 2015.

Adding a body to the list of public bodies will always require consultation, to inform that body of any additional responsibilities it will be subject to. Whereas removing a body from the list does not impose any additional responsibilities on that body, only removing those duties, therefore they will not always need to be consulted.

In addition, section 22(5)(c) provides when making Regulations to remove a public body from the list, the Welsh Ministers must consult with any persons they consider appropriate, which will in all likelihood include the body which is being removed.

I therefore do not believe placing a duty on the face of the Bill that Welsh Ministers must consult with those persons being removed is required. I would say that setting out my reasoning is more appropriate than setting out the disadvantages of something that is (in my view) not required.

## Peter Fox OBE MS

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19 May 2023

Dear Peredur,

### **Food (Wales) Bill: response to the Finance Committee's Stage 1 report**

I would like to thank the Finance Committee for their scrutiny of the Food (Wales) Bill ("the Bill") during Stage 1 and for the report which was published on 12 May 2023.

I have set out my response to the Committee's conclusions and recommendations at Annex A. Where conclusions have been made, or where recommendations are aimed at Welsh Government rather than for me as the Member in Charge of the Bill, I have noted these, but have included my own thoughts in response where appropriate.

While it has not been possible for me to accept all of the Committee's recommendations, I hope you will find this response useful. I will also be writing to the Chairs of the Economy, Trade and Rural Affairs Committee and the Legislation, Justice and Constitution Committee with respect to their Stage 1 Reports, and will copy the letters to all three Committee Chairs.

Kind regards,



**Peter Fox MS for Monmouth**  
**Member-in-Charge, Food (Wales) Bill**

**Response from Peter Fox, MS to the Finance Committee's Report on the Food (Wales) Bill**

**Conclusion 1.** The Committee is disappointed with the lack of information on a number of elements of the Bill and therefore is unable to draw a conclusion as to whether the resources are adequate and reasonable to deliver the legislation. We have made a number of recommendations and should this Bill proceed we would expect to see the information requested included in an updated Regulatory Impact Assessment following Stage 2 proceedings.

**Conclusion 2.** We reiterate previous calls that Regulatory Impact Assessments must contain the best estimate possible for costs and benefits to enable us to fully scrutinise the overall financial implications of a Bill. This includes all Bills introduced in the Senedd by the Welsh Government, individual Members and Committees.

**Response: Noted**

I understand the Committee's disappointment that there may have been a lack of information on the costs of some elements of the Bill. However, as an individual Member it would be almost impossible to provide accurate costs for elements of a Bill that are subject to a future national strategy and subsequent regulations, without having considerable engagement with Welsh Government officials sanctioned by the Minister.

The Bill was deliberately drafted as a framework Bill, giving flexibility for Welsh Government around the implementation of key provisions. This would include (for example) for the detail contained in future Regulations. Allowing Welsh Government to have control over this 'secondary' phase was essential. While it was possible to engage with stakeholders to estimate the administrative costs of the Bill, it would not have been possible for me to provide accurate costs for many elements of the Bill.

I agree with the Committee's view that RIAs must contain the best estimate possible for costs and benefits. However, in agreeing this, it must be borne in mind that the best estimate that is 'possible' for individual Members to include for their Bills is likely to be less comprehensive than the estimates that Welsh Government themselves could bring forward. In relation to the Food (Wales) Bill, I believe that the estimates I provided were the best estimates that were possible with the resources available to me as an individual Member of the Senedd.

**Recommendation 1.** The Committee recommends that in future, the Welsh Government commits to assisting individual Members and/or Committees proposing legislation by providing relevant financial information prior to a Bill's introduction to ensure that costs in Regulatory Impact Assessments are as comprehensive and detailed as possible.

**Response: Noted**

As outlined in my response to Conclusions 1 and 2, it would be almost impossible for individual Members to provide accurate, or sometimes any, costs for certain elements of a Bill, which are subject to future regulation making powers based on a yet to be formed national strategy, without having assistance from Welsh Government. However, I can also see the difficulty from the Government's perspective in providing those costings prior to introduction. This recommendation would have resource implications for Welsh Government in providing that assistance.

As I said during scrutiny, there was always going to be a need to provide flexibility for Welsh Ministers and the Food Commission to give direction on important elements of the Bill – much of which would require Regulations to be made later.

In relation to the costs included for those elements of the Bill that are not subject to future Regulation, I believe these have been costed to the best of my ability. I would like to thank all the people who helped out on costings, in organisation across Wales and officials in Scotland. The engagement we had with those organisations was very helpful.

**Recommendation 2.** The Committee recommends that the Member in Charge reassess and updates the costs in the Regulatory Impact Assessment based on the latest costs provided by the Scottish Government for The Good Food Nation (Scotland Act 2022)

**Response: Accept**

As the Committee will already be aware, I gave a commitment during the scrutiny of the Food (Wales) Bill as Stage 1 that I would engage further with officials in the Scottish Government as the Bill progressed through the legislative process in the Senedd. I also refer the Committee to my letter to the Minister for Rural Affairs and North Wales, and Trefnydd dated 4 May – where I reiterate this commitment. I appreciate the Committee including reference to that letter of 4 May in this Stage 1 report despite it being sent late in the Stage 1 timetable.

**Recommendation 3.** The Committee recommends that the Member in Charge liaises with the Welsh Government in relation to the scale and scope of the Food Commission, including the number of staff required to support it and updates the Regulatory Impact Assessment.

**Response: Accept**

I would very much welcome the opportunity to discuss the scale and scope of the Food Commission as the Bill progresses through the legislative process. Should the Regulatory Impact Assessment require updating as a result, I will work with Welsh Government to provide updated information and include it in a revised RIA.

**Conclusion 3.** The Committee is unable to reach a view, on whether the Bill would create duplication with the Well-being and Future Generations (Wales) Act 2016 and if the Future Generations Commissioner for Wales has the expertise or capacity to undertake the necessary work relating to the Bill, given the lack of information available on this issue.

**Response: Noted**

It is disappointing that the Committee could not reach a view on this. I strongly believe, as did a number of key stakeholders during Stage 1 scrutiny, that the Food (Wales) Bill and the Well-being and Future Generations (Wales) Act would align with each other, and act in a complimentary way. The Future Generations Commissions would also have a role to play in helping to shape, for example, the National Food Strategy going forward.

In terms of whether the Future Generations Commissioner for Wales has the expertise or capacity to undertake the necessary work relating to the Bill, it was very clear to me from discussions I had with the Commissioner that she did not believe this to be the case. This is something that I raised specifically during Stage 1. I have not had opportunity to discuss the Bill with the new Future Generations Commissioner, but would be happy to do so as the Bill progresses through the process.

**Recommendation 4.** The Committee recommends that the National Food Strategy is accompanied by a full impact assessment and that the Welsh Government ensures the Senedd will have the opportunity to scrutinise any costs associated with it.

**Response: Noted**

Although this is not a requirement set out on the face of the Bill, it should be the expected practice that the Welsh Government would undertake an impact assessment of any new 'policy' it implements. This would include the development and implementation of the National Food Strategy.

**Recommendation 5.** The Committee recommends that the Member in Charge undertakes further work analysing the cost benefits of the Bill and that the Regulatory Impact Assessment should be updated to include further information on these benefits, including how they will be analysed and when they are anticipated to be delivered.

**Response: Reject**

As I outlined in my response to conclusions 1 and 2, it is extremely difficult for individual Members to provide accurate costs on every element of the Bill without assistance from the Welsh Government. The same principle applies to the potential benefits, as much would depend on the implementation of the Act. I believe that the information I provided on the cost benefits was as full as it could be at that time.

This also links through to Recommendation 4, where the Committee has called for a full impact assessment of the National Food Strategy. The full costs and benefits will be best assessed alongside the National Food Strategy and the impact assessment produced.

It is also likely that the Bill will be amended at Stages 2 and 3, which would have an impact on the potential costs and benefits. So again, these would be best re-assessed once the amending stages are complete.

**Recommendation 6.** The Committee recommends that the Member in Charge provides details of the public bodies that are already undertaking work to implement local food plans, and uses this information to calculate a potential range of costs arising from the Bill. This information should be included in a revised Regulatory Impact Assessment.

**Response: Accept in part**

The Explanatory Memorandum that accompanied the Bill on introduction provides examples of public bodies that already undertake work on local food plans / community food strategies, etc. However, I can see the benefit in expanding this information so will update the RIA with further details and publish as part of the revised RIA after Stage 2 of the process.

However, as set out in the RIA (para 326) it was not possible to quantify the cost of **implementing** local food plans without knowing the full detail of what is required in those plans. The detail of local food plans:

- (a) must set out how the 'food targets' would be achieved, but those targets would be set by Regulation later in the process, and
- (b) must also have regard to the National Food Strategy.

To provide accurate costs – or even an accurate range of costs – for the implementation of local food plans would therefore not be possible as those required details are not yet known.



This part of the recommendation is therefore rejected. This links back to the issues raised in Recommendation 4 where costs link back to the Strategy.

**Recommendation 7.** The Committee recommends that the Member in Charge updates the costing of the Regulatory Impact Assessment over a ten-year appraisal period to allow the inclusion of more complete costs relating to local food plans.

**Response: Reject**

As set out in the report, the Committee is concerned 'that the costs in relation to the five-year review of food plans will fall outside the timeframe of costing of this impact assessment'.

In relation to the five-year review of local food plans, these would be required before the end of a period of 5 years beginning with the day the first plan is published. The plans themselves must be made within 2 years of the Act coming into force. Therefore within a ten-year appraisal period, there would be only one review of local food plans.

