

# Agenda – Economy, Trade, and Rural Affairs Committee

---

Meeting Venue:

Committee room 5 – Tŷ Hywel  
and video conference via Zoom

Meeting date: 4 June 2025

Meeting time: 09.30

For further information contact:

Robert Donovan

Committee Clerk

0300 200 6565

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

## Hybrid

---

### Private pre-meeting

09.15 – 09.30

### Public session

09.30 – 12.10

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

09.30

#### 2 City and Growth Deals: Panel 1

09.30 – 11.00

(Pages 1 – 35)

Kellie Beirne, Chief Executive of the South East Wales Corporate Joint Committee, and Cardiff Capital Region

Councillor Mary Ann Brocklesby, Leader of Monmouthshire County Council, and Chair of the South East Wales Corporate Joint Committee and Cardiff Capital Region



Attached Documents:

Research Brief

Evidence paper – Cardiff Capital Region

## **Break**

11.00–11.10

## **3 City and Growth Deals: Panel 2**

11.10 – 12.10

(Pages 36 – 50)

Carwyn Jones–Evans, Corporate Manager: Strategic Economic Investment /  
Portfolio SRO: Growing Mid Wales

Councillor Jake Berriman, Leader of Powys County Council, Joint Chair of the  
Growing Mid Wales Board, and member of the Mid Wales Corporate Joint  
Committee

Councillor Bryan Davies, Leader of Ceredigion County Council, Joint Chair of  
the Growing Mid Wales Board, and member of the Mid Wales Corporate Joint  
Committee

Attached Documents:

Evidence paper – Growing Mid Wales

## **4 Papers to note**

12.10

### **4.1 Welsh Government Draft Budget 2026–27: Engagement**

(Pages 51 – 53)

Attached Documents:

Letter from the Chair of the Finance Committee – 9 May 2025

## **4.2 Inter-Ministerial Group for Environment, Food and Rural Affairs**

(Pages 54 – 55)

Attached Documents:

Letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs to the Chair of the Legislation, Justice and Constitution Committee – 9 May 2025

Letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs to the Chair of the Legislation, Justice and Constitution Committee – 21 May 2025

## **4.3 Green Economy**

(Pages 56 – 74)

Attached Documents:

Covering letter from the Cabinet Secretary for Economy, Energy and Planning – 13 May 2025

Welsh Government report response – 13 May 2025

## **4.4 Holyhead Port Storm Damage and Closure**

(Pages 75 – 92)

Attached Documents:

Welsh Government report response – 15 May 2025

## **4.5 City and Growth Deals**

(Pages 93 – 94)

Attached Documents:

Letter from the Chair to all Local Authority Leaders in Wales – 15 May 2025

## **4.6 Hybu Cig Cymru**

(Pages 95 – 100)

Attached Documents:

Letter from the Chair to the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs – 16 May 2025

Letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs – 30 May 2025

#### **4.7 Reviews of Business Support**

(Pages 101 – 102)

Attached Documents:

Letter from the Chair to the Cabinet Secretary for Economy, Energy and Planning – 16 May 2025

#### **4.8 Petitions regarding animal health and welfare, and the Welsh higher education sector**

(Pages 103 – 104)

Attached Documents:

Letter from the Chair to the Chair of the Petitions Committee – 16 May 2025

#### **4.9 Supplementary Legislative Consent Memoranda on the Product Regulation and Metrology Bill**

(Pages 105 – 106)

Attached Documents:

Letter from the Chair to the Chair of the Business Committee – 19 May 2025

#### **4.10 Scrutiny of the Draft Budget 2025–26: Evidence provided by the Welsh Government**

(Pages 107 – 108)

Attached Documents:

Letter from the Chair to the Chair of the Finance Committee – 22 May 2025

#### **4.11 Inter–Institutional Relations Agreement: Forthcoming Intergovernmental Meetings**

(Page 109)

Attached Documents:

Letter from the First Minister to the Chair of the Legislation, Justice and Constitution Committee – 22 May 2025

#### **4.12 The Foundational Economy**

(Pages 110 – 123)

Attached Documents:

Covering letter from the Cabinet Secretary for Economy, Energy and Planning – 28 May 2025

Welsh Government report response – 28 May 2025

#### **4.13 Meeting of the Inter–Ministerial Group for Trade**

(Page 124)

Attached Documents:

Letter from the Cabinet Secretary for Economy, Energy and Planning – 30 May 2025

#### **4.14 UK’s agri–food and drink attachés**

(Pages 125 – 126)

Attached Documents:

Letter from the Minister of State (Minister for Food Security and Rural Affairs), Department for Environment, Food and Rural Affairs – 30 May 2025

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

12.10

## **6 City and Growth Deals: consideration of evidence**

12.10–12.20

## **7 Hybu Cig Cymru: consideration of key issues and funding briefing**

12.20 – 12.30

(Pages 127 – 152)

Attached Documents:

Key Issues Paper

Hybu Cig Cymru Funding Briefing

# Agenda Item 2

Document is Restricted

**Cardiff Capital Region**

**Written Evidence to the  
Economy, Trade and Rural  
Affairs Committee**

**City and Growth Deals Inquiry**

**Councillor Mary Ann Brocklesby, Chair**

**Kellie Beirne, Chief Executive**

Thursday, 22 May 2025



**Prifddinas  
Ranbarth  
Caerdydd**

**Cardiff  
Capital  
Region**

## Contents

<b>1. Introduction</b> .....	2
<b>2. Programme Update</b> .....	3
<b>2.1 Investment Strategy</b> .....	3
<b>2.2 Expenditure</b> .....	3
<b>2.3 Recycled Funds</b> .....	4
<b>2.4 Delivery Progress &amp; Performance</b> .....	4
<b>3. CCR City Deal Impact</b> .....	8
<b>4. Major Project Updates</b> .....	10
<b>4.1 Innovation: Compound Semiconductor Cluster</b> .....	10
<b>4.2 Net Zero: CCR Energy</b> .....	10
<b>4.3 Transport: Metro Plus</b> .....	11
<b>4.4 Digital Connectivity: Ogi</b> .....	12
<b>4.5 Impact Funds</b> .....	12
<b>5. Governance &amp; Democratic Accountability</b> .....	15
<b>6. Availability of Private Sector Investment</b> .....	17
<b>7. Business Support Landscape</b> .....	18

## 1. Introduction

Covering the ten local authorities of South-East Wales, the ambition of Cardiff Capital Region (CCR) is to foster a regional economy that is stronger, fairer, and greener, generating good growth and creating the conditions for shared prosperity across our ten local authorities. Accounting for circa 50% of the population and economic activity of Wales, CCR is a place that has reinvented itself in the face of global changes whilst retaining its creativity, resilience and social solidarity.

Brought together formally for the landmark City Deal in 2016, CCR has grown in its capability, capacity, remit, and responsibility for the collective region. Now acting as a Corporate Joint Committee (CJC), and a separate legal entity, CCR's responsibilities include innovation-led growth, economic well-being, strategic development, transport planning, infrastructure, and sites and premises.

Signed in March 2016 across the ten CCR local authorities by the Welsh and UK Governments, the City Deal comprises £734m for the Metro project and £495m for the Wider Investment Fund (WIF), and to date has created and safeguarded more than 4,000 jobs, generated £112m in co-investment for projects and supported 735 SMEs across the region.

The City Deal focused on CCR's specialisms, leveraging the WIF to build on sectoral strengths. However, the City Deal has been more than a funding mechanism. It represents the first stage of regional economic governance. It supported the evolution of a networked and distributed model of leadership where the ten local authorities combined to boost the region as a whole.

The Deal has helped CCR to redefine the role of the public sector as a driver of innovation by using investment funds to create and stimulate new markets, convene around solving the big industrial and societal challenges, and work across public-private boundaries to share risk, reward, and responsibility.

