

Agenda – Economy, Trade, and Rural Affairs Committee

Meeting Venue:	For further information contact:
Hybrid – Committee room 5 Ty Hywel and video Conference via Zoom	Lara Date Committee Clerk
Meeting date: 13 September 2023	0300 200 6381
Meeting time: 09.30	SeneddEconomy@senedd.wales

Private pre-meeting (09.15–09.30)

Public meeting (09.30–11.40)

1 Introductions, apologies, substitutions, and declarations of interest

(09.30)

2 Papers to note

(09.30)

2.1 Meeting of the Inter-Ministerial Standing Committee – 17 May 2023

(Pages 1 – 3)

Attached Documents:

Letter from the Counsel General and Minister for the Constitution – 20 June
2023



2.2 Welsh Government Draft Budget 2023–24

(Pages 4 – 6)

Attached Documents:

Letter from the Chair of the Finance Committee to the Minister for Finance and Local Government – 23 June 2023

2.3 Follow up to the General Ministerial Scrutiny session on 21 June 2023

(Pages 7 – 10)

Attached Documents:

Letter from the Minister for Economy – 24 July 2023

2.4 Follow up to the General Ministerial Scrutiny session on 21 June 2023

(Pages 11 – 13)

Attached Documents:

Letter from the Chair to the Minister for Rural Affairs and North Wales, and Trefnydd – 26 June 2023

Letter from the Minister for Rural Affairs and North Wales, and Trefnydd – 18 July 2023

2.5 Legislative Consent Memorandum on the Non-Domestic Rating Bill

(Pages 14 – 17)

Attached Documents:

Letter from the Minister for Finance and Local Government to the Chair of the Legislation, Justice and Constitution Committee – 30 June 2023

2.6 Forage Maize Seed Treatments

(Pages 18 – 19)

Attached Documents:

Letter from the Minister for Rural Affairs and North Wales, and Trefnydd – 4 July 2023

2.7 Manufacturing in Wales – one-day inquiry – 8 June 2023

(Pages 20 – 30)

Attached Documents:

Letter from the Chair to the Minister for Economy – 6 July 2023

Letter from the Minister for Economy – 10 August 2023

2.8 Draft Budget Timetable 2024–25

(Pages 31 – 33)

Attached Documents:

Letter from the Chair of the Finance Committee to the Minister for Finance and Local Government – 7 July 2023

2.9 Primary Care Electronic Prescription Service

(Pages 34 – 42)

Attached Documents:

Letter from the Acting Chief Executive, Community Pharmacy Wales – 4 July 2023

Letter from the Chair to Welsh Government Ministers – 13 July 2023

Letter from the Minister for Health and Social Services – 28 July 2023

Letter from the Chair of the Public Accounts and Public Administration Committee to Welsh Government Ministers – 9 August 2023

2.10 Food (Wales) Bill: Response to recommendations in the Committee's report

(Pages 43 – 48)

Attached Documents:

Letter from the Minister for Rural Affairs and North Wales, and Trefnydd – 14 July 2023

2.11 UK/Switzerland: Agreement on Recognition of Professional Qualifications

(Pages 49 – 60)

Attached Documents:

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

Letter from the Chair of the Legislation, Justice and Constitution Committee to the First Minister of Wales – 12 July 2023

Letter from the First Minister of Wales to the Chair of the Legislation, Justice and Constitution Committee – 7 August 2023

2.12 HGV drivers in Wales

(Pages 61 – 63)

Attached Documents:

Letter from the Chair to the Minister for Economy – 23 July 2023

Letter from the Deputy Minister for Climate Change – 22 August 2023

2.13 Public Administration and Constitutional Affairs Committee Inquiry: Devolution Capability in Whitehall

(Pages 64 – 66)

Attached Documents:

Letter from the Chair to the Chair of the Public Administration and Constitutional Affairs Committee, House of Commons – 11 August 2023

2.14 People's Plan for Nature

(Pages 67 – 72)

Attached Documents:

Letter from the People's Assembly for Nature – 16 August 2023 [Bilingual]

Letter from the Chair to the People's Assembly for Nature – 25 August 2023

2.15 Deposit Return Scheme (DRS)

(Pages 73 – 75)

Attached Documents:

Letter from Food and Drink Federation (FDF) Cymru – 22 August 2023

Letter from the Chair to the Minister for Climate Change – 4 September 2023

2.16 Border Target Operating Model (BTOM)

(Pages 76 – 77)

Attached Documents:

Letter from the Minister for Economy – 29 August 2023

2.17 Meeting of the Inter-Ministerial Group for Trade on 7 September

(Page 78)

Attached Documents:

Letter from the Minister for Economy – 5 September 2023

2.18 Legislative Consent Memoranda on the Data Protection and Digital Information (No. 2) Bill

(Pages 79 – 82)

Attached Documents:

Letter from the First Minister of Wales – 5 September 2023

3 Mid Wales Growth Deal and Cardiff Capital Region City Deal

(09.30–10.30)

(Pages 83 – 115)

James Gibson–Watt, Leader of Powys County Council

Nicola Williams, Strategic Programme Delivery Manager – Corporate Joint Committee (CJC), Powys County Council

Clive Davies, Cabinet Member for Economy and Regeneration, Ceredigion County Council

Carwyn Jones–Evans, Growth Service Manager, Ceredigion County Council

Anthony Hunt, Leader of Torfaen Council

Kellie Beirne, Director of Cardiff Capital Region City Deal

Attached Documents:

Research brief

Evidence paper – Mid Wales Growth Deal

Evidence Paper – Cardiff Capital Region City Deal

Break (10.30–10.40)

4 Swansea Bay City Deal and North Wales Growth Deal

(10.40–11.40)

(Pages 116 – 133)

Jonathan Burnes, Portfolio Director, Swansea Bay City Deal

David Simpson, Leader of Pembrokeshire County Council

Dyfrig Siencyn, Leader of Gwynedd Council | Chair of the North Wales Economic Ambition Board

Hedd Vaughan–Evans, Head of Operations, Ambition North Wales

Attached Documents:

Evidence Paper – North Wales Growth Deal

5 Motion under Standing Order 17.42(ix) to resolve to exclude the public from the remainder of the meeting

(11.40)

Private (11.40–12.20)

6 Scoping Paper: Inquiry into Nuclear Energy and the Welsh Economy

(11.40–11.50)

(Pages 134 – 138)

Attached Documents:

Scoping paper

7 The Retained EU Law (Revocation and Reform) Act 2023: Update

(11.50–12.00)

(Pages 139 – 144)

Attached Documents:

Research brief

8 Trade Agreements Update: Summer 2023

(12.00–12.05)

(Pages 145 – 152)

Attached Documents:

Trade Agreements Update: Summer 2023

9 Consideration of Forward Work Programme: Spring 2024

(12.05–12.15)

(Pages 153 – 159)

Attached Documents:

Draft Forward Work Programme: Spring 2024

10 Brussels Visit: Options Paper

(12.15–12.20)

(Pages 160 – 165)

Attached Documents:

Brussels visit: Options paper

Mick Antoniw AS/MS
Y Cwnsler Cyffredinol a Gweinidog y Cyfansoddiad
Counsel General and Minister for the Constitution

Agenda Item 2.1



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: CG/PO/214/2023

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

20 June 2023

Inter-Institutional Relations Agreement: Inter-Ministerial Standing Committee

Further to my letter of 17 May, I have issued a **Written Ministerial Statement** summarising discussions at the most recent meeting of the Inter-Ministerial Standing Committee ('IMSC').

I have confirmed as part of that Statement that the next IMSC will be chaired by Scottish Government, in line with rotating chair arrangements. I will provide a written update on the arrangements for the next meeting, which will include the date and likely agenda items, in due course.

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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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.



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE Inter-Ministerial Standing Committee

DATE 20 June 2023

BY Mick Antoniw MS, Counsel General and Minister for the Constitution

I represented the Welsh Government at the fourth meeting of the Inter-Ministerial Standing Committee (IMSC) on 17 May.

A joint [communique](#) was published following the meeting, which contains full details of other attendees. The agenda covered: Introductions; Investment Zones; The current UK Government legislative programme including the Retained EU Law Bill; and Common Frameworks.

As referred to in the communique, the Committee noted the cross-government analytical work to identify drivers for individuals' economic inactivity and differences across the UK, and collaboration across Interministerial Groups on cost of living pressures. I highlighted that the cost of living is a critically important issue for all governments. We need to make sure that necessary further actions are identified and brought forward for decision swiftly so that they can make a real difference to households and businesses, which continue to face severe pressures due to inflation and challenging broader economic conditions. The development of the work in this area has emphasised that there is a gap in the jointly agreed Intergovernmental Relations (IGR) structures, given the lack of a formal Interministerial Group relating to the portfolio of the Department for Work and Pensions. I requested that we consider collectively how we can address that gap.

Concerning Investment Zones, I made clear that, as with Freeports in Wales, progress on the Investment Zones agenda must complement our existing objectives and priorities, and the overall direction set out in our Economic Mission.

On the Retained EU Law Bill, I recognised that the UK Government's amendments to the Bill, which put an end to the automatic sunset of retained EU law at the end of the year, are a step in the right direction. The changes will prevent important legislation in fields such as employment, the environment and consumer protection potentially disappearing inadvertently and without any scrutiny by legislatures. But I reiterated our concerns around

the UK Government's approach regarding concurrent powers currently contained in the Bill, which would allow UK Government to legislate in devolved areas without the consent of Welsh Ministers or the Senedd. As I have made consistently clear, if there are to be any powers which are exercisable by UK Government Ministers in devolved areas, then this should, as a minimum, be subject to an affirmative consent requirement of the Welsh Ministers in advance, and this should be addressed on the face of the Bill.

Concerning the Levelling Up and Regeneration Bill, I raised that the provision for the setting of levelling-up missions, associated metrics and targets and reporting on progress in Part 1 of that Bill represents an inappropriate intrusion into the legislative competence of the Senedd. We remain willing to work with UK Government on Part 6 of the Bill, but this can only be achieved if they commit to change the current approach which involves the inclusion of concurrent powers for UK Government Ministers which can be exercised without the consent of Welsh Ministers.

I reiterated the Strikes (Minimum Service Levels) Bill is an unnecessary and unjustified attack on workers' rights and trade unions. It is rushed and ill-conceived, lacking in detail, will not resolve industrial disputes and may sour industrial relations in all parts of Great Britain. I confirmed that the Senedd has refused consent to a Bill that deliberately bypasses our Welsh Parliament and the Welsh Government. There is no justification for the UK Government to impose this Bill on devolved public service employers and workers.

On the Sewel Convention, I raised that the UK Government potentially breaching the Sewel Convention multiple times in the current year alone illustrates the fundamentally disrespectful and destructive approach of the UKG to the Sewel Convention, to devolution, and to the Union. There is simply no justification for this and absolutely no way this could be described as 'not normally' legislating without consent. Where the Senedd does not consent to a UK Government Bill, the UK Government needs to rediscover its respect for devolution and reverse the position whereby breaches of the Sewel Convention have become the default.

Concerning Common Frameworks, I noted they demonstrate that good intergovernmental working is possible and that coherence and divergence can be managed through constructive dialogue and collaboration. However, the mechanisms they provide for early engagement need to be used more consistently. I requested that UK Government, at Ministerial and senior official level, positively reinforce that point with colleagues.

Ministers also discussed international engagement, including concerns around the recent FCDO guidance issued to its overseas offices on Devolved Government Ministerial visits to those countries. I confirmed we could not agree that a UK Government senior official should be present at all meetings with foreign government ministers as a matter of course. It was agreed to invite the FCDO to a future IMSC to discuss this issue.

The next IMSC will be chaired by the Scottish Government, in line with rotating chair arrangements.

Senedd Cymru
Welsh Parliament

Agenda Item 2.2

Welsh Parliament
Finance Committee

Rebecca Evans MS

Minister for Finance and Local Government

23 June 2023

Dear Rebecca,

Documentation accompanying the Welsh Government's Draft Budget

In our [report](#) on the scrutiny of the Welsh Government Draft Budget 2023-24, we made the following conclusion:

*“**Conclusion 1.** We welcome the Minister’s willingness to consider ways in which budget documentation can be improved. While we have reflected our views above, the Committee has decided to consult Senedd committees on their experiences of scrutinising this year’s budget documentation and ways in which improvements can be made.”*

A [letter](#) was subsequently issued to Senedd Committee Chairs on 8 March 2023, asking the following question:

“What improvements would you like to see in the Welsh Government’s Draft Budget documentation and subsequent ministerial written evidence?”

We received responses from the Chairs of the following committees which have all been published on the Senedd’s website:

- [Climate Change, Environment and Infrastructure Committee \(CCEI\)](#)
- [Health and Social Care Committee \(HSC\)](#)
- [Equality and Social Justice Committee \(ESJ\)](#)
- [Local Government and Housing Committee \(LGH\)](#)
- [Culture, Communication, Welsh Language, Sport and International Relations Committee \(CCWLSIR\)](#)
- [Children, Young People and Education Committee \(CYPE\)](#)
- [Economy, Trade and Rural Affairs Committee \(ETRA\)](#)



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The responses identified a number of common themes and areas where improvements could be made to the budget process. These are summarised below:

Timeliness

As a general point, a number of Committees noted the trend in recent years towards publishing the Draft Budget later in the year, resulting in a truncated budget timetable, has made it challenging to meaningfully assess the impact of the Draft Budget on the policy areas within their remits. Some committees considered this to be a key weakness which significantly hampers the ability of Committees to consider budgetary proposals in detail.

Transparency

Many Committees felt that the Welsh Government could be more transparent in the way it presents its information in the Draft Budget. In particular, Chairs felt that the impact of budget decisions on policy areas within each Committee's remit should be clearly set out.

This echoes [Recommendation 13](#) in our report on the Draft Budget 2023-24 which called on the Welsh Government to make changes to the way it presents information in documentation published alongside the Draft Budget so that it provides:

- an assessment of the impact of spending decisions across portfolios, including the impact of reprioritisation exercises and clarity on the real terms effect of decisions within portfolios; and
- an assessment of how the Welsh Government's spending decisions are (or are not) supporting preventative measures.

In [response](#), you accepted this recommendation in principle, stating that:

“While we are committed to improving how we undertake and outline the impacts of our spending decisions, such an approach must be proportionate.

We already publish a suite of documents as part of the Draft Budget, which includes individual Ministers' responses to their respective Senedd scrutiny committees, and which provides a more detailed account as to how Draft Budget decisions have impacted on different groups or considered issues such as prevention. The Strategic Integrated Impact Assessment (SIIA) continues to outline the contextual evidence that has supported our spending decisions.

We are open to exploring further changes that could be made as part of the work of the Budget Improvement Plan.”



Quality of written evidence provided by the Welsh Government

Concerns were also expressed regarding the quality of the evidence provided by the Welsh Government, with some Chairs stating that ministerial submissions were not as comprehensive as previous years. Others also called on Welsh Government departments to respond fully and in detail to each Committee's written request for evidence.

Responding to recommendations ahead of the Final Budget debate

Finally, a number of Committees were disappointed that the Welsh Government was not able to respond to Draft Budget recommendations sufficiently in advance of the Final Budget debate. Some Committees also felt that the Welsh Government could do more to explain the differences between the Draft and Final Budget ahead of the Final Budget debate.

We welcome your willingness to engage with the Committee on these issues and that you are open to exploring changes to the way that information is presented alongside the Draft Budget.

We therefore ask that these concerns are taken into account ahead of the 2024-25 budget round.

I am copying this letter to the Chairs of the aforementioned Senedd Committees.

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 VG/00257/23

Paul Davies MS
Chair, Economy, Trade and Rural Affairs Committee
Welsh Parliament
Cardiff Bay,
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24 July 2023

Dear Paul Davies MS,

Thank you for your letter of 26 June, requesting further information on work with the Western Gateway Partnership, UK Government structures, the Windsor Framework and the Border Target Operating Model.

With regard to hydrogen opportunities associated with the Western Gateway, we know the climate emergency demands we use all the tools at our disposal to accelerate progress to a net-zero energy system. We have regular dialogue with the Western Gateway Partnership on areas of joint activity and the Minister for Climate Change was a keynote speaker at its recent hydrogen conference in ICCW. We are also working with Cardiff Capital Region and Bridgend County Borough Council to explore how we may be able to support a hydrogen demonstrator project focused on transport and area heating.

While it is still a developing technology, hydrogen's unique properties mean it could, alongside extensive renewables developments, have a strong role in decarbonising Wales's power, transport and industrial processes and may have a role in delivering low carbon heating.

It is essential that as we develop our hydrogen capacity, we do not lock in a generation that relies on continued use of fossil fuels. We want to see a rapid transition to green hydrogen in Wales as soon as practicably possible.

Our hydrogen pathway sets out ten objectives focused on short term actions driving demand, production and cross-cutting action to 2025. They also set out avenues to plan for larger-scale projects to ensure Wales is well-positioned with respect to hydrogen and fuel cell technologies. We are committed to working with partners in Wales to deliver our ambitions.

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In terms of how the Department for Business and Trade is structured, we have not been provided with a detailed organisational structure, but we do have a list of Ministerial responsibilities, these are as follows:

- Minister for International Trade - Minister Huddleston
- Minister for Industry and Economic Security - Minister Ghani (also Minister for Investment Security in the Cabinet Office)
- Minister for Investment - Lord Johnson
- Minister for Enterprise, Markets, and Small Business - Minister Hollinrake
- Minister for Exports - Lord Offord (also Lords Minister for the Scotland Office)
- Minister for Regulatory Reform - Earl of Minto.

I have set out a more detailed list of responsibilities at annex A.

In relation to the Windsor Framework, a secondary legislation programme to implement certain provisions of the framework, notably the Retail Movement Scheme, is being led by DEFRA with the Minister for Rural Affairs, North Wales and Trefnydd in the lead for the Welsh Government. I'm sure the Minister would be happy to provide updates to the Committee as the programme proceeds.

Lastly, on the Border Target Operating Model, we are expecting an announcement from the UK Government in the next week or so. I will provide a further update for Committee Members as soon as that is announced, setting out what it means for goods moving to Wales from the island of Ireland. I will also lay a Written Statement in the Senedd.

I hope the Committee will find this information useful.

Yours sincerely,



Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy

Annex A

Name / Role	Responsibilities
<p>Nigel Huddleston MP</p> <p>Minister for International Trade</p>	<ul style="list-style-type: none"> • Overall free trade agreement (FTA) and market access strategy • FTA negotiations • Bilateral trade relations • Osaka 2025 Expo • Multilateral policy • Trade remedies • Tariffs and disputes • Export Control Joint Unit • Trade envoys • UK-EU Trade and Cooperation Agreement (TCA) implementation and review • Engagement with crown dependencies and overseas territories • Trade and Agriculture Commission • Trade Remedies Authority
<p>Nusrat Ghani MP</p> <p>Minister for Industry and Economic Security</p>	<ul style="list-style-type: none"> • Advanced manufacturing • Automotive • Aerospace • Sustainability and Infrastructure • Steel • Materials • Maritime and shipbuilding • Professional and business services • Canada and Mexico FTAs • Economic security • Retained EU law (repeal and reform) • Sanctions • Ukraine reconstruction • Global supply chains • Critical minerals • Trade defence • Industrial Development Advisory Board (IDAB)
<p>Lord Dominic Johnson of Lainston CBE</p> <p>Minister for Investment</p>	<ul style="list-style-type: none"> • Investment strategy • Investment promotion across all sectors • Investor relationship management • Investment events (including Global Investment Summit) • DBT Investor Screening • Office for Investment • Defence and security exports • Lords trade legislation
<p>Kevin Hollinrake MP</p> <p>Minister for Enterprise, Markets, and Small Business</p>	<ul style="list-style-type: none"> • Small business and enterprise • Scale up strategy • Access to finance • Labour market and employment rights (including National Minimum Wage)

	<ul style="list-style-type: none"> • Postal Services (including Royal Mail) • Consumer and competition policy (including subsidy control) • Mutual recognition of professional qualifications • Office for Product Safety and Standards • Levelling up and regional growth • Corporate governance and transparency • Audit and insolvency • Hospitality • Retail • Consumer goods • Personal care • Post Office Limited • British Business Bank • Low Pay Commission • ACAS • Small Business Commissioner • Companies House • Competition & Markets Authority • Competition Service • The Insolvency Service • Competition Appeal Tribunal • Central Arbitration Committee • Certification Officer • Office of Manpower Economics • Office of the Regulator of Community Interest Companies • Groceries Code Adjudicator • Pub Code Adjudicator • British Hallmarking Council • Financial Reporting Council • Regulatory Policy Committee
<p>Lord Offord of Garvel Minister for Exports</p>	<ul style="list-style-type: none"> • Export strategy implementation and promotion across all sectors • Supporting small and medium sized businesses (SMEs) to export • Export Support Service • Trade missions and trade shows • Free trade agreement (FTA) utilisation • Outward direct investment delivery • Made in the UK, Sold to the World campaign • UK Internal Market and the Union • Board of Trade • UK Export Finance
<p>The Earl of Minto Minister for Regulatory Reform</p>	<ul style="list-style-type: none"> • Cross-government regulatory reform • Better regulation • Lords business legislation • All Private Members Bills • corporate issues

Agenda Item 2.4

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

**Economy, Trade and
Rural Affairs Committee**

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

26 June 2023

Dear Lesley,

Thank you for attending the Committee on 21 June. Members were intending to explore the use of Mandatory Informed Purchasing (MIP) to reduce Bovine TB with you; however, we did not reach these questions due to time constraints.

Please could you update the Committee on the Welsh Government's latest position regarding MIP. Members are particularly interested in any possible coordination with the UK Government regarding the introduction of similar measures in England, and any actions you may be taking to ensure a consistent approach across the UK.

Kind regards,



Paul Davies MS
Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English



Paul Davies MS
Chair
Economy, Trade and Rural Affairs Committee

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18th July 2023

Dear Paul,

Thank you for your letter of 26 June following the Economy, Trade and Rural Affairs Committee meeting. As requested, I have outlined our position for mandating Informed Purchasing below.

Two aspects of Informed Purchasing were included in our consultation in November 2021:

- Publishing information regarding TB free herds on [ibTB](#); and
- Mandating the provision and display of TB information at the point of sale.

The consultation outcome helped inform our new [TB Delivery Plan](#), launched in March.

Our aim is to collaborate with the UK Government to develop a mandatory Informed Purchasing system, enabling farmers to make informed decisions at point-of-sale with a consistent approach. A mandatory system will also enable veterinarians to learn more about the origin of bought in cattle should a breakdown occur.

Given the complexities involved in mandating the provision and display of information at point-of-sale, and to ensure consistency across Wales and England, further engagement with industry and the UK Government is necessary. This will include consideration of the potential implications for keepers who do not follow the principles of informed purchasing. Following this engagement a detailed plan and timetable will be shared.

My officials continue to look for ways to expand the capabilities of ibTB and its potential use in an Informed Purchasing scheme.

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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.

Officials will also utilise the new bovine TB Technical Advisory Group (TAG), once established, to seek their views and expertise.