As the Committee will be aware, providing costs over a 5 year period was consistent with previous Member Bills. While I knew that the five-year review period would be outside this, the RIA did set out an estimate for the review of local food plans. Para 381 of the EM states:

*"The strategy must be reviewed every 5 years. This would fall outside the 5 year timeframe for estimating costs. However, the costs would not be significant. For example, the Good Food Nation Bill estimated that their 5 year update and consultation around their strategy would cost between £12,549 and £17,549."*

Including this information within a ten-year appraisal period would not provide any additional detail on the potential estimate for the review of local food plans.

Lesley Griffiths MS  
Minister for Rural Affairs and North  
Wales, and Trefnydd

31 May 2023

**Food (Wales) Bill**

Dear Lesley,

I am writing following the fall of the Food (Wales) Bill on 24 May. I was pleased to hear in the debate that you support the broad aims of the Bill and you want to build on the momentum Peter Fox has built up around food policy with this Bill. As outlined in our report, the Committee also fully supported the policy aims of the Bill.

As you are aware, we drafted the Committee report on the general principles to include policy recommendations that could be pursued if the Bill fell. Please can you outline your plan to capitalise on the momentum created by Peter and respond to our recommendations 2, 4, 6, 8, 9, 10, 12, 16, and 17?

I have also copied this letter to Peter Fox in his capacity as the Member in charge of the Bill, Huw Irranca-Davies in his role as Chair of the Legislation, Justice, and Constitution Committee, and Peredur Owen Griffiths in his capacity as Chair of the Finance Committee.

Kind regards,



Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

Paul Davies MS  
Chair  
Economy, Trade and Rural Affairs Committee  
Welsh Parliament  
Cardiff Bay  
CF99 1SN

[seneddeconomy@senedd.wales](mailto:seneddeconomy@senedd.wales)

25<sup>th</sup> May 2023

Dear Paul

Further to my response to Recommendations 8, 9 and 10 of the Economy, Trade and Rural Affairs Committee Review of the Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021 ("the Regulations"), I wish to provide the Committee with an update regarding proposals for alternative measures made in relation to Regulation 45.

I have carefully considered all submissions. At this stage, I am unable to determine with sufficient certainty whether the proposals received would be more effective in delivering the outcomes in Regulation 44(1) of reducing or preventing water pollution from agricultural sources, than the measures currently contained within the Regulations. However, many of the proposals show promise and reflect the considerable amount of work which has been carried out in their development. I want to explore these proposals in more detail before making a final decision.

Within the submissions received, there are proposals which I believe may have the potential to be more effective in reducing or preventing water pollution from agricultural sources than the existing measures. I intend these proposals will be further assessed and consulted upon as part of the 4-year review of the Regulations.

Including these proposals in the first 4-year review will enable further detailed assessment ensure any potential changes to the Regulations are considered holistically.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Proposals to be included in the 4-year review include:

- Regulation 3 – Clarify effluent from poultry manure is slurry, to aid compliance.
- Regulation 12 and 13 - Requirements related to when to spread fertiliser and spreading near surface waters to apply to all fertilisers, not just nitrogen fertilisers.
- Regulation 16 – Define the meaning of ‘incorporated’ in respect of incorporating organic manure into the ground and include maize stubble in addition to bare soils.
- Regulation 21 – Spreading restrictions following the closed periods to be consistent for all organic manures with high readily available nitrogen.
- Regulation 23 – clarify any seepage is defined as slurry and must be contained, to aid compliance.
- Regulation 24 – to provide consistency, field silage sites should be stored and/or opened or unwrapped 50m from a well, spring or borehole and not within a groundwater Source Protection Zone 1. Specify the design and construction of a store must be carried out by a qualified person.
- Regulation 25 – greater clarity will be provided to reflect all types of slurry must be stored to aid compliance. Specify the design and construction of a store must be carried out by a qualified person.
- Regulation 26 - Replacement of the exemption enabling silos and slurry stores built prior to 199 to continue to be used, with a safety inspection regime required within appropriate timescales.
- Regulation 27 – greater clarity will be provided in the regulations on filed heap requirements to aid compliance, including in relation to poultry manure without bedding.
- Regulation 29 – clarity to be provided to reflect sufficient storage is required to meet all requirements of the regulations, to include imported manures.
- Regulation 32 - Increased notice period for a new and silo or slurry storage system, to at least 30 days before construction work is to begin, with additional information to be provided on the design and capacity specifications and the exact location.
- Inclusion of measures to protect soils from erosion based on Good Agricultural and Environmental Condition 5 of cross compliance.

There are other proposals which I believe require further development or consideration before any assessment can be made on their effectiveness. My officials will liaise further with proposers to explore these particular proposals in more detail. These proposals may also be taken forward as part of the 4-year review, following further engagement with proposers.

Proposals which will be explored further include:

- Regulations 6 to 10 – Inclusion of all fertilisers within nutrient management planning and crop limits. Allowing additional nitrogen applications to intensive, rotational grazing-based system, as per grass cut 3 times each year.
- Regulation 11 - Groundwater Source Protection Zones (SPZ) to be marked on risk maps.
- Regulations 13 and 14 – Improved relationship between buffer zones and risk factors.
- Regulation 15 – Reduce the maximum height of the fertiliser spreading trajectory, for all fertilisers.
- Regulations 18, 19 and 22 – Alternatives to the closed periods for manufactured fertilisers and organic manures.
- Regulations 24 and 25 – Controls on below ground stores in relation to the unsaturated zone.
- Regulation 28 – To consider when the liquid portion of separated slurry should no longer be classified as slurry, taking account of technological innovation.
- Regulations 36 to 40 – Provision of online data recording for records and inclusion of phosphorous within these requirements.

Finally, a number of the proposals received constituted a recommendation for changes to guidance. While these are out of scope of the alternative measures process, these recommendations have also been assessed and a number will be taken forward or considered further with stakeholders.

As Members are aware, this work is being carried out in collaboration with Cefin Campbell, the Plaid Cymru designated member, as part of the Co-operation Agreement between the Welsh Government and Plaid Cymru.

Regards

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive, flowing style.

**Lesley Griffiths AS/MS**  
**Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd**  
**Minister for Rural Affairs and North Wales, and Trefnydd**

# Agenda Item 3.14

Chair of the ETRA Committee

Welsh Senedd

Cardiff

15<sup>th</sup> May 2023

Dear Chair of the ETRA Committee,

I am writing, on behalf of a group of forage maize seed breeders, to bring to your attention one of the unfortunate impacts of Brexit coming to a head this December which could have a significant negative impact on the ability of Welsh farmers to grow forage maize.

## **Seed Treatments**

Currently, the forage maize seed (and some other crop seeds) we use in the UK is produced in Europe, and pre-treated with an appropriate fungicide to safeguard it against root zone diseases such as seedling blight, and a bird repellent to discourage corvids such as crows from taking out the seed once planted.

However, at the end of 2023, the import of such treated seed into the UK, and the use of seed already imported, will be illegal since the products are not licenced by CRD/SHE in this country. As part of the European Union free market, seed treated with a crop protection product has free movement across Member State boundaries irrespective of whether the product is registered in a particular Member State as long as it was applied to the seed in a Member State that does have a registration for it. Now that the UK is no longer a member of the EU, such rules do not apply and, as of 31 December 2023, it will be illegal to import, sell or sow seed treated with Kori (zorim) bird deterrent, Redigo M (triticonazole + metalaxyl) fungicide and Force (tefluthrin) insecticide.

The industry has been aware of the problem and has been striving to identify alternatives over the last 2 years but have failed to come up with suitable replacements during this time, a situation exacerbated by a seeming reluctance of the UK regulators to consider seed treatments.

## **The Impact**

The situation is not a trivial one: a lack of suitable bird repellent can result in the total loss of the crop. Corvids are intelligent birds and quickly understand seed drilling patterns. For example, in the

photograph below, the crows were able to identify which plots were untreated and moved down the rows, learning the distance between seeds and taking almost all of them.



Likewise, a similar effect is observed on these trial forage maize plots in Clwyd in north Wales; note that the area surrounding the plots is also forage maize, with the seed having been treated with a bird repellent. The corvids ignore the treated areas and moved into the trial plots, focussing on areas where untreated seed had been planted. The result being almost 100% loss of the crop.



The danger is that farmers and growers turn away from the growing of forage maize, a high-density nutritious feedstock both for the dairy and livestock sectors, and for the anaerobic digestion industry for energy production.

### The Solution

Current alternatives include a huge increase in the use of bird scarers, with the accompanying noise pollution, or control of corvids by shooting; neither of which make sense in today's agriculture. A delay in the implementation of this end-of-year cut-off date would give the industry time to seek an alternative solution. Such delays have already been successfully implemented in the case of

chemicals under REACH legislation and for re-approvals of pesticides already registered for use. If that is not possible, a derogation on the use of the products under Article 53 (so-called emergency use) would also be possible. However, given the lack of success of initial discussions with CRD/HSE, a political solution to the problem needs to be sought urgently to initially highlight this issue and then to “encourage” DEFRA to increase the priority of the issue.

This is a big issue for Welsh farmers who grow nearly 15,000 hectares of forage maize a year. Members of the seed sector and other organisations including NFU, AIC, BSPB and NIAB are working together to seek a solution to this problem but DEFRA needs to understand that this is a serious issue and I wondered if you might raise this issue with the Welsh Government to ask the DEFRA Secretary of State to intervene on this matter.

I would be delighted to brief you further on this issue which I hope you will agree is a very serious one.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'J. Little'.