CCR's Regional Economic & Industrial Plan (2023-28) gives a clear forward view of the ambitions in transitioning from a City Deal to a City Region, through the *'lift and shift'* of CCR City Deal into the South East Wales Corporate Joint Committee in April 2024.

The combination of capability and capacity, mature thinking, expertise around innovation-led growth, with those key responsibilities and empowerment, makes CCR a very real strength and a game changer in how the region can and will grow, and achieve economic well-being.

This document provides a progress update on the CCR City Deal to the Economy, Trade, and Rural Affairs Committee in the period since the last meeting with the Committee in September 2023. The report is structured to respond to the areas as highlighted in the Terms of Reference<sup>1</sup>.

---

<sup>1</sup> <https://business.senedd.wales/mglIssueHistoryHome.aspx?IId=41795>

## 2. Programme Update

### 2.1 Investment Strategy

CCR has taken a unique evergreen approach to the deployment of the £495m Wider Investment Fund (WIF), with a view to creating a legacy fund that will benefit the region and nation. Around 50% of the investments made through the City Deal are evergreen, deployed through a number of mechanisms, including debt finance and equity.

The WIF is the primary fund that proposals which align with CCR's priority investment areas of Innovation, Infrastructure, Challenge and Skills will seek to access. Investments in this fund should have the scale and ambition to robustly address the challenges facing the region.

CCR is committed to developing a dynamic and competitive economy that generates jobs, raises wages, improves skills, and promotes fair work across the region, through encouraging entrepreneurship and stimulating growth in the business base.

Investment has been deployed to improve the transport system, develop priority industrial clusters, support high growth firms retaining their supply chains in the region and achieve Net Zero. CCR has also invested directly in high value, innovative local firms, helping to grow priority clusters, such as FinTech, Creative Industries, Cybersecurity and Compound Semiconductors.

Impact Funds have been created for specific categories of investment. This is to ring-fence set sums for investment, create bespoke eligibility criteria, employ dedicated fund managers to manage the application and assessment stages and in general to simplify the overall process for applicants.

Details of major projects and Impact Funds can be found in **Section 4**.

### 2.2 Expenditure

CCR has continued to accelerate delivery in the period since September 2023 and, subsequently, funds have been deployed ahead of profile. £139m of the £495m Wider Investment Fund has been spent as of 31<sup>st</sup> March 2024 and there are plans in place to spend a further £55m in the financial year 2024/25. At the end of Quarter 3 of 2024/25 (31<sup>st</sup> December 2024), CCR had spent a further £39m, bringing the total spend to £178m. In addition, the forecast spend to the end of the financial year 2024/25 remained on target.

The Fund's 'committed spend' at the end of Quarter 3 amounted to £423m, representing over 85% of CCR's £495m Wider Investment Fund. These commitments cover 27 separate projects and programmes, as well as the setting-up and operation of several discrete Impact Funds.

The position against the Wider Investment Fund reported to Investment Board in December 2024 is summarised below:

<b>Portfolio</b>	<b>Committed funds (£m)</b>	<b>Forecast spend to end 2024/25 (£m)</b>
Innovation	130.2	78.7
Infrastructure	279.7	102.9
Challenge	7.7	5.8
Skills	5.7	5.5
	<b>423.3</b>	<b>192.9</b>

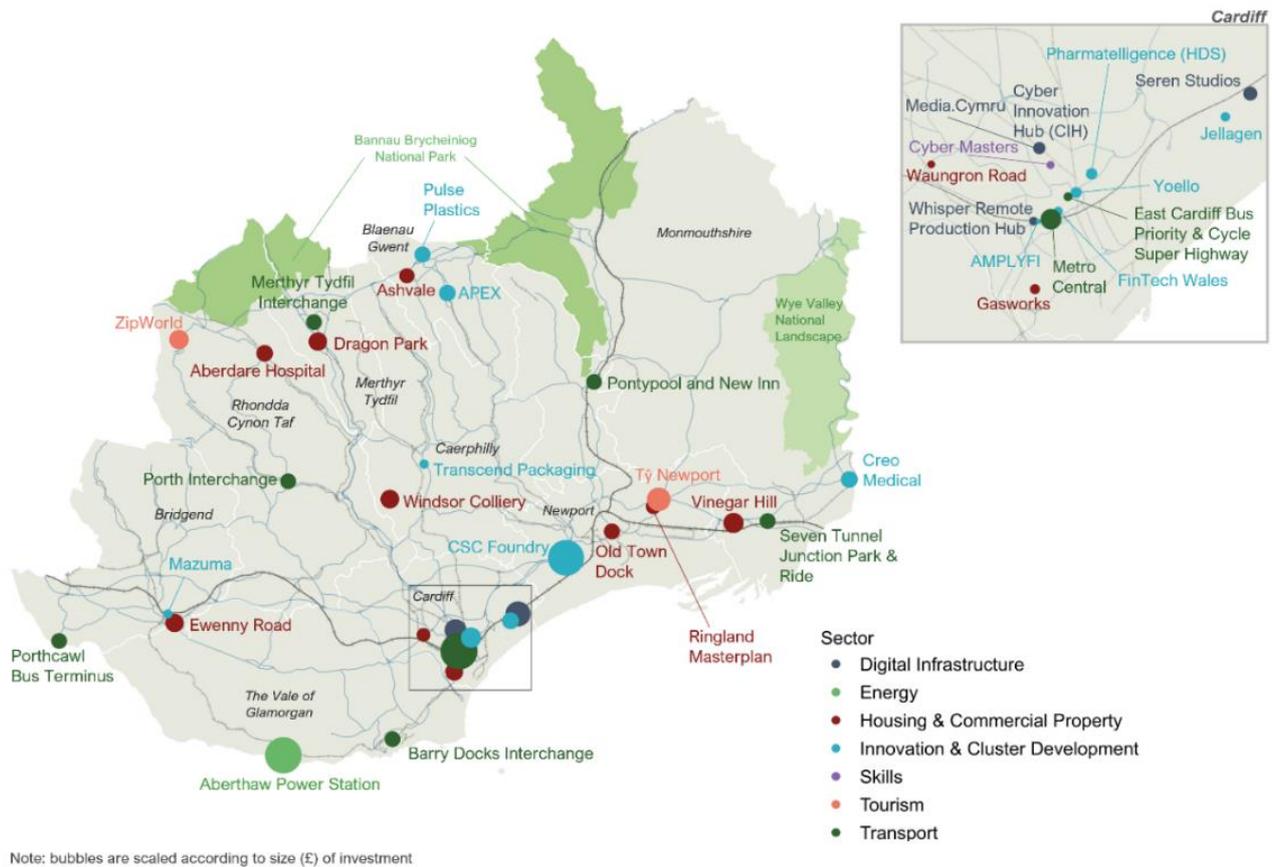
### **2.3 Recycled Funds**

An important aspect of CCR’s continued delivery and success is the Return on Investment of its interventions. Cumulatively, at end of the financial year 2023/24, these amounted to £11.2m in principal returns and interest. These amounts are held as usable reserves in CCR’s Balance Sheet and are available to fund expenditure in future years.

As at the end of Quarter 3 (31<sup>st</sup> December 2024) these sums are projected to total over £19m by the end of the financial year 2024/25.

### **2.4 Delivery Progress & Performance**

There has been significant progress made across the programme in the period since the previous submission of evidence to the Economy, Trade, and Rural Affairs Committee, as CCR has made the transition to becoming a Corporate Joint Committee. There are now a total of 27 projects in deployment across the Wider Investment Fund, with a wide regional spread as indicated in Figure 1 (overleaf).