Yours Sincerely,

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



Ein cyf/Our ref: MA/RE/0660/23(2)

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30 June 2023

Dear Huw,

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

I am writing in response to the recommendations set out in the Legislation, Justice and Constitution Committee's report on the Non-Domestic Rating Bill (the Bill) Legislative Consent Memorandum. The Committee requested a response to Recommendation 2 within ten working days. I would like to take the opportunity to respond to the other recommendations of the Committee at the same time.

Recommendation 1: We consider that the clauses of the Bill and the Schedule to the Bill set out in the Memorandum fall within a purpose within the legislative competence of the Senedd, as described in Standing Order 29, and therefore require the consent of the Senedd.

I welcome the Committee's confirmation that it agrees with the Welsh Government's analysis of the provisions in the Bill which require the consent of the Senedd.

Recommendation 2: The Minister should clarify and provide further detail to the Senedd as to why the Welsh Government has reversed its position and is now content with the delegated powers in clause 13 and in paragraphs 49 and 50 of the Schedule to the Bill. The Minister should provide this clarity and detail within 10 working days of this report being published, or such information should be set out in the next supplementary legislative consent memorandum laid before the Senedd, whichever is earliest.

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I would first like to clarify that the Welsh Government has not reversed its position. At the time that the Memorandum was published, we were considering our position, as noted in the Memorandum.

This is a complex matter, where a devolved policy area and the functions of a reserved authority are intentionally connected, in order to enable something new and innovative. Only HMRC can deliver the *Digitalising Business Rates (DBR)* programme for Wales, as it relies on the sharing and linking of information on non-devolved taxes held by HMRC, as well as information about non-domestic rates (NDR). As a consequence, any secondary legislation made under the powers delegated on the Commissioners of HMRC would directly affect the functions conferred by the Bill on HMRC, alongside altering the requirements placed on payers of non-domestic rates. This means that any of the options to enable the DBR programme to be delivered in Wales must involve compromise, in one way or another.

On balance, taking account of these competing considerations and the context for the specific provisions, I have concluded that the delegated powers and duty to consult Welsh Ministers are appropriate to facilitate the administration of the DBR system, which needs to operate in a consistent manner across England and Wales. These powers are limited and do not need to be exercised to enable the legislative framework set out in the Bill to operate. They will only be used where a relevant administrative change is considered necessary to ensure the effective operation of the DBR programme by HMRC.

There is no anticipated need or desire to legislate differently under the delegated powers in relation to Wales and the potential for an alternative approach would constitute a risk to the effective and consistent operation of the system. This approach will enable the aims of the DBR programme to be delivered and intended benefits to be realised in Wales.

Recommendation 3: The Minister should confirm whether the Welsh Government looked for options to use legislation introduced to the Senedd to seek to make the change to the scrutiny procedure for regulations made under paragraph 5(13A) in Schedule 7 to the Local Government Finance Act 1988.

I can confirm that, in determining the optimal approach, the Welsh Government identified that there was not a suitable Senedd legislative vehicle to address this matter within the same timescale, nor could one be created without disproportionately detrimental impacts on our wider legislative programme.

Recommendation 4: The Minister should set out in detail, using The Non-Domestic Rating (Multiplier) (Wales) Regulations 2022 and The Non-Domestic Rating (Multiplier) (Wales) Regulations 2023 as working examples, the practical challenges and negative impacts on Senedd scrutiny of the current procedure for making regulations under paragraph 5(13A) in Schedule 7 to the Local Government Finance Act 1988.

I would first like to confirm that the Committee is correct that the Local Government and Elections (Wales) Act 2021 (“the 2021 Act”) did not introduce or change this procedure, it preserved the already established procedure, which aligns with that applicable in England. The practical challenges and timing constraints have been highlighted since the development and introduction (on 18 November 2019) of the 2021 Act. It is also the case that the UK

Government's comparable power will no longer be subject to such constraints, following the Bill. This is relevant because decisions taken by the UK Government on the setting of the multiplier in its Autumn Statements, and any related consequential funding, have implications for the Welsh Government's policy and budgeting considerations. If we are subject to constraints in the exercise of this power that the UK Government is not, in the context of these interdependencies and a tight timescale for making regulations, this could compromise its effective use. In recent years, UK Government Autumn Statements have fallen quite late in the budget cycle: this has the potential to compress the time available to the Welsh Government to take decisions on the use of consequential funding and make regulations.

The existing timing constraints link regulations and calculations on the multiplier to the Senedd's consideration of the local government finance report for the year. Regulations are not effective unless they are approved by the Senedd *before* it approves the local government finance report for the year, or before 1 March (whichever is earlier). However, the final calculation of the multiplier by Welsh Ministers is not valid unless it is made *after* the Senedd has approved the local government finance report or after 1 March. This dependency on the timing of the Senedd's consideration of the local government finance reports constitutes a "moving target", in respect of the setting of the multiplier.

If the Senedd is scheduled to consider the local government finance report very soon after the UK Government Autumn Statement and Welsh Government Draft Budget (either because the budgets are later or the report is earlier than is typical), this leaves very little time for regulations to be prepared and risks shortening the time for scrutiny. The potential for this outcome was highlighted in respect of the regulations which affected the setting of the multiplier for 2020-21. On this occasion, the local government finance report was originally scheduled for consideration by the Senedd on 19 December 2019. These regulations are, therefore, a better example of how the specific issue referred to in this recommendation could arise. In December 2019, the 2021 Act had already been introduced in the Senedd. It should be noted that a UK Government Spending Review on 25 November 2019 led to the timings for Senedd scrutiny of the local government finance report and multiplier regulations both ultimately being delayed.

Alternatively, if the Senedd is scheduled to consider the local government finance report much closer to the beginning of the financial year to which it relates, this may allow ample time for the preparation and scrutiny of regulations before that date. However, as the final multiplier cannot be calculated until after that date (or 1 March if earlier), this results in an unnecessary delay to the provision of clarity for billing authorities and ratepayers in Wales. The specific regulations referred to in this recommendation were subject to this impact, as the Senedd considered the relevant local government finance reports on 1 March 2022 and 28 February 2023.

The proposed changes will ensure the Senedd has a consistent opportunity for scrutiny, before any regulations are made, and reduce the risk of delayed billing. Local authorities and ratepayers in Wales will be provided with clarity as early as possible and will not be disadvantaged compared to those in England.

I thank the Committee for its detailed consideration of the Memorandum and hope that my responses to the recommendations provide the additional clarity sought.

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,

A handwritten signature in black ink that reads "Rebecca Evans." The signature is written in a cursive style with a period at the end.

Rebecca Evans AS/MS

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



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: LG/PO/230/23

Paul Davies MS
Chair: Economy, Trade and Rural Affairs Committee

SeneddEconomy@senedd.wales

4th July 2023

Dear Paul,

Thank you for your letter of 5 June 2023, regarding forage maize seed treatments and including correspondence from Dr Julian Little on the issue.

Prior to EU exit, pesticides legislation allowed for seed treated with a plant protection product to be imported, marketed and used in the UK as long as it had been authorised in at least one other Member State. After EU exit, transitional arrangements were put in place to continue the import and use of seeds treated in the EU. This was to provide continuity for seed users and give industry the opportunity to apply for the relevant authorisations in Great Britain.

This three-year transitional period expires on 31 December 2023. From 1 January 2024, all plant protection product seed treatments must be authorised for use in Great Britain. Over the transitional period the Health and Safety Executive (HSE) has met with industry to highlight the actions they need to take to enable these seed treatments to continue to be available from 1 January 2024.

I acknowledge the concerns farmers and growers have with the end of the transitional period is approaching. My officials are in contact with their counterparts in HSE and DEFRA to monitor the impact of this change. Applications for authorisations must come from plant protection product companies to be assessed for use in Great Britain. I would advise farmers, growers and other seed users to engage with their suppliers and representatives. Officials in HSE are continuing to work collaboratively with industry and provide advice on regulatory avenues for different products.

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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.

I hope this information is useful to the Committee

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 2.7

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

**Economy, Trade and
Rural Affairs Committee**

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Vaughan Gething MS
Minister for Economy

6 July 2023

Manufacturing in Wales – one-day inquiry

Dear Vaughan,

Thank you for attending Committee on 8 June to discuss Welsh Government's support for the manufacturing sector and the refreshed Manufacturing Action Plan.

Following three exploratory panel sessions, Members agreed that I would write to you to seek further information.

Firstly, thank you for offering to provide the Committee with more information on each of the action points within the refreshed manufacturing action plan, setting out a clear timescale for delivery for each one, along with a 'lead owner'.

It was also agreed I would write seeking answers to questions not reached during the session. Members had a question for all witnesses relating to monitoring the impact of the plan, noting that the refreshed action plan states "Going forward, the contribution of the manufacturing sector [...] will be tracked through our National Well-being Indicators. But this is not enough". Witnesses in later panel sessions were asked what further work they thought the Welsh Government should be doing to develop a more detailed approach to monitoring the impact of the plan.

Witnesses highlighted the importance of seeing clear read-across between the manufacturing plan and other related plans, such as the Net Zero Skills Plan, the Innovation Strategy and the Welsh Government's overarching economic strategy for Wales. Make UK noted that, when viewed together, some apparent gaps in the Manufacturing Action Plan could be seen to be filled by actions in those other plans. FSB Wales also noted that there was no reference in the manufacturing plan to the Welsh Government's strategy for roads, freight and logistics, and infrastructure more generally, which



several witnesses highlighted as critical to the future of the manufacturing sector in Wales. David Hoare of GE Aerospace recognised that, as indicated in the plan, well-being indicators rather than purely economic targets are likely to be important measures of success for the Welsh Government. Therefore, it is even more important to have a clear shared understanding of how success will be measured.

I would therefore be grateful if you could please respond to these points by outlining how you will ensure clarity about how the actions in the Manufacturing Action Plan read-across to other related plans and strategies; and by providing more detail on how you will measure, monitor and evaluate the impact for the manufacturing sector.

The Committee would also be grateful if you could please set out what work has been done since 2021 in relation to the action point in the initial manufacturing action plan to “understand the type of business support needed by Welsh manufacturing” and what changes have been made as a result. This was identified in 2021 as being an immediate priority.

The update on this action point, provided at point 58 in your paper for the meeting, refers to support provided by Business Wales since 2016 and the launch of the Economy Futures Fund in 2018 – both of which pre-date the publication of the 2021 action plan.

Finally, one of the actions in the refreshed plan states that the Welsh Government will “Mobilise our business support for manufacturing around a targeted number of critical products that have strategic significance to the long-term prosperity of Wales”. The Committee would appreciate it if you could please provide a detailed explanation of how these “critical products” will be identified and how this approach is likely to affect the support provided to the manufacturing sector.

Thank you again for joining Members for this exploratory one-day inquiry. The [transcript](#) and link to [Senedd.TV](#) are available on our website for you and your officials to see what other witnesses had to say.

I look forward to your response, and to an ongoing dialogue about the future of manufacturing in Wales.

Kind regards,



Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee



Eich cyf/Your ref
Ein cyf/Our ref VG-PO-0274-23

Paul Davies MS
Chair
Economy, Trade and Rural Affairs Committee
SeneddEconomy@senedd.wales

10 August 2023

Manufacturing in Wales – one-day inquiry

Dear Paul,

Thank you for your letter of 6 July following my attendance at the Economy, Trade and Rural Affairs Committee meeting on 8 June to discuss manufacturing in Wales. Responses to the questions raised by the Committee in your letter are set out below.

What is being done to set out a clear timescale for delivery of the action points with an identified ‘lead owner’?

The ten-year timescale set out in the first Plan in 2021 was indicative and reflected the long-term nature, scale, complexity and interdependency of many of the actions. It was always envisaged that the Plan would need to be reviewed periodically to take account of changes in the local, national and global landscape. Since it was published the sector has faced major challenges: global competition, new trading arrangements with the European Union, recovering from 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 issues with labour availability.

When we published the initial Plan, it specified a lead owner and timescale for each action. However, in discussions with stakeholders in the development of the refresh this was found to sometimes be confusing to an external audience as individuals, teams and delivery structures change over time. As such, this information was not included in the refreshed Plan to help streamline engagement through the primary policy lead department. However, like the initial Plan each action does still have clear ownership and delivery timescales assigned, with each lead also a member of the Delivery Group. This is chaired at Senior Civil Service level by the Deputy Director for Industrial Transformation and Foundational Economy and is responsible for the effective

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implementation of the Plan and coordination of respective activities in line with the strategic objectives across all relevant departments. I have included this for your information at Annex 1.

What is being done to monitor the impact of the plan and create a clear read-across with other related plans?

At a strategic level, the six objectives in the Plan set out a clear vision of the direction we want to go in and what we want the manufacturing sector of the future to look like. The plan is multi-faceted and includes a range of related plans, programmes, projects and wider activities which play a part in realising this vision. Many have their own discrete timescales, milestones and metrics which are reported on individually and a key role of the Delivery Group is to bring together the leads for each of these activities to work collaboratively and look for opportunities to deliver maximum collective impact against each of the six objectives. This includes (but is not limited to):

- Net Zero Wales Strategy
- Net Zero Skills Action Plan
- Carbon Budget 2 (2021-25)
- The Wales Transport Strategy 2021
- Optimised Retrofit Programme
- Future Wales – The National Plan 2040
- Electric Vehicle Charging Strategy for Wales
- Brighter Futures / Careers Wales
- Working Wales
- Wales Innovates: Creating a Stronger, Fairer, Greener Wales
- Digital Strategy for Wales
- Cymraeg 2050 Welsh Language Strategy
- Anti-Racist Wales Action Plan
- LGBTQ+ Action Plan for Wales
- Transforming Wales through Social Enterprise
- Export Action Plan for Wales

In addition to monitoring the specific activities, it is important that we can make an informed judgement on whether the Plan is delivering successfully for the manufacturing sector in line with the six objectives and our definition of 'High Value' manufacturing that makes a positive social, economic, environmental and cultural impact. This means we cannot define 'progress' in simple terms of job creation or increased GVA but must consider how manufacturing as a sector contributes to our national aspirations under the Well-being of Future Generations (Wales) Act 2015. While this is indeed more difficult, we have made a commitment within the Plan to develop a mechanism to do this and have already commissioned a piece of work which is developing an approach to monitoring progress, underpinned by benchmarking against global best practice. This will sit alongside the six objectives as part of a proactive and consistent dialogue with industry and wider partners to ensure we continue to not only monitor progress but continue to focus on the things that matter most.

Why is there no reference in the manufacturing plan to the strategy for roads, freight and logistics, and infrastructure more generally?

The second Strategic Objective is to “develop the conditions to anchor key manufacturing companies in Wales, including provision of modern infrastructure and resilient supply chains”. This recognises the critical role of infrastructure in being an enabler to delivering on our aspirations, supporting industry and not restricting it.

The Plan specifically references our Transport Strategy for Wales, '[Llwybr Newydd](#)' which sets out our approach to how we enable people and goods to move easily from door-to-door by accessible, sustainable and efficient transport services and infrastructure.

We also highlight other examples such as Digital, Electric Vehicle charging infrastructure and our Property Delivery Plan which has already delivered over 800,000sqft of new commercial premises, with 125 acres of investment ready sites either completed or in progress through a combination of direct intervention, grant support to the private sector and collaborative working with public sector partners.

Additionally, our strategic approach to planning in Wales is also referenced through Future Wales and Planning Policy Wales.

What work has been undertaken since 2021 in relation to the action “understand the type of business support needed by Welsh manufacturing” and what changes have been made as a result?

The initial Plan was underpinned by the insights gathered through a formal consultation process which informed the key themes in areas like Equality & Diversity, RD&I, Skills, Anchorage, Technology and Decarbonisation. In developing the refresh, we revisited these through more engagement with industry, Trade Unions and wider social partners and undertook a 'health-check' survey of the sector with support from Industry Wales and Make UK. The survey was commissioned specifically to look at the 16 themes in the initial Plan, with a focus on businesses' capabilities, sales patterns, challenges, culture and behaviour. This provided some useful insights including current position and trend analysis in areas like energy, supply chains, skills and of Industry 4.0 digital technologies.

It's important to recognise though that MAP is about looking at what the sector needs to thrive and ensuring we have the right support in place. This means getting maximum value from the support we already offer and adding additional support only where there is a clear gap/need. For example, our Flexible Skills Programme (FSP) Advanced Engineering and Manufacturing Partnership Project is responding directly to the needs of our manufacturing companies by supporting them in developing the skills they have identified. There is a great case study in the Plan from Energizer Auto UK about how they have used FSP to great benefit.

The survey also identified the importance of reducing energy and increasing productivity and the Toyota Lean Clusters Programme is an example of where we are responding to this, with more than 60 companies having benefited so far from the implementation of Lean principles. Companies like Rototherm which has seen a staggering 300% increase in outputs due to time savings in production and organisational structure, and a 50% decrease in defects. The Development Bank of Wales also launched the Green Business Loan Scheme in February this year, with loans from £1000 to £1.5m to support our journey to Net Zero. This includes investing in renewable energy technology, upgrading physical infrastructure and waste reduction. We also recently launched our new Flexible Innovation Support scheme and Circular Economy Fund which will supplement existing specialist support available through Business Wales.

There are other examples of aligning our support offer to deliver on our aspirations within the Plan, such as introducing the Backing Local Firms Fund which is based on lessons learned from the Foundational Economy Challenge Fund. Local food suppliers are being supported with funding to cover the costs of food hygiene safety accreditation and work has been undertaken in the housing sector to connect registered social landlords (RSLs) with local businesses.

AMRC Cymru continues to respond directly to the needs of our manufacturing companies, fostering more collaborative research and embedding Industry 4.0 technologies. AMRC has supported Airbus's world leading future wing technology programme and more than 30 SMEs across 16 projects. A major SME digital enablement programme is currently in the pipeline that will support a further 60 manufacturers over the next 18 months. One example is the 'Ffatri 4.0' project which is a collaboration between AMRC Cymru, Airbus and Welsh Food & 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. This is in addition to the £2m support from Welsh Government to establish a Food & Drink Packaging Sustainability Centre which will become a hub for the uptake of emerging technologies and materials in the food and drink packaging supply chain.

How will the Welsh Government “Mobilise our business support for manufacturing around a targeted number of critical products that have strategic significance to the long-term prosperity of Wales”?

The 'health-check' survey has helped identify areas where we will need to ensure the right support is available to industry. In addition to that the refreshed Plan outlines our intention to undertake benchmarking against areas of best practice aligned to our six strategic objectives. This will provide further insight into what products will be critical to Wales going forward, particularly in areas where we see a real opportunity for Wales to gain a competitive advantage. The Plan does though already set out where we are taking forward activity which has clear products that will be critical to success. For example, the Optimised RetroFit programme to improve the energy efficiency of LA housing stock where we are applying a Foundational Economy approach to identify not only the required products but local suppliers of those products.

We have completed the first phase of work on supply chain mapping to better understand existing supply chain capability, resilience and anchoring opportunities. This was focussed initially on developing a comprehensive database to establish a baseline of existing companies operating across several manufacturing sub-sectors. We are progressing with the next phase of this work which will use the data to gain valuable insight into supply chains, with a specific focus on several key areas including Floating Offshore Wind. This process will help in understanding what the critical components are/will be, and the level to which the existing supply chain has capacity and capability to respond to such an opportunity.

In the Food & Drink sector we undertook a public sector wide food survey to identify supply voids with potential for developing local supply capability. In the first instance this is informing work to drive up the proportion of local produce for consumption to support the Universal Provision of Free School Meals and is informing the 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.

We are looking 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 an ecosystem of suitably qualified local businesses, so the economic and social impact of these investments is optimised for Wales.

Finally, our Innovation Strategy, 'Wales Innovates: Creating a Stronger, Fairer, Greener Wales' will prioritise those things that will have the biggest impact for Wales, targeting our

support in line with specific 'missions'. In this regard, our approach will focus on four key areas: Education, Economy, Health and Well-being and Climate and Nature. An Innovation Action Plan is being 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.

I hope that this provides sufficient detail in response to the questions raised in your letter and I look forward to continued discussions with Members on ensuring a thriving manufacturing sector in Wales.