Dr Julian Little FRSB

Tel: 07900 276 999

[Email](#) | [LinkedIn](#) | [Twitter](#) | [Instagram](#)



Paul Davies MS  
Chair  
Economy, Trade and Rural Affairs Committee

[SeneddEconomy@senedd.wales](mailto:SeneddEconomy@senedd.wales)

26<sup>th</sup> May 2023

Dear Paul

I am writing to inform you of my approval being granted for a Statutory Instrument being made by the UK Government which contains elements within the competence of Welsh Ministers.

The Agriculture and Horticulture Development Board (Amendment) Order 2023 (2023 Order) will make amendments to the Agriculture and Horticulture Development Board Order 2008 (2008 Order), a UK wide SI, following a UK wide targeted consultation with industry and stakeholders.

I am agreeing, in this case, to give approval to Lord Beynon, Minister for Biosecurity, Marine and Rural Affairs to make amendments to the 2008 Order. The Agriculture and Horticulture Development Board (AHDB) was established by the 2008 Order under powers contained in the Natural Environment and Rural Communities Act 2006 (the NERC Act).

The 2023 Order amends the 2008 Order and is made by the Secretary of State under powers conferred by sections 87, 88 and 97(1) of, and paragraph 6(a) of Schedule 8 and paragraphs 5 and 8 of Schedule 10 to, the NERC Act with the approval of Welsh Ministers.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Section 87 of the NERC Act provides the “appropriate authority” with the power to make an Order which establishes a body for a purpose or purposes falling within section 88 (permissible purposes of boards) and to assign to it a function or functions falling within section 89 (permissible functions of boards).

An “appropriate authority” is defined in section 96(1) of the NERC Act as including, in relation to matters concerning Wales only, the National Assembly for Wales (transferred to the Welsh Ministers by paragraph 30(2) to Schedule 10 of GOWA). Section 96(1)(e) sets out that the SoS (acting with the approval of the devolved governments) can be the “appropriate authority” in relation to matters referred to in section 96(2). These include exercising other powers in relation to a cross-border function of a board. ‘Cross-border functions’ are defined as functions relating to England, Wales, Scotland and Northern Ireland.

The 2008 Order was made by the SoS (with the approval of Devolved Governments). For current purposes, the amendments made by the 2023 Order is considered to fall within “exercising other powers in relation to a cross-border function of a board”.

The period for which I am giving approval is limited to the passage of the 2023 Order.

Under Section 96(1) of the NERC Act, the Welsh Ministers are an “appropriate authority” and have the power to legislate in relation to matters concerning Wales. However, as the proposed amendments will affect the cross-border functions of AHDB, the SoS (with the approval of the Devolved Governments) is the appropriate authority.

Wales’ interests remain protected with the passage of the 2023 Order which requires the approval of Welsh Ministers.

Welsh Government officials discussed and refined the 2023 Order with counterparts in DEFRA, the Scottish Government and DAERA, including the development of the consultation document and the responses which have shaped the content of the Order. The UK Government continues to recognise the areas in which the 2023 Order applies to Wales as within the competence of Welsh Ministers. DEFRA officials have been aware of the need to seek the approval of Welsh Ministers for the 2023 Order and have fully engaged with officials as the Order has been drafted and reflected comments within the Order.

I am copying this letter to the Chair of Legislation, Justice and Constitution Committee for information.

Regards,

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive style with a large, sweeping 'L' and 'G'.

**Lesley Griffiths AS/MS**  
**Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd**  
**Minister for Rural Affairs and North Wales, and Trefnydd**

# Agenda Item 3.16

**Pwyllgor yr Economi,  
Masnach a Materion Gwledig**

—  
**Economy, Trade and  
Rural Affairs Committee**

**Senedd Cymru**

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Peredur Owen Griffiths MS  
Chair, Finance Committee

26 May 2023

**Subject: Welsh Government Draft Budget 2024-25: Engagement**

Dear Peredur

Thank you for inviting the Economy, Trade and Rural Affairs Committee to engage with your work on Welsh Government Budget documentation and Ministerial written evidence. We do not have anything to add at this point however I look forward to representing the Committee in the spending priorities debate on 12 July and we will follow the work with interest

Kind regards,



**Paul Davies MS**

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English

# Agenda Item 4

## Welsh Government response to the Economy, Trade and Rural Affairs Committee's inquiry into post-EU regional development funds

**Date** – Thursday 8 June 2023

**Title** – Post-EU regional development funds

### Overview

- This paper provides information to the Economy, Trade and Rural Affairs Committee on Post-EU funding arrangements.
- The 2014-2020 EU Structural Funds programmes<sup>1</sup> are worth £2.1bn to Wales, driving a total investment of more than £3bn. To date, these programmes have created 33,900 new jobs and 6,700 new businesses, supported 19,300 businesses, helped 40,800 people into employment and helped people achieve 152,000 qualifications.
- The UK Government 2019 election manifesto committed to replace and “at a minimum match the size” of former EU funding in each nation of the UK. It has failed to honour this repeated commitment.
- The UK Government's approach is effectively taking away funding in devolved areas that has been for the Senedd to determine since the start of devolution.
- The Shared Prosperity Fund is smaller and narrower in scope than the EU funding it was designed to replace; for example, having no priority investment for research and innovation (R&I).
- The UK Government is using the UK Internal Market Act to make Levelling-Up Fund spending decisions in devolved areas on local projects in Wales.

### Loss of £1bn EU Funding

1. On 4 May 2022, the Minister for Finance and Local Government issued a Written Statement<sup>2</sup> outlining the loss of funding to Wales as a result of the UK Government's arrangements for replacement EU Funding.
2. In summary, Wales was allocated £2.1bn for the 2014-2020 EU European Regional Development (ERDF) and European Social Funds (ESF). These would have been worth £1.404bn between January 2021 and March 2025, allowing for inflation and exchange rates in the same way as the UK Government has when calculating the level of UK Shared Prosperity Funding (SPF) to be allocated to Wales.

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<sup>1</sup> Comprising the European Regional Development Fund and European Social Fund

<sup>2</sup> [Written Statement: Loss of funding to Wales as a result of the UK Government's arrangements for replacement EU funding \(4 May 2022\) | GOV.WALES](#)

3. This funding would be additional to ongoing payments made from the Welsh Government's commitment of funding to projects in previous years under the 2014-2020 programmes.
4. The UK Government confirmed on 13 April 2022 that Wales will receive £585m through its replacement EU funding scheme, the SPF, between April 2022 and March 2025. This includes £101m which is being top-sliced by the UK Government to support an adult numeracy programme called Multiply.
5. Together with the £47m from the 2021-22 Community Renewal Fund pilot, Wales will receive £632m in replacement funds in the period, a shortfall of £772m.
6. On top of this, the UK Government, when providing replacement EU farm funding, is deducting EU payments due to Wales for work which was part of the 2014-2020 Rural Development programme. This means Wales' rural communities are £243m worse off than had we remained in the EU.
7. Taken together, the £243m loss in rural funding and the £772m shortfall in EU structural funds add up to just more than £1bn. Applying the same inflation adjustment to rural funding as to the structural funds, the overall shortfall to the Welsh budget is more than £1.1bn.
8. These figures do not include the losses of funding from Wales' access to other EU funding programmes, including Erasmus, Horizon Europe and European Territorial Co-operation which have not been fully replaced by the UK Government.

### **Design of the Shared Prosperity Fund**

9. Following the outcome of the 2016 EU Referendum, the Welsh Government [worked with stakeholder organisations and the OECD](#) to develop a new model for investing successor EU funds.
10. [The Framework for Regional Investment](#) was co-produced and published in 2020 following a public consultation. It included a portion of funding and autonomy for local government, and direct access to funding for non-government sectors.
11. The process was overseen by a representative steering group chaired by Huw Irranca-Davies MS and based on commitments that Brexit would involve no loss of funding or devolved powers.
12. The UK Government's replacement EU funding scheme, the SPF, was first announced in 2017. The Welsh Government had no input or role in its design or development ahead of its launch in April 2022.
13. The Welsh Government proposed a formula for allocating SPF funds with a 70% weighting to the Welsh Index of Multiple Deprivation in order to distribute funding fairly across Wales according to economic need. Instead, the UK Government is using a formula of 30% weighting for the WIMD, a 40% population weighting, and

a 30% weighting for its own Community Renewal Fund (CRF) index (the pilot fund to the SPF).

14. The SPF channels funding exclusively via local authorities on an annualised basis. This means that strategic multi-annual projects previously supported by EU funds are no longer possible.
15. The localised design of the SPF prevents continuity funding for pan-Wales projects previously supported by EU funds such as Business Wales, the Apprenticeship programme, business finance schemes run by the Development Bank for Wales and the WCVA's Active Inclusion Fund which supported vulnerable people into employment and training.
16. Sectors outside of local government can apply for funding although the SPF's narrower focus and the reduced amount of available funding has vastly reduced the potential for investment in the higher education, further education, business and third sectors.
17. The investment priorities of the SPF are narrower than the EU Structural Fund programmes. For example, around £380m of the 2014-2020 EU programmes was invested in Research & Innovation (R&I). This is not an eligible investment area meaning that multi-million pound R&I investments supporting business and academia collaborations for growth have no prospect of successor funding from the SPF.
18. This is resulting in reports by a range of sectors of significant levels of job losses and the closure of key projects in areas including decarbonisation, renewable energy and industrial skills.
19. For example, the Materials and Manufacturing Academy is led by Swansea University and supports industry focused Engineering Doctorates and Research Masters in the field of advanced materials and manufacturing. Backed by £16.6m EU funding, it began in 2015 and will cease in December 2023. Participating businesses have included TATA Steel, BASF, Royal Mint and Weartech International.
20. The third sector is also concerned about the lack of opportunity for involvement into how SPF is being delivered, particularly around decision-making on where support for communities and vulnerable people is most needed. In addition, the sector notes the limited opportunities for regional projects due to local authorities having individual allocations and arranging different SPF bidding and decision-making timescales. The third sector fears that the expertise and the very good examples of support available for communities and vulnerable people is therefore at risk of being lost and would welcome opportunities for better involvement and engagement in SPF delivery.