**Figure 1: Distribution of CCR investments (correct as of October 2025)**

As part of the UK Government Gateway Review of the CCR City Deal, and to set an appropriate frame for determining impact, CCR established a Local Evaluation Framework (LEF). This set the overall approach to evaluation aligned to the National Evaluation Framework (NEF). The specific approach for CCR was then agreed in the LEF, which was approved by CCR’s Regional Cabinet and submitted to DLUHC in September 2023. From this robust basis, a Mid-Term report was produced in February 2024, evaluating CCR at the ‘mid-point’ between its previous Gateway Review (2020) and its upcoming second review, due to conclude at the end of 2025. The report evaluates specific projects and interventions but also seeks to understand CCR’s wider processes and impact.

The Mid-Term report highlighted strengths in CCR’s business case development process, following the five-stage Green Book business case guidance, alongside the use of CCR’s advisory boards to allow for challenge and comment throughout each stage. Those advisory boards include the Investment Board and Regional Growth Board.

Stakeholder engagement was undertaken as part of the Mid-Term report and was led by a third party. This highlighted that collaboration between the ten Local Authorities has strengthened as a result of the way CCR has been set up and continues to operate, despite changes in Local Authority leadership. This same third party observed that CCR is the principal regional structure for economic development, with this role growing in terms of both delivery capacity and importance since the first Gateway Review in 2020.

The Mid-Term Report also contained a comprehensive socio-economic analysis, which reported a positive increase in regional GVA, which tracked ahead of the Welsh economy generally.

	2016	2022	Growth 2016 to 2022
Cardiff Capital Region GVA (£bn)	32,606	34,821	6.79
Wales GVA (£bn)	64,109	66,808	4.21

Likewise, Cardiff and CCR have seen significant improvements as measured in the UK Competitiveness Index (UKCI), being identified as among the most improved cities and the most improved of all city regions between 2019 and 2023. In a separate report, the authors of the UKCI recognise the important role of the CCR City Deal as a driver of entrepreneurial activity in key sectors<sup>2</sup>.

Allied to regional analysis, CCR tracks performance against the agreed indicators for each project as detailed in the Local Evaluation Framework. Performance is reported to UK & Welsh Governments on a quarterly basis and the performance to September 2024/25 is indicated in Figure 2 below.

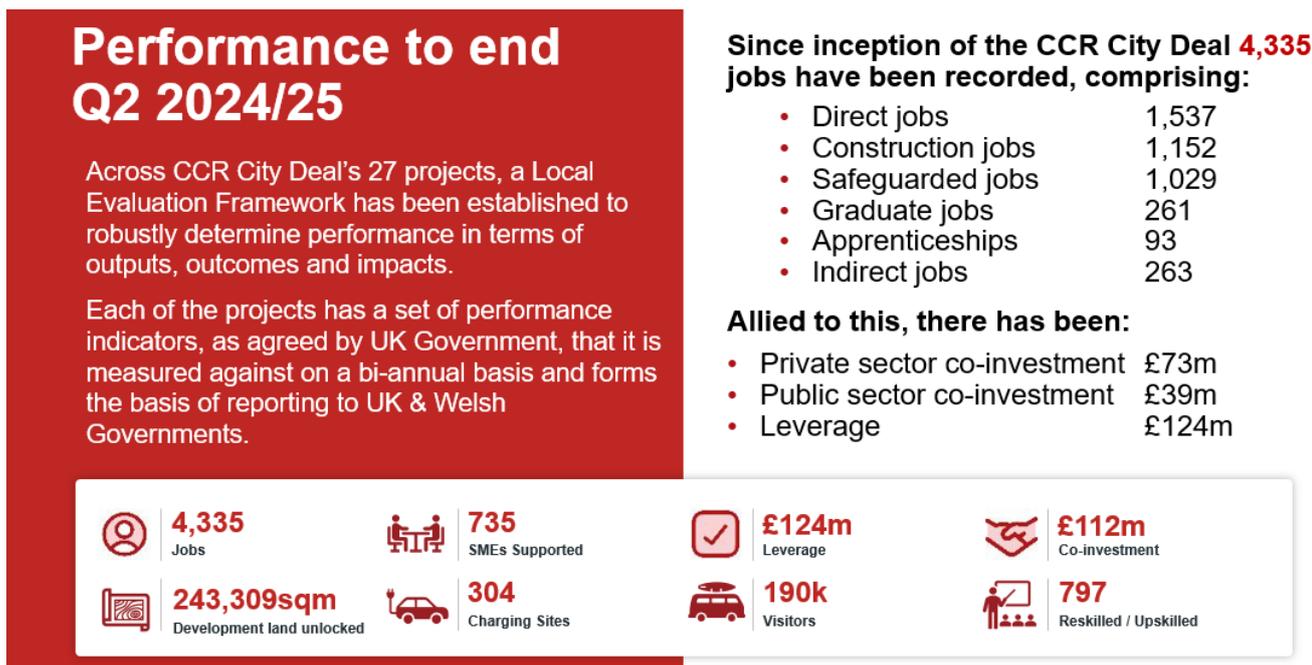


Figure 2: Performance to September 2024

<sup>2</sup> 'Entrepreneurial ecosystems, agency and regional development: Emergence and new path creation in the Cardiff city region', Huggins, Thompson, Munday & Xu, Local Economy

It is important to note that many of the projects are only at the stage of reporting *outputs* and, as such, reporting at this early stage is used as an indicator of trajectory against overall CCR City Deal targets. Per the Mid-Term Report, the Independent Evaluation Panel were satisfied that the City Deal had achieved milestones and was on course to deliver against objectives.

Indeed, in the second half of 2024/25, there have been investments made through the impact funds that will accelerate achievement of targets, such as the debt finance of the Uskmouth Battery Energy Storage System<sup>3</sup> and the equity investment in Space Forge Limited<sup>4</sup>.

---

<sup>3</sup> <https://www.cardiffcapitalregion.wales/news-events/latest-news/cardiff-capital-region-loan-enables-the-development-of-battery-storage-in-newport/>

<sup>4</sup> <https://www.cardiffcapitalregion.wales/news-events/latest-news/innovation-investment-capital-backs-space-forge-to-revolutionise-space-manufacturing/>

### 3. CCR City Deal Impact

Statistical analysis is only part of the regional narrative and, ultimately, stakeholders and residents need to feel the impact of the CCR City Deal. This impact is seen in what the City Deal projects deliver – the improvements brought to residents' lives and the economic benefits realised.

#### CCR invests in innovative companies and sectors that drive economic growth

A key objective from its **Regional Economic & Industrial Plan** is to make the region more competitive, linking innovation to higher levels of productivity and growth in employment. CCR's **Innovation Investment Capital** and **Northern Valleys Initiative** are two £50m funds that actively invest in companies that are led by innovation. Examples so far include AMPLYFI, Mazuma and Transcend Packaging, all of which are disrupters in their sectors. CCR also funds tech bodies such as the Cyber Innovation Hub, which aims to make South East Wales a leading cybersecurity hub in the UK and beyond.

#### CCR uses public money to leverage private sector investment in the region

A recent example is the £8.5m debt finance deal with SAE Renewables to transform Uskmouth into one of the largest Battery Energy Storage Systems sites in the UK, helping support the energy transition to Net Zero. This sum from CCR leveraged co-investment of £56.5m of private capital for the first stage of the project.

#### CCR's interventions unlock and complete stalled projects

CCR's intervention and investment funds enable projects that have been halted or stalled, thus creating jobs and increasing resources for the region. Examples of this include CCR's **Strategic Premises Fund** that has funded companies such as the 146-bed Ty Newport Hotel, enabling much-needed additional hotel space to be created, and increasing employment and investment into the region.

#### CCR's evergreen loans being recycled into new ventures

CCR's investment funds are managed by experts both inside and outside the organisation, with robust governance and oversight. The loans are given at commercial rates and, upon repayment, are available to be reused. Recently, companies such as Zip World and Pulse Plastics have repaid their CCR loans – generating economic benefits while ensuring that funds can be recycled.