Yours sincerely,

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

Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy

Annex 1 – Manufacturing Plan for Wales – Action Owners and Timescales

Address the climate emergency by decarbonising the manufacturing sector in Wales, underpinned by Circular Economy practices and processes.		
Actions	Lead(s)	Timescale
Embed low carbon and climate resilience within the Economic Contract and expand consideration into all other aspects of WG spend including grants and procurement.	GcoE Carys Roberts – Head of Entrepreneurship & Business Wales (Delivery), ETC, B&R. Tracey Mayes – Head of Procurement Reform, COOG, Commercial & Procurement Directorate. Paul Griffiths – Head of Commercial Delivery and Capability, COOG, Commercial & Procurement Directorate. Judith Budding – Head Of Commercial PMO and Ops, COOG, Commercial & Procurement Directorate.	Short to Medium
Use Circular Economy Fund as a mechanism to drive forward more recycling and less landfill, including utilisation of new technologies and processes within manufacturing.	Andy Rees – Head of Waste Strategy Branch, CCRA, Waste & Resource Efficiency.	Short to Medium
Alongside Net Zero Industry Wales we will work with industrial clusters and hubs across Wales as they develop their pathways and build a solid evidence base to better understand the potential role that fuel switching and CCUS can play in decarbonising manufacturing.	Anne Reynish - Net Zero Industry, ETC.	Short to Medium
Work with Net Zero Industry Wales, the South Wales Industrial Cluster and stakeholders in North Wales including Hynet to understand the infrastructure necessary to decarbonise industry and maximise the benefits from relevant initiatives.	Wendy Boddington - Head of Regional Delivery, ETC.	Short to Medium
Develop the conditions to anchor key manufacturing companies in Wales including provision of modern infrastructure and resilient supply chains.		
Actions	Lead(s)	Timescale
Produce detailed supply chain maps for critical products including current capability and capacity. We will use this to identify opportunities to localise supply chains, increase the capability of indigenous businesses and attract targeted inward investment to address supply chain voids.	Gunther Kostyra - MAP and Industry Wales, ETC, B&R. James Davies - CEO, Industry Wales.	Short to Medium
Address the undersupply of premises for manufacturing and related sectors by investing in strategic employment premises, delivering 300,00sq ft per annum of new floorspace across Wales through the Property Development Plan (PDP).	Leigh Jenkins – Property Projects Surveyor, ETC, B&R.	Medium to Long
Improve anchorage of manufacturing companies and encourage greater decision making in Wales. We will do this through	Claire McDonald - Deputy Director - Economic Policy, ETC, B&R. James Davies - CEO, Industry Wales.	Long

direct support levers such as the Economic Contract and capital investment, for example, opportunities provided by the transition to zero emission transport	Darryn Lewis - Head of Inward Investment, ETC, International Relations & Trade.	
Work with developers and other stakeholders to understand and promote the supply chain potential from the offshore marine energy both in North Wales and in the Celtic Sea	Helen Donovan - Senior Industrial Transformation Manager, ETC, B&R.	Short to Medium
Support Welsh manufacturers to supply goods and services in response to the Optimised RetroFit Programme, adopting a foundational economy procurement approach focused on engaging with and where appropriate supporting Wales-based suppliers	Malcolm Davies - Senior Housing Decarbonisation Officer, CCRA, Housing and Regeneration.	Short to Medium
Identify and develop the necessary leadership and workforce skills required to achieve 'Wales 4.0'.		
Actions	Lead(s)	Timescale
Benchmark our manufacturing performance against best practice of comparable regions in the UK and globally. Use this data to best utilise our support mechanisms to improve productivity and competitiveness	James Davies - CEO, Industry Wales. Phil Catherwood - Senior Strategy Manager - Mobility, ETC, B&R.	Short to Medium and Long
Enable Welsh companies, particularly our manufacturing base to learn from global best practice through engaging directly with world leading programmes like the MIT Industrial Liaison Program (ILP).	Matt Collins - Senior Manager Entrepreneurship Policy, Equality & Engagement, ETC, B&R.	Short to Medium and Long
Establish a mechanism to communicate with leaders from across the manufacturing ecosystem to collaborate, identify opportunities to learn from global best practice and target specific support such as our Flexible Skills Programme	Gunther Kostyra - MAP and Industry Wales, ETC, B&R. James Davies - CEO, Industry Wales.	Short to Medium
Implement a new GCSE in Engineering through Qualifications Wales which will form part of the new suite of 'Made for Wales' GCSEs to support the new Curriculum for Wales from 2025.	Gareth Downey (Qualifications Wales)	Short to Medium
Work in partnership with manufacturing sector stakeholders to create an action plan that identifies priorities to support industry in accelerating its' adoption of digital and data innovation, including cyber and AI.	Mike Groves - Programme Director, Digital Economy, ETC, B&R. Mike Thomas – Head of AI Policy & Co-ordination.	Medium to Long
Strengthen collaboration between stakeholders to embrace technological change and deliver more commercial Innovation at pace.		
Actions	Lead(s)	Timescale

Support the ecosystem of Wales (including forums and trade events) to create a stronger, fairer and greener Wales with increased collaboration and research, development and innovation activity in line with the commitments and priorities in our Innovation Strategy, "Wales Innovates".	Abi Phillips - Head of Innovation, ETC, B&R. Elaine Choules - Head of High Value Manufacturing, ETC, B&R.	Short to Medium and Long
Use the Advanced Manufacturing Research Centre (AMRC) Cymru as a focal point to drive collaborative research, where complementary support levers converge for maximum value (including wider WG Innovation offer such as SMART).	Abi Phillips - Head of Innovation, ETC, B&R.	Short to Medium and Long
Work to secure more UK research and innovation funds.	Chris Hale - Head of Welsh Government Office for Science, ETC, Chief Scientific Officer	Short to Medium and Long
Continue to develop the capability and capacity of research in Wales and facilitate international collaboration opportunities through the Sêr Cymru Programme.	Chris Hale - Head of Welsh Government Office for Science, ETC, Chief Scientific Officer	Short to Medium and Long
Promote the performance of the Welsh Research base and key benefits of science, technology, engineering, Maths and Medicine funding in Wales, UK and internationally.	Chris Hale - Head of Welsh Government Office for Science, ETC, Chief Scientific Officer	Short to Medium and Long
Develop a detailed map of key stakeholders to understand the current ecosystem and identify opportunities to drive future collaborations – linked to priority areas in supply chain mapping (i.e. which TUs/universities are involved in each area).	Gunther Kostyra - MAP and Industry Wales, ETC, B&R. James Davies - CEO, Industry Wales.	Medium
We will encourage and support manufacturers in Wales to adopt open innovation practices to manage their approach to collaboration.	Mark Lewis - Commercialisation Manager, ETC, B&R.	Short
Embed 'Fair Work' employment principles in Wales, promoting inclusivity, security, and protecting our cultural heritage.		
Actions	Lead(s)	Timescale
Establish a baseline and on-going monitoring of underrepresented groups in manufacturing sector with progress against key metrics.	Huw Griffiths - Head of Fair Work, ESJ&WL, Social Partnership, Employability & Fair Work. Meinir Collyer - Equality Support Unit Delivery Manager, CCRA, CCRA Operations. Joe Davies (KAS) - Senior Statistical Officer, COOG, DDAT & KAS.	Short to Medium
Use our networks to identify and promote best practice and the advantages of social partnership, fair work, equality and inclusion across manufacturing sectors.	Huw Griffiths - Head of Fair Work, ESJ&WL, Social Partnership, Employability & Fair Work.	Short
Embed the Ethical Employment in Supply Chains Code of Practice in the Welsh Procurement Policy statement so that all public sector	Sue Hurrell - Head of Fair Work Procurement, ESJ&WL, Social Partnership, Employability & Fair Work. Tracey Mayes - Head of Procurement Reform, COOG Commercial & Procurement Directorate.	Short

organisations give it due regard in its procurement activity.	Paul Griffiths - Head of Commercial Delivery and Capability, COOG, Commercial & Procurement Directorate. Judith Budding - Head of Commercial PMO and Ops, COOG, Commercial & Procurement Directorate.	
Work with major contractors to the public sector to ensure that requirements relating to the Ethical Employment in Supply Chains Code of Practice flow through the supply chain.	Sue Hurrell - Head of Fair Work Procurement, ESJ&WL, Social Partnership, Employability & Fair Work. Tracey Mayes - Head of Procurement Reform, COOG, Commercial & Procurement Directorate. Paul Griffiths - Head of Commercial Delivery and Capability, COOG, Commercial & Procurement Directorate. Judith Budding - Head Of Commercial PMO and Ops, COOG, Commercial & Procurement Directorate.	Short to Medium and Long
Work with stakeholders to increase awareness and participation amongst people from diverse backgrounds in STEM related careers	Chris Hale - Head of Welsh Government Office for Science, ETC, Chief Scientific Officer Sam Huckle - Head of Employability Strategy, ESJ&WL, Social Partnership, Employability & Fair Work.	Short to Medium and Long
Support the delivery of Cymraeg 2050: a million Welsh speakers by building on the strengths of our Welsh-speaking communities	Iddon Edwards - Head of Economy, Housing and Welsh Language, ESJ&WL, Education Directorate.	Short
Mobilise business support to equip Welsh manufacturers to meet future demand for products of strategic importance.		
Actions	Lead(s)	Timescale
Analyse existing public sector spend in Wales to identify opportunities to localise supply chains for critical items as identified through detailed supply chain mapping.	Tracey Mayes - Head of Procurement Reform, COOG, Commercial & Procurement Directorate. Paul Griffiths - Head of Commercial Delivery and Capability, COOG, Commercial & Procurement Directorate. • Carys Roberts	Short
Develop a clearer definition for 'Social Value' in a Welsh context alongside a consistent methodology to measure and report social value within the Welsh public sector.	Tracey Mayes - Head of Procurement Reform, COOG, Commercial & Procurement Directorate. Stuart Smith - People & Corporate Services Lead, COOG, Commercial & Procurement Directorate.	Short
Mobilise our business support for manufacturing around a targeted number of critical products that have strategic significance to the long-term prosperity of Wales.	Gunther Kostyra - MAP and Industry Wales, ETC, B&R. James Davies - CEO, Industry Wales.	Short to Medium
Aligned to the Export Action Plan for Wales we will work with Welsh manufacturers to create a strong, vibrant and sustainable exporting sector through a range of business support programmes and advice to build export capacity and capability for Wales.	Richard Harris - Head of Trade, ETC, International Relations & Trade.	Short to Medium and Long
Build on the success of the WG Toyota Lean Clusters Programme, embedding lean management principles and sustainable improvements in competitiveness.	Phil Catherwood - Senior Strategy Manager - Mobility, ETC, B&R.	Short to Medium

Rebecca Evans MS,
Minister for Finance and Local Government

7 July 2023

Draft Budget Timetable 2024-25

Dear Rebecca,

The Committee noted your proposed timetable for the 2024-25 budget at its meeting on 6 July 2023.

We consider this approach to be highly disappointing: As a Committee we have regularly called for sufficient time to be provided for the scrutiny of the Welsh Government's budgetary proposals, and for that to be in line with the Budget Process Protocol ('the Protocol'), which was agreed on a cross-party basis in 2017.

We have written to you on a number of occasions about the practical difficulties that shortened timescales pose to Committees in fulfilling their scrutiny functions, as well as the pressures it puts on stakeholders who wish to submit evidence and engage with our work, particularly when three weeks of that period falls over Christmas recess.

Most recently, I wrote to you on 23 June 2023 noting the concerns expressed by the vast majority of Committee Chairs regarding the timeliness of the budget process and the lack of time available for proper scrutiny. We are therefore extremely disheartened that these views were not reflected when this timetable was proposed. Furthermore, although we very briefly touched upon the budget timetable towards the end of our meeting on 20 June, we did not discuss specific dates, as indicated in your letter, and there was no opportunity for me to raise concerns given the lack of information shared at that point regarding your proposals.

Insufficient reasons for delay

Paragraph 11 of the Protocol states that a “budget/financial year will not be “normal” when there is significant uncertainty in respect of the Welsh Government’s future financial position”. It adds that:

“Although this list is not exhaustive, examples would include when there are no future budget figures provided by the UK Government; there is a UK fiscal event such as a Comprehensive Spending Review or Emergency Budget; or a significant change in the overall fiscal outlook such as an economic shock or changes affecting UK tax policy.”

We have, in each of the past four years, accepted the arguments that there were significant levels of funding uncertainty to delay the laying of the draft budget. Whilst we acknowledge that the Chancellor of the Exchequer has not yet published the date of the fiscal event in the autumn, we do not consider this to be a compelling reason in itself to delay the publication of the Welsh Government’s budgetary proposals and do not agree that this is the only prudent choice available to you.

As you point out, indicative budget allocations are already available to the Welsh Government, and whilst we accept that inflationary pressures remain high, they are sadly unsurprising and do not, in our view, amount to “significant uncertainty” in your funding position which necessitates a diversion from the ‘normal’ process outlined in the budget protocol.

We neither accept that the delay is wholly as a result of matters that are outside your control. As Minister responsible for the budget, you have significant discretion to decide when the Welsh Government’s spending plans are published which, in turn, dictates how much time Senedd Committees have to conduct the scrutiny required.

As you are aware, this is the fifth year in a row that the two stage process set out in the Protocol has not been followed and the request to delay the budget process again this year, suggests that there are few circumstances that could be considered a “normal” year.

The protocol was intended to allow the Finance Committee to take an oversight role by allowing more time for policy committees to undertake scrutiny and enable them to take more evidence from stakeholders.

Your willingness to avoid following this process again calls into question your commitment to these agreed practices, given that the timing of budget scrutiny in recent years has not made this possible.

Lack of consultation

We also note that you consulted the Committee on your decision to delay the publication of the Draft Budget 2023-24 last year. It is therefore regrettable that a similar approach was not adopted again.

In years when the Welsh Government considers delaying the publication of the Draft Budget and circumvents the two stage process outlined in the Protocol, the Committee expects mature discourse and meaningful consultation on such issues and not doing so casts doubt over commitments you have made previously to working constructively and in partnership to improve our budget processes.

Next steps

I welcome your willingness to revisit the publication dates of the Draft Budget if the Chancellor's announcement regarding the dates of an autumn fiscal event was sufficiently early to allow additional time for its preparation and scrutiny.

We will keep a close eye on these developments and hope that further clarity on the timing of these issues will lead to more time for scrutiny of your budget proposals as soon as possible in the autumn term.

I am copying this letter to the Trefnydd and the Chairs of Senedd Committees, given its impact on their work programmes and in light of the concerns and comments previously expressed on these issues.

Yours sincerely,



Peredur Owen Griffiths MS, Chair of the Finance Committee

Croesewir gohebiaeth yn Gymraeg neu'n Saesneg.

We welcome correspondence in Welsh or English.

Agenda Item 2.9

04 July 2023



Paul Davies MS

Chair of the Economy, Trade, and Rural Affairs Committee, Senedd

By email: paul.davies@senedd.wales

Dear Chair

PRIMARY CARE ELECTRONIC PRESCRIBING SERVICE MOVEMENT OF PRESCRIPTIONS ACROSS BORDERS

Thank you for recently meeting with Community Pharmacy Wales to discuss our concern regarding the movement of prescriptions across the border to England. Below are our concerns that we raised during our meeting.

Although it is feasible, very few Welsh prescriptions are currently dispensed in England, either from England based community pharmacies or England based Distance Selling Pharmacies (DSPs). This is because it would rely on a paper prescription flowing across the border which would require a patient to present the prescription in person or by post to access their services. Unless action is taken by the Welsh Government to prevent it, it will be impossible to retain this position following the introduction of the Electronic Prescription Service in Wales. We are asking for this protection from the Welsh Government to the community pharmacy network in Wales, particularly during the roll-out phase of implementation of the EPS, because of the risk to individual businesses prior to achieving a level playing field.

In England the number of items dispensed by Distance Selling Pharmacies is growing monthly but is currently some 4.5% of the total number of prescription items dispensed in England. Following the introduction of EPS in Wales, there is no reason to believe that the same % of Welsh prescriptions will not be dispensed by DSPs located in England due to the very aggressive marketing campaigns that they currently undertake. We are aware that they intend to increase their marketing activity in Wales immediately following the introduction of EPS and to target GPs located in the pilot sites.

The Wales based GP network operates two separate patient record systems. The Wales based community pharmacy network operates 8 patient management systems and it is intended to roll out EPS to community pharmacies over a fifteen-month period. This means that different areas across Wales will "go live" at different times making it easier for England based DSPs to target those areas. DSPs have existed in England for many years and are very slick and

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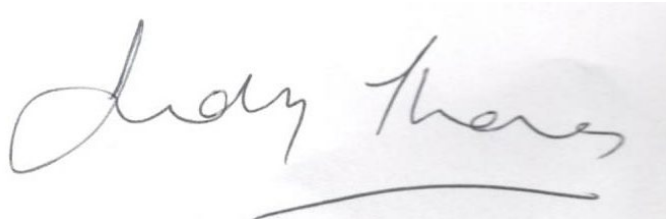
polished at blanketing areas with publicity – they have already been in contact with DHCW and others in Wales to find out more on the Welsh roll-out.

Prescriptions are footfall drivers into community pharmacies – so without prescriptions the pharmacies will have a reduced opportunity to deliver Clinical Services which will then impact on other parts of the NHS. Additionally, community pharmacies are also footfall drivers for the rest of the high street – reduced prescriptions in community pharmacies will result in reduced footfall. It is likely that the loss the lost income associated with the reduction in the number of prescriptions dispensed in Wales, together with the loss of associated retained purchase profit will result in further pharmacy closures. The rate of pharmacy closures in Wales is currently higher than in England where the reduction in the number of pharmacies was expected due to Government funding policy. By the end of August 2023, Wales will have less than 700 pharmacies for the first time in over 15 years with only 699 pharmacies compared to 717 in December 2019 – an overall reduction of 2.5%.

We would be grateful if your committee would reflect on the current proposal as a matter of urgency to ensure that Wales based practices are best protected in the interests of the patient population in Wales.

We would be happy to meet with you again or fellow committee members to discuss our concerns in more detail, if you feel that would be helpful.

Yours sincerely

A handwritten signature in cursive script that reads "Judy Thomas". The signature is written in black ink on a light-colored background. Below the signature is a horizontal line.

JUDY THOMAS
ACTING CHIEF EXECUTIVE

Eluned Morgan MS
Minister for Health and Social
Services

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

Vaughan Gething MS
Minister for Economy

13 July 2023

Primary Care Electronic Prescription Service

Dear Eluned, Lesley and Vaughan,

Community Pharmacy Wales (CPW) has raised concerns regarding the introduction of the primary care electronic prescribing service in Wales with the Committee. CPW is worried that the shift to electronic prescribing will have a negative impact on community pharmacies, as they will be unable to compete with large distance selling pharmacies based in England. CPW has stated that the reduction in the number of prescriptions dispensed in community pharmacies, along with the loss of additional purchases made by individuals filling prescriptions, is likely to lead to a loss of income which will result in pharmacy closures.

The Committee is concerned about community pharmacy closures as they are an important hub for rural communities and also can drive footfall to highstreets and thus provide a level of economic stimulus to an area.

Please can you provide the following:

- What assessment has been undertaken regarding the implementation of electronic prescribing on pharmacy closures?



- Has any analysis of the specific impact on rural communities been undertaken?

I have copied this letter to Russell George MS in his capacity as Chair of the Health Committee and Mark Isherwood MS in his capacity as Chair of the Public Accounts and Public Administration Committee.

Kind regards,



Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English

Eluned Morgan AS/MS
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services



Llywodraeth Cymru
Welsh Government

Paul Davies MS
Chair
Economy, Trade and Rural Affairs Committee

28 July 2023

Dear Paul,

Thank you for your letter of 13 July regarding the introduction of the primary care Electronic Prescribing Service (EPS) in Wales.

I am aware of the concerns raised by Community Pharmacy Wales (CPW) in regard to the introduction of the primary care EPS and have recently received correspondence from CPW via the Chair of the Health and Social Care Committee (HSCC) further drawing my attention to these areas of concern.

I also note your concerns in regard to the impact the introduction EPS may have on community pharmacies here in Wales and have attached my response, at Annex I, to the Chair of HSCC which I believe addresses the concerns you have raised.

Your sincerely,

Eluned Morgan AS/MS
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services

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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.



Russell George MS Chair,
Health and Social Care Committee

SeneddHealth@senedd.wales

28 July 2023

Dear Russell,

Thank you for your letter of 4 July regarding the introduction of the Electronic Prescription Service (EPS) in Wales.

The Welsh Government is investing a record level of funding in the community pharmacy sector and community pharmacies in Wales receive considerably more NHS funding per pharmacy than in any other part of the UK. Our reforms to NHS contractual arrangements mean pharmacies here now receive significant income for providing an increasing range of additional clinical services. These services, including Wales' national pharmacist independent prescribing service, are ensuring we realise the benefits of pharmacists training and expertise, take pressure off GPs and other NHS services, and improve access to high quality care for people across Wales. Importantly, our reforms are helping to create a sustainable future for community pharmacies built around better use of pharmacists training, expertise and accessibility.

Our reforms will mean in future more people use pharmacies because they provide prompt access to a range of healthcare services ensuring the sector is not dependent on footfall from people having their prescriptions dispensed. The reforms also mean the record levels of contractual funding are guaranteed, even if the number of prescriptions dispensed by pharmacies in Wales should decrease following the introduction of EPS.

The cross-border flow of prescriptions is important for many people and in particular those who live and use pharmacies near the border with England. The introduction of EPS in Wales will mean in future, people can nominate any pharmacy in Wales or England to dispense their prescription. This may result in a change to the way in which some people's prescriptions are dispensed.

Some people in Wales who do not currently do so, may choose to have their prescriptions dispensed by pharmacies in England and some people in England may choose to have their prescriptions dispensed at pharmacies in Wales. The roll out of EPS therefore creates a level playing field for pharmacies in Wales by providing an opportunity for them to

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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.

dispense prescriptions from patients whose care is provided by GPs or NHS Trusts in England.

I understand there are concerns amongst some pharmacy contractors in regard to the sustainability of the pharmacy network here following the introduction of EPS. However, I am unaware of any evidence demonstrating that Distance Selling Pharmacies (DSPs) have an adverse impact on the overall provision of pharmacy services which are open to the public and the evidence is that even after 20 years, DSPs dispense only a small percentage of all prescriptions in England. A recent report by the Company Chemists' Association found more than 70% of DSPs dispense more than 50% of their prescriptions to patients from a single postcode area located within 10 miles of the pharmacy. This suggests very few DSPs in England will be interested in dispensing prescriptions for patients in Wales. Should Welsh patients wish to use a DSP they will, unless they have a valid exemption, be required to pay prescription charges and may also incur postage and packaging costs even if they are exempt from prescription charges.

Our continued investment in community pharmacies is ensuring pharmacies continue to operate on high streets in every part of Wales. Between 2015/16 and 2021/22 the number of pharmacies in Wales decreased by just four (from 716 to 712) a reduction of 0.6%. Over the same period in England, the number of pharmacies (excluding DSPs) decreased by 675 (from 11,822 to 11,147) a reduction of 5.7%. The additional closures referred to by Community Pharmacy Wales (CPW) relate specifically to a UK wide commercial decision by the owners of Lloyds Pharmacy to exit the market. Many of these pharmacies have been acquired by other pharmacy contractors and we cannot speculate as to what will happen to those that have not yet been sold. It is inappropriate to suggest a commercial decision taken by one contractor is indicative of a wider problem with the pharmacy market in Wales, and for CPW to selectively use these data to imply inaccurately the rate of closures in Wales is 'higher than in England'.

Lastly, we are helping pharmacies implement innovative solutions to improve efficiency and patient experience. We are also investing £893,000 in the [Pharmacy Innovation Fund](#) which will provide funding for Pharmacy system suppliers to improve the way IT systems in Pharmacies in Wales operate, providing opportunities for pharmacies to become more efficient – for example, introducing notifications through the NHS Wales App of a prescription being ready, meaning staff do not have to field as many calls asking whether a prescription is ready for collection.

The Electronic Prescription Service will improve the experiences of patients in Wales who have medicines prescribed, by making the transfer of information between their GP and pharmacy of their choice seamless and immediate. Approximately 50,000 prescriptions issued each month by Welsh GP's are dispensed by pharmacies and appliance contractors in England. Restricting the cross-border flow of prescriptions would prevent these patients from realising the benefits of EPS, specifically disadvantaging people who use English pharmacies now, and in particular, those who live close to the English border.

Yours sincerely



Eluned Morgan AS/MS

Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services

Eluned Morgan MS
Minister for Health and Social Services

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

Vaughan Gething MS
Minister for Economy

9 August 2023

Primary Care Electronic Prescription Service

Dear Ministers,

Community Pharmacy Wales (CPW) has raised concerns with me, in my capacity as Chair of the Public Accounts and Public Administration Committee, about the introduction of the primary care electronic prescribing service in Wales.

CPW is worried that the shift to electronic prescribing will have a negative impact on community pharmacies, as they will be unable to compete with large distance-selling pharmacies based in England.

CPW has stated that the reduction in the number of prescriptions dispensed in community pharmacies, along with the loss of additional purchases made by individuals filling prescriptions, is likely to lead to a loss of income which will result in pharmacy closures. I have attached a copy of a letter sent to me by CPW outlining these concerns in more detail.

Please could you provide me with a response to the issues raised in the letter. I ask that your response includes details on the potential impact on the extended range of clinical services provided

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We welcome correspondence in Welsh or English.

by community pharmacies under the Community Pharmacy Contractual Framework, which the Welsh Government re-negotiated with Community Pharmacy Wales, which will then also impact on other parts of the NHS.

I have copied this letter to Russell George MS, in his capacity as Chair of the Health Committee, and Paul Davies MS, in his capacity as Chair of the Economy, Trade and Rural Affairs Committee.

Regards,

A handwritten signature in dark ink, appearing to read 'Mark Isherwood', written over a horizontal line.

Mark Isherwood MS

Chair of the Public Accounts and Public Administration Committee



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 2.10


Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA/1557/23

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

SeneddEconomy@senedd.wales

14th July 2023

Dear Paul,

Thank you for your letter of 31 May, regarding the recommendations made by the Economy, Trade and Rural Affairs Committee, about the Food (Wales) Bill. You requested my responses to recommendations 2, 4, 6, 8, 9, 10, 12, 16, and 17, which I have provided annexed to this letter.