21. The design of the SPF lends itself to smaller, short-term localised projects similar to the approach taken to the 2000-2006 EU Structural Funds programmes. Lessons learned following independent evaluation led to larger, more strategic projects being supported in the 2007-2013 and 2014-2020 programmes to create greater economic impact and legacy.

### **Implementation of the Shared Prosperity Fund**

22. Local authorities were required to submit SPF investment plans between 30 June and 1 August 2022, which were then assessed by UK civil servants and decided upon by Ministers at the UK Department for Levelling-Up, Housing and Communities (DLUHC).

23. There was a requirement for local government to convene a local partnership during the process of developing and delivering their investment plans. The UK Government required representation on these partnerships from various sectors, as well as MPs. There was no requirement to include Members of the Senedd.

24. The UK Government was due to approve plans and start payments in October 2022; however despite plans being submitted on time by 2 August 2022, DLUHC only approved the plans on 5 December.

25. Funding for the financial year 2022/23 (worth £74m) was released to local authorities at the end of January 2023. Around £15m was initially withheld by the UK Government due to ongoing issues around the deliverability of its *Multiply* programme.

26. We understand the £15m will be released to spend in 2023/24; however, the narrow focus of Multiply remains which will make it difficult for local authorities to spend the full Multiply allocations.

27. While there is not a universal picture across and within regions; local authorities are using the funding to support local government projects and have gradually opened funding rounds for external sectors. These funding rounds have opened at different times and with different arrangements and assessment criteria, and many reporting that the demand for funding is far exceeding the funding available.

28. SPF project activity will need to cease by December 2024 so that all spending is completed by 31 March 2025. This means that despite being a three-year scheme, the SPF will only have around 18 months of project delivery.

29. The UK Government has placed local government under considerable pressure by making them administrators of the SPF, with responsibility for managing the expectations of other public, HE/FE, business and the third sectors, which have benefitted significantly from EU Structural and Investment Funds and are all seeking replacement EU funding from a vastly reduced pot.

30. This pressure has been exacerbated by UK Government delays in launching the SPF, approving investment plans and releasing the funds.



31. Due to time pressures, reduced funding levels and short delivery timescales, local authorities are being forced to support short-term, sub-optimal projects with more limited economic potential than the projects supported through EU Structural Funds.
32. There is no formal role for the Welsh Government to play in the SPF as all key decisions (programme design, funding levels, allocation methodology, investment priorities and local government focus) were made by the UK Government prior to the SPF's launch in April 2022.
33. The Welsh Government has been working with local authorities to ensure duplication in areas such as skills and business support is avoided as far as possible. The Welsh Government is also continuing to hold regular meetings of the Strategic Forum for Regional Investment in Wales, chaired by Huw Irranca-Davies MS, to share information and lessons learned among Welsh partners.
34. However, with both local authorities and Welsh Government serving the same audiences and given the scale and volume of projects now in operation, a sub-optimal environment for business support and skills provision has been created.
35. We have also needed to make tough decisions around our budget priorities to maintain our commitment to Apprenticeships and Business Wales schemes which previously benefited from EU funding support. For example, we are investing an additional £20.9m per year of Welsh Government funding to up until March 2025 to fill the gap and extend the core Business Wales service beyond the end of EU funding this year.
36. We have also provided an increase in research funding through HEFCW and its QR fund for universities, and we are continuing to work with HEFCW on how to increase competitive grant capture in the Welsh research system.

### **Multiply**

37. The Multiply numeracy scheme, which forms part of the SPF, represents an additional encroachment into a devolved policy area.
38. Furthermore, while the UK Government is using the fund to support its own UK-wide schemes, they are denying the Welsh Government the ability to fund Wales-wide schemes – despite EU funding supporting a range of critical pan-Wales business and skills programmes.
39. Adult numeracy is devolved and Multiply operates in direct competition with Adult Community Learning provision, which is already available in Wales. It also risks duplication with the well-established Essential Skills Wales programme. This will mean that learners in Wales face a confused and complicated range of options.

## Levelling-Up Fund

40. The Levelling-Up Fund (LUF) is another example of the UK Government using the UK Internal Market Act financial assistance powers to take spending decisions directly in devolved areas bypassing the Welsh Government and Senedd.
41. The LUF replaces the England Towns Fund. It was announced at the UK Spending Review in November 2020 as an England measure from which the Welsh Government would receive a Barnett consequential.
42. However, in February 2021, the UK Government confirmed it would deliver the LUF on a UK-wide basis with no prior consultation or communication. The Welsh Government has had no role in its development or delivery.
43. In the first LUF round (2021), six local authorities in Wales (RCT, Powys, Carmarthenshire, Pembrokeshire, Ceredigion and Wrexham) secured funds for 10 bids worth a total of £121m. Unsuccessful bids in Wales were worth £172m.
44. In the second LUF round (2023), 11 local authorities in Wales (Anglesey, Blaenau Gwent, Bridgend, Caerphilly, Cardiff, Conwy, Denbighshire, Gwynedd, Neath Port Talbot, Swansea, Torfaen) were successful with one bid each worth a total of £208m. The value of unsuccessful bids was £582m.
45. The UK Government announced the successful second round projects on 19 January 2023 having been due to make the announcement in Autumn 2022. This delay has put extra delivery pressures on local authorities and exposed projects to rising inflation.
46. Flintshire, Merthyr Tydfil, Monmouthshire, Newport and the Vale of Glamorgan are yet to receive any funding from the first two LUF rounds.
47. A third and final round is expected in 2024 although it is likely to be significantly smaller than the first two rounds given that around £1bn remains UK-wide from the total three-year LUF funding allocation of £4.8bn.
48. LUF projects are expected to close in December 2024 with funding having to be completed by 31 March 2025 (barring exceptional circumstances).

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## ETRA COMMITTEE

8 JUNE 2023

### MANUFACTURING FUTURE FOR WALES: ACTION POINTS

#### Introduction

The initial Manufacturing Action Plan (MAP) was launched in February 2021, following extensive consultation with stakeholders, underpinned by the seven objectives of the Well-Being of Future Generations Act (Wales) 2015. It has provided a framework which has fostered collaboration and helped coordinate Welsh Government support with a manufacturing focus. It has framed our work to decarbonise industry including establishing Net Zero Industry Wales, and our Net Zero Skills Action Plan. We have seen our flagship Advanced Manufacturing Research Centre (AMRC) Cymru thrive and activities like WRAP Cymru and our Toyota Lean Clusters programme help businesses to increase productivity and reduce waste by embedding circular economy and lean principles.

The Plan was a 10-year endeavour, but we recognised that local, national, and global events could necessitate revisions. Two years on from the launch, the manufacturing sector has faced major challenges: global competition, a technology explosion, new trading arrangements with the European Union, the COVID-19 pandemic, a Climate emergency, the soaring cost of energy, delays caused by shipping problems which have disrupted global supply chains, raw material shortages, price increases and serious issues with labour availability. It was, therefore, time to revise and refresh the plan. The refreshed Manufacturing Action Plan was published on May 2. <https://www.gov.wales/manufacturing-future-wales-framework>

The following summarises some of the progress made against the original plan.

#### **1. Continue to monitor the impact of this plan on equality of opportunity and embed it in all aspects of the work.**

We have several plans at various stages of development that encompass our complete commitment to the pursuit of equality. These include the Strategic Equality Plan 2020-2024. Under the Specific Duties contained within the Equality Act 2010, the Welsh Government is required to produce a Strategic Equality Plan (SEP). Within this are 8 Equality Objectives, underpinned by several measurable actions relating to the 6 domains of 'Is Wales Fairer?' (2018).

The very real impact of the COVID-19 pandemic on disabled people was made clear through a report originating from discussions at the Welsh Government's Disability Equality Forum: 'Locked Out: Liberating disabled people's lives and rights in Wales beyond COVID-19'. The Report is structured around 5 main chapters, namely: the 'Social versus the Medical Model of Disability'; 'Human Rights'; 'Health and Well-Being'; 'Socio-economic Disadvantages' and 'Exclusion, Accessibility and Citizenship'. In response to the findings, we have established a Disability Rights Taskforce, to determine what further action needs to be taken to remove the inequalities faced by disabled people. Priority areas have been identified and these

include access to services, affordable and accessible housing, employment and income, independent living (including health, well-being, and social care) and increasing understanding of the Social Model of Disability

Actions around skills and fair work will impact this area and we are looking at statistics specific to the manufacturing sector, which help us measure progress. In terms of statistical analysis, we are at a relatively early stage of the plan.

**2. Commission a Welsh manufacturing capability and mapping survey to inform a PESTLE and SWOT analysis of the community.**

See point 3.

**3. Undertake a gap analysis of specific products that are in high demand in Wales and that could potentially be manufactured in Wales.**

Wavehill Limited were commissioned in 2016 to carry out a 'health check' survey of the manufacturing sector in Wales, exploring opportunities, challenges, and behaviours over a range of topics including business strategy, trade and export, skills and innovation.