#### CCR funds housing schemes across the region

CCR's **Housing Viability Gap Fund** is focused on working with local developers and councils with a targeted housing fund of £35m to bring forward new homes across South East Wales. Funds have been committed across ten schemes that have unlocked the delivery of more than 1,800 new houses.

#### CCR invests in the Northern Valleys

The six counties of Torfaen, Blaenau Gwent, Caerphilly, Merthyr Tydfil, RCT and Bridgend form CCR's Northern Valleys and this area needs targeted investment. The **Northern Valleys Initiative** is a £50m fund that aims to play a long-term levelling-up role in tackling some of the intra-regional disparities that exist within the region. Investments are focussed on businesses and sites that offer high-growth potential and the ability to help transform the regional economy.

### **CCR co-invests with Welsh Government for big ticket projects**

CCR often uses its funding as leverage, working with government, Local Authorities and the private sector to further increase opportunities for business and people. CCR co-funds projects with the Welsh Government, for example, the expansion of Great Point Seren Studios in Cardiff, where CCR gave £12m as a loan, backed up by a £6m grant from Welsh Government, leveraging in £30m of private sector co-investment.

### **CCR improves transport infrastructure**

CCR's £50m Metro Plus Programme is connecting and integrating sustainable infrastructure with nine schemes across the region, ranging from establishing new park and ride facilities with EV charging on-site in Pontypool, to a new rail interchange in Merthyr. Six of the schemes have already been delivered, with the remaining three being larger in scale, to deliver wider benefits across the region, including redeveloping Cardiff Central station.

## 4. Major Project Updates

This section contains updates on the CCR City Deal's most significant investments, as requested by the Committee.

### 4.1 Innovation: Compound Semiconductor Cluster

CCR is the owner of the CSC Foundry in Imperial Park, home to both IQE PLC and Compound Semiconductor Applications Catapult (CSA Catapult). The cluster includes world-renowned companies including Vishay, KLA, and Microchip and continues to be the UK's hub for compound semiconductors. CCR plays host to governmental delegations from around the world seeking information on its cluster know-how.

CSC Foundry Ltd and IQE PLC worked in collaboration with CCR and the Welsh Government to set up a globally significant and state-of-the-art manufacturing foundry in Newport supplying 3D sensing products for globally recognised electronics companies – known as the 'super-foundry'. Ten specialist reactor tools were installed in 2017 and were qualified for production in 2018.

The work was focused on the redevelopment of a previously unoccupied building in Newport and the continued investment by CCR, with an initial allocation capped at £37.9m, to cover the cost of building conversion and specialist fit out. This investment covers the initial phases of development including the construction of specialist and fully serviced clean rooms which allows IQE to extend production to meet the continued demand for growth out to 2030 and beyond. IQE is funding the tools needed to operate (£6 million in 2024/25). It is anticipated that the project will involve significant capital spend from IQE to completely fit out and expand the new facility.

Whilst the CSC Foundry project is significant – and one of the only single sector priorities set out in the City Deal Heads of Terms (2016) – it was always seen as providing the building blocks for the growth, further development and reinforcement of the world's first Compound Semiconductor Cluster. To leverage and compound this good work, CCR seeded and invested in the creation of CSconnected, the cluster body for the region. CSconnected will help to drive growth of the wider cluster beyond that of an organic nature

The cluster directly contributes £381m per year to Welsh GVA, and once supply chain and household effects are considered, each direct job in the sector supports an additional 0.5 jobs elsewhere in the Welsh economy. The sector is characterised by high productivity, wages above the national average, and GVA per job more than twice the Welsh average.

Employment in the cluster during 2024 grew to a total of 4,047 highly skilled jobs spanning research, engineering, and high-value manufacturing. More than 20% of the workforce is engaged in R&D and innovation-intensive activities, reflecting the sector's emphasis on technological advancement. Industry partners within the cluster generate a collective turnover exceeding £560m, with over 95% of manufacturing output classified as exports—primarily to non-EU markets.

The cluster has a clear trajectory for growth, with a vision to expand and support between 6,000-7,000 jobs in semiconductor science, innovation, and manufacturing by 2030.

### 4.2 Net Zero: CCR Energy

The redevelopment of the former Aberthaw Power Station site represents a major strategic initiative within the region, supporting ambitions for decarbonisation, regional regeneration, and clean energy innovation. CCR Energy Ltd is a company set up by CCR for the acquisition of the Aberthaw site.

At the heart of the project is a strategic vision and plan to create sustainable green and clean energy for decades to come, drive new jobs and prosperity for the region and make a significant contribution towards UK and Welsh Governments' 2050 Net Zero targets. CCR Energy's board is a collective of industry experts and visionary leaders dedicated to shaping the future of sustainable energy.

Since the handover of the site, substantial progress has been made in delivering the initial phase of the Demolition Programme. Key milestones include the successful demolition of the Biomass Plant and Dust Bunker in Zone 5, with handover of this area to CCR Energy now imminent. Further works are underway, including the de-planting of the Turbine Hall and preparation for the demolition of the Water Treatment Plant. These activities are underpinned by a strong sustainability ethos, with 95% of materials from demolition being recycled or reused.

The Aberthaw project has attracted strong interest, showcased at international forums such as MIPIIM 2025. With an estimated Gross Development Value of up to £750m, the site has the potential to become a leading centre for renewable energy innovation. Current initiatives include advanced analysis of the Pulverised Fuel Ash (PFA) mound, totalling 18m tonnes, for reuse in a circular economy context, alongside plans for green hydrogen production, battery storage, and tidal energy research. CCR Energy has established a Tidal Consortium to introduce a first-of-its-kind testing facility for Low-Head tidal turbines on-site and has started exploring the potential of a Tidal Lagoon at Aberthaw in response to the Severn Estuary Commission Report published in March 2025.

The project is delivering immediate economic impact through the creation of 16 direct roles, 140 indirect roles, and 247 construction roles in the initial phase, with over 5,000 jobs projected across the full development lifecycle. The refurbishment of the ACE2 facility as a regional hub for sustainable energy innovation will support skills development, investor engagement, and collaboration across academia and industry. Strategic partnerships with WSP, Arup, Geldards, and Cardiff University are accelerating progress, while CCR Energy's participation in the Welsh Government's SBRI Agri-Food Challenge Programme links research to commercial application, with the first phase report due for publication shortly.

### **4.3 Transport: Metro Plus**

The £50m Metro Plus Programme is connecting and integrating sustainable infrastructure with nine schemes across the region, ranging from establishing new park and ride facilities with EV charging on-site in Pontypool, to a new rail interchange in Merthyr. Six of the schemes have already been delivered, with the remaining three being larger in scale, to deliver wider benefits across the region, including redeveloping Cardiff Central station.

The Cardiff Central Enhancements Programme (CCEP) has been a long-term project for CCR. In January 2018, the CCR City Deal's Regional Cabinet agreed in principle to set aside £40m of funding to support the redevelopment of Cardiff Central Station under the Metro Central programme, on the basis that match funding would be forthcoming from both UK and Welsh Governments. CCR has subsequently approved the Full Business Case in March 2025, and pending approval from the Department for Transport and Welsh Government, works will commence later in 2025 on this critical project.

Cardiff Central station is the only Category A1 railway station in Wales and serves as a national and regional transport hub within the South Wales Metro network. The station sits at the centre of the Cardiff Central Enterprise Zone (CCEZ), an area designated for new development and business investment, and Wales's largest economic centre. Cardiff is one of the UK's fastest-growing cities in percentage terms, with Cardiff Central accommodating a quarter of all station Welsh entries and exits annually.