I found your report helpful and have considered each recommendation carefully. The examination of food policy during scrutiny of the Bill has been useful in revealing the need to communicate the wide range of food related policies across the Welsh Government more clearly. Accordingly, I committed on 24 May to publish a short document to do this and work has begun with the intention to publish later this year.

With the fall of the Bill, my Department has restarted work on the Community Food Strategy.

Regards,



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

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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.

Annex – the Welsh Government’s response to recommendations in ETRAC’s Food (Wales) Bill report

Report recommendation	Welsh Government response
<p>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.</p>	<p>This recommendation is accepted in principle.</p> <p>Welsh Government agrees the importance of policies being joined up and complementary. Accordingly policies are shaped by the well-being goals and ways of working enshrined by the Well-being of Future Generations (Wales) Act 2015. Relationships between food related policies are connected during their development and delivery. However, the Welsh Government accepts stakeholders do not perceive this, so to improve policy communication the Welsh Government has committed to publishing a short document this year to summarise food related policies and how they join up across policy areas and with the (WFG Act) well-being goals.</p>
<p>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.</p>	<p>This recommendation is accepted.</p> <p>During the 24 May General Principles debate the MRANWT committed to publishing a short cross-portfolio document setting out all its food policies and how these are aligned with other government departmental policies. This document will provide a high level account of policy focus on food matters. The Welsh Government plans to publish the document in 2023.</p>
<p>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</p>	<p>This recommendation is accepted in principle.</p> <p>Welsh Government already has comprehensive food related policies</p>

<p>consultation with stakeholders introduce new targets to fill any gaps.</p>	<p>in place with supporting targets. We are satisfied there are no significant gaps but we are committed to monitoring and where evidence suggests a target needs revision or there is a gap we will consider change. Policy development and monitoring is usually undertaken in partnership with stakeholders.</p>
<p>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.</p>	<p>This recommendation is accepted in principle.</p> <p>The MRANWT announced in the Senedd Food (Wales) Bill debate on 24 May that the First Minister would chair a cross Welsh Government forum to ensure good policy join up is achieved and communicated. A forum took place on 13 June and consequently work has started across portfolios to identify food related policies relevant to the food publication to be published later this year and, also policies relevant to the Community Food Strategy.</p>
<p>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.</p>	<p>This recommendation is accepted in principle.</p> <p>The Welsh Government has a detailed strategic approach to food matters already, with comprehensive and related policies in place. These have specific targets and progress indicators and are developed and progressed with reference to the Well-being of Future Generations (Wales) Act 2015 which provides a common strategic framework for policy making. If gaps are identified in this policy spectrum, specific policies are created (for example the Community Food Strategy). The Welsh Government is not persuaded there is a case for an additional superarching national food strategy as it would duplicate</p>

	<p>existing food and food related policies. The Welsh Government does recognise, however, a need for a short document to summarise food related policies and how they join up across policy areas and with the (WFG Act) well-being goals, which will be published later in 2023.</p>
<p>Recommendation 10 The national food strategy should include existing and any new food targets set.</p>	<p>This recommendation is rejected in view of the response to recommendation 9. The Welsh Government already sets targets for specific food related policies.</p>
<p>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.</p>	<p>This recommendation is accepted in principle.</p> <p>The First Minister chaired an internal Food Forum on June 13 to ensure good policy join up is achieved and communicated. Work has started across portfolios to identify food related policies relevant to a Welsh Government food publication to be shared with the Committee and to be published later this year. Work has also restarted to identify all policies relevant to the Community Food Strategy (CFS). The CFS will be developed taking account of cross-portfolio interests and contributions.</p>
<p>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</p>	<p>This recommendation is accepted in principle.</p> <p>The Welsh Government is already supporting Local Food Partnerships through the funding of their development and employment of co-ordinators. We are considering how this work might be developed as one of the elements of the Community Food Strategy. Local Food Partnerships are potentially a strong model to identify and address food related actions at a local level through bringing the means and capacity to collectively</p>

	<p>identify needs and to plan for them. There is a potential link to develop between them and public bodies and public service boards to provide focus for action on local food matters in both a bottom up and top down way.</p> <p>The Social Partnership and Public Procurement (Wales) Act 2023 creates a socially responsible procurement duty on certain public bodies to improve the economic, social, environmental and cultural well-being of its area by carrying out public procurement in a socially responsible way. This new duty has the potential to increase the procurement of locally sourced food. Additionally, the roll out of the universal free primary school meals policy is increasing the public procurement of food and is creating opportunities for the sale of locally sourced food.</p>
<p>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.</p>	<p>This recommendation is accepted in principle.</p> <p>The evidence suggests food issues are not being considered systematically or consistently by public bodies individually or by public service boards, although there are some good examples of practice.</p> <p>The response to recommendation 16 includes reference to local food partnerships and the socially responsible procurement duty which are both potential means to increase emphasis on food sustainability at local levels. The Welsh Government is also mindful of the potential relevance to this recommendation of the Future Generations Wales Commissioner “listening exercise” to inform his priorities and the work of the Wales</p>

	<p>Net Zero 2035 Challenge Group. These may indicate whether revision of the FGW Act indicators and milestones would encourage more focus on food sustainability.</p>
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Paul Davies MS
Chair, Economy, Trade, and Rural Affairs Committee

12 July 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 10 July 2023, we considered the UK/Switzerland: Agreement on Recognition of Professional Qualifications. This agreement provides a framework for the mutual recognition of professional qualifications in the UK and Switzerland.

During our consideration of the agreement, we agreed to draw it to the attention of your Committee and the Children, Young People and Education Committee, for information.

We are also writing to the Welsh Government to seek its view on the relationship, if any, between implementing international obligations and the Sewel Convention, in light of the Senedd having refused consent for the parent legislation that is being considered for the implementation of this agreement.

Our latest report is enclosed for your information.

Yours sincerely,

Huw Irranca-Davies

Huw Irranca-Davies

Chair



International agreements

Agreements considered on 10
July 2023

July 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 10 July 2023¹, we considered two international agreements that had recently been laid in the UK Parliament:
 - [UK/Switzerland: Agreement on Recognition of Professional Qualifications](#)
 - [Council of Europe Convention on an Integrated Safety, Security and Service Approach at Football Matches and Other Sports Events](#)
6. We agreed to take further action in relation to both of the agreements; further details are set out below.

¹ [Legislation, Justice and Constitution Committee, 10 July 2023](#)

2. Agreements requiring further action

UK/Switzerland: Agreement on Recognition of Professional Qualifications

- 7.** This international agreement was laid in the UK Parliament on 20 June 2023, having been signed on 14 June. Its scrutiny deadline, as required by the CRaG Act 2010, is 6 September 2023.
- 8.** The UK and Switzerland both have high professional standards and similar recognition of professional qualifications systems. This agreement provides a framework for the mutual recognition of professional qualifications in the UK and Switzerland.
- 9.** The purpose of the agreement is to ensure that professionals with qualifications obtained in the UK seeking to practise a regulated profession in Switzerland (and vice versa) can access a “smooth and transparent system to have their professional qualifications recognised”².
- 10.** The arrangements for the movement of persons to supply services is being temporarily governed by another UK/Switzerland agreement until the end of 2025. Following discussions held by a working group established under that agreement on the recognition of professional qualifications, it has been agreed that the UK and Switzerland will move from arrangements under their services mobility agreement to a system of mutual recognition.
- 11.** This agreement also rolls over arrangements that expire on 31 December 2024 from EU legislation that apply to UK and Swiss citizens, providing long-term “certainty for professionals, businesses, consumers and investors in both countries”³.
- 12.** The agreement relates to international relations, which is a reserved matter for the purposes of Schedule 7A to the *Government of Wales Act 2006* (the 2006 Act). The Explanatory Memorandum notes that the Secretary of State for Business and Trade has overall responsibility for the UK’s policy relating to the UK’s trade relations with Switzerland and for this agreement, whilst the Secretary

² UK Government, Explanatory Memorandum: UK/Switzerland: Agreement on Recognition of Professional Qualifications, June 2023, paragraph 2.2

³ Explanatory Memorandum, paragraph 3.3

of State for Foreign, Commonwealth and Development Affairs has overall responsibility for the UK's policy relating to the UK's relations with Switzerland.⁴

13. However, the Explanatory Memorandum also notes that the agreement relates to regulatory requirements for professional qualifications, certain aspects of which are devolved to Wales (and Scotland and Northern Ireland). On that basis, the Explanatory Memorandum confirms that the UK Government consulted the Devolved Administrations on the drafting of the agreement and the relevant draft text in advance of signature.⁵

14. The Explanatory Memorandum explains that the Agreement will need to be implemented across the UK to give effect to the provisions in domestic law. The UK Government is beginning work on implementation and the Professional Qualifications Act 2022 contains powers which can be used by UK or devolved Ministers to implement international recognition agreements.⁶

15. The Senedd withheld consent to the *Professional Qualifications Act 2022* following consideration of the Welsh Government's Legislative Consent Memoranda.⁷

16. In the Legislative Consent Memorandum on the Professional Qualifications Bill (as it was in June 2021) Jeremy Miles MS, Minister for Education and the Welsh Language, expressed concerns around the linking of professional qualifications to trade policy. He expressed concerns that:

*"...decisions could be badged as "trade" rather than "professional qualification" decisions and imposed on Wales in contravention of the Sewel Convention. Whilst assurances from UK Government Ministers and published guidance state this is not the intention, this is a clear risk due to the drafting of this Bill."*⁸

17. We agreed to:

- Write to the Welsh Government requesting its view on the relationship between implementing international obligations and the Sewel

⁴ Explanatory Memorandum, paragraphs 11.1 and 11.2

⁵ Explanatory Memorandum, paragraph 10.1

⁶ Explanatory Memorandum, paragraph 5.1

⁷ [Plenary, 15 February 2023](#) and [Plenary, 5 October 2021](#)

⁸ [The Welsh Government's Legislative Consent Memorandum on the Professional Qualifications Bill](#), paragraph 38

Convention, in light of the Senedd having refused consent for the parent legislation that is being considered for this Agreement's implementation.

- Write to the House of Lords' International Agreements Committee advising that we are seeking information from the Welsh Government and will share our findings in due course.
- Draw the agreement to the attention of the Children, Young People and Education Committee and the Economy, Trade and Rural Affairs Committee for information, and copy in both committees to the correspondence described above.

Council of Europe Convention on an Integrated Safety, Security and Service Approach at Football Matches and Other Sports Events

18. This international agreement was laid in the UK Parliament on 21 June 2023, having been signed on 15 May 2019. Its scrutiny deadline, as required by the CRaG Act 2010, is 7 September 2023.

19. This Convention, also known as the "Saint-Denis Convention", is a convention of the Council of Europe, of which the UK is a founding member. The Convention places duties on Parties to prepare and deliver an integrated and balanced approach to safety, security and service in relation to football matches and other sporting events, with the aim of providing a safe, secure and welcoming environment at these events.⁹

20. The Convention was adopted in 2016 and covers aspects such as the coordination of national and local arrangements, including for private and public agencies, multi-agency emergency plans, and for the incorporation of clear policies and procedures on pyrotechnic use, violent or other prohibited behaviour and racist or other discriminatory behaviour in stadiums.

21. The Explanatory Memorandum confirms that no new legislation is required to implement the Convention's requirements, as existing legislation¹⁰ satisfies the Convention's requirements, and lists applicable legislation for England, Wales, Scotland and Northern Ireland. There are 15 applicable laws to Wales.¹¹

⁹ [UK Government, Explanatory Memorandum: Council of Europe Convention on an Integrated Safety, Security and Service Approach at Football Matches and Other Sports Events, June 2023](#), paragraphs 2.1 and 2.2, page 1

¹⁰ Existing legislation includes the Health and Safety at Work Act 1974, the Civil Contingencies Act 2004, the Police and Crime Act 2009 and the Anti-social Behaviour, Crime and Policing Act 2014.

¹¹ Explanatory Memorandum, paragraph 2.1, page 3

22. The Explanatory Memorandum states that the Convention relates to devolved and reserved matters and that the Devolved Administrations were consulted on the drafting of the Convention and the preparation of the Explanatory Memorandum.¹²

23. The Welsh Government's National Events Strategy for Wales 2022-2030 sets out its main aims for attracting and supporting major events, including sporting events, and how the government intends to achieve these. The strategy lists several major events hosted in Wales which help to deliver on its ambition to "stand out amongst the global crowd".¹³

24. We agreed to draw the agreement to the attention of the Culture, Communication, Welsh Language, Sport and International Relations Committee in the event it wishes to seek further information from the Welsh Government.

¹² Explanatory Memorandum, paragraph 7.1

¹³ The Welsh Government's National Events Strategy for Wales 2022 to 2030, June 2022

Rt Hon Mark Drakeford MS

First Minister of Wales

12 July 2023

Dear Mark,

UK/Switzerland: Agreement on Recognition of Professional Qualifications

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 10 July 2023, we considered the UK/Switzerland: Agreement on Recognition of Professional Qualifications. This agreement provides a framework for the mutual recognition of professional qualifications in the UK and Switzerland.

The agreement relates to regulatory requirements for professional qualifications, certain aspects of which are devolved to Wales. On that basis, we understand that the UK Government consulted the devolved administrations on the drafting of the agreement and the relevant draft text in advance of signature, and we welcome this engagement with the devolved governments.

We know that the *Professional Qualifications Act 2022* (the 2022 Act) contains powers which may be used by UK or devolved Ministers to implement international recognition agreements and therefore may be used to implement this agreement. You will be aware that Senedd withheld consent to the 2022 Act on two occasions, following consideration of the Welsh Government's Legislative Consent Memoranda.

We would welcome your view on the relationship, if any, between implementing international obligations and the Sewel Convention, in light of the Senedd having refused consent for the parent legislation that is being considered for this agreement's implementation.

I am copying this letter to the Children, Young People and Education Committee and the Economy, Trade and Rural Affairs Committee.

I would be grateful to receive your response by 11 August 2023.

Yours sincerely,

Huw Irranca-Davies

Huw Irranca-Davies

Chair





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

SeneddLJC@senedd.wales

07 August 2023

Dear Huw,

I am writing in response to your letter of 12 July about the UK-Switzerland Agreement on Recognition of Professional Qualifications.

Only the UK Government has the power to enter into international agreements which bind the whole of the UK, as this function is reserved under paragraph 10(1) of schedule 7A of the Government of Wales Act 2006 (GOWA). However, the Senedd has the power to pass laws relating to the observation and implementation of international obligations, as paragraph 10(3) of schedule 7A of GOWA excludes these functions from the reservation in paragraph 10(1).

This means the Welsh Government and the Senedd both have legitimate and crucial interests in the negotiation and terms of any international agreements that require implementation in devolved areas.

The Welsh Ministers remain consistently opposed to the inclusion of concurrent powers such as those in the Professional Qualifications Act 2022. The UK Government's approach in taking these powers is wholly inappropriate and disrespectful to the principle of devolution.

The Senedd did not give its consent to the Professional Qualifications Act, however the relevant executive functions now sit with Welsh Ministers. The Welsh Ministers therefore have the powers to make legislation under the Act to implement both it and the UK-

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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.

Switzerland Agreement on Recognition of Professional Qualifications in relation to Wales,
and will exercise those functions responsibly.

Yours sincerely,

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive, slightly slanted style.

MARK DRAKEFORD

Agenda Item 2.12

Pwyllgor yr Economi,
Masnach a Materion Gwledig

—
Economy, Trade and
Rural Affairs Committee

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Vaughan Gething MS
Minister for Economy

21 July 2023

Dear Vaughan

The Committee recently visited Ynys Môn. As part of this visit we heard about the impact the closure of the Road King HGV rest stop has had on Ynys Môn. Members heard about the impact that this closure has had on drivers, due to the substantial reduction of services for them on the island, and for the community as drivers were having to park up anywhere they could find space.

As you know, the Committee has previously made recommendations about provision of facilities for HGV drivers in Wales. Please can you update Members on the Government's progress with implementing the recommendations in the Committee's report – **A new direction for HGV Drivers**.

Kind regards,



Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English



Paul Davies MS
Chair
Economy, Trade and Rural Affairs Committee

SeneddEconomy@senedd.wales

22 August 2023

Dear Paul

Thank you for your letter of 21 July to the Minister for Economy regarding provision of facilities for HGV drivers in Wales. I am responding due to my portfolio responsibilities.

As a commercial venture, Roadking made the decision that their business on Parc Cybi was no longer viable, which was disappointing. The subsequent sale of the site to HRMC has created great concerns around HGV lorry parking in Holyhead and the Welsh Government without prejudice have operated a temporary HGV parking area on the Plot 9 site at Parc Cybi, originally constructed as a contingency parking area to help manage issues related to the EU exit.

The Welsh Government has worked with Isle of Anglesey County Council, and we remain committed to working with local authorities in exploring options to try and address/resolve the issue for those in the area for HGV rest facilities. It is not a legal requirement for Welsh Government to provide such facilities (rest areas) for HGV drivers, but it is recognised that there needs to be improved facilities and provisions made to such a vital role and part of the Welsh economy.

The Welsh Government has also made a commitment as set out in Llwybr Newydd, the Wales Transport Strategy (WTS), to develop a new Freight & Logistics Plan for Wales. The Economy, Trade and Rural Affairs (ETRA) Committees recommendations will be considered as part of that work.

Data gathering to understand the challenges faced by the industry will form a key part of the work and as outlined in our responses to the ETRA Committee we are looking to carry out an audit of rest facilities for drivers.

As you know, the Roads Review was published in February 2023. It recommended pushing ahead with the Freight and Logistics Plan but also recommended more active engagement with the freight transport industry, particularly in problem identification. The review stated

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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.

that greater attention should be given to concerns of the road haulage sector in relation to provision of suitable lay-bys, parking facilities and rest areas for HGV drivers.

The Welsh Government is acutely aware of the challenges faced by the industry and is actively engaged with the Road Haulage Association and Logistics UK. Both organisations and their members are keen to contribute to the Plan, which my officials will be progressing later this year.

We are currently supporting HGV drivers through our ReAct+ programme, which can provide individuals with a vocational training grant of up to £1500. The grant can be used to help with the acquisition of lorry licences and associated qualifications such as the Driver Certificate of Professional Competence (DCPC). The grant can also be used to fund refresher training for lorry drivers who wish to re-enter the sector and provide a contribution towards wages to employers in the private sector who recruit an eligible worker.

Our Personal Learning Accounts (PLA) programme also provides free courses and qualifications to help employed people to upskill or reskill into priority sectors to improve their career and earnings prospects. Additional PLA funding of £10m million was allocated to address key skills and workforce shortages, more than £3 million of which was targeted at training over 850 HGV drivers. We are also working with Careers Wales to promote HGV driving as a career.

Driving Goods Vehicles Apprenticeships provide the road transport industry staff with knowledge and qualifications to support a career path in the industry by underpinning HGV training. For example, providing training on maintaining the integrity of load and vehicle by applying correct procedures for restraint, road, health and safety including shipping, removals, import/export, freight, hazardous goods, and food. Welsh haulier employers are also able to access the apprenticeship programme to train and upskill vehicle technicians to keep their fleet on the road – a need which the RHA has recently highlighted.

The most recent information we have suggests a shortfall of approximately 50,000 - 60,000 HGV drivers which has reduced from over 100,000 during the pandemic which demonstrates some of positive impact these schemes have had on driver shortages.

In the longer term, there is an opportunity to reverse the problems that have been building in the industry over many years and to create a more sustainable and resilient sector that offers fairer pay and working conditions for drivers.

Any future investment into the industry will be subject to funding availability from our annual budget settlement.

Yours sincerely



Lee Waters AS/MS

Y Dirprwy Weinidog Newid Hinsawdd
Deputy Minister for Climate Change

Agenda Item 2.13

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

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

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Mr William Wrag

Chair

The Public Administration and Constitutional Affairs Committee

House of Commons

11 August 2023

PACAC Inquiry: Devolution Capability in Whitehall

Dear Colleague

I am writing in my capacity as Chair of the Senedd's Economy, Trade and Rural Affairs Committee to respond to the Committee's current inquiry into **Devolution Capability in Whitehall**. In particular I thought it would be useful to provide your Committee with a perspective on our engagement with UK Ministers and civil servants on issues within our Committee's remit.

The Committee's role is to hold the Welsh Government to account. But there are occasions where scrutiny of devolved responsibilities necessitates examining matters that are reserved, or where the Welsh and UK Governments should be working closely together, and where the decisions taken and the direction and pace of policy-making at UK level is pertinent to our work. Examples include: post-EU regional development funding; research and innovation; agricultural support; the operation of Common Frameworks; trade policy; border control posts and freeports; City and Growth Deals and regional investment more generally; and animal health and welfare. This is certainly not an exhaustive list.

On such occasions it is helpful not only to seek answers from the Welsh Government but also information and views from UK Ministers, and/or briefing from UK Government officials. Historically we have had limited success with such approaches, a problem which is shared across Senedd Committees.

In 2021 I wrote to Paul Scully MP, the Minister for Small Business, Consumers and Labour Markets in the Department for Business, Energy and Industrial Strategy, concerning the policy development process around the Subsidy Control Bill, on which the Committee had issued a legislative consent **report**. No response to that letter was received. We have however had positive and proactive engagement with the non-ministerial government department the Competition and Markets Authority, which operates the Subsidy Advice Unit, as well as with the non-departmental public body the Trade Remedies Authority who have met with committee officials and me, and also offered a range of support for our work.

In May 2022 the Committee **wrote to the UK Minister for Transport**, Grant Shapps MP, seeking clarification on devolved versus reserved responsibilities for funding much-needed improvements to HGV rest stop facilities. This followed an inquiry into **HGV Driver Shortage and Supply Chain Issues**. The Committee also corresponded with Welsh Ministers, which provided some clarification, but no reply was ever received from the UK Transport Minister.

This year the Committee was disappointed that, despite several approaches via different channels since March, we were unable to take oral evidence from any UK Minister or Deputy Minister on the Levelling Up agenda and development of the Shared Prosperity Fund. The delay in the Parliamentary Under-Secretary of State subsequently providing limited **written evidence** in June did not allow proper interrogation of important issues arising from this inquiry.

Conversely I was pleased recently to receive a prompt and positive response to a request for a Cabinet Office Minister to discuss the development of Border Control Posts and the Target Operating Model with us, given that trade through Welsh ports is such a critical issue. Although we have at time of writing not secured a date for discussion, the willingness of Baroness Neville-Rolfe to engage with my Committee and be flexible about dates is very much welcomed.

During general scrutiny sessions with Welsh Ministers and their officials, Members regularly ask about engagement with UK Ministers and officials on reserved issues that impact on the Welsh economy. In many cases Welsh Ministers report close and constructive engagement with Ministerial counterparts and official-to-official. But there can be sticking points, for example when engagement and information-sharing is not timely or forthcoming at all, or where Wales-level data is not made available, e.g. to allow the Welsh Government to fully evaluate the impact of post-EU trade deals for Wales.