They were re-appointed in 2022 to provide an update on the manufacturing sector including trends over the past 6 years, and to explore new topics such as decarbonisation and digitalisation (Industry 4.0). The findings from this study informed the roundtable discussions with Industry, Academia and Unions and the eventual refresh of the plan. Work continues to identify product areas where there are further opportunities to localise supply and this is addressed in the actions around supply chain mapping and the foundational economy.

**4. Progress work to further localise supply in areas such as food and PPE to increase the capability of indigenous businesses, including those in the Foundational Economy**

See comments under points 10 & 11.

Brookdale Consulting was commissioned to undertake a public sector wide food survey to identify supply voids with potential for developing local supply capability. Initially, this information is informing work to drive up the proportion of local produce for consumption in support of the Universal Provision of Free School Meals. On a broader perspective, the data developed through Brookdale Consulting is informing development of a strategy for public procurement of food. The aim of which is to maximise the amount of locally produced food which makes its way onto public sector plates.

Plans are being developed to analyse future investment plans for housing and transport decarbonisation so that future demand for products can be mapped against current local supply capability. This work will inform future supplier development work to ensure that there is a cadre of suitably qualified local businesses, so the economic and social impact of these investments is optimised for Wales.

Welsh Government's Commercial and Procurement team has put in place procurement arrangements which enable public bodies to open opportunities for engaging local uniform and garment producers. We are actively promoting use of this arrangement to key public sector purchasers.

**5. Use lessons learned from the Foundational Economy Challenge Fund projects, to develop support for indigenous businesses, including those in the Foundational Economy**

Lessons learned from the Foundational Economy Challenge Fund projects has informed the development of our approach to introducing the Backing Local Firms Fund.

Local food suppliers are supported with funding to cover the costs of food hygiene safety accreditation, essential for engaging in public and private sector supply arrangements.

Pilot work undertaken in the housing sector has identified an approach which helps connect registered social landlords (RSLs) with hard-to-find local businesses. Through this short pilot, Caredig Housing association was supported to find five new, local contractors which are now engaged in their optimised retrofit programme. The lessons learned from this approach are being considered with a view to scaling up across a larger number of RSLs.

Almost fifty residential care homes have been provided with grant funding to invest in low carbon, energy efficient products. Most of the products supplied have been installed by local contractors and we will evaluate this grant scheme to identify opportunities for further growing capability for local manufacture of these products.

**6. Review the key stakeholder map and categorise engagement (Informing / Consulting / Participating).**

Stakeholder engagement was reviewed as part of the refresh and a Revised Delivery Group along with Industry, Academia and Union stakeholder involvement is being considered.

**7. Focus on the two drivers of company performance; strategy and execution - the strategic choices which are made, and the subsequent organisational structure and mobilised resources to deliver the strategy. Consider the role of risk for both omission and commission of strategic choice.**

See point 6.

**8. Build communities of best practice with leaders across the manufacturing sector who are prepared to share with others and to learn from bodies such as MIT. Include channels to exemplar services such as the Leaders Forum and Academi Wales with a focus on the impact on the well-being of the citizens of Wales.**

See point 6.

**9. Benchmark our manufacturing performance against best practice of comparable regions in the UK and globally. Use this data to inform the development of support packages to improve productivity and competitiveness.**

Some of this has been done through the health-check survey of the sector which identified areas of strength and opportunities for us to target our support. For example, the survey identified the importance of productivity and energy efficiency, particularly in relation to dealing with the cost of energy. The Toyota Lean programme has supported 160 participants across 50 companies so far. We intend to expand on this by commissioning a desk-based benchmarking program which will benchmark against the six strategic objectives in the updated MAP. This will help identify areas where we need to undertake more detailed analysis.

**10. Identify which products, raw materials and components are vital to the well-being of Wales and look at how we can secure supplies and shorten supply chains in the event of a global emergency such as the COVID-19 pandemic.**

We have identified priority areas and are commissioning supply chain mapping work in this area. See 11 below.

The work to develop a public sector food strategy will support identification of critical food lines where there is potential to localise production and establish resilient chains which can withstand the impact of global crises.

**11. Undertake supply chain mapping to identify the voids that become promotable opportunities. Target promotion to new investors in specific areas.**

For the manufacturing sector, we have completed the first phase of a discrete piece of work on supply chain mapping to better understand existing supply chain capability, resilience, and anchoring opportunities. This was focussed initially on developing an online platform based on predominantly public data sources, establishing a baseline of existing companies operating across several manufacturing sub-sectors: *Renewable Energy, Housing, Healthcare/Life Sciences, Construction, Food & Drink, Transport, Defence and public procurement.*

In the updated MAP we have retained this action on supply chain mapping to progress with phase two which will build on the initial work in several areas:

- We will expand the database to include all companies operating in Wales (including those with headquarters elsewhere) and include additional datapoints (including financial information) to enable more detailed analysis.
- We will pilot this tool on a several specific projects to help map supply chains and look for opportunities to shorten supply and build capability, particularly in areas of future opportunity like Floating Offshore Wind.
- We will ensure compatibility with Sell2Wales so that the platform is searchable using the Common Procurement Vocabulary (CPV).



In the food sector we have funded supply chain mapping in Monmouthshire, focused on Monmouthshire's food resilience programme. This has enabled them to develop intelligence, down to ward level, of current food production capability/capacity. It also helps inform potential for the council to work with these businesses to adapt or change their produce based on future demand opportunities. This approach can be replicated across Wales.

Work is in hand to develop a public sector wide food procurement strategy which will build on work undertaken by Brookdale Consulting which has analysed public sector food spending across Wales. The strategy will help identify opportunities of sufficient scale which could incentivise existing and new suppliers to develop local capability.

#### **12. Target promotion to new investors in specific areas.**

As part of our ongoing supply chain mapping work, we are identifying major projects and areas of spend, and will be using this data to promote opportunities for new investors.

#### **13. Take into account the recommendations of the Brown Review on clusters together with information from the manufacturing capacity and capability survey and use the data to identify Wales' strengths and identify priority clusters.**

We have launched 'Wales Innovates: Creating a Stronger, Fairer, Greener Wales'. This new Innovation Strategy will prioritise those things that will have the biggest impact for Wales, targeting our support in line with specific 'missions'. Our approach will focus on four key areas: Education, Economy, Health and Well-being, and Climate and Nature. An Innovation Action Plan will be developed, setting out a small number of goals in each mission area, actions we will take along with partners, short, medium, and long-term milestones and measures.

#### **14. Establish a pan Wales network between clusters to share best practice and collaboration.**

Our industry forums (including Industry Wales) provide a vital and effective role bringing together relevant stakeholders across a range of clusters. For example, Technology Connected works closely with the semiconductor cluster in Newport, and Industry Wales and Make UK (Wales) work closely with the High Value Manufacturing Catapult network across the UK.

#### **15. Address the needs of manufacturing when planning the delivery of premises for businesses.**

New commercial building stock plays an important role as a catalyst, encouraging occupiers to invest in new plant and machinery to improve productivity.

To help address these challenges, the Welsh Government's Property Delivery Plan targets delivery of 300,000sqft per annum of new employment floorspace and investment ready employment sites in priority locations across Wales. Over 800,000sqft of new premises and 125 acres of investment ready sites are either

completed or in progress through a combination of direct intervention, grant support to the private sector and collaborative working with public sector partners.

In addition to the availability of the 'right' sites or premises, we must consider how companies can expand and diversify from their current sites as well as adapt premises to become more energy efficient, reduce carbon and support out wider aspiration to achieve Net Zero by 2050. Future Wales and Planning Policy Wales set out our national approach to supporting sustainable growth in all parts of Wales.

A tangible example of this is the Ty Du development site owned by Welsh Government south of Nelson (Caerphilly, South Wales). A major scheme to undertake enabling highways infrastructure works, including installation of services and estate roads was successfully completed on the site in 2019. This prepared the whole estate for residential and commercial development, including the provision of affordable homes and was funded through the Welsh Government's Strategic Employment Sites programme and the European Regional Development Fund (ERDF).

The second phase of the wider development at Ty Du site is Whitebeam Court which was completed in 2021 as a joint venture partnership between Caerphilly County Borough Council and Welsh Government. The units were part-funded by ERDF through the Welsh Government and the joint venture partners Caerphilly County Borough Council. The 11 units at Whitebeam Court, located in four terraces, have attracted quality businesses and are all occupied. This development is an example of creating the necessary infrastructure businesses need, as set out in the Property Delivery Plan.

The Property Delivery Plan, which seeks to provide property infrastructure for businesses across Wales, recognises the widespread market failure in the industrial sector with high levels of occupancy, strong demand and limited supply of floorspace. To date the Property Delivery Plan has enabled over ½ million sq ft of new employment premises and over 130 acres of investment ready sites for business.

#### **16. Focus on the needs of manufacturing when planning transport improvements, energy infrastructure, circular economy infrastructure and communications infrastructure.**

As per point 15, this is part of the strategic approach to planning in Wales set out in Future Wales and Planning Policy Wales.

While freight and logistics are not devolved to Wales, this sector is hugely important to the socio-economic well-being of Wales. The National Transport Delivery Plan (2023) sets out our intention to work closely with the UK Government and the key sector bodies to address some of the major issues in Wales through a new strategic plan for Freight and Logistics. This will help address the needs of manufacturing when planning transport improvements.

**17. Look at planning requirements for companies wishing to expand, diversify or start up. This will include use of local development orders, permitted development and use of areas for public good.**

Roundtable discussions have identified several issues relating to planning which are being addressed.