Cardiff Central Station urgently needs upgrading to address current issues of accessibility, crowding, safety and performance at the station and to accommodate projected growth in passenger numbers over the next 25 years. Moreover, investment in the station will unlock wider economic benefits such as employment opportunities, land value uplift and GVA, in addition to catalysing regeneration and wider development around the station and across the wider region.

The capacity enhancements of Cardiff Central Station are a critical component of the overall South Wales Metro programme. The station's capacity determines the overall capability and resilience of the network and is also the sole connection between the South Wales Mainline and the Core Valley Lines (CVL). As such, the ability of the station to deal with increased patronage is fundamental to the future success of City Region infrastructure, and its ability to achieve dispersed and inclusive growth and increase in productivity across the region.

The original case for CCR investment was predicated on a funding stack comprising both public and private investment, as well as on approximately 5m sqft of commercial development, seeking to leverage some £2bn of commercial funds and up to £1bn in additional GVA to the region, helping to create, support, and induce between 20,000-30,000 jobs.

The scheme will be on site for early construction works in 2025 and is due to complete in approximately three years.

#### **4.4 Digital Connectivity: Ogi**

In September 2024 CCR approved a £45m financing package to support the expansion of Ogi, Wales' leading Alternative Network Provider (Alt-Net). This is the largest single-company investment made by CCR to date and directly supports strategic goals around digital connectivity, regional competitiveness, and economic resilience.

As digital infrastructure increasingly underpins all aspects of modern life, access to fast, reliable broadband has become a fundamental requirement. Strengthening digital infrastructure through the deployment of full fibre networks enables business to operate more efficiently and allows communities, particularly in underserved areas, to participate fully in the digital economy. Crucially, it ensures that the region keeps pace with, and does not fall behind, other UK City Regions that are advancing rapidly in full fibre deployment and digital readiness.

The CCR investment in Ogi supports the next stage of the company's growth and is accelerating the large-scale rollout of full fibre, gigabit capable broadband infrastructure. Over the next five years, this will deliver a high-capacity digital network across the region, as well as wider economic benefits such as job creation, GVA uplift and leveraged investment.

#### **4.5 Impact Funds**

CCR has a series of Impact Funds that have been created for specific categories of investment. This is in order to ring-fence set sums for investment, create bespoke eligibility criteria, employ dedicated fund managers to manage the application and assessment stages and in general simplify the overall process for the applicant.

For each of the Impact Funds we have included a description, key objectives or characteristics, and a headline 'Case Study' with key facts.

##### **Housing Viability Gap Fund (£35m)**

The Housing Viability Gap Fund is a targeted funding programme created to bring forward new homes on key strategic housing sites across the region. The Fund is a mechanism to unlock sites that would have no other means of coming forward due to financial viability.

The objectives of the Fund are to:

- Unlock stalled sites that are unviable for housing delivery.
- Invest in projects that will deliver housing in areas needed most, whilst demonstrating value for money and delivery certainty.
- Kick-start construction, generating jobs and delivering sustainable developments.
- Enhance the long-term growth prospects and competitiveness of the region through improved infrastructure, increased connectivity and regeneration.

**Case Study: Dragon Parc, Pentrebach, Merthyr Tydfil<sup>5</sup>**

- £3.5m grant funding
- 200 homes (forecast completion 2028)
- 9.03 hectares derelict land returned to use
- 25% (£1.75m) of costs to date spent with SME's

**Strategic Premises Fund (£50m)**

Regional Impact Fund targeted at accelerating the delivery of employment floorspace across Cardiff Capital Region.

- Flexible source of development finance for commercial development projects in the region.
- Independently managed by CBRE
- 10-year revolving fund with all capital returned and reinvested into future development projects
- Available to private sector-led schemes

**Case Study: Ty Newport Hotel Development<sup>6</sup>**

- £9.7m loan leveraging £9m co-investment
- 120 jobs created
- 53 apprenticeships supported
- 182,986 sqft employment space unlocked

**Northern Valleys Initiative (£50m)**

The Northern Valleys Initiative has been put in place to supporting growth to tackle economic and social disparity. The Initiative aims to:

- Build on previous interventions, support bold steps to boost growth
- Support delivery of infrastructure, digital connectivity and stimulate tourism
- Encourage private investment, generate jobs and drive prosperity
- Make projects with demonstrable gaps viable

**Case Study: Merthyr Industrial Development**

- £5.14m grant funding leveraging £32m private sector investment
- 200 new jobs
- 228,000 sqft employment space unlocked
- 19 acres derelict land reduced

---

<sup>5</sup> <https://www.asbriplanning.co.uk/statutory-pre-application-consultation/dragon-park-abercanaid-merthyr-tydfil>

<sup>6</sup> <https://www.ccrstrategicpremisesfund.co.uk/project/ty-newport/>

### **Innovation Investment Capital (£50m)**

Innovation Investment Capital is a £50m fund that has been established to provide patient capital to growing businesses across the region in South East Wales. Targeting investment proposals between £2m and £7m per deal to support high-growth, technology-focused companies located in, or expanding to one of the ten local authority areas in the region.

- Focusing on innovative scalable businesses.
- The fund is managed by Capricorn Fund Managers and advised by PwC.
- Catalysing 'good growth' in high growth companies and supporting high value jobs.

### **Case Study: Space Forge Limited<sup>7</sup>**

- Equity investment as part of £22.6m Series A funding
- Funding round led by the NATO Innovation Fund
- Retained the business and created further jobs in the region

---

<sup>7</sup> <https://fintechwales.org/news/space-forge-secures-series-a-funding-with-backing-from-cardiff-capital-region/>

## 5. Governance & Democratic Accountability

### March 2017 – March 2024

Cardiff Capital Region, comprising the ten principal Local Authorities in South East Wales was established in 2017 to oversee the delivery of the CCR City Deal. The ten Local Authorities entered into a joint working agreement on 1 March 2017 to formalise their respective roles and responsibilities in relation to the City Deal. The joint working agreement, amongst other matters, established a Joint Committee (known as Regional Cabinet) comprised of the ten Council Leaders, and appointed Cardiff Council to act as the Accountable Body for and on behalf of the Partner Councils to discharge the Local Authorities' obligations in relation to City Deal.

### April 2024 - onwards

In 2021, the Senedd Cymru passed legislation establishing a new public body for the region to be known as the South East Wales Corporate Joint Committee (SEWCJC). The SEWCJC's area comprises the administrative areas of the ten CCR Partner Local Authorities.

The SEWCJC has three key areas of responsibility:

- Strategic Development Plans
- Regional Transport Plans
- Doing whatever is deemed necessary to enhance or promote the economic wellbeing of the area (the 'Economic Wellbeing Function')

With effect from 1 April 2024, the SEWCJC has been the stewardship and decision-making entity for the CCR City Deal, which it delivers as part of its Economic Wellbeing Function, allowing the existing regional collaboration to make use of the additional tools that the structure of a corporate body allows.

The SEWCJC is responsible for receiving and spending funds on behalf of the Local Authorities in relation to the CCR City Deal in accordance with the funding conditions and has adopted a Constitution governing how decisions are made, who is responsible for making decisions and the procedures that must be followed to ensure that it is transparent, accountable and efficient. This includes Standing Orders in relation to the delivery of CCR City Deal.

The SEWCJC's Constitution, together with a Guide to the Constitution, is published on its website<sup>1</sup> at alongside an overview of its Governance Framework.<sup>2</sup>

The SEWCJC's Constitution also includes specific [Standing Orders in relation to the delivery of CCR City Deal](#), which include the Committee's [Terms of Reference](#) in relation to CCR City Deal at Annex 2 and the CCR City Deal Wider Investment Fund [Assurance Framework](#) at Annex 5.