The development of Freeports has recently been held up as an example of good constructive engagement, but this does not appear to be a consistent position across all policy areas and Whitehall departments. Any lack of understanding in Whitehall of the Welsh context, and the importance of early engagement with the devolved administrations, will be detrimental to sound

policy development and implementation. The design and delivery of post-EU funding programmes is an obvious example, on which the Committee will shortly issue a **report** outlining its concerns.

Thank you for the opportunity to engage with your important inquiry. We look forward to reviewing your findings and the UK Government's response to them.

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 'D'.

Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English



People's Plan For Nature

Annwyl Mr Davies,

Ym mis Mawrth eleni, fe wnaethom ni – sampl cynrychioliadol demograffig o 103 o ddinasyddion y DU – gyhoeddi ein 'Cynllun Natur y Bobl', a gafodd ei greu drwy gynulliad dinasyddion. Gallwch ddarllen adroddiad llawn y cynllun a'r broses [yma](#) neu ceir crynodeb ohono [yma](#).

Yn gryno, ar ôl clywed gan academyddion, ffermwyr, ecolegwyr, y diwydiant pysgota, archfarchnadoedd, grwpiau cymunedol ac elusennau ac ymgynghori am 36 awr, fe wnaethom greu 26 o Alwadau i Weithredu i'w gwneud gan lywodraethau, busnesau, cyrff anlywodraethol a chymunedau i fynd i'r afael â'r argyfwng natur.

Rydym yn ysgrifennu atoch yn awr fel Cadeirydd Pwyllgor yr Economi, Masnach a Materion Gwledig yn y Senedd i ofyn i'r pwyllgor archwilio ac ymateb i'r cynllun. Mae llawer o'r camau gweithredu yn y cynllun yn targedu Llywodraethau Cenedlaethol – credwn, felly, fod ymatebion arweinwyr gwleidyddol yn hanfodol.

Mae hwn yn wahoddiad i fyfyrion ar ein Galwadau i Weithredu, ac i fanteisio ar y cyfle i rannu eich safbwynt arnynt, yn ogystal â'ch gweledigaeth a'ch ymrwymiad i gydweithio i fynd i'r afael â'r argyfwng natur. Mae rhywfaint o ganllawiau ar sut i ymateb ar gael [yma](#), ond hoffem i ymatebion ganolbwyntio ar weithredu, gydag amserlenni clir a sut rydych chi'n bwriadu ymgorffori atebolrwydd yn eich cynlluniau.

Cynllun Natur Y Bobl

People's Plan For Nature

Er gwaethaf y bygythiad difrifol i'n hanghenion dynol sylfaenol – ein diogelwch bwyd, ein lles, ein mynediad at aer a dŵr glân – nid yw'r ymateb i'r argyfwng natur yn y DU wedi cyrraedd graddfa'r her. Felly, er bod rheoliadau, fframweithiau ac ymdrechion hirsefydlog ar waith, y canlyniad yw nad ydym yn gwneud digon i fynd i'r afael â'r bygythiadau sy'n wynebu byd natur. Mae hon yn alwad gan ddinasyddion y DU i newid hynny.

Fe wnaethom ddysgu yn ystod Cynulliad Natur y Bobl bod cyfleoedd i ddiogelu ac adnewyddu byd natur – bod yr adnoddau sydd eu hangen arnom yn bodoli. Dim ond angen eu defnyddio sydd. Mae ein Galwadau i Weithredu wedi cael eu datblygu gan drawstoriad o bobl o bob cefndir, ac o'r herwydd, maent yn bragmatig a gallent fod yn boblogaidd iawn. Mae eich ymateb didwyll i'n Cynllun yn hanfodol i barhau â'r sgwrs hon ac i ddod ag egni newydd i'r frwydr hon – y bwysicaf yn ein bywydau. Rydyn ni'n bwriadu ailgynnull y cynulliad yng ngwanwyn 2024 er mwyn adolygu'r ymateb i Gynllun Natur y Bobl ac asesu cynnydd – byddem wrth ein bodd pe bai eich ymateb yn rhan o hyn.

Anfonwch eich ymateb at hello.peoplesplanfornature.org – a byddem wrth ein bodd yn trafod Cynllun Natur y Bobl gyda chi ar adeg sy'n gyfleus i chi.

Yn gywir,

Cynulliad Natur y Bobl

Dear Mr Davies,

In March this year, we – a demographically representative sample of 103 UK citizens – published our 'People's Plan for Nature', created through a citizen's assembly. You can read the full report of the plan and the process [here](#) or a summarised version [here](#).

In short, after hearing from academics, farmers, ecologists, the fishing industry, supermarkets, community groups and charities and deliberating for 36 hours, we created 26 Calls to Action for governments, businesses, NGOs and communities to take to address the nature crisis.

We are writing to you now as Chair of the Senedd Economy, Trade and Rural Affairs Committee to ask that the committee examines and responds to the plan. Many of the actions in the plan are targeted at National Governments – we believe, therefore, that the responses of political leaders are crucial. This is an invitation to reflect upon our Calls to Action, and to take the opportunity to share your stance on them, as well as your vision and commitment to working together in addressing the nature crisis.

Some guidance on how to respond is available [here](#), but we'd really like responses to be action-focused, with clear timelines and how you intend to build accountability into your plans.

In spite of the serious threat it poses to our basic human needs – our food security, our wellbeing, our access to clean air and water – the response to the nature crisis in the UK has not met the scale of the challenge.

So while there are long-standing regulations, frameworks and efforts in place, the result is that we are simply not doing enough to tackle the threats facing nature. This is a call from UK citizens to change that.

We learned over the course of the People's Assembly for Nature that there are opportunities to protect and renew nature – that the tools we need exist. They just need to be used. Our Calls to Action have been developed by a cross-section of people from all walks of life, and as such, are pragmatic and potentially widely popular. Your authentic response to our Plan is vital in continuing this conversation and to bring renewed energy to this, the fight of our lives. We are planning to reconvene the assembly in Spring 2024 to review the response to the People's Plan for Nature and assess progress – we'd love for your response to be part of this.

Please send your response to hello@peoplesplanfornature.org – and we'd be delighted to discuss the People's Plan for Nature more with you at your convenience.

Yours,

The People's Assembly for Nature

The People's Assembly for Nature

25 August 2023

People's Plan for Nature

Thank you for your letter of 16 August, sent to me as Chair of the Senedd's Economy, Trade and Rural Affairs Committee and seeking a response to the People's Plan for Nature.

The Committee's role is to scrutinise the policies of the Welsh Government and hold it to account. In the course of that scrutiny work the Committee considers how Welsh Government's policies are taking account of the nature emergency declared by the Senedd on 30 June 2021, and achieving the goals set out in the Well-being of Future Generations (Wales) Act 2015.

Recent examples of this include our legislative scrutiny of the Agriculture (Wales) Bill, now the Agriculture (Wales) Act 2023, as it progressed through the Senedd. We considered how its sustainable land management (SLM) principles can secure economic resilience of Welsh farming communities, assist nature recovery and protect biodiversity. We engaged with a wide range of stakeholders, including those organisations powering the People's Plan for Nature, and worked in close partnership with Members of the Senedd's Climate Change, Environment and Infrastructure Committee (CCEI).

Our recommendations on the general principles of the Bill can be found on our website. In particular Recommendation 7 invited the Minister to consider stakeholder views on changes to the wording of the Sustainable Land Management objectives, with Recommendation 8 asking the Minister to consider including nature recovery more explicitly in the wording of the Bill. Recommendation 12 sought clarity on there being no hierarchy between the objectives, and to tie them more closely to the wording of the Well-being of Future Generations (Wales) Act 2015. The Committee also sought more clarity on the Minister's intentions with National Minimum Standards and the regulatory baseline for the agricultural sector (Recommendation 4). The Welsh Government's response to the report set out its position on each of the recommendations.



The Committee also scrutinised the Food (Wales) Bill. The general principles of this Members' Bill were not agreed by the Senedd, but regardless of this, the Committee made strong recommendations to Welsh Government on its approach to national food policy and strategy. In particular Recommendation 2 called on the Welsh Government to improve its approach to the food system by ensuring policies are joined-up and complementary, and Recommendation 8 called for 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. This is 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 Welsh Government responded to the report recommendations in May 2023.

In our general scrutiny sessions with the Minister for Rural Affairs and North Wales, and Trefnydd, we regularly raise questions about matters raised by the People's Plan for Nature including on food production and consumption, nature-friendly farming, fisheries and protection of waterways from agricultural pollution. We consider sustainable development in the round as part of our work, including in our annual budget scrutiny sessions, where again the goals of the Wellbeing of Future Generations (Wales) Act 2015 are front and centre.

Our regular engagement with stakeholders includes most recently a series of meetings at the Royal Welsh Show. Since it was established in 2021, the Committee has visited a number of farms, including one run by a member of the Nature Friendly Farming Network, and visited the Gelli Aur campus at Coleg Sir Gâr to view technological developments to minimise agricultural pollution.

The cross-party nature of the Committee's membership is one of its strengths, and is important for driving forward change. The cross-over with the remits of other Senedd Committees, such as the Climate Change, Environment and Infrastructure Committee, are also taken into account when planning the work programme, and our consultations are transparent and public as our work relies on a strong body of evidence.

Kind regards,



Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English



22nd August 2023

Mr Paul Davies MS
Chairman – Economic, Trade & Rural Affairs Committee (ETRA)
Welsh Parliament
Cardiff Bay
Cardiff,
CF99 1SN

Dear Paul,

DEPOSIT RETURN SCHEME (DRS): INCLUSION OF GLASS

I am writing to you as Chairman of the Economic Trade & Rural Affairs (ETRA) committee with regards to the Wales Deposit Return Scheme (DRS). We are fully committed to a successful launch of this landmark environmental initiative, but we urge the Welsh Government to keep all glass packaging as a kerbside scheme. Wales, as you know, is already a world leading glass recycling nation.

Minimising waste and preventing litter through the promotion of a circular economy is a key priority for our industry. Our members fully support this goal and are very supportive of the introduction of DRS for some time. A consistent message from industry has been to reduce the complexity for businesses and consumers, and for all DRS schemes across the UK to be aligned and interoperable. Our businesses need to understand what is required of them to comply with DRS requirements, and that the scheme is simple, seamless, and incentivising for consumers to engage with.

We have been heartened by the recent 4 nations interoperability workshop with officials working together on shared environmental goals. However, given the significant border between Wales and the rest of the UK, the difference in the scope of DRS materials raises serious questions, amongst other things, about labelling and logistics. Excluding glass would reduce the complexity and cost of the schemes for consumers, producers, and retailers, as well as diminishing the risk of fraud.

Our vision is that any plastic or metal drinks container bought anywhere in the UK by anyone, can be returned to be recycled. We are keen to work closely with the Welsh Government to achieve this and to ensure that Wales is at the forefront of the circular economy. Having different materials being included in the Welsh DRS would, in our view, increase complexities and cost, including specific labelling and/or demarcation. This would mean many businesses, particularly smaller ones, not been able to trade across the United Kingdom. Other unintended consequences could be that producers withdraw products from uneconomic markets, switch to plastic packaging, and that certain beverage products might no longer be sold across the UK nations.

This is big moment for drinks producers and consumers alike as we transition to a circular economy and link up the first part of the supply chain with the final part of the consumer experience. We need to get it right. The prospect, however, of having multiple, diverging schemes across the UK, and the myriad of challenges that would involve, could force many drink businesses in Wales to make tough decisions. Our industry has consistently raised the issue of additional complexities and costs and the impact this could have on business. I should be grateful to know, therefore, whether the Welsh Government has conducted a full economic impact assessment of their planned Wales DRS scheme and the affects it could have on the Welsh economy.

Should you, or any other members of the ETRA committee, wish to discuss this further with the Food & Drink Federation, I would be happy to arrange a meeting.

I look forward to hearing from you.

With regards

David

David Harries OBE
Head, FDF Cymru
Telephone: 07592-588296
E-mail: David.Harries@fdfcymru.org.uk

Julie James MS

Minister for Climate Change

04 September 2023

Deposit return Scheme (DRS): Inclusion of glass

Dear Julie,

Please find enclosed correspondence received from the Food and Drink Federation Cymru, noting work being done on the interoperability of the DRS schemes in different parts of the UK, but setting out serious concerns about the possible economic impact of the inclusion of glass in the planned Deposit Return Scheme in Wales.

In particular FDF Cymru are asking whether Welsh Government has conducted a full economic impact assessment of the plans and the effect it could have on the Welsh economy. The Committee would be very grateful if you could address this question and confirm what assessments have been made, what effect you think the plans could have on Welsh businesses and the Welsh economy, and what actions are planned to mitigate any negative impacts. The Committee would also welcome being kept updated on the status of implementation plans for the DRS in Wales.

Kind regards,



Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

CC: Llyr Gruffydd, Chair, Climate Change, Environment and Infrastructure Committee

We welcome correspondence in Welsh or English



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref VG-PO-0288-23

Paul Davies MS
Chair
Economy, Trade and Rural Affairs Committee
SeneddEconomy@senedd.wales

29 August 2023

Update on the Border Target Operating Model (BTOM)

Dear Paul,

When I wrote to you on 24 July, I explained that we were anticipating an announcement from the UK Government on the Border Target Operating Model (TOM) in the next week or so, but it was subsequently delayed.

I am pleased to confirm that the document has at last been published, and it is available on the UK Government website <https://www.gov.uk/government/publications/the-border-target-operating-model-august-2023>. As promised, I have also issued a Written Ministerial Statement.

Agreeing the TOM has taken months of collaborative work between officials across the different governments. As I set out in my WMS, there are clear benefits from having a coherent regime across Great Britain - not only in the interests of our collective biosecurity, but also in avoiding unnecessary complications for traders.

As a result of our involvement, we have developed a model which works for Wales. I was particularly pleased to secure agreement from the UK Government to modify the definition of Qualifying Northern Ireland Goods (QNIGs), to reduce the incentive for traders to seek to avoid SPS controls by moving goods to Great Britain from the island of Ireland via Northern Ireland. This should significantly improve biosecurity and reduce the risk of trade being diverted away from Welsh ports. Of course, there remains more to be done, and we will continue to work collaboratively to reduce the remaining biosecurity risks, most notably from the import of commercial pets from the wider European Union.

I have repeatedly emphasised the need for controls on the west coast to be decided in the round. I will be discussing the start date for ID and physical checks with colleagues in the next month or so and will update you as soon as possible.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

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CF99 1SN

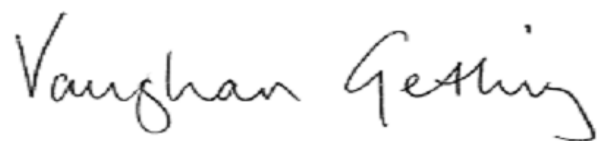
Gohebiaeth.Vaughan.Gething@llyw.cymru
Correspondence.Vaughan.Gething@gov.wales

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.

In the meantime, now that the TOM has been published, we can turn our attention more fully to the delivery plans for the Border Control Posts at Holyhead, Fishguard and Pembroke Dock.

Yours sincerely,

A handwritten signature in black ink that reads "Vaughan Gething". The signature is written in a cursive style with a prominent initial 'V'.

Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy



Llywodraeth Cymru
Welsh Government

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

SeneddEconomy@senedd.wales

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

SeneddLJC@assembly.wales

5 September 2023

Dear Paul, Huw

I wanted to let you know, in line with the inter-institutional relations agreement, that a meeting of the Inter-Ministerial Group for Trade is scheduled for Thursday 7 September 2023.

The agenda will cover the ongoing negotiations with India and Canada as well as a discussion around the UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

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.

Ein cyf/Our ref: MA/FM/2168/23

Llywodraeth Cymru
Welsh Government

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

Delyth Jewell MS
Chair of the Culture, Communications, Welsh Language, Sport, and International Relations Committee

5 September 2023

Dear Huw and Delyth

I would like to thank you both, as well as the members of the Culture, Communications, Welsh Language, Sport, and International Relations Committee (CCWLSIRC) and the Legislation, Justice and Constitution Committee (LJCC) for considering the two Legislative Consent Memoranda laid in respect of the Data Protection and Digital Information (No. 2) Bill ('the Bill').

I appreciate the Committees detailed consideration of the issues relating to what is a very broad and complex piece of UK Government legislation. I have considered the conclusions in the two reports and have responded to the recommendations below (to note I have used clause references from the Bill as amended in Public Bill Committee, dated 9 June).

Legislative consent

I am pleased that both Committees are of the view that the following provisions fall within a purpose within the legislative competence of the Senedd, under Standing Order 29, and therefore require the consent of the Senedd:

- clauses 65-81 Customer and Business Data (clauses 61 to 77 as introduced);
- clause 98 Disclosure of information to improve public service delivery to undertakings (clause 92 as introduced);
- clause 99 Implementation of law enforcement information-sharing agreements (clause 93 as introduced);
- amendment 46 change to clause 65 customer data and business data (clause 61 as introduced); and,
- amendments 8-16, along with Amendment NC5, in relation to clause 99 (clause 93 as introduced), clause 115 Regulations (clause 108 as introduced), and the meaning of "appropriate national authority".

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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.

I note that both Committees believe that consent is not required for clauses 56 and 60 (clauses 54 and 56 as introduced) and Amendment NC3 (now clause 58) on the basis that the provisions are not within the legislative competence of the Senedd. However, I remain of the view that these provisions are within legislative competence. The purpose of the power conferred on public authorities under clauses 56 and 60 is to facilitate the provision of Digital Verification Services (DVS) in order to improve the service offered to the user. I do not consider that the telecommunications reservation applies to material that is transmitted but rather relates to the means by which communications are transmitted. As such, I am of the view that clauses 56 and 60 relate to devolved matters of public services, economy and business and therefore fall within the legislative competence of the Senedd.

EU-UK relations & Data adequacy

In terms of the UK retaining EU data adequacy, we share the same concerns that provisions within the Bill may pose a risk to this. I also note that both Committees have highlighted compliance with the Trade and Co-operation Agreement (TCA), which places duties on matters covered by the Bill, as a further matter of concern.

In line with both Committees, we do not consider the risk around data adequacy to be an issue for trade only. Being granted adequacy by the EU means that the UK is recognised as having an equivalent level of protection for personal data as the EU, enabling personal data to flow freely between the EU and the UK, supporting both public services as well as private businesses.

We have of course considered the impact of the Bill on the TCA and our view is that the Bill's provisions on the transfer of personal data to third countries comply with the TCA's provisions, which are very brief and high-level.

Use of powers

I note that the LJC Committee would have found it helpful if the reference to the use of the pre-existing Henry VIII power contained within clause 98 of the Bill (clause 92 as introduced) had been included in the original memorandum.

I also note the LJC Committee's views on both the use of concurrent plus powers and the implementation of international healthcare agreements and how this could be reapplied to international agreements whose implementation falls within devolved competence.

Recommendations

In addition to setting out the conclusions reached by the Committees, the reports also set out a series of recommendations and my response to each of these is set out in the table below:

CCWLSIRC Recommendation

In light of the potential risks outlined by the Welsh Government to the UK's EU data adequacy decision, we call on the Welsh Government to provide regular updates to the Committee on the Bill's impact on UK-EU relations, including intergovernmental discussions on the Bill as it progresses through the UK Parliament and on an ongoing basis should it be enacted.

Response: I will continue to provide updates on the potential impact of the Bill on EU-UK relations through the LCM process, in particular regarding concerns around the EU's data adequacy decision, until such time that I am content that the Bill will not impact on EU data adequacy.

LJCC Recommendation 1. The First Minister should provide an update to this Committee and to the Senedd by 6 September 2023 or in the laying of

any next supplementary legislative consent memorandum, whichever is the earlier, on the Welsh Government's consideration of the devolved implications of a UK-wide Code of Practice about the disclosure of information and the powers provided to the Secretary of State in relation to clause 56 of the Bill (as introduced; now clause 60 in the Bill as amended in Public Bill Committee).

Response: My officials are continuing to consider the impacts and suitability of this clause for Wales and Welsh public bodies and are in ongoing discussions with UK Government counterparts. I will provide an update of the outcome of those discussions through the LCM process.

LJCC Recommendation 2. The First Minister should provide an update to this Committee and to the Senedd by 6 September 2023 or in the laying of any next supplementary legislative consent memorandum, whichever is the earlier, on the Welsh Government's consideration of the devolved implications of the regulation making powers in clauses 61 to 77 of the Bill (as introduced; now clauses 65 to 81 in the Bill as amended in Public Bill Committee).

Response: My officials are continuing to consider the suitability of regulation making powers and are in ongoing discussions with UK Government counterparts. I will provide an update of the outcome of those discussions through the LCM process.

LJCC Recommendation 3. Where the Welsh Ministers do not make regulations to implement international agreements, and powers to do so are instead exercised by the Secretary of State, the Welsh Ministers must provide full detail and an explanation to the Senedd in advance of such regulations being made by the Secretary of State.

Response: Should this occur, the Senedd will be updated through the usual process.

LJCC Recommendation 4. The First Minister should provide an update to this Committee and to the Senedd by 6 September 2023 or in the laying of any next supplementary legislative consent memorandum, whichever is the earlier, on the Welsh Government's consideration of clause 36 of the Bill (as introduced; now clause 38 in the Bill as amended in Public Bill Committee).

Response: My officials are exploring the background and rationale behind clause 36 with UK Government to inform our position, and this is a matter of ongoing discussions. I will provide an update of the outcome of those discussions through the LCM process.

LJCC Recommendation 5. We support the Welsh Government's request to the UK Government that it should share a copy of its risk assessment on the Bill and the loss of the adequacy decision as a matter of urgency.

Response: We will continue to raise the issue of the potential impact of the Bill on EU data adequacy (as set out in my response to recommendation 6).

LJCC Recommendation 6. Given the concerns regarding the potential risk of loss of adequacy, the First Minister should escalate this issue to Ministerial level discussions as opposed to discussion at official level.

Response: Welsh Ministers have already raised our concerns with UKG Ministers around the impact of the Bill on the retention of EU data. We will continue to raise the issue at both official and Ministerial level.

LJCC Recommendation 7. The First Minister should provide to this Committee by 6 September 2023 or in the laying of any next supplementary legislative consent memorandum, whichever is the earlier, the Welsh Government's view on the Bill as it relates to compliance under the Trade and Cooperation Agreement.

Response: The digital trade provisions in the TCA are very brief and high level. Article 202 covers the protection of personal data and privacy in relation to digital trade. Our view is that the Bill's provisions on the transfer of personal data to third countries comply with the TCA.

Part Three of the TCA forms the basis of cooperation between the UK and the EU on law enforcement and judicial cooperation in criminal matters. This allows the UK continued access to EU databases covering fingerprints, DNA and criminal records. This cooperation between the UK and EU on law enforcement matters is crucial for the safety and security of people in Wales.

It is welcome that the maintenance of high standards of personal data protection form a basis for current and future UK-EU cooperation, as this should motivate the UK Government to maintain the standards of data protection citizens in Wales should expect to see. High standards of personal data protection should reduce the potential risk of the EU not being satisfied with UK standards of personal data protection and potentially terminating the TCA agreement on these grounds.