**18. Work with food producers in Wales and the cluster of food packaging companies based in North Wales to use the Advanced Manufacturing Research Centre Cymru as a centre of food packaging innovation, linked to new supply chain opportunity in the Welsh Agri-economy.**

Welsh Government has invested £2m in AMRC Cymru which has enabled them to establish a Food and Drink Packaging Sustainability Centre. This will become a hub for the uptake of emerging technologies and materials in the food and drink packaging supply chain.

Welsh Government has procured the Food Cluster Network for an additional two years. The network will be focusing on encouraging collaborations across the whole supply chain, and ensure producers work with other Welsh Government initiatives.

We are also working with Food Innovation Centres and other academic partners to ensure that the services they offer align with the needs of the Food and Drink Industry in Wales.

**19. Analyse public sector procurement spend in Wales, including supply chains, to identify opportunities for Welsh manufacturing.**

We are using public procurement spend analysis to inform our actions on supply chain mapping. This is one of a several data sources being used.

**20. Provide policy, guidance, tools and training (such as TOMS) to the Welsh public sector so that procurement practice supports sustainable Welsh manufacturing and achieves greater social value.**

The Welsh Public Procurement Policy Statement clearly lays out our policy to encourage greater sourcing in Wales and consider social, economic, environmental and cultural value when making procurement decisions.

An updated Wales Procurement Policy Statement was published in March 2021, setting out the strategic vision for public sector procurement in Wales. The statement embeds the Well-being of Future Generations Acts goals in procurement practice and sets out ten principles for procuring well-being for Wales which include maximising long-term sustainable social and economic value outcomes from public spend (Principle 1) and using Welsh public sector buying power to support local businesses through local-focussed procurement strategies (Principle 5).

A range of Wales Procurement Policy Notes have been published which set out information, guidance, and best practice for the Welsh public sector. These include WPPN 07/21, which encourages Welsh public sector bodies to reserve low value

tenders for small and medium-sized enterprises (SMEs), voluntary, community and social enterprises (VCSEs), and suppliers in specific geographical areas.

The Sustainability Risk Assessment is a tool that is available to the Welsh public sector which encourages users to think about and improve their sustainable procurement. The tool is designed to help public sector buyers to take a life cycle thinking approach to procurement that considers all aspects from raw materials used to end of use, disposal and waste. In so doing, it supports the WPS to meet the Sustainable Development Principle of the Wellbeing of Future Generations Act (WFGA) 2015.

A range of food procurement resources was published in November 2022 to develop public sector capability to embed approaches which support delivery of local economic and social value. The 'Buying Food Fit for the Future' resource brings together several pieces of work, including:

- 'Values for Money: public sector food procurement in Wales' produced by Professor Kevin Morgan of Cardiff University, provides an expert perspective on public sector food supply in Wales. The recommendations contained in the report address some key issues being faced currently in the food system which, if collectively addressed, will lead to positive outcomes.
- 'Harnessing the Purchasing Power of the Public Plate: A Legal Guide to Embedding Sustainability into Food Procurement for a Healthier, Wealthier Wales', provides some useful myth-busting and clarity to encourage more innovative and creative approaches in food procurement. This can help increase the supply of local, sustainable food within the confines of the Public Contract Regulations 2015 and help achieve the Wellbeing of Future Generations goals.

Whilst these resources were developed for food procurement, the principles are transferrable. We can promote these in the context of procurement which support the manufacturing sector.

**21. Develop and rollout to the public and private sectors a responsible / ethical approach to procuring raw materials and components for products manufactured in Wales so that all of our manufacturers are 'globally responsible'.**

The Social Partnership and Public Procurement (Wales) Bill has completed its process of legislative scrutiny in the Senedd and will, primarily through its socially responsible procurement duties, have an indirect impact on manufacturers in Wales. The procurement duties are closely linked to the Well-being of Future Generations (Wales) Act 2015 and place a particular focus on contract management and supply chain management. Work is already underway to develop regulations and statutory guidance to support the legislation.

**22. Address the challenges and opportunities that arise from leaving the EU single market by modifying the support provided to ensure supply chain resilience.**

See 19 supply chain mapping work.

**23. Continue to monitor the impact of this plan on Welsh language and culture and modify the actions in the plan to respond to changing needs.**

We are looking at which data sources we can use to monitor progress in this area, this will require long term measures to accurately reflect the impact.

**24. Bring together research, development and innovation support and utilise our investments in facilities like AMRC and ATRC to help future proof our manufacturing community.**

AMRC Cymru has been incredibly successful in fostering more collaborative research and embedding Industry 4.0 technologies and processes within our manufacturing companies. AMRC has supported Airbus's world leading future wing technology programme and more than 30 SMEs across 16 projects.

A major SME digital enablement program is currently in the pipeline that will support a further 60 manufacturers over the next 18 months. The 'Ffatri 4.0' project is one example of the real value this support is delivering. It is a collaboration between AMRC Cymru, Airbus and Welsh food and drink companies (The Pudding Compartment and Hensol Distillery), using digital tools to create the 'factory of the future', improving efficiency in production, and reducing energy costs and carbon footprint to deliver the Welsh Government funded BITES programme.

**25. Work collaboratively to promote opportunities for the manufacturing sector in Wales to use our facilities and the materials collected to reuse products and re-manufacture and manufacture more from recycled content.**

A joint programme of work is being undertaken to introduce a UK-wide Extended Producer Responsibility (EPR) scheme for packaging. The scheme will make those responsible for placing packaging onto the market pay the full net costs for waste management activities once the packaging has been used. The intention is for fees to start being raised from businesses in 2024.

Between 2019 and 2022, WRAP has worked in collaboration with more than 20 partner organisations, including Welsh businesses, to deliver four supply chain projects. The projects set out to overcome the commercial and technical barriers to using more post-consumer recycled materials in Welsh manufacturing of durable medical and construction products, household items, and hazardous materials containers. The trials sought to demonstrate the economic and environmental benefits of shifting to a more circular approach. [Previous Supply Chain Projects | WRAP \(wrapcymru.org.uk\)](https://www.wrapcymru.org.uk)

Three new trials have recently been commissioned [New Supply Chain Projects | WRAP \(wrapcymru.org.uk\)](https://www.wrapcymru.org.uk)

Wales, along with England and Northern Ireland will also be introducing a Deposit Return Scheme (DRS) for drinks containers in 2025.

**26. Promote the key benefits of process innovation, knowledge transfer and research, development and innovation funding.**

Welsh Government has a well-rounded approach to promoting innovation and knowledge transfer, including an Innovation newsletter (15k subscribers), an Innovation Twitter account (10k followers), a quarterly journal promoting science and technology activity ([Advances Wales](#)), supporting overseas delegations, conference activities and engagement with EU innovation programmes like the [Vanguard Initiative](#).

Since 2021 to date, WG has supported 76 SMART R&D projects in its manufacturing Grand Challenge areas (Advanced Engineering & Materials, ICT and The Digital Economy, Life Sciences and Health, Low Carbon Energy and Environment), with £4.6m funding and total project costs of £9.8m.

In February 2023 we launched 'Wales Innovates: Creating a Stronger, Fairer, Greener Wales', the result of extensive consultation across government, industry, social partners, and wider stakeholders. We recognise that we cannot do everything and must prioritise those things that will have the biggest impact for Wales, targeting our support in line with specific 'missions' noted in point 13.

**27. Promote the benefits of commercial collaborative research, development and innovation undertaken in Wales by utilising the network of Wales, UK and international funding routes.**

The mission-based approach will enable us to play a convening role, supporting our innovation ecosystem to develop larger, more coordinated, and compelling RD&I propositions.

Since FY 20/21 Wales has leveraged £194m from Innovate UK across 428 business-led R&D projects and 102 academic led projects in Wales. WG co-funds strategic innovation projects e.g. [SPECIFIC](#) at Swansea University, which has unlocked over £500k from UK Research Councils and c.£2m from the University.

**28. Work collaboratively to build on existing and forge new partnerships in order to establish an ecosystem that includes: national and international funders; industry; research institutes; NHS Wales; the education and training sector; and other government agencies like the regional partnership boards.**

This will help make the most of funding available to us as Wales competes for UK funding to replace previous support from EU Structural Funds. Welsh Government will provide targeted support where there is a particular need or opportunity for Wales.

As noted in points 13 and 26, Welsh Government launched *Wales Innovates in February 2023*. We are currently working on developing a collaborative Action Plan for the Strategy.

**29. Work to secure additional research, development and innovation funds.**

Another key component of driving RD&I in Wales is how we get the most from our assets such as AMRC Cymru, which has been incredibly successful in fostering more collaborative research and embedding Industry 4.0 technologies and processes within our manufacturing companies. AMRC has supported Airbus's world leading future wing technology programme and more than 30 SMEs across 16 projects. A major SME digital enablement program is currently in the pipeline that will support a further 60 manufacturers over the next 18 months.

Further work is referenced in point. 27.

**30. Address the loss of talent by funding joint endeavours between a number of different partners, including national laboratories, public sector research establishments and major public services such as NHS Wales.**

As noted in points 26, 27, 28, and 29, we are funding and supporting several joint endeavours with partners. This is further outlined in our Innovation Plan, 'Wales Innovates'.

**31. Develop further innovation and continuous improvement support for Welsh manufacturing.**

One example of the real value this support is delivering, is the 'Ffatri 4.0' project as noted in points 24 and 26.

AMRC Cymru is operated by the University of Sheffield's renowned AMRC, part of the High Value Manufacturing Catapult and serves as a powerful magnet for inward investment and skills development which drives regional economic growth. The AMRC is a hub of world leading research directly supporting 120 global industrial partners of all sizes to be more productive, develop better products, utilise better processes and shift to a low carbon economy. This includes the likes of Boeing, Rolls-Royce, BAE Systems and Airbus, as well as SMEs across the country critical to global supply chains.