Details of the SEWCJC's members and meetings are published on its website<sup>3</sup> and meetings of the SEWCJC are webcast and open to the public to attend, except where confidential information or exempt information is being discussed. The SEWCJC publishes a [Forward Plan](#) of the key decisions it intends to make at least 28 days in advance of the meeting and [agendas and reports](#) are published at least three clear working days prior to each meeting at which a decision is to be taken, together with a link to the live broadcast of the relevant meeting.

The SEWCJC has established several sub-committees and advisory boards to support its functions. These are shown in Figure 3 (below) and a full list of these, and their Terms of Reference, may be found in [Part 3B](#) of the SEWCJC's Constitution.

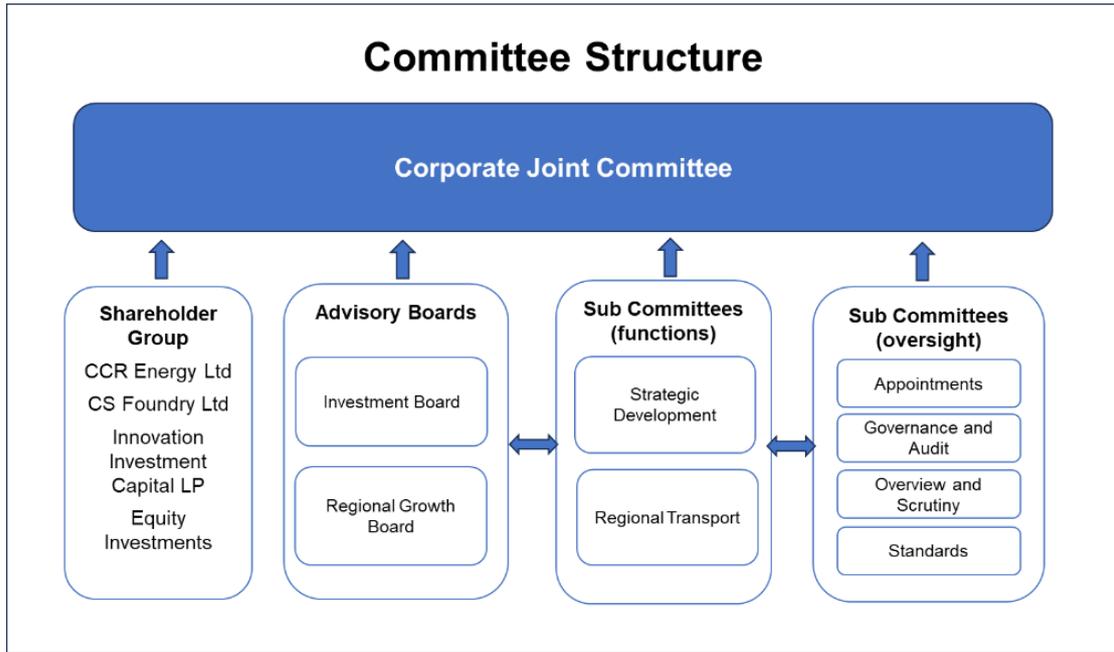


Figure 3: SEWCJC Committee Structure

## 6. Availability of Private Sector Investment

Private sector investment is critical to the success of any region, and a key driver for the Wider Investment Fund is to drive private sector co-investment and leverage wider funding. CCR has also created a series of Impact Funds, identified in Section 4, with specific targets in regard to co-investment of public and private sector capital.

There are many examples of this within the funds, some mentioned previously in this document, including:

- Uskmouth Power Station Battery Energy Storage Systems – a loan of £8.5 million from the CCR Strategic Premises Fund has unlocked private sector finance of over £56 million.
- The Housing Viability Gap Fund's £35m investment in ten schemes across the region will deliver 1800 homes on sites that would have struggled without the support provided due to viability issues for each site, while leveraging significant developer investment.
- The Innovation Investment Capital Fund's first four investments have raised further private sector capital to support their growth and development. Co-investment ensures that the public money invested in these firms can realise a much greater impact.

Going forward, CCR is working to develop investible propositions across the region, thereby attracting a wide range of pension funds, institutional investors, and patient capital. This is a key ethos and focus for the CCR investment strategy as the organisation matures.

## 7. Business Support Landscape

As referenced in the Regional Economic & Industrial Plan, CCR focuses on priority sectors for cluster development and growth and aims to support the growth of businesses within these sectors across the region. To gain a wider and deeper impact across those six cluster areas, CCR seeded the creation of sustainable enabling bodies that can support, disrupt, and develop their respective business environments in the region. The table highlights these industrial clusters with examples of CCR interventions to date that have enabled growth.

Sector/ cluster	Regional employment	CCR funded enabling organisation	Examples of CCR interventions currently in delivery
Creative Industries	5,600 employees <sup>4</sup>	Media Cymru	<ul style="list-style-type: none"> <li>• <a href="#">Media Cymru</a> (£50m Strength In Places Bid)</li> <li>• <a href="#">Great Point Studios</a> (£12m loan enabling £60m wider studio investment)</li> <li>• <a href="#">Whisper TV</a> (£1.5m loan for global production hub)</li> </ul>
Green Energy	825 employees <sup>5</sup>	CCR Energy	<ul style="list-style-type: none"> <li>• <a href="#">Aberthaw Power Station</a> (acquisition of 500 acre-site, transforming to Low Carbon Energy Destination)</li> <li>• <a href="#">HyBont</a> (investment in an SPV to create an innovative hydrogen production demonstrator)</li> <li>• <a href="#">ULEV</a> (pan-regional charging infrastructure)</li> </ul>
Compound Semiconductor	1,773 employees <sup>6</sup>	CSconnected	<ul style="list-style-type: none"> <li>• <a href="#">CSConnected</a> (£43.7m Strength In Places Bid)</li> <li>• <a href="#">CSC Foundry</a> (£40m mega-foundry)</li> <li>• <a href="#">Investment Zone</a> (in development with Welsh Government)</li> </ul>
Cyber Security	1,256 employees <sup>4</sup>	Cyber Innovation Hub	<ul style="list-style-type: none"> <li>• <a href="#">Cyber Innovation Hub</a> (£20m co-funded commercialisation &amp; skills programme with Welsh Government and industry)</li> <li>• <a href="#">Cyber Masters</a> (industry-driven skills programme)</li> </ul>
FinTech	6,500 employees <sup>7</sup>	FinTech Wales	<ul style="list-style-type: none"> <li>• <a href="#">FinTech Wales</a> (funding the FinTech trade body)</li> <li>• <a href="#">Mazuma</a> (equity investment from Innovation Investment Capital)</li> </ul>

CCR has worked with the Welsh Government on many of these projects and has been a driver in supporting and delivering interventions across the innovation pipeline to support businesses, covering these sectors. This includes direct support into organisations (equity and debt investments) and indirect support by building and enhancing the environment and ecosystem that they exist in.

CCR appreciates that 'one size does not fit all' with respect to business support. Across the region there are obvious nuances that require a discrete approach to ensure that we are inclusive, and that options and opportunity remain accessible. The ongoing pipeline of interventions from CCR are purposefully bespoke and specific to the region. This pipeline does not deviate from the operations of Welsh Government and others, but the specific nature of the activity makes this complementary, as opposed to replication or competitive.

In developing this approach, CCR mapped out regional business support, and identified gaps and weaknesses, working with Welsh Government and other actors to ensure they can be addressed collaboratively.

Specific programmes have been developed and delivered to be complementary to current Welsh Government support. For example, CCR's Business Growth Programme was a strategic initiative launched to support 75 high-potential businesses across South-East Wales. Funded by CCR and the UK Shared Prosperity Fund, the programme drove regional economic development by helping entrepreneurs and scale-up companies grow sustainably. As a result of the programme 50 FTE roles were created, 68% of which were outside of Cardiff.