I agree with the Committee's view that there should be high standards of data protection as this underpins international law enforcement cooperation. People in Wales have the right to be confident and secure about how their personal data is used, including for law enforcement purposes. We will continue to emphasise this in our liaison with the UK Government on the Bill.

I am copying this letter to the Minister for Economy, Minister for Finance and Local Government, Minister for Social Justice, and the Counsel General. A copy of this letter will also be sent to all Members, and the Economy, Trade and Rural Affairs Committee.

Yours sincerely



MARK DRAKEFORD

Agenda Item 3

Document is Restricted




Tyfu
Canolbarth Cymru
Growing
Mid Wales

MID WALES GROWTH DEAL

**Written Evidence for the Welsh Parliament's
Economy, Infrastructure and Skills Committee**

13 September 2023

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FOREWORD

The Mid Wales Growth Deal has achieved significant progress over the last 2 years since the last meeting of the Welsh Parliament's Economy, Infrastructure and Skills Committee on the 3rd of March 2021, with August 2023 seeing the first tranche of funding being released to the region to begin delivering its Portfolio.

Both of us are new incoming Leaders since the 2021 elections and we felt it critically important that we continued the strong history of joint working we have between Ceredigion and Powys. We knew we were building on a strong foundation of collaboration and commitment across Mid Wales – all of us, from the private sector to our local communities want to see a more prosperous future for the Mid Wales economy. In all our conversations since we were elected as Leaders there has been a common thread, the need to seize every opportunity to create positive changes – using all channels and methods at our disposal.

We are both clear that there is strong value in collaboration, across sectors and across the geography of Mid Wales. As articulated in our [Vision for Growing Mid Wales](#), we have a range of challenges in the region – but we have opportunities. Some of these can only be addressed through sustained and long-term strategic partnership intervention.

Partnership working in Mid Wales has progressed considerably since the Growing Mid Wales Partnership was formally established in 2015 – from delivering the Mid Wales Growth Deal to collaborating on the UK Shared Prosperity Fund, establishing a new Regional Skills Partnership and more recently progressing arrangements for the Mid Wales Corporate Joint Committee. In addition to this, both Local Authorities have been delivering more localised funding via Levelling Up to support more local and place-based interventions. We have been able to work maturely and strategically within our existing arrangements to ensure strategic alignment and co-ordination whilst ensuring local determination.

We are also clear that the journey ahead of us will continue to produce both new challenges to overcome and opportunities to develop. We now have the considerable potential of delivering significant regional financial investment via the Growth Deal and the UK Shared Prosperity Fund. This will strengthen and utilise our Regional Skills Partnership and implement the transition of our regional governance and decision-making arrangements to accommodate the Corporate Joint Committee.

We are confident that Mid Wales has the political and organisational maturity to respond to these challenges. Throughout, we have been determined to take a pragmatic and practical approach to progressing our strategy, governance, resourcing, and resulting activity – and will be looking forward to working with both Governments to continue to ensure that we collectively work to grow Mid Wales together.



Cllr Bryan Davies, Leader of Ceredigion County Council



Cllr James Gibson-Watt, Leader of Powys County Council

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1. BACKGROUND

The Mid Wales Growth Deal has been thoroughly scoped and planned in iterative stages, following advice and input from both UK and Welsh Government.

The Mid Wales Growth Deal (MWGD) was initially scoped and planned from a Strategy, the [Vision](#) for Growing Mid Wales – which set out the wider context and needs of Mid Wales beyond the Growth Deal.

Heads of Terms were agreed in December 2020 with both Governments on the framing and broad scope of the MWGD.

Throughout 2021, we set about developing the Strategic Portfolio Business Case – which, following Government guidance and best practice, needed to be completed before commencing Programme and Project Development. This led to the approval and agreement of the Final Deal Agreement in January 2022 – which confirmed the scope of the Portfolio – including two indicative Programmes and nine standalone Projects.

Throughout the summer and autumn of 2022 projects submitted their Strategic Outline Cases (SOCs) which have been assessed and approval given for 6 projects to proceed to development of their Outline Business Cases with 2 required to re-submit their SOC. One further project is looking to progress from feasibility to SOC in Autumn 2023. Progress has also been made on the two programmes (Digital, and Sites and Premises).

The Strategic Portfolio Business Case (SPBC) is a live document, that is formally updated every year. [Version 2.1 of the SPBC](#) was submitted to the Welsh City and Growth Deals Implementation Board (WCGIB)¹ in March 2023 – which then led to the first release of funding to MWGD in August 2023.

The Growth Deal continues to be a key catalyst to transform the regional economy as part of a broader funding mix and will contribute towards the delivery of the eight strategic growth priorities for the region articulated within the Vision for Growing Mid Wales – further information is set out in section 4 of this paper on this.

1.1 Investment – Scope and Objectives

Mid Wales has distinctive assets and opportunities, but we recognise that it also has significant structural weaknesses that hold it back from achieving its full potential:

- Lagging productivity
- Changing demographics
- The region's narrow and vulnerable economic base
- Projected employment decline
- Static and weakening labour market
- Market failure
- The hidden nature of a rural economy

¹ The formal governance board established between UK and Welsh Government to oversee the Welsh City and Growth Deals.

The key headline direct and indirect benefits that the Growth Deal is expected to contribute towards are:

- Growth in regional prosperity
- Creation of better-quality jobs for the local labour market
- A more skilled workforce within the region
- Improvements in standards of living across the region

The following indicative investment objectives were developed for the Mid Wales Growth Deal through the development of the Strategic Portfolio Business Case v1.0 which states that by 2032 the Growth Deal aims to deliver:



Table 1: Indicative Net Additional Economic Benefits taken from the Strategic Portfolio Business Case v2.1 (March 2023) – Note: *GVA is cumulative over a 10-year persistence period and expressed in 2022/23 prices, discounted, FTE jobs are annual*

These ranged estimates were submitted to both Governments in March 2023 – with detailed calculations on the estimated costs and benefits in respect of achieving the investment objectives for the Growth Deal within the Economic Case of [v2.1 of the SPBC](#).

The calculations and figures will vary over time as the maturity of the Programme and Project Business Cases evolve and as a result, will be continually assessed to ensure that they provide the best options for the Portfolio.

In addition to the overarching aims and objectives, the Portfolio will also deliver several regional outputs and benefits such as social value and decarbonisation, which will be determined as the business cases develop.

1.2 Constraints and Dependencies

The Growth Deal is subject to a number of constraints and dependencies including the total funding package of £110m (£55m from each Government).

The funding term of the Growth Deal over 10-15 years is established – with recent conversations with Welsh Government and HM Treasury on re-profiling funds to better meet the delivery profile undertaken.

We note that Growth Deal funding is capital only – which can potentially limit the absorption of any development costs of Programmes and Projects in advance of formal development and

² Note: nominal prices, undiscounted.

³ Note that this is the cumulative total increase in GVA over the period (nominal prices, undiscounted).

delivery. This has been a significant challenge for Mid Wales to resolve. However, the region has had some support from Welsh Government to establish the Portfolio Management Office, with project sponsors utilising other funds innovatively to help progress their development.

Growth Deal is capital public funding for economic infrastructure, and therefore the Portfolio, Programmes and Projects need to follow all relevant guidance by HM Treasury and the Welsh Government (Better Business Cases – 5 Case Model). Whilst Local Authorities have had experience and knowledge in applying this methodology from Education/Economy perspectives, it has been a learning curve for external project sponsors and partners.

1.3 Collaboration

The Mid Wales Growth Deal team have worked closely with colleagues in other regions in bringing forward respective arrangements for their governance and management arrangements – and ongoing conversations around the scope and potential opportunities from their respective programmes of work. Colleagues regularly meet to discuss a range of topics to ensure sharing of best practice and co-operation on a number of mutually beneficial initiatives.

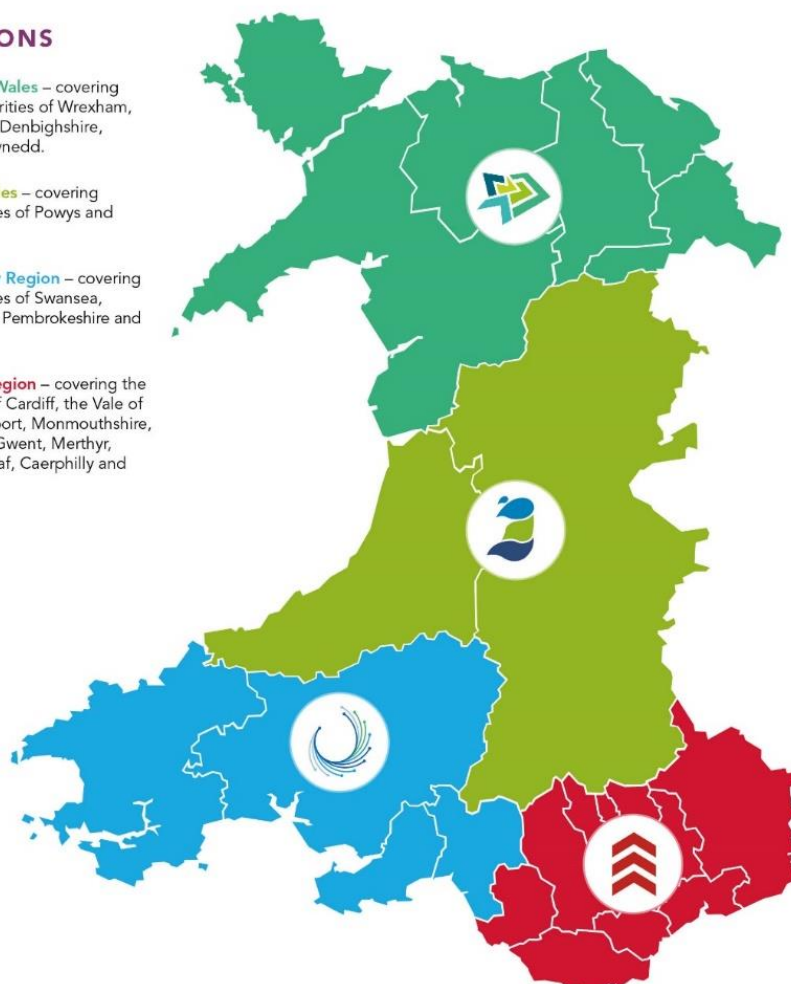
THE REGIONS

Ambition North Wales – covering the six local authorities of Wrexham, Anglesey, Conwy, Denbighshire, Flintshire and Gwynedd.

Growing Mid Wales – covering the local authorities of Powys and Ceredigion.

Swansea Bay City Region – covering the local authorities of Swansea, Neath Port Talbot, Pembrokeshire and Carmarthenshire.

Cardiff Capital Region – covering the local authorities of Cardiff, the Vale of Glamorgan, Newport, Monmouthshire, Torfaen, Blaenau Gwent, Merthyr, Rhondda Cynon Taf, Caerphilly and Bridgend.



2. THE PORTOFLIO

The Mid Wales Growth Deal Portfolio consists of the following Programmes and Projects:

Strategic Growth Priorities (as set out in the Vision for GMW)	Programme	Project	Business Case Maturity Index – August 2023
Applied Research & Innovation	-	Green Futures Innovation Park	SOC approved, OBC awaited for next stage assessment.
	-	National Spectrum Centre	SOC approved, OBC awaited for next stage assessment.
	-	Mid Wales Advanced Manufacturing Campus	Feasibility moving to SOC – submitted for assessment.
Agriculture, Food & Drink	-	Food Manufacturing Innovation Centre	SOC approved, OBC awaited for next stage assessment.
	-	Canolfan Tir Glas	Initial SOC assessed & to be resubmitted. Revised SOC awaiting assessment.
Strengthened Tourism Offer	-	Cynefin – The Green Heart of Wales	SOC approved, OBC awaited for next stage assessment.
	-	Dwr Cymru Elan Valley	SOC approved, OBC awaited for next stage assessment.
	-	Montgomery Canal Wales - Restoration to Navigation	Initial SOC assessed & to be resubmitted
	-	Aberaeron Harbour Development	SOC approved, OBC awaited for next stage assessment.
Digital	Digital Programme	Project OBCs being scoped, looking to address: <ul style="list-style-type: none"> • Hard to Reach • Mobile 	Programme - Business Case in Place Projects – scoping OBCs
Supporting Enterprise	Sites and Premises Programme	<ul style="list-style-type: none"> • 2 Strategic Sites identified • Additionally, work underway to establish need for a further intervention to address local market sites 	Programme -Business Case about to seek formal mandate. Projects – discovery phase

2.1 Projected Economic Impact

The Mid Wales Growth Deal has been developed from a Strategy, then a Portfolio initially – following Government guidance and best practice. This ensures that there is a significant body of evidence and research in determining the optimal mix of Programmes and Projects to deliver against the high-level ambitions of the Deal.

The anticipated impact and outcomes of the Deal will develop over time as the Programmes and Projects continue to develop. This is to be expected as we follow the business case process of such a large-scale Portfolio.

As set out on page 7 earlier, the MWGD Portfolio is currently a mix of developing Programmes and Projects at varying stages – and most of the economic projection and assessments are at an *indicative* stage.

The Economic Case of the MWGD Portfolio therefore establishes **indicative orders of magnitude** for benefits and value for money, expressed as ranges. This has been done using the principles contained in the HM Treasury Green Book’s Appendix A on Place-based analysis.

The following table was set out in the Strategic Portfolio Business Case (SPBC v2.1) that was submitted to both Governments in March 2023. The information and data was based on programme and project material from November 2022 – however, it represents the latest definitive view of the net additional economic benefits of the Portfolio as it stands:

Indicative Net Additional Economic Benefits (GVA is cumulative over a 10-year persistence period and expressed in 2022/23 prices, discounted, FTE jobs are annual)		
Strategic Growth Priority	GVA (£m)	Jobs Created (FTEs)
Applied Research & Innovation	£80 – 95	200 – 245
Agriculture, Food & Drink	£30 – 35	70 – 85
Strengthened Tourism Offer	£125 – 155	160 – 200
Digital	£95 – 120	280 – 340
Supporting Enterprise	£100 – 120	280 – 345
Total	£430 – 525	1,000 – 1,200

Source: Hatch calculations based on programme and project material at November 2022

Note: Figures may not sum due to rounding.

The information and projects will evolve as the Programmes and Projects mature. As they develop their proposals in more detail, they will be performing more robust economic analysis and assessments – which will improve the Portfolio’s projections.

This process is done Annually – the Strategic Portfolio Business Case is updated for the Spring of every year and is what determines the release of funding from Government.

In 2023, Mid Wales Growth Deal achieved its first release of funding from SPBC v2.1 – signalling a move into early delivery of the Portfolio.

2.2 Value for Money

As set out in SPBC v2.1, the MWGD Portfolio as it stands is expected to deliver a benefit-cost ratio (BCR) of 2.0-2.5 (or 3.9-4.8 based on Growth Deal investment only). This represents a **high to very high** value for money categorisation.

These figures will continually evolve as projects present robust estimates in the course of their own business case development. This does not include important benefits that are unquantifiable or non-monetary, such as the development of key sectors, retention of young people and rural sustainability. Full details are provided in the Economic Case of the SPBC.

2.3 Affordability Implications

The MWGD is a multi-million-pound Portfolio that represents a number of transformational opportunities to grow and drive new activity in the Mid Wales economy. It does so with the backdrop of the hugely challenging fiscal and economic climate – the committee will be well-aware of the challenges facing capital and economic infrastructure projects across the UK/the world.

The MWGD is no different, and there will be an ongoing monitoring of total capital costs across the Portfolio. Again, as the project and programme information are evolving, the current information is provided in lower and upper ranged estimates.

As before, the latest definitive position on this was set out in SPBC v2.1, based on early information as of November 2022:

Indicative Total Capital Costs, by Strategic Priority Area (£m, nominal prices, undiscounted, 2022/23 prices)		
Strategic Growth Priorities	Lower End	Upper End
Applied Research & Innovation	£93	£133
Agriculture, Food & Drink	£25	£36
Strengthened Tourism Offer	£92	£132
Digital	£38	£54
Supporting Enterprise	£66	£96
Total	£314	£452

From the previous iteration of SPBC v1.0 in 2021, the Lower End range has risen from £280m and the Upper End from £400m. An increase of between £34m-£52m across the Portfolio.

The MWGD Portfolio is however progressing its development and Programme/Project progression with Affordability being a central concern. There is no additional funding available from Government above the £110m that was agreed – the Portfolio will therefore continue to review the situation and will need to support the optimal mix of projects that will be affordable – that meet our Investment Objectives for the Portfolio (as set out on page 5).

The position will be better known for the next Annual update of the Portfolio in Spring 2024.

The MWGD has an extensive Governance and Management structures to support and lead the Deal. The Deal has also been through several Government Gateway Assurance reviews – to provide ongoing assurance to Government and the Region on its arrangements.

2.4 Indicative Delivery Profile (updated estimates June 2023)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40	40/41
Green Futures Innovation Park	DEVELOPMENT	DEVELOPMENT	DEVELOPMENT	DELIVERY	DELIVERY	DELIVERY	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION
National Spectrum Centre	DEVELOPMENT	DEVELOPMENT	DEVELOPMENT	DELIVERY	DELIVERY	DELIVERY	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION
Mid Wales Advanced Manufacturing Campus	DEVELOPMENT	DEVELOPMENT	DEVELOPMENT	DEVELOPMENT	DEVELOPMENT	DEVELOPMENT	DELIVERY	DELIVERY	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION
Food Manufacturing Innovation Centre	DEVELOPMENT	DEVELOPMENT	DEVELOPMENT	DELIVERY	DELIVERY	DELIVERY	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION
Canolfan Tir Glas	DEVELOPMENT	DEVELOPMENT	DEVELOPMENT	DEVELOPMENT	DELIVERY	DELIVERY	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION
Elan Valley Lakes	DEVELOPMENT	DEVELOPMENT	DELIVERY	DELIVERY	DELIVERY	DELIVERY	DELIVERY	DELIVERY	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION
Aberaeron Harbour Development	DEVELOPMENT	DEVELOPMENT	DEVELOPMENT	DELIVERY	DELIVERY	DELIVERY	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION
Montgomery Canal Wales - Restoration to Navigation	DEVELOPMENT	DEVELOPMENT	DEVELOPMENT	DELIVERY	DELIVERY	DELIVERY	DELIVERY	DELIVERY	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION
Cynefin - The Green Heart of Wales	DEVELOPMENT	DEVELOPMENT	DELIVERY	DELIVERY	DELIVERY	DELIVERY	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION
Digital Programme	DEVELOPMENT	DEVELOPMENT	DEVELOPMENT	DELIVERY	DELIVERY	DELIVERY	DELIVERY	DELIVERY	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION
Sites and Premises Programme	DEVELOPMENT	DEVELOPMENT	DEVELOPMENT	DELIVERY	DELIVERY	DELIVERY	DELIVERY	DELIVERY	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION	BENEFITS REALISATION

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	DEVELOPMENT: Business Case Development & Delivery Planning
	DELIVERY: Delivery & Construction Period (assumptions at this stage)
	BENEFITS REALISATION: 10-year persistence of economic benefits following completion of construction.

3. PROGRESS

The Mid Wales Growth Deal has achieved significant progress since the committee last met, by virtue of it now entering its delivery phase and receiving its first tranche of funding.

A lot of the work prior to 2021 was in relation to establishing the governance and management arrangements for the Deal, in conjunction with scoping and planning the Portfolio. Throughout 2021 onwards, the detailed work has been undertaken to plan out the activity and processes to support the Programmes and Projects.

3.1 Assurance

The MWGD has been through several assurance reviews on the Portfolio:

- **PVR** (Project Validation Review) September 2020;
- **AOR** (Accounting Officer Review) October 2021;
- **PAR** (Project Assessment Review) March 2022;
- **PAR** (Project Assessment Review) February 2023.

At each juncture, all reviews have been positive – and have helped the region and Governments to ensure that progress is being made in the right areas to support successful delivery of the Deal.

The last review in February 2023 gave a very positive Amber-Green rating – and was what ultimately led to the Portfolio moving from Development Phase to Delivery this year and unlocking the first tranche of Government funding in Summer 2023.

Furthermore, a series of planned assurance reviews are underway on the two programmes, and also on each individual project. This will ensure that the Portfolio remains on track to meet its objectives.

3.2 Funding

Re-profiling of both Governments' funding to the region took place in June 2023. The contribution of £55m funding from Welsh Government was requested over 15 years, to start from 23/24 – and the £55m contribution from UK Government was requested over 7 years to start from 24/25. Confirmation of this re-profile is awaiting from UK Government.

The delivery profile we have established for the Portfolio takes account of lessons in other deal regions surrounding optimism bias, and mitigating risks associated with potential delays in programmes and projects moving from development to delivery.

3.3 Private Sector Investment

This has been a key pillar throughout the development of the Mid Wales Growth Deal and is a key expectation of both Governments. Their contribution of funds is intended to leverage further investment from the private sector and wider sectors, as well as deliver transformational growth in the economy.

The MWGD Portfolio has been scoped and planned with that leverage mindset from the start – the figures set out in the tables above set out a positive ratio of investment from Government (£110m) and the expected total investment as a result (between £314m and £352m).

There has been regular engagement with the Private Sector throughout the various phases of development of the MWGD up to this point via our established governance arrangements.

From business breakfasts and workshops in 2019 to develop initial proposals, to establishing the Economic Strategy Group to assist the development of the Vision for Growing Mid Wales – the private sector has been central to developing the Portfolio’s early thinking.

More recently, arrangements have evolved (and more in line with the other regions) to have an Economic Advisory Group to help advise on the development of the MWGD as the Programmes and Projects begin to emerge.

A series of challenge sessions have been held throughout 2022 and 2023 on the early proposals with the private sector. The programme and project sponsors led a number of presentations on each of the proposals, with the process bringing valuable challenge and feedback to help improve the proposals.

It was however identified in the Assurance review of February 2023, that more needed to be done to formalise the MWGD’s action in respect of private sector investment, it highlighted:

- Supporting the Programmes and Projects to develop their thinking further.
- Strengthening of commercial skills/thinking within the Portfolio Management Office.
- Strengthening leverage potential – encouraging and supporting projects to leverage their proposals better to attract further investment.
- Develop a Private Sector Investment Strategy that sets out:
 - Areas where increased investment levels could be obtained (direct investment).
 - Areas where more private sector involvement could be facilitated (collaborations).
 - Areas where more thinking could be done to improve benefits (indirect, supply chain etc).

The region is continuing to evolve its arrangements, and ensure input and involvement of the private sector to the MWGD happens at multiple levels:

- **Communication:** continue to strengthen the awareness of the MWGD and opportunities (directly via the projects, and also indirectly via supply chain opportunities).
- **Expert Knowledge:** utilising the Economic Advisory Group and wider stakeholders to improve approaches/thinking, develop contacts/opportunities.
- **Building Partnerships:** developing links and improve awareness of the Growth Deal, and what it does, and what it can offer. Linking across to wider investments – seeing the big picture.
- **Business Needs:** work closely with new Business Wales provider to align needs/support requirements. Ensuring loop back to support provision funded by UKSPF and other regional avenues.