In addition, with funding from the Welsh Government, WRAP has developed and recently updated a user-friendly Circular Materials Mapping Tool for Wales – a useful resource for Welsh stakeholders across the plastics, paper, and wood value chains. It provides an interactive, visual representation of the extent of Wales' plastics, paper, and wood sectors, plotting business locations and helping to identify where there are clusters. Technical support has also been provided by WRAP to Welsh businesses to apply circular economy principles.

**32. Review and undertake a step change in investment in research careers for public and private sector industrialists, clinicians, clinical academics and in doctoral, post-doctoral and career scientist awards schemes.**

See points 46,47,48,49, 50 and 51.

**33. Establish new mechanisms that recognise, encourage and reward ‘visionaries’ and ‘champions’ of applied research, development, innovation, and exploitation.**

See points 46, 47, 48, 49, 50 and 51.

**34. Establish new national laboratories, new public sector research establishments and new public/private partnerships to support these ‘visionaries’ and ‘champions’ of the future.**

See points 46, 47, 48, 49, 50 and 51.

**35. Take forward the commitment in the Export Action Plan to establish export clusters to build capacity and capability for exporting.**

The Export Cluster initiative was launched in September 2021 and is one of the key initiatives in the Export Action Plan for Wales. In addition to the existing Food and Drink cluster, new export clusters have been established in key exporting sectors including MedTech and Diagnostics; Consumer Products; Technology; High Value Manufacturing; and Renewables and Clean Energy. Around 300 companies have signed up, with each cluster bringing businesses together to share their knowledge and experience and focus on specific areas to overcome barriers to exporting.

During 2022-23, twenty-four successful exporters across Wales (‘Export Exemplars’) have been showcased to inspire other businesses to take up exporting. We have also supported our businesses through the signature Explore Export Wales conferences in North and South Wales.

To assist in building capability, we have enhanced our online support for exporters through the Export Hub and our International Trade Advisor team continues to work with companies to build their export capability. During the period to the end of February 2023, more than 1,200 meetings were held with companies to develop their export business and six export clusters with over 280 member companies were fully operational, developing businesses’ export knowledge, enabling peer to peer support, and building effective networks in key sectors. We have supported over 230 export projects through the International Trade Development, International Trade Opportunities and Overseas Business Development Visit Programmes, as well as delivering 24 overseas trade missions from San Francisco in the west, to Japan in the east.

**36. Identify key new legislation driving more recycling and less landfill including, for example, new extended producer responsibility requirements for all packaging.**

Two consultations have been undertaken. In November 2022, a consultation was held on the Workplace Recycling reforms that will require businesses, the public, and third sector to separate recyclable materials in the way the majority of Wales’s householders already do. This will further support waste reduction as well as improving the quality and quantity of recyclable materials, realising significant carbon savings, and delivering positive benefits for the economy. The reforms will come into force on 6 April 2024.



Delivering the programme of work to introduce Extended Producer Responsibility consists of several interrelated projects to ensure producers become responsible for disposal and recycling costs. This will not only incentivise waste reduction, but also make a significant contribution to tackling the climate and nature emergency.

Following the publication of the final scheme design in March 2022, in collaboration with the other UK nations, an extensive programme of stakeholder engagement has been undertaken to support businesses to prepare for the introduction of the Extended Producer Responsibility scheme for packaging in 2024/25

In parallel, the design of the Deposit Return Scheme for drink containers was published in March 2023. The DRS will aim to increase the amount of drink containers which are recycled, tackle littering, and encourage re-use.

See also point 25.

### **37. Use the Circular Economy Fund to help companies to support this work.**

The Circular Economy Fund (CEF) was launched initially as a 3-year, £6.5m pilot scheme, in April 2019 to help Wales move towards a Circular Economy through capital investment in equipment. Delivery of the first 3-year pilot of the scheme ended 31<sup>st</sup> March 2022.

During this period, the CEF developed dynamically to respond and adapt to emerging priorities and significant events like the COVID-19 pandemic. This saw the scope widened over the three years. For example, to support the production of new raw materials derived from waste recyclate (e.g. plastic pellets), some grants were awarded to companies to produce higher quality plastic pellets and to improve the quality of the recyclate used in its products. In total the fund attracted 114 applications from businesses over the three-year period. 21 projects were supported following a rigorous assessment process against the requirements of the scheme.

See also point 25.

### **38. Promote new opportunities for funding from the UK government's programmes including the IETF and the Offshore Wind Sector Deal.**

It is important to recognise the vital role that Innovation plays in transitioning to a circular economy in manufacturing. The Welsh Government's innovation strategy, 'Wales Innovates' notes that: 'moving to a circular economy is one of the great innovation opportunities of our time'. The strategy outlines the need for substituting high carbon, energy-intensive materials with sustainable, low carbon, resource-efficient ones.

### **39. Work collaboratively to promote exemplar organisations, who have embraced decarbonisation and resource efficiency, sharing best practice across Wales in order to achieve short term "wins"**

We have many businesses here in Wales which are already at the centre of positive changes in manufacturing processes. For example: Seda UK in Blackwood are providing sustainable solutions for McDonald's amongst others; Mainetti in Wrexham

is re-using and re-manufacturing a million coat hangers a day; and Frugalpac recently opened a manufacturing facility in North Wales to produce a recyclable coffee cup.

WRAP has produced a number of reports, case studies, events and published articles to promote exemplar organisations, including those who took part in four supply chain trials [Innovations in Recycled Content Applications | WRAP \(wrapcymru.org.uk\)](https://wrapcymru.org.uk)

Case studies have also been produced on businesses supported through the previous Circular Economy Fund for business, administered by WRAP: [Circular Economy Fund: JC Moulding Case Study | WRAP \(wrapcymru.org.uk\)](https://wrapcymru.org.uk)

#### **40. Work with manufacturers to understand the best approaches to achieve decarbonisation including consideration of technologies such as hydrogen and CCUS.**

In March 2022 we announced the creation of Net Zero Industry Wales (NZIW) which will drive essential collaboration between industry, academia, and government to accelerate our journey towards Net Zero.

NZIW will take forward the work of the South Wales Industrial Cluster who launched their Plan in March 2023. The plan is the culmination of extensive work over two years, involving over 30 organisations including Rockwool, RWE, Celsa Steel, Dragon LNG, ABP, Tata and Valero. The Cluster Plan sets out a vision and headline steps that offer the potential for industry to transition to a Net Zero future. We will work through NZIW to understand more about the findings of the Cluster Plan and how we can work together on the journey to Net Zero.

#### **41. Work collaboratively to promote opportunities for the manufacturing sector in Wales to use our facilities and the materials collected to reuse products and re-manufacture and manufacture more from recycled content.**

We published *Beyond Recycling* (Mar 21) - a strategy to make the circular economy in Wales a reality. Wales is a world leader when it comes to recycling, and we have announced our highest ever rate at 65%.

#### **42. Accelerate our engagement with manufacturing companies on the economic contract to understand what measures they are taking to reduce their carbon footprint.**

As part of our commitment to the Net Zero Wales Plan, Business Wales will work with businesses in Wales (particularly SMEs) to incorporate energy efficiency, resource efficiency and new low carbon technologies into their workspaces and manufacturing facilities and develop new ways of working. This will be reflected in the Economic Contracts signed.

#### **43. Support a consortium of Welsh universities and industry partners to progress proposals for new strategic investments to be made in the core**

**areas of software development, artificial intelligence, data and cybersecurity creating a National Software Academy, a new National Cyber Security Academy and the Wales Data Nation Accelerator.**

The Digital Strategy for Wales recognises how automation and digital innovation can create new opportunities to improve our public services and help our businesses and economy thrive.

In the financial year 2021-22, the Welsh Government funded £500,000 for the Wales Data Nation Accelerator. It enabled 22 proof of concept 'sprint' projects to be delivered which demonstrated how the Wales Data Nation Accelerator could operate on a national scale and offer wider benefits to our public services and the economy.

We are now supporting the Wales Data Nation Accelerator to explore a variety of funding sources for its future activity. Officials have already collaborated with colleagues in academia and the wider Welsh public sector, linked to the development of several AI bids to various UKG funding bodies in recent months.

We have directly awarded investment of £3 million in the [Cyber Innovation Hub](#). This is alongside £3 million from Cardiff Capital Region and a further £3million from Hub partners. The Hub, led by Cardiff University, brings together industry, government, defence, and academic partners to grow the Welsh cyber security sector. It is creating a coordinated approach to skills, innovation, and new enterprise. It will train more than 1,500 individuals with cyber security skills, create more than 25 high growth companies, and attract more than £20 million in private equity investment by 2030.

**44. Align research on data security with industry need and support manufacturing businesses and people to adopt digital technologies in job redesign through regional hubs.**

Manufacturing is of strategic significance to Wales. Our Cyber Action Plan was launched in May 2023. It recognises how different sectors need to understand how cyber affects their distinct circumstances and to foster a culture of awareness and preparedness.

It sets out a clear vision that Wales prospers through cyber resilience, talent, and innovation. The Plan is about how people, businesses and public services can be secure and resilient in a modern, online world. It articulates how cyber, as an industry of the future, can support the growth of our economy.

The Plan contains four priority areas – to grow our cyber ecosystem, to build a pipeline of cyber talent, to strengthen our cyber resilience and to protect our public services.

See also points 46,47,48, 49, 50 and 51.