Existing and in pipeline developments related to business support with Welsh Government include:

- Investment Zone, working with Welsh Government to shape the proposition and focus
- Inward investment and collaborative support programmes
- Cluster bodies (such as, the Cyber Innovation Hub and Media Cymru)
- Industrial strategy, aligned to Welsh Government sectoral focus
- AI Growth Zone, building this new proposition with Welsh Government

# Agenda Item 3



**Tyfu**  
**Canolbarth Cymru**  
**Growing**  
**Mid Wales**

## MID WALES GROWTH DEAL

**Written Evidence for the Welsh Parliament's  
Economy, Trade and Rural Affairs Committee**

**4 June 2025**

-  [x.com/GrowingMidWales](https://x.com/GrowingMidWales)
-  [uk.linkedin.com/company/growing-mid-wales](https://uk.linkedin.com/company/growing-mid-wales)
-  [www.growingmid.wales](http://www.growingmid.wales)
-  [growingmidwales@ceredigion.gov.uk](mailto:growingmidwales@ceredigion.gov.uk)

## FOREWORD

This update builds on previous evidence (written and oral) in previous years and demonstrates that progress continues to be achieved with the Growth Deal, and our wider partnership to support economic growth and prosperity across Ceredigion and Powys.

This year has seen the Growth Deal starting delivery in earnest, with investment decisions late in 2024 leading to projects moving into delivery. The first Phase of the Elan Valley Lakes project is now getting underway, with Dŵr Cymru making progress at their site. We also recently saw the launch of the Mid Wales Commercial Property Investment Fund – a key fund for the leveraging of private sector investment to stimulate growth and job creation through new premises and expansion of existing premises.

We are grateful to the teams across our partner organisations that have been working hard to support and mobilise these major capital schemes. The economic and financial climate has been incredibly tough in recent years and has impacted the pace of delivery of large capital projects. This is particularly true in Mid Wales, where we do not have the economies of scale of larger regions. Our organisations must work that much harder to bring these business cases forward to a good standard and mobilise resources and attract investment.

One key area where we are continually disappointed however, is the ongoing lack of any revenue support from either Government to support the Deal. The funding is capital only. Despite escalating the issue with various Ministers across both Governments over many years, this remains the biggest challenge facing our Deal.

When the previous political administrations of Ceredigion and Powys agreed on the [Vision for Growing Mid Wales](#) – it was built on the premise of achieving greater outcomes through harnessing collective opportunity. Revenue funding is not only crucial to enable large-scale capital project delivery, but also to plugging skills and capability gaps and supporting skills development with the private sector.

Along that journey, we have utilised the momentum and vision built from establishing the Growth Deal to strengthen our partnership working – in Mid Wales and with other regions of Wales and further afield. Whilst the focus of the committee is specifically on the Growth Deal, we have also provided an update to members on the depth of achievements we have here that we have seen through our excellent partnership working to date.

Looking forward to the future, there will undoubtedly be a challenge in balancing the needs/priorities of future investment streams. Given the tools, we are well-placed to meet that challenge here in Mid Wales. We are delivering the funds we have access to, we have drawn in additional investment and have the governance and joint working arrangements to drive economic and skills growth.

Our one call of both Governments is to ensure flexibility of future funding streams and ensure parity of funding. Every Welsh region has its own distinctive strengths and opportunities, and the model they will want to work will be different. However, we must have flexibility to be able to tailor future funding streams to complement and add value to our current investments. We must build on the strong and meaningful engagement with the private sector – and deliver results.

We can only do that if we have an adequately funded and resourced model of working that can work to our regional strengths and opportunities.



**Cllr Bryan Davies,  
Leader of Ceredigion  
County Council**



**Cllr Jake Berriman,  
Leader of Powys County  
Council**

# CONTENTS

1. Background.....	1
2. Progress .....	3
2.1 Key Changes to the Portfolio since 2024.....	3
2.2 Private Sector Investment .....	3
2.3 Portfolio Allocations.....	4
2.4 Portfolio Viability.....	5
2.4.1 Portfolio Viability - Key Challenges .....	6
2.4.2 Portfolio Viability - Mitigation.....	7
2.4.3 Portfolio Viability - Conclusion .....	7
2.5 Regional Impact .....	8
2.6 Governance and democratic accountability .....	9
2.7 Fit with the Wider Support landscape .....	9
3. Wider Regional Activity .....	10
3.1 Skills .....	10
3.2 Energy .....	11
3.3 Agri-Tech and Agri-Food.....	12

## 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, engagement with the private sector, through economic analysis and prioritisation of schemes that stood the best chance of delivering a lasting economic legacy to the region.

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.

The Deal moved quickly from Heads of Terms (2020) to Final Deal Agreement (2022) with the focus throughout 2023,24 and 25 on project mobilisation.

It is a £110m capital-only Deal, that is funded equally from the UK and Welsh Governments.

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 Case).

Whilst some initial pump priming support was provided from WG to help with costs in establishing the Portfolio Management Office, no further revenue support has been provided by either Government. Despite continued lobbying for a separate one-off revenue fund to assist with pump priming early and potentially abortive Project/Programme development costs, no such fund currently exists.

Release of the capital funding from Governments to the Deal is done on an annual basis and is contingent upon satisfactory progress of the Deal via the submission of the Strategic Portfolio Business Case and Private Sector Investment Strategy.

The release of each tranche of the £110m MWGD Capital funding is contingent on an annual submission of an updated Portfolio Business Case and an updated Private Sector Investment Strategy.

The strategic objectives for Growing Mid Wales and the Growth Deal continue to take full advantage of the opportunities available to create and support economic and social growth by overcoming its challenges to become a fairer, smarter region that contributes to its full potential to address its productivity challenge.

- **Broadening our Economy:** Developing new opportunities from our assets – focusing on high value and growth supporting opportunities.
  - To create between 1,100 and 1,400 net new Full Time Equivalent (FTE) jobs in Mid Wales through the Growth Deal by 2032
  - To support a net additional Gross Value Added (GVA) uplift of between £570 million and £700 million for the Mid Wales Economy through the Growth Deal by 2032
  - To deliver a total investment of £280 million to £400 million in the Mid Wales Economy through the Growth Deal by 2032
  - A minimum of £170 million in private sector investment
- **Strengthening our Economy:** Supporting our existing industries and workforce to become more resilient through capacity building and creating the right conditions for future growth.
- **Connecting our Economy:** Improving digital and connectivity within, across and outside the region to ensure the region is attractive to work, live and play.

The financial profile for the funding from Governments, is as follows:

Year		UK Government £'000	Welsh Government £'000	Total £'000	Status
1	2023/24	-	4,000	4,000	<i>Received</i> - 25/09/23
2	2024/25	7,857	4,000	11,857	<i>Received</i> - 25/03/25
3	2025/26	7,857	4,000	11,857	
4	2026/27	7,857	4,000	11,857	
5	2027/28	7,857	4,000	11,857	
6	2028/29	7,857	4,000	11,857	
7	2029/30	7,857	4,000	11,857	
8	2030/31	7,858	4,000	11,858	
9	2031/32	-	4,000	4,000	
10	2032/33	-	4,000	4,000	
11	2023/34	-	3,000	3,000	
12	2034/35	-	3,000	3,000	
13	2035/36	-	3,000	3,000	
14	2036/37	-	3,000	3,000	
15	2037/38	-	3,000	3,000	
<b>Total</b>		<b>55,000</b>	<b>55,000</b>	<b>110,000</b>	

The revenue costs of administering the Deal and running the Portfolio Management Office are derived from a permissible 4% top-slice of the Deal that is “topped up” by revenue contributions from Ceredigion and Powys Councils.