3.4 Key Risks

The MWGD Portfolio is a multi-million-pound capital Portfolio and has its own dedicated risk management arrangements at Project, Programme and Portfolio level – these are regularly reported to the Growing Mid Wales Board (joint committee). All papers are published online.

However, the main risks facing the MWGD can be summarised as:

- **Construction Costs increases / supply chain issues /inflationary costs:** this is an incredibly difficult issue for Project Sponsors in developing their business cases – the twin-pronged issues of inflation but also price volatility adds significant uncertainty to the overall Portfolio’s costings.

- **Financial Resourcing to deliver Growth Deal:** the revenue requirements of running the MWGD comes from defined contributions from both Powys and Ceredigion Local Authorities, alongside a top slice of the Growth Deal funds. Due to the smaller overall size of MWGD compared to other region's Deals – the proportion of top slice and the contribution amounts from the local authorities are higher.
- **Private sector investment:** as set out above, is a key issue for all Welsh City and Growth Deals. The MWGD is taking multiple actions on many levels to strengthen this dynamic within the Deal.
- **Resources to deliver:** Focus of the regional partners have been on the capacity to establish and run a Portfolio – from the management arrangements (Portfolio Management Office) and governance (the GMW Board – Joint Committee) and associated support infrastructure to develop and deliver the MWGD. However, the MWGD also demands significant resource inputs from its Project Sponsors in the thorough development of their business cases. Significant goodwill and trust is required to resource technically feasible business cases – without any up front funding from MWGD.

Mitigation measures are in place for the above four key risks; however, they cannot be eradicated completely from the Portfolio. They have been there from the beginning and will remain present as the Portfolio continues to mature and deliver.

The Portfolio Management Team maintain close contact with the external project sponsors, and a robust assurance and management system is in place to track and monitor performance/progress. Support is provided by Government in respect of regular assurance reviews and guidance.

There is a strong emphasis on the project sponsors having full ownership and responsibility on the projects they propose and develop. This ensures that the sponsors are well aware of these risks and the implications for their projects. Whilst it is challenging, it does create an environment where they must think about their investment leverage and potential. They must think about the long-term legacy of the project - requiring a thorough assessment of costs and benefits.

Whilst these risks remain significant, recent assurance reviews on the MWGD arrangements provide confidence that the right processes and systems are in place to help the Portfolio deliver.

3.5 Communications

A key aspect of any investment is communications, and this is an area where the MWGD has invested significant time and effort in strengthening its approaches alongside other work as part of Growing Mid Wales.

A dedicated communications officer has been appointed to the GMW team, and the work of the entire team is led by joint strategic lead officers. This ensures that officer resource is in place to engage with stakeholders across the region, and regular, planned updates are sent via the media, newsletters and social media.



4. WIDER REGIONAL ACTIVITY

It is important to highlight that the Mid Wales Growth Deal does not operate or deliver in isolation in Mid Wales. As has been previously noted, it has been scoped and planned as capital Portfolio within the context of the Vision for Growing Mid Wales.

The Vision for Growing Mid Wales set out 8 strategic growth priorities:



The Mid Wales Growth Deal with £110m of capital funding would not be able to deliver the entirety of that Strategy, neither would Growth Deal funding be suitable for some requirements (skills or revenue-based activity).

The region therefore utilised the Vision for GMW as a Strategy, to help:

- Ensure Growth Deal investments are targeted on the appropriate interventions in the region (a lot of this context is set out in the Strategic Case of the MWGD Strategic Portfolio Business Case).
- Ensure alignment with other funding streams. The Regional Investment Plan for the UK Shared Prosperity Fund was brought forward from local assessments of wellbeing in tandem with the Vision for GMW. Ensuring strong alignment regionally/locally.

The Vision is therefore utilised as a guiding framework (aligned with Welsh Government's Regional Economic Framework) to help inform and guide regional activity. The document is currently being updated for Autumn 2023.

4.1 Skills

Shortly after reaching Heads of Terms for the MWGD, Mid Wales also achieved confirmation from Welsh Government to establish its own Regional Skills Partnership in Mid Wales. Having developed an extensive network of industry-led collaborative groups, the Partnership launched its first Employment and Skills Plan – and is currently taking forward a range of actions in respect of Apprenticeships, Personal Learning Accounts, Labour Market Intelligence, Business engagement and more.

The Skills team liaise with the Growth Deal team daily and ensure an ongoing consideration of skills and employment matters across the MWGD Portfolio and its constituent projects.

4.2 Energy

Energy is a key theme within the Vision for Growing Mid Wales, and Mid Wales has been working with the Welsh Government Energy Service and other providers to bring forward regional work to develop a strategy and action plan. An advisory group has been established and a significant body of work is being taken forward alongside detailed Local Area Energy Plans in Powys and Ceredigion. Regionally, a dedicated officer has been appointed to provide strategic co-ordination and add value to national/local work.

4.3 Next Steps

Partners in Mid Wales are continuing to collaborate on these key work areas in partnership with industry, governments, and key partners in the region. Work is ongoing to consider the potential of new governance arrangements via the Corporate Joint Committee and its work emerging on the Regional Transport Plan and Strategic Development Plan for Mid Wales.

The region is also working with the OECD as part of the Welsh Government's work on future regional investment and will consider the outcomes of the work in respect of the potential scope and focus of the economic well-being sub-committee.



Prifddinas
Ranbarth
Caerdydd

Cardiff
Capital
Region

Cardiff Capital Region City Deal: Update to Economy, Trade, and Rural Affairs Committee

Councillor Anthony Hunt, Chair
Kellie Beirne, Director

4 September 2023

1. Introduction

The ambition of Cardiff Capital Region (CCR) is to foster a regional economy that is bigger, fairer and greener, generating good growth and creating conditions for shared prosperity across the ten local authorities that make up our region. Signed in March 2016 across the ten CCR local authorities, Welsh and UK Governments, the City Deal comprises £734m for the Metro project and £495m for the Wider Investment Fund (WIF), with ambitious targets to create 25,000 additional jobs; leverage £4BN of additional investment and achieve a 5% uplift in GVA by 2031.

This focus on specialisms, particularly around clusters of economic significance, public service innovation and, increasingly, challenge-driven approaches, helps CCR understand those areas in which it is uniquely placed to develop strong competitive advantage. The revised Regional Economic & Industrial Plan, published in April 2023, gives a clear forward view of our ambitions as we transition from City Deal to City Region, through the establishment of the Corporate Joint Committee in April 2024.

This document provides an update to the Economy, Trade, and Rural Affairs Committee on what has progressed in the region in the period since the last meeting with the Committee on 3 March 2021.

2. Programme Update

2.1 Expenditure and Performance

The CCR City Deal expenditure has accelerated significantly in the financial years 2021-23, with committed funds of £320m across 20 projects in the core portfolios: Innovation, Infrastructure, Challenge and Skills. There is an actual spend to date of £97m with a forecast spend of £53m in 2023-24. This has been achieved despite the disruption of the COVID-19 pandemic, which had initially slowed progress in identifying and progressing candidate projects through the robust approvals and governance mechanism.

To end March 2023, the City Deal has generated 2,307 jobs, leveraged £165m and generated co-investment of £36m. The year 2022-23 saw benefits beginning to accrue as a result of investments, with £56m in leverage generated from earlier innovation investments alone, allied to support of 162 SMEs. This acceleration of benefit realisation is, in part, a result of the investment approach, with the flexibly deployed WIF targeting innovation-led economic growth. Likewise, significant infrastructure funds (such as, the Strategic Premises Fund and Housing Viability Gap Fund) are entering delivery and, as a result, beginning to deliver outputs.

Allied to this, and in alignment with the Local Evaluation Framework that has been established as part of the second Gateway Review of the programme in 2025, wider benefits are beginning to be measured, in order to demonstrate wider impact of the investments.

The committed funds, expenditure and performance across the portfolios is detailed in the table below:

Programmes	Actual Commitments and Spend as at March 2023 £m		Indicators		
	Committed Project Funding Revenue & Capital £m	Actual Expenditure Revenue & Capital £m	Jobs at March 2023	Leverage	Co-investment
Innovation	£121.5m	£52.5m	1,303	£123.5m	£11.8m
Infrastructure	£186m	£40m	748	£32m	£22m
Challenge	£10m	£3m	34	£6.5m	0
Skills	2.5m	£1.5m	222	£3m	£2.3m
Totals	£320m	£97m	2,307	£165m	£36.1m

2.2 Programme highlights

There has been significant progress made across the programme in the period since March 2021, as both the CCR team capability has developed and, critically, partnerships have matured, through both the formal mechanisms (such as, the Regional Economic Growth Partnership) and project-driven collaborations with the private and public sector.

In the period since 2022-23, 15 projects have been approved across the portfolios, from the significant investments in the acquisition and remediation of the former coal-fired power station at Aberthaw and the creation of a £50m Innovation Investment Capital fund for innovative, high-growth businesses; through skills interventions of highly-targeted upskilling and reskilling in alignment with employer need; to catalytic investments across CCR's priority clusters of FinTech, MedTech, Creative Industries, Cybersecurity and Compound Semiconductor.

Progress highlights worth noting include:

- Published CCR's refreshed REIP for 2023-2028, providing renewed strategic direction for Cardiff Capital Region City Deal and the transition to the Corporate Joint Committee
- The purchase of Aberthaw Power Station successfully completed:
 - Demolition and remediation tender process is underway
 - Building out CCR Energy Ltd team
 - Development of the site masterplan in process
 - Scrutiny and governance arrangements in place, including establishment of the CCR Energy Board
- £20m Cyber Innovation Hub officially launched May 2023, a partnership with Welsh Government and industry that will create a pipeline of new products, high-growth businesses and futureproof talent in the region
- £50m Media Cymru launched in November 2022, a UKRI Strength in Places co-funded collaboration of 24 consortium partners aiming to transform the region's media sector into a global hub for media innovation & production
- The launch of the £50m Innovation Investment Capital fund, aiming to provide patient capital to high growth, high-potential innovative companies located within the region
- Establishment of two companies limited by shares (CSC Foundry Ltd and CCR Energy Ltd)
- Doubling-down on CCR's commitment to the innovation-led industrial cluster approach by enhancing the capability of the Innovation & Clusters team, who will lead on developing regional Cluster Development Plans alongside key stakeholders across academia, the public sector and industry
- Successful inaugural Unleash 2023 business conference was held in April at ICC Wales in Newport, with 350 SME executives in attendance

The challenges faced by the delivery of the City Deal programme are broadly in the infrastructure area, which has been negatively impacted by a combination of the COVID-19 pandemic, and industry uncertainty as a result of the unsettling wider economic context. However, delays to the delivery of the Housing Viability Gap Fund and Strategic Premises Fund are being addressed and there is significant progress being made in 2023-24.

3. Corporate Joint Committee (CJC) transition

Planning and activities to transition the CCR City Deal to the South East Wales CJC have developed at pace in 2022-23 and the current financial year. In order to deliver the preferred approach to transition ('Lift and Shift'), a Transition Steering Group was formed in 2022 to be the engine room for delivery, including dedicated workstreams ranging from Governance to Portfolio Transition.

Likewise, the CJC Board has made decisions to put in place the building blocks for the CJC, including:

- Annual business plan focused on transition – moving from Bare Minimum to Building Foundations (Jan 2023)
- Setting up of sub committees (March 2023)
- Decisions on primary staffing matters (May 2023)

During this period, necessary amendments to primary legislation were made by the UK Government, removing the barriers to operation of the CJC, including Section 33 VAT status and the Government of Wales Act Section 150 Order. These amendments put CJC's in Wales on a level footing with Local Authorities on areas including VAT, Pensions and Taxation.

In relation to the development of new powers in Regional Transport delivery and Strategic Development, the CCR team are working with both Welsh Government and Local Authority colleagues to achieve critical milestones. These include the Implementation Plan for Regional Transport (November 2023) and Delivery Agreement for the Strategic Development Plan (March 2024).

4. Milestones for 2023-24

4.1 Project pipeline

In the current financial year, two significant new investments have been approved.

- The £50m Northern Valleys Initiative to drive growth in the Northern Valleys sub-region. This will cover six Local Authority Partners: Blaenau Gwent, Merthyr Tydfil, Rhondda Cynon Taf, Caerphilly, Torfaen and Bridgend.
- A £45m investment as part of a wider £100m raise to support and complete the implementation of network provider Ogi's Model 150 build programme to roll out a Fibre-To-The-Premises (FTTP) network to more than 150,000 premises in South Wales by August 2025.
- Launch of the Cluster Development and Growth Programme, a £6.6m initiative to develop talent and business capability in the CCR priority clusters, accelerating innovation-led growth in the region.
- £12m debt finance matched with £6m Welsh Government grant for the expansion of Seren Stiwdios in Cardiff, which will create a world-class studio facility in South East Wales.
- First investment of the Innovation Investment Capital to be announced in September 2023.

With a significant proportion of the City Deal fund committed, there is a focus on ensuring evergreen investments are delivering outputs, and returning funds to be recycled on further interventions.

4.2 Key milestones

Key milestones for 2023-24 worth noting include:

- Ensure Mid-Term Review completed in February 2024, in the run up to CCR's second UK Government Gateway Review in October 2025
- Successfully transition to the CJC by April 2024

- Award the demolition contract at Aberthaw Power Station and continue masterplan development
- Approve the first Northern Valleys Initiative project
- Host additional 'Regionally Unleashed' events across CCR to showcase funding available and on-going activity
- Finalise the Full Business Case for Metro Central
- Commence groundwork on the recently approved Fibre-To-The-Premises investment
- Continue to develop and evolve Monitoring & Evaluation processes across a diverse and maturing portfolio to fully capture and measure CCR's impact



Agenda Item 4

Ychydigais
Gogledd Cymru
Ambition
North Wales

North Wales Growth Deal Progress Update

North Wales Growth Deal Progress Update

March 2021 – August 2023

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Foreword

This report provides an overview of our progress since the last meeting on March 3rd 2021. The report outlines our progress in implementing the transformative Growth Deal—a 15-year agreement with the Welsh and UK Governments—to sustainably develop North Wales and enhance economic, social, and environmental wellbeing. Our Ambition North Wales partnership comprising the six Councils, our Universities, Colleges, and the private sector, is our greatest asset and key to our success, as we innovate to overcome barriers and foster regional prosperity.

While the North Wales economy continues to face significant challenges, the imminent end of European funding sets a new context which necessitates a shift in our approach to development. To address this, the UK Government has launched the Shared Prosperity Fund, allocating £126.5 million across the six councils. These funds will be invested in supporting communities, local businesses, and our fellow citizens to flourish in the coming years.

We take immense pride in representing our region and view our work leading Ambition North Wales as an integral part of a broader ecosystem. While promoting economic prosperity through job creation, attracting investment, and enhancing the overall value of our economy is pivotal, it represents just one part of our mission. A thriving economy relies on a healthy environment, which is why our commitment to sustainable development underpins our approach. We also firmly believe that everyone should benefit, which is why we are developing our region in an inclusive way while promoting our language, culture, heritage, and aligning with the well-being goals for Wales.

Our progress reflects the strength of North Wales as a region and the resilience of our Ambition North Wales partnership, which is a privilege to lead. We firmly believe in our ability to not only embrace opportunities but also navigate and overcome challenges and ensure the future well-being and sustainability of our society.

Introduction

This report provides an overview of key activities since Ambition North Wales last reported to the Economy Skills and Infrastructure Committee on March 3rd 2021. This report covers:

- Background
- Summary of key activities delivered
- Priorities and work in progress
- Roadmap for project business case development and Delivery
- Key risks and issues
- Conclusions
- Appendices

Background

Ambition North Wales

The Ambition North Wales partnership was established in 2012 to develop a regional approach to economic growth and to address the challenges and barriers facing the North Wales economy. The partnership covers the six local authority administrative areas of North Wales comprising the councils of Gwynedd, Anglesey, Conwy, Denbighshire, Wrexham, and Flintshire. The partnership also includes the University of Bangor, Glyndwr University, and the two further education colleges Coleg Cambria and Grŵp Llandrillo Menai.

In December 2020, the partnership agreed the North Wales Growth Deal with UK Government and Welsh Government securing an investment of £240million into the North Wales economy as part of the deal.

A Portfolio Management Office has been established to deliver the Growth Deal and the first project business case was approved in December 2021 and is now in delivery.

North Wales Growth Deal

The aim of the Growth Deal is to build a more vibrant, sustainable, and resilient economy in North Wales. Building on the region's strengths to boost productivity and tackling long term challenges and economic barriers to deliver inclusive growth. The approach is to promote growth in a scalable, inclusive, and sustainable way in line with Wellbeing of Future Generations (Wales) Act 2015.

The Growth Deal aims to bring over £1 billion of investment to North Wales in order to generate over 4000 new jobs and increase GVA by £2.4 billion. The UK and Welsh governments have committed to jointly investing £240 million capital over a 15-year period, with the remainder leveraged from private and public sources.

The desired outcomes of this investment are to be delivered through the delivery of a portfolio of five separate programmes which:

- build on our regional strengths in manufacturing and low carbon energy
- target digital innovation and infrastructure to better connect the region
- invest in key sites and premises for the developer market
- enable innovation to boost productivity
- support our key industries in tourism and agriculture to develop for the future

Growth Deal Programmes

The five Growth Deal programmes are:

- Agri-food and Tourism,
- Digital Connectivity,
- Innovation in High-Value Manufacturing,
- Land and Property
- Low Carbon Energy.

Summary of key activities

This section summarises the key milestones, and outcomes delivered in chronological order from March 2021.

March 2021 – June 2021

- We secured a grant of £200,000 from Decarbonise the OFGEM Green Recovery funding, bringing in 1MW of additional power at the Former North Wales Hospital, Denbighshire. This funding will provide the capacity to develop low carbon technologies and systems such as EV charging infrastructure and heating systems at the site, which are essential to reducing carbon emissions.
- We secured £500,000 of funding from Welsh Government's Whole System Business Research Innovation for Decarbonisation (WBRID) scheme to fund low carbon and agricultural projects. The funding is essential in developing projects as we aim towards the net-zero target. Working in partnership with the Welsh Government and Coleg Cambria, we supported three organisations in creating low carbon agri initiatives through the Whole Business Research Innovation for Decarbonisation (WBRID) scheme. The three initiatives were:
 - Bio Factory Energy designed, built and deployed an innovative Micro-Anaerobic Digestion solution. The aim is to capture methane from slurry and convert it into heat for use on the farm or as an off-grid source of Energy. This will reduce the amount of energy required from the grid and provide a cost saving on energy bills and fertilizer – as well as being beneficial to the environment.
 - Promar International are creating a bilingual, user-friendly online carbon accounting tool, and sustainability platform to measure and monitor sustainability of a farm. The new tool will measure and monitor the sustainability of a farm businesses and will let livestock farmers make year on year comparisons.
 - M-Sparc managed the design and build of an innovative Artificial Intelligence computer vision and drone solution. The drone scans an area and identifies weeds, to trigger another drone to deploy a specific amount of pesticide to the weeds. This has been successfully tested and proven to help reduce time and costs for farming communities as well as introduce an energy efficient opportunity to decarbonise farming.
- We held consultation sessions with the private and public sectors to identify priorities for mobile Connectivity across the region's Transport Networks. Findings of the consultation sessions influenced the Growth Deal's Digital Connectivity projects.

July 2021 - September 2021

- The **Outline Business Case for the Glynllifon Rural Economy Hub** was approved in August 2021. The approval was a major milestone, bringing the project a step closer to creating a world-class hub to enhance the food and drink sector.
- The new **Energy Strategy** was launched with a vision to transform the way energy is used across the region. Working with the Energy Service at Welsh Government, the strategy will bring us a step closer to the net-zero carbon target for 2050.

October 2021 - December 2021

- The **Digital Signal Processing Centre** was the first Growth Deal project to see approval of its Full Business Case and to secure the funding. The £3 million funding will be invested in cutting-edge equipment to develop the facility, which will manage how digital information is processed efficiently and reliably. In addition to creating up to 40 new jobs for the region, it will be integral to respond to the increase in digital needs.
- We secured £387,600 of funding from the **Community Renewal Fund to conduct Smart Local Energy System feasibility studies** in four of the region's counties. These Systems could unlock many community benefits including the opportunity to generate and sell energy locally at a more affordable cost, the potential to create new jobs and contribute towards decarbonisation of the local energy system.
- Our first ever '**Early Market Engagement**' event was held for regional businesses in December. The aim was to help SME's to understand more about the procurement process behind the Growth Deal. The event focussed on our priorities and how businesses can get involved.
- We launched **Ambition North Wales**, a new brand and website in November 2021 to represent our vision for a prosperous North Wales and the partnership in place to deliver that vision.

January 2022 - March 2022

- Following the approval of the first Full Business Case for the North Wales Growth Deal in December 2021, the **Digital Signal Processing Centre was the first project to be operational** with orders placed for phase one of the project and the first items of new equipment have been received.
- We joined M-SParc's 'Dewch yn ôl' Campaign - we took part, for the second time, in this campaign with the aim of attracting young people to stay to in North Wales to live and work.
- The **Local Full Fibre Network Scheme improved Broadband Connections for 300 sites** in North Wales. Over 300 public sites such as, doctor surgeries, ambulance stations, and community hospitals benefitted from better broadband connectivity this year, due to the Local Full Fibre Network (LFFN) scheme, funded by the UK Government.

The Digital Connectivity team led on the delivery of this scheme, helping the health care sector deal with the increase in demand for patient services, following the pandemic.

The scheme has targeted sites to tackle some of the challenges caused by slow or unreliable broadband services, supporting them to adopt more efficient ways of working digitally and ultimately helping them to improve patient service delivery.

April 2022 - June 2022

- We hosted a **Digital skills networking event** in collaboration with M-Sparc. This was an afternoon of networking between employers and graduates. The event addressed

feedback received from employers in the region who stated that their biggest challenge was recruitment. Following the event, graduates and young people were offered interviews with local employers.

- We joined forces with **Code First Girls** to provide free coding courses to women and non-binary people within the digital sector. Currently, only 19% of those who study computer science post-16 are female - the course aims to close the gender skills gap within this critical and growing sector.
- The **Enterprise Engineering and Optics Centre outline business case was approved** - The Outline Business Case (OBC) for the project secured approval to move to the next stage. The project will explore the use of alternative, lightweight materials, which will reduce carbon within the manufacturing sector.
- We hosted a stand at the **Urdd National Eisteddfod** in Denbighshire for the first time in May 2022. It was an excellent opportunity to meet young people, children and parents to discuss Ambition North Wales and the Growth Deal, whilst putting the region on the map for visitors from across Wales and beyond.
- Anglesey-based business, Cufflink won the North Wales Start-Up award at the 2022 Start-Up Awards. As category sponsor for the second year, we were delighted to see a record-breaking number of entries from our region.