**45. Provide support through upskilling and reskilling in response to job redesign.**

See points 46,47,48, 49, 50 and 51.

**46. Work closely with the Regional Skills Partnerships to identify regional priorities for skills and employability across the manufacturing sub sectors.**

We commissioned the four Regional Skills Partnerships to produce three-year employment and skills plans to cover 2022-25. These have been completed and are available to view on-line on their websites. The plans identify regional manufacturing priorities. There will also be an annual refresh of plans which will be submitted to Welsh Government in Autumn 2023.

**47. Continue to review the apprenticeship framework and pathways to ensure they support the manufacturing sector.**

Both points above are informed by the work of the Regional Learning and Skills Partnerships which collate extensive labour market intelligence and engage with a wide range of stakeholders to define the skills requirements unique to each part of Wales. They have all just renewed their Employment and Skills plans, setting out the priorities for the next three years which will help target the wider skills and education offer.

Apprenticeship frameworks and pathways are reviewed on a regular basis to ensure that they continue to meet industry needs. For 2023-24 we have scheduled development specifically for Level 2 - Improving Operational Performance and Levels 2 and 3 - Process Manufacturing.

**48. Establish an overarching body to co-ordinate STEM activities in Wales and bring stakeholders together.**

This body has been established.

**49. Work with Careers Wales and DWP to address and develop Gatekeepers' knowledge of STEM career pathways to stimulate interest in manufacturing careers in line with CWRE guidance.**

The Equality in STEM Board, chaired by the Minister for Social Justice, provides strategic direction to improve equality in STEM-related study and careers in Wales. The board oversees the Equality in STEM Education subgroup which has the overarching vision for Wales be a nation where there are no barriers to accessing STEM opportunities at all levels of education.

To support career awareness and development, Careers Wales (a wholly owned subsidiary of the Welsh Government) undertake a range of activities to showcase the world of work to schools.

Careers Wales provide opportunities for learners, their teachers, and in many cases their parents, guardians and/or carers, to meet and interact with employers from a wide range of sectors. These opportunities allow employers, including STEM employers, to provide real world insight and inspiration to potential future employees and helps to inform, inspire, and motivate young people about their career opportunities.

The Careers Wales Education Business Partnership uses a wide range approach, including:

- Careers fairs
- Alumni
- Employer vlogs and videos
- Visits to employer premises
- Careers carousel and employer networking days
- Specific workshops (for example, interview hints and tips or mock interviews)

Careers Wales are linked to every secondary school across Wales and support a constantly evolving network of local employers. They help to broker mutually beneficial relationships between schools and employers to realise the benefits outlined for all concerned.

The Careers Wales website has a whole range of information including:

<https://careerswales.gov.wales/plan-your-career/features/british-science-week-2023>

**50. Build on the existing industrial engagement interventions and careers inspiration for learners from all backgrounds in compulsory education, by capturing modern manufacturing technologies. This will include people with disabilities, women, young people and ethnic minorities.**

The Careers Wales website has a whole range of information that is relevant for all learners from all backgrounds, including:

<https://careerswales.gov.wales/plan-your-career/features/british-science-week-2023>

<https://careerswales.gov.wales/my-future>

Careers Wales facilitate large-scale careers fairs, including STEM, Choose Your Future, Welsh in the Workplace, What Next and a virtual Career Discovery Week, for primary schools (Feb) and secondary schools (June/July). These events can involve up to 50+ employers and 2,000 young people and do involve STEM employers.

**51. Build on existing work to establish a programme of visit 'blocks' to capture modern manufacturing technologies, and extend these experiences beyond young people to teachers, careers advisors and parents.**

The Knowledge Transfer Programme provides Further Education Institutions with support to bring in expertise from across the technical and vocational sectors to support the development of the teaching workforce. This can involve workshops, lecture series, or work placements. The aim is to provide the workforce with knowledge and understanding beyond their existing skills to influence the curriculum and enhance both the professional development of the workforce, and the experience and understanding of learners.

**52. We will step up our approach to encouraging employers to see the business benefits of engaging constructively and in social partnership with trade unions, recognising the contribution this makes to a more committed and productive workforce.**

We have produced a short Welsh Government guide that provides further information on what fair work means in practice; why promoting fair work is beneficial for organisations, workers, and wider well-being; and how organisations can implement fair work.

**53. Ensure fair work is considered in collaborative work between government, industry, trade unions and academia.**

See point 57.

**54. Promote the economic contract and code of practice on ethical employment in supply chains in all procurement activity.**

The Social Partnership and Public Procurement (Wales) Bill which has now completed its process of legislative scrutiny in the Senedd will, primarily through its socially responsible procurement duties, have an indirect impact on manufacturers in Wales. The procurement duties are closely linked to the Well-being of Future Generations (Wales) Act 2015 and place a particular focus on contract management and supply chain management.

**55. Use every lever available to promote fair work outcomes across the manufacturing sector.**

Work is already underway to develop regulations and statutory guidance to support the legislation. We recognise that employers are in competition to recruit, develop, and retain the workforce they need. Fair work is part of any business' armoury in that endeavour. Part of that requires a genuine commitment to workforce equality, diversity and inclusion, and the use of the Welsh language.

**56. Expect all companies receiving funding through contracts and grants to sign up to the ethical employment in supply chains code of practice.**

In addition to the hundreds of businesses that have engaged with us in the Economic Contract so far, more than 400 employers have signed up to the Welsh Government's Code of Practice on Ethical Employment in Supply Chains. Signatories to the Code agree to comply with its commitments to support ethical employment practices and tackle modern slavery. We want to raise awareness of the Code and encourage as many manufacturing businesses as possible to become signatories so that the benefits can be felt right across their supply chains.

**57. Work with industry and trade unions to identify, promote and share best practice case studies of fair work, particularly those which demonstrate a link between fair work and improved business performance.**

Earlier this year, we published a fair work progress report ([link below](#)) and many of the actions we are progressing are relevant to the manufacturing sector. We continue to use the Economic Contract as an important business relationship tool which covers a range of responsible business behaviours that include fair work.

We actively promote our Code of Practice on Ethical Employment in Supply Chains. The Code contains 12 commitments relating to addressing unethical and unlawful practices such as blacklisting, false self-employment, unfair use of zero hours

contracts, as well as consideration of paying the real living wage. Over 500 organisations from a range of sectors have signed up to the Code.

In addition to the ethical and well-being case for fair work, we are also keen to promote the business benefits. We want to champion fair work through strong manufacturing role models and compelling and inspirational case studies that showcase fair work to the sector and beyond. This is an area that we are determined make real progress on over the course of this year.

[Fair Work Commission recommendations: progress report 2023 \[HTML\]](#) | [GOV.WALES](#)

### **58. Support sectoral engagement to understand the type of business support needed by Welsh manufacturing.**

Business Wales provides information, advice, and guidance to support individuals to progress opportunities to start a business, along with support for existing entrepreneurs, micro and SMEs to develop their business practices, improve productivity and stimulate business growth, in an inclusive and sustainable way.

Since 2016, Business Wales has supported over 6,500 individuals to start a business and helped existing businesses create over 30,000 jobs, of which 16% are categorised in the advanced manufacturing and food manufacturing sectors. Through dedicated resource efficiency and employment and equalities support, 4,700 businesses have improved practices or adopted new approaches to sustainability and equalities.

In May 2018 we launched the Economy Futures Fund (EFF) which consolidated several existing funding schemes into one fund to offer a consistent approach. It simplified the process for business and allowed us to be more flexible in how we use the resources at our disposal to best meet business need.

### **59. Negotiate economic contracts in the manufacturing sector to improve anchorage in Wales linked to the Wales 4.0 journey.**

Our Economic Contract remains the cornerstone of Welsh Government support for Welsh businesses. The Contract is underpinned by our Economic Mission and seeks to drive socially responsible business practices.

We continue to improve the Contract and make it an even more powerful and valuable tool to drive social value from public investment. A refreshed Economic Contract was rolled out in January 2022 with revisions to the four key pillars that support our wider ambitions for a well-being economy. Businesses receiving Welsh Government support must provide detail on the steps they will take to support our wider objectives for the benefit of the whole of Wales across the four pillars: economic strength and adaptability; fair work; promotion of well-being and low carbon and climate resilience.

### **60. Take a balanced approach of both organic growth and inward investment that encourages companies to move vital decision-making functions to their Welsh facilities.**

We continue to support multi-national manufacturers and producers such as Tata and Airbus whilst at the same time encouraging and helping smaller indigenous businesses.

The Regional Economic Frameworks for Mid Wales and South West Wales set out a shared vision for our regional economies, highlighting our regional strengths and key assets as drivers of sustainable growth. The draft Regional Economic Framework for South East Wales, which includes Newport East, has identified the development of key growth clusters as a priority including semiconductors in south east. In North Wales, the Regional Economic Framework underpins our engagement with industry with a focus on renewable and decarbonisation energy projects as a result of numerous proposed large-scale investments in the offshore wind, tidal energy and hydrogen energy sectors occurring in the region.

The Development Bank has an established track record of working with and supporting the manufacturing sector in Wales. Operating a wide range of funds relevant to businesses at different stages of their development and growth, the bank can provide loans or equity investments ranging from £1,000 to £10 million with repayment terms up to 15 years. Within this offer the Green Business Loan Scheme offers a package of support to enable Welsh businesses to tackle energy efficiency and decarbonisation action. Since 2018, the bank has made more than 320 distinct investments in manufacturing companies totalling more than £62m, creating or safeguarding over 4,300 jobs.



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# Agenda Item 10

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