July 2022 - September 2022

- We secured grant funding to deliver local area energy plans - The North Wales Regional Energy Strategy action plan was approved by the Economic Ambition Board, with the aim to decarbonise our energy systems and ensure that the region benefits from the transition. To support the delivery of the action plan, we secured grant funding from Welsh Government to recruit a team of three to lead on this work and to develop the plans.
- The last few % outline business case was approved. The approval was a major milestone, bringing the project a step closer to providing a consistent connectivity quality across the region with superfast broadband (30 megabits per second).
- The First Minister, the Rt. Hon. Mark Drakeford, MS, and the Secretary of State for Wales, the Rt. Hon. David TC Davies, MP, attended the launch of our first Growth Deal project. The Digital Signal Processing Centre (DSP) at Bangor University aims to develop solutions to benefit businesses and residents with better communication capabilities, such as 5G and 6G. Providing North Wales businesses and communities with more cost-effective, secure, and efficient use of their applications.
- One of the turbine developers linked to a Growth Deal project, Cydnerth (Morlais), secured a guaranteed price for its electricity, making it the first tidal Wales-based project to secure a contract as part of the UK Government's Contract for Difference allocation. As a result, the developer Magallanes Renovables will have guaranteed revenue from the electricity it generates at Morlais.

October 2022 - December 2022

- We launched our carbon emissions and biodiversity methodology to address climate change within the region, which follows our commitment that all Growth Deal projects will aim to:
 - operate at net zero,
 - achieve a 10% increase in biodiversity
 - reduce carbon emissions by at least 40%

The methodology, developed with Arup, will guide Growth Deal projects as they work towards these ambitious targets.

- The Economic Ambition Board endorsed a joint venture approach with Welsh Government for the proposed delivery of up to 3,000m² of advanced build employment units at Parc Bryn Cegin, Bangor. The site will be provide business relocation and expansion opportunities.
- We sponsored the new "Go Skills Award" at the Go North Wales Tourism Awards. This award recognised the contribution businesses have made to improving skills in the tourism and hospitality sector. The winner of the award was Wales Ambassador a tourism Ambassador Scheme run by Denbighshire County Council. The scheme provides people with online courses designed to improve the local and visitor experience.
- Ambition North Wales conducted a mobile connectivity survey on the quality of 4G connectivity across the region to identify which areas in North Wales currently lack coverage. The results established which areas require investment for better mobile connectivity across the region's main transport networks.

January 2023 - March 2023

- The 2023-2025 North Wales Skills and Employment Plan was launched. The Plan provides an insight into the supply and demand of the skills system in the region and what employers' priorities are. More than 160 employers attended the launch to hear inspirational talks and specialist panel discussions about the plan.
- The Economic Ambition Board approved the Smart Local Energy Outline Business Case (OBC). The project aims to support energy projects across North Wales to achieve renewable energy and decarbonisation targets, which will have an element of local ownership.
- Construction started on the Morlais project, the road excavations are complete and ducting and cabling are well underway. 97% of the staff employed, live in North Wales, with 68% being Welsh speakers. The Growth Deal investment will remove barriers to the future expansion of the Morlais project.
- In early 2023, Bangor University's DSP Centre project entered its second year of delivery. Since its launch, the project has progressed to achieving academic and professional recognition in publications such as the Institute of Engineering Technology and more. In its first year, the DSP Centre achieved the following:
 - Created 6 sustainable high-value jobs
 - Generated an additional £614,095 GVA
 - Secured £4.6million in additional funding

April 2023 - June 2023

- In June we launched our search for an industry partner to work with us to deliver a Green Hydrogen Hub for North Wales, with up to £11.2million of capital available to enable industry demand for hydrogen. The launch of the Hydrogen Sponsor Challenge followed a pre-launch event, in April, to inform industry and government about the proposed competition and a further consultation period during May. This is a great step forward for the Low-Carbon Energy Programme and we look forward to announcing further detail in due course.
- Grwp Llandrillo Menai has signed a memorandum of Understanding with the Advanced Manufacturing Research Centre (AMRC) and will look to establish a base at the Glynllifon Rural Economy Hub to support SMEs with automation efficiency and productivity.

- We launched the process to procure a fund manager for the Smart Local Energy project on Sell2Wales.
- For the third consecutive year, we sponsored the North Wales Start-Up award at the **Wales Start-Up Awards**, held in Depot, Cardiff. The event celebrates entrepreneurs and new businesses from all over Wales. Pioneering low-carbon bioplastics developers, Plantsea Ltd, based at M-Sparc, was the successful North Wales Start-Up category winner. The organisation aims to replace environmentally damaging petroleum-based plastics with biodegradable alternatives using natural resources found on the seashore.
- At the **Wales Food and Drink Awards** microbrewery, Bragdy Twt Lol were deserved winners of the Business resilience category, sponsored by Ambition North Wales, at this year's event. It was a pleasure to welcome the ceremony evening to North Wales for the first time. It's a great platform for Welsh producers and suppliers whilst highlighting the sector's diversity and celebrating their success stories.

July 2023 - August 2023

- The Enterprise Engineering and Optics Centre appointed Wynne Construction for the design and build of the new centre that will support manufacturing businesses in the region to decarbonise. Businesses can use the facilities to test materials within a controlled environment, providing more efficient products and systems requiring less energy, which will minimise costs and carbon emissions. Additionally, the project will create local job and training opportunities and attract investment.
- As the Growth Deal's portfolio of projects was to be delivered over 15 years, change was always expected. During 2022-23 we have seen the withdrawal of two projects and a change request for one project, which resulted in an unallocated fund of £37m.

Coleg Cambria and the Economic Ambition Board jointly decided that the Llysfasi Net Zero Farm project would not be funded through the Growth Deal. Instead, it will secure funding from alternative sources, notably the Welsh Government's Sustainable Communities for Learning fund, which aligns closely with the college's educational objectives.

The Economic Ambition Board decided to withdraw the Bodelwyddan Key Strategic Site from the Growth Deal following the Denbighshire County Council's review of the Local Development Plan and due to significant changes in the expected size of the project and the timescales for delivery.

A change request for the Egni project was approved to withdraw Phase 2 from the Growth Deal but continue with Phase 1 as the project's sole focus.

The Economic Ambition Board made some key decisions regarding the reallocation of funding within the Deal.

Firstly, the establishment of a £7m Portfolio Delivery Fund for 2023-24 to support mature projects within the portfolio dealing with cost inflation or viability issues to move into delivery.

Secondly, the Board agreed on the criteria and an allocation of £30m capital funding for a project replacement process. The Growth Deal Funding process launched in early 2023, providing an exciting opportunity to identify new ambitious, innovative and transformational projects to join the Growth Deal and to deliver jobs and investment in the region. Twenty six applications were received, and the Economic Ambition made their final selection during July after a robust assessment Process. Five projects have been invited to join the Growth

Deal, these projects will drive economic growth, create jobs and attract investment to the region as well as delivering on our wider aspiration to build a vibrant, sustainable and resilient economy for North Wales.

The new projects awarded a provisional allocation of Growth Deal capital funding subject to approval of their business cases are:

- Responsible Adventure project by Zip World - £6.2m
 - Kinmel Studios project by Stage Fifty - £6.8m
 - Holyhead Hydrogen Hub project by Menter Môn - £3.8m
 - Deeside Waste to Fuel Plant project by The Circular Economy Ltd - £6.4m
 - Wrexham Gateway project by Wrexham County Borough Council - £4.79m
- We were part of Cyngor Gwynedd's stand at the Eisteddfod Genedlaethol. During the week we promoted the work of Ambition North Wales, and had some fun activities for children. We hosted a panel discussion on 'Unlocking the North Wales Economy', Nia Thomas from the BBC chaired the panel, with great insights from our panel Alwen Williams (Ambition North Wales, Sioned Hughes (Altair Ltd), Eiliw Williams (Cwmni Egino) and Sioned Williams (Cyngor Gwynedd).

Priorities and work in progress

Over the next twelve months, our focus, alongside our partners, remains firmly on driving our projects forward to deliver the new jobs and investment required to support future prosperity for North Wales.

In July, our board will select new projects to come into the North Wales Growth Deal. This is an exciting milestone and will ensure that unallocated capital as a result of some projects not moving forward, will be reallocated and invested in new projects.

In terms of our current portfolio, we always knew that our projects would take time to mature and be delivered, this is something that is signified by the fifteen-year term of the Growth Deal, however, we have some exciting milestones to accomplish next year including:

- Securing a sponsor to work in partnership to develop a Green Hydrogen Hub for North Wales. This will be an organisation or consortium of organisations that will design and deliver the project for which up to £11.2m of Growth deal funding will be invested into helping fossil fuel powered organisations become low carbon hydrogen customers.
- Launching our Smart Local Energy fund. The aim of the project is to create prosperity in North Wales by supporting and enabling clean energy and decarbonisation solutions. This will be delivered by targeting investments in clean energy solutions that create new local job opportunities, will attract local investment, and can be replicated throughout North Wales.
- Starting construction on the Enterprise Engineering and Optics Centre. This is a project led by Wrexham University to deliver state-of-the-art facilities to explore optics, photonics, and composite materials as a lightweight material alternative, which will reduce carbon within the manufacturing sector.
- Starting construction on the Centre for Environmental Biotechnology, a project led by Bangor University to develop an enhanced research facility to explore the use of biological

processes, such as unique enzymes, as low carbon alternatives to products and industrial manufacturing processes.

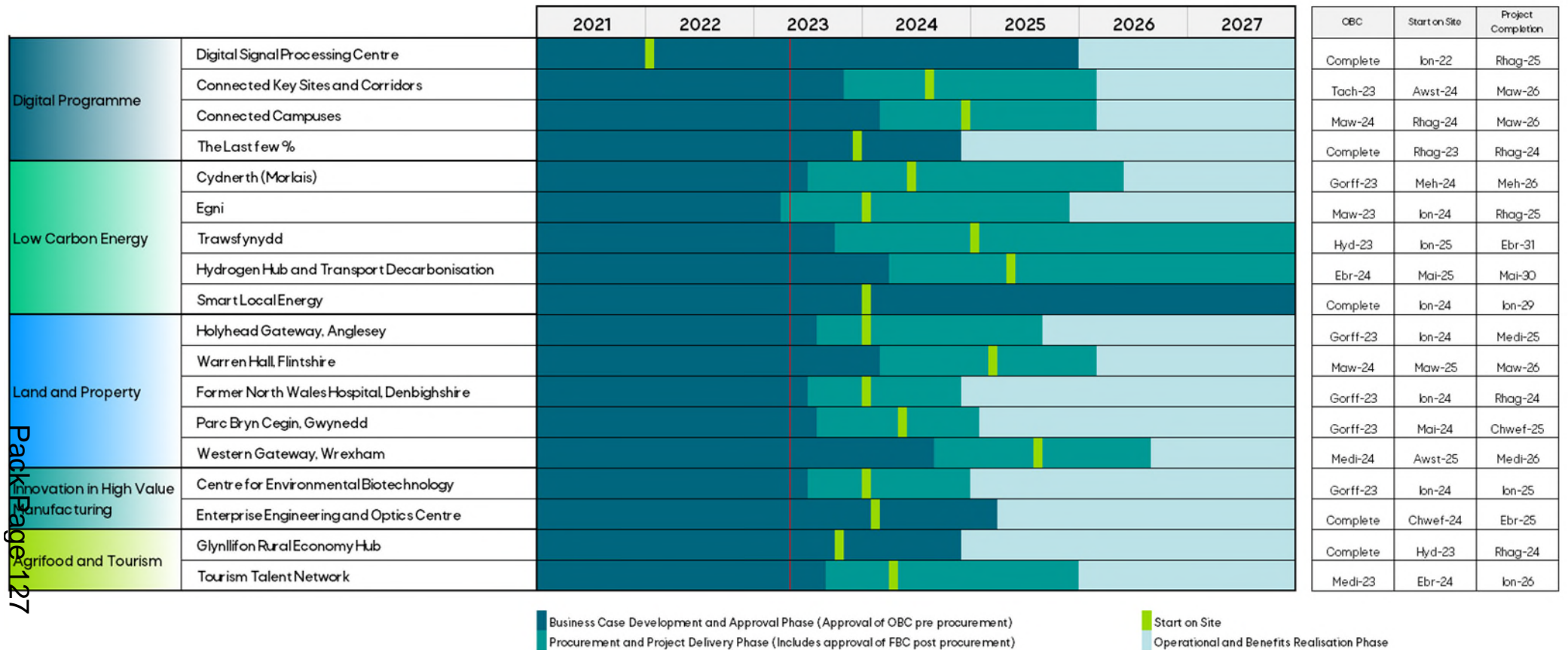
- Starting construction on the first Tourism Talent Network “spokes”, the first part of a collaborative project being delivered by Grŵp Llandrillo Menai and leading regional tourism businesses that seeks to transform the tourism and hospitality sector in the region by future-proofing sector skills provision.
- Investing in the second phase of development with the Digital Signal Processing Centre at Bangor University. This was the first of the Growth Deal projects to secure investment from the Growth Deal and we look forward to further enhancing the centre’s facilities in the coming year.
- Reaching an investment decision for our Last Few % digital infrastructure project which addresses the so called ‘digital divide’ (the difference in connectivity quality between towns and rural communities) and consider how we provide the right infrastructure to allow everyone in North Wales to enjoy affordable superfast connectivity (at least 30 megabits per second).
- Driving towards a net-zero future is an underpinning principle for the Growth Deal. We are embedding our approach to sustainable development through carbon reduction and biodiversity and ensuring that we really deliver against the Wellbeing of Future Generations Act as we move forward.
- Completion of our Local Broadband Fund project funded by the Welsh Government. The project aims to deliver gigabit connectivity to 18 public sector sites including libraries, community councils and offices.

Roadmap for project Business case development and Delivery

Outlined below is the project Business case development pipeline:

Project	Consenting Stage				Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6	Stage 7	Stage 8
	Pre-application stage	Outline planning / Consent	Full planning / Consent	Conditions discharged	Determine the Project context	Preparing the Strategic Outline Case	Preparing the Outline Business Case	Approval of the Outline Business Case	Preparing the Full Business Case	Approval of the Full Business Case	Project implementation and monitoring	Project Evaluation
Digital Signal Processing Centre	No planning required				✓	✓	✓	✓	✓	✓	⌚	
Connected Key Sites and Corridors	Consenting requirements TBC				✓	⌚						
Connected Campuses	Consenting requirements TBC				✓	⌚						
Last Few %	Consenting requirements TBC				✓	✓	✓	✓	⌚			
Cydnerth (Morlais)	✓	✓	✓	✓	✓	✓	⌚					
Trawsfynydd Power Station	Consenting requirements TBC				✓	⌚						
Egni	⌚				✓	✓	⌚					
Smart Local Energy	Consenting requirements TBC				✓	✓	✓	✓	⌚			
Hydrogen Hub & Transport Decarbonisation	Consenting requirements TBC				✓	✓	⌚					
Holyhead Gateway	Harbour Revision Order Submitted & Marine License granted				✓	✓	⌚					
Former North Wales Hospital	✓	✓	✓	⌚	✓	✓	⌚					
Western Gateway, Wrexham	LDP adoption outstanding				✓	⌚						
Warren Hall, Broughton	⌚				✓	⌚						
Parc Bryn Cegin, Bangor	⌚				✓	✓	⌚					
Glynllifon Rural Economy Hub	⌚				✓	✓	✓	✓	⌚			
Tourism Talent Network	Consenting requirements TBC				✓	✓	✓	⌚				
Centre for Environmental Biotechnology	⌚				✓	✓	⌚					
Enterprise Engineering and Optics	✓	✓	✓	⌚	✓	✓	✓	✓	⌚			

Outlined below is the project Delivery plan:



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Key risks and issues

The Portfolio Risk Register is updated on a regular basis by the Portfolio Management Office and reviewed by the Portfolio Board and the North Wales Economic Ambition Board on a quarterly basis.

While the risk profile remains stable, the risk profile does remain high with a number of red residual risks including capacity, delay, affordability, public and private sector investment, consenting and spending objectives.

Securing the public and private sector investment required to deliver the Growth Deal remains a significant risk across the portfolio and an investment strategy is being developed to support the team to meet the investment targets.

Portfolio-level risks regarding consents and delay remain high due to project-level issues. Affordability remains a high risk due to ongoing inflation, supply chain issues and construction cost increases. The risk around capacity has reduced slightly due to the extension of fixed term contracts related to Growth Deal delivery but remains high.

Conclusions

The report provides a summary of the activity and progress on the North Wales Growth Deal. Additional detail and information is included in the appendices.

We will be happy to address the Committee's questions at the session on the 13th of September.

Appendices

- Programme infographics
- [Quarterly Reports](#)
- [Annual Reports](#)



Agri-food and Tourism

Programme Overview and Progress

The programme aims to promote and support employment and training in the Agri-food and Tourism sectors, building on world-leading skills and expertise already established within the region.

Glynllifon Rural Economy Hub

Lead Sponsor: Grŵp Llandrillo Menai

A distinctive, world class rural economy hub offering food-grade facilities and knowledge transfer services to enhance the food and drink sector.

Tourism Talent Network

Lead Sponsor: Grŵp Llandrillo Menai

Future-proof tourism and hospitality skills provision and increase the commercial benefits from one of the best established and fastest growing sectors in the region.

	Stage 1 Determine the project context	Stage 2 Prepare the Strategic Outline Case	Stage 3 Preparing the Outline Business Case	Stage 4 Approval of the Outline Business Case	Stage 5 Preparing the Full Business Case	Stage 6 Approval of the Full Business Case	Stage 7 Project Implementation and Monitoring	Stage 8 Project Evaluation
Glynllifon Rural Economy Hub	Complete ✓	Complete ✓	Complete ✓	Complete ✓	In progress ⌚			
Tourism Talent Network	Complete ✓	Complete ✓	In progress ⌚					





Digital Connectivity

Programme Overview and Progress

Addressing connectivity challenges within the region, enhancing the capability to develop new technologies for the future ensuring that businesses and residents can benefit from fast, high-quality connectivity.

Connected Campuses

Lead Sponsor: Ambition North Wales

Establishing network coverage at key commercial sites in the region, supporting businesses with valuable connectivity options.

Connected Key Sites and Corridors

Lead Sponsor: Ambition North Wales

Enhancing the reliability and quality of mobile services on the main roads and rail routes, enabling full-fibre services to key commercial sites across the region.

The Digital Signal Processing Centre

Lead Sponsor: Bangor University

Research and development of new technologies which improve how data is processed efficiently and reliably between devices and people.

The Last Few %

Lead Sponsor: Ambition North Wales

Providing a minimum 'superfast' (30Mbps) broadband to poorly connected communities across North Wales.

	Stage 1 Determine the project context	Stage 2 Prepare the Strategic Outline Case	Stage 3 Preparing the Outline Business Case	Stage 4 Approval of the Outline Business Case	Stage 5 Preparing the Full Business Case	Stage 6 Approval of the Full Business Case	Stage 7 Project Implementation and Monitoring	Stage 8 Project Evaluation
Connected Campuses	Complete	In progress						
Connected Key Sites and Corridors	Complete	In progress						
Digital Signal Processing Centre	Complete	Complete	Complete	Complete	Complete	Complete	In progress	
Last Few %	Complete	Complete	Complete	Complete	In progress			





Innovation in High Value Manufacturing

Programme Overview and Progress

Promote innovation and commercialisation of technology in the manufacturing industry, building on the existing strength of the sector within our region.

Centre for Environmental Biotechnology

Lead Sponsor: Bangor University

Exploring the use of biological processes as low carbon alternatives to products and industrial manufacturing processes

Enterprise Engineering and Optics Centre

Lead Sponsor: Glyndŵr University

Delivering state-of-the-art facilities to explore optics, photonics and composite materials as a lightweight material alternative, reducing carbon within the sector.

	Stage 1 Determine the project context	Stage 2 Prepare the Strategic Outline Case	Stage 3 Preparing the Outline Business Case	Stage 4 Approval of the Outline Business Case	Stage 5 Preparing the Full Business Case	Stage 6 Approval of the Full Business Case	Stage 7 Project Implementation and Monitoring	Stage 8 Project Evaluation
Centre for Environmental Biotechnology	Complete ✓	Complete ✓	In progress ⌚					
Enterprise Engineering and Optics Centre	Complete ✓	Complete ✓	Complete ✓	Complete ✓	In progress ⌚			





Land and Property

Programme Overview and Progress

Addressing land and property challenges within the region, to unlock opportunities and build on our strengths. The programme will develop sites to provide residential and employment premises. It will also maximise capacity at key transport links.

Former North Wales Hospital

Lead Sponsor: Jones Bros Civil Engineering UK

Develop and clean the site for residential development and for businesses to relocate or expand.

Holyhead Gateway

Lead Sponsor: Stenaline

Improve the port's capacity and facilities, creating a berth for energy projects and general freight

Parc Bryn Cegin

Lead Sponsor: Ambition North Wales

Develop land for new build employment premises suitable for relocation opportunities.

Warren Hall, Broughton

Lead Sponsor: Ambition North Wales and the Welsh Government

Providing critical services to the site for business reallocation, expansion, or attracting new businesses.

Western Gateway, Wrexham

Lead Sponsor: Ambition North Wales

Providing critical services to the site for business reallocation, expansion, or attracting new businesses.

	Stage 1 Determine the project context	Stage 2 Prepare the Strategic Outline Case	Stage 3 Preparing the Outline Business Case	Stage 4 Approval of the Outline Business Case	Stage 5 Preparing the Full Business Case	Stage 6 Approval of the Full Business Case	Stage 7 Project Implementation and Monitoring	Stage 8 Project Evaluation
Former North Wales Hospital	Complete	Complete	In progress					
Holyhead Gateway	Complete	Complete	In progress					
Parc Bryn Cegin	Complete	Complete	In progress					
Warren Hall, Broughton	Complete	In progress						
Western Gateway, Wrexham	Complete	In progress						



Low Carbon Energy

Programme Overview and Progress

Unlocking the benefits of developing low carbon energy projects within the region, positioning North Wales as a leading location for the low carbon energy sector.

Cydnerth (Morlais)

Lead Sponsor: Menter Môn

Develop additional grid connections for tidal energy suppliers to deploy more turbines within the zone.

Egni

Lead Sponsor: Bangor University

Developing a Centre of Excellence, enhancing research, design and innovation in low carbon energy.

Hydrogen Hub

Lead Sponsor: Ambition North Wales

Kick-start the region's hydrogen economy by supporting and delivering a hydrogen hub.

Smart Local Energy

Lead Sponsor: Ambition North Wales

Support projects to achieve renewable energy, decarbonisation and have local ownership.

Trawsfynydd

Lead Sponsor: Cwmni Eginio (Welsh Government)

Deploy Small or Advanced Modular Reactors at the site to generate low carbon energy.

	Stage 1 Determine the project context	Stage 2 Prepare the Strategic Outline Case	Stage 3 Preparing the Outline Business Case	Stage 4 Approval of the Outline Business Case	Stage 5 Preparing the Full Business Case	Stage 6 Approval of the Full Business Case	Stage 7 Project Implementation and Monitoring	Stage 8 Project Evaluation
Cydnerth	Complete ✓	Complete ✓	In progress ⌚					
Trawsfynydd	Complete ✓	In progress ⌚						
Egni	Complete ✓	Complete ✓	In progress ⌚					
Smart Local Energy	Complete ✓	Complete ✓	Complete ✓	Complete ✓	In progress ⌚			
Hydrogen Hub	Complete ✓	Complete ✓	In progress ⌚					

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