This means that there is a minimum of £105.6m available for the Capital delivery of the Portfolio over the 15-year period from 2023/24 to 2037/38

## 2. Progress

The Growth Deal continues to make progress and 4 projects have been approved for funding and into Delivery. Members will note that project approvals have continued at pace and there is improved confidence in the project pipeline for future approvals.

**Caveat:** *the evidence provided in this section is based on working information available to the Portfolio Management Office (PoMO). The annual refresh of the Strategic Portfolio Business Case (SPBC) is underway and will complete by June. The information within this response has therefore been derived from a mature draft of working documents.*

### 2.1 Key Changes to the Portfolio since 2024

The Portfolio is largely unchanged since the previous edition of the business case, with three notable exceptions:

- 1) The aims and objectives of the National Spectrum Centre has been incorporated into larger initiatives within the Green Futures Innovation Park.
- 2) A new project, Mid Wales Commercial Property Investment Fund (project cost of £4.4m), aims to distribute grants to increase demand for commercial and industrial space. This was launched at the beginning of May – and has seen a positive reception from the private sector to date<sup>1</sup>.
- 3) The Sites and Premises Programme has been assimilated into the delivery of the two strategic projects (AMC/FMIC), with £4.4m allocated to the Mid Wales Commercial Property Investment Fund, £8.1m allocated to the Food Manufacturing Centre Horeb site, and £9.4m allocated to the Advanced Manufacturing Centre Newtown site. The remainder of the funding remains for future allocation.

### 2.2 Private Sector Investment

The Mid Wales Growth Deal has previously reported on its arrangements in relation to its private sector board and the Investment Strategy<sup>2</sup> that is in place. The Economic Advisory Group continues to meet in a voluntary capacity and provided critical friend advice and challenge throughout the early stages of Strategy, Portfolio and now, project development.

The direct investment leveraged from the Growth Deal projects is outlined in the table in section 2.4 below. These figures are still subject to change as the Portfolio matures when the project business cases evolve. Projects continue to strengthen and develop their approach to private sector investment through targeted funding strategies and early conversations around developing an investment proposition that could be considered alongside other regional opportunities outside of the Growth Deal.

Direct private sector engagement in the Deal is limited owing to its public sector nature (capital only and 5 case business model). However, we have this year established a new Mid Wales Commercial Property Investment Fund<sup>1</sup> – which has created a vehicle that can directly engage with private sector businesses to support their growth ambitions. The fund launched at the beginning of May and is showing strong interest. The design of the fund means that the private sector must contribute a minimum of 55% (max grant rate of 45%) – which will further strengthen the Growth Deal's impact and leverage.

---

<sup>1</sup> [Mid Wales commercial property fund launches to boost business growth - English - Growing Mid Wales](#)

<sup>2</sup> [230328\\_GMW-Board\\_Paper 5.3 Appendix 2 - GMW\\_PSS V0.2 Rev 0\\_EN.pdf](#)

## 2.3 Portfolio Allocations

The distribution of funding across the Programmes and Projects within the Growth Deal is as follows:

Programme / Project	Sponsor / Lead Local Authority	Total Estimated Project Cost	MWGD Notional Allocation	Latest Status
Cynefin The Green Heart of Wales	Centre for Alternative Technology	£25.3m	£13.2m	<i>OBC Developing Phase 1</i>
Elan Valley Lakes	Dwr Cymru	£21.7m	£7.2m	<i>OBC Approved WP1 BJC approved (In Delivery). WP2 FBC in development</i>
Mid Wales Advanced Manufacturing Campus	Powys CC	£45.2m	£18.9m	<i>Developing OBC</i>
Montgomery Canal Restoration to Navigation	Canal & River Trust	£22.0m	£8.0m	<i>Developing OBC</i>
Aberaeron Harbour	Ceredigion CC	£5.3m	£1.7m	<i>SOC Approved – reconsideration of OBC viability/next steps</i>
Food Manufacturing Innovation Centre	Ceredigion CC	£21.6m	£10.9m	<i>Developing OBC</i>
Green Futures Innovation Park	Aber University	£51.9m	£14.3m	<i>Developing OBC</i>
Tir Glas	University of Wales Trinity St Davids	£13.4m	£5.2m	<i>SOC Approved – reconsideration of OBC viability/next steps</i>
Mid Wales Commercial Property Investment Fund	Ceredigion CC	£4.5m	£4.5m	<i>BJC approved (In Delivery)</i>
Digital Programme - Mobile Coverage & Connectivity	Ceredigion CC	£4.5m	£3.7m	<i>OBC approved</i>
Digital Programme - Business Park FTTP	Ceredigion CC	£0.8m	£0.8m	<i>BJC approved (In Delivery)</i>
Digital Programme - LoRaWan Project		£0.5m	£0.5m	<i>BJC approved (In Delivery)</i>
Digital Programme – Very Hard to Reach (Broadband)		£4.3m	£4.1m	<i>Developing OBC</i>
Digital Programme – Digital Hubs		TBC	TBC	<i>Developing BJC</i>
<b>Subtotal</b>		<b>£221m</b>	<b>£93m</b>	
Balance Unallocated		-	£12.6m	
<b>TOTAL</b>		<b>£221m</b>	<b>£105.6m</b>	

\*Balance Unallocated – owing to project-level changes in-year.

## 2.4 Portfolio Viability

A Portfolio Health Check was undertaken between December 2024 and February 2025 to provide a transparent and concise overview of the current status and viability of the Growth Deal portfolio. This exercise included a full categorisation of projects and programmes, alongside the development of actionable recommendations to support effective delivery.

The Health Check was conducted through a series of structured workshops involving Programme & Project Managers and SROs. These sessions were designed to assess delivery progress, identify key challenges, and inform the strategic direction of the portfolio.

Projects were rated Red, Amber, Green - reflecting both the level of risk and the clarity of mitigation strategies.

**Green-rated projects** (totalling **20%** of capital requirements) are considered low risk, with minor challenges and well-defined mitigation strategies. These include:

- **Mid Wales Commercial Property Investment Fund** – £4.5m (4%),
- **Digital Programme** – £10.3m (10%)
- **Elan Valley** – £7.2m (7%)

**Amber-rated projects** (totalling **51%** of capital requirements) face moderate risks that require further attention due to significant challenges or only partially clear mitigation strategies. These include:

- **Green Futures Innovation Park** – £14.3m (14%)
- **Advanced Manufacturing Campus** – £18.9m (18%)
- **Aberaeron Harbour** – £1.7m (2%)
- **Food Manufacturing Innovation Centre** – £10.9m (10%)
- **Montgomery Canal** – £8.0m (8%)

**Red-rated projects** (totalling **17%** of capital requirements) are high risk, with critical barriers and currently unclear or insufficient mitigation strategies. These include:

- **Cynefin** – £13.2m (13%)
- **Tir Glas** – £5.2m (5%)

### MWGD Capital Costs by Project or Programme (2025), coloured by Health Check RAG Rating

Strategic Growth Priorities	Project / Programme	Total Capital Costs (£m)	Growth Deal Allocation (£m)	Confirmed Private Sector Match Funding (£m)	Confirmed Public Sector Match Funding (£m)	Residual Gap (£m)
Applied Research & Innovation	<i>Green Futures Innovation Park</i>	51.9	14.3	4.3	15	18.3 -35.18%
	<i>Mid Wales Advanced Manufacturing Campus</i>	45.2	18.9	0	0	26.3 -58.17%
Agriculture, Food & Drink	<i>Food Manufacturing Innovation Centre</i>	21.6	10.9	2	0	8.6 -40.05%
		13.4	5.2	5.3	0	2.9

	<i>Tir Glas (on hold)</i>					<b>-21.64%</b>
<b>Strengthened Tourism Offer</b>	<i>Elan Valley Lakes</i>	21.7	<b>7.2</b>	7.2	0	<b>7.3</b> <b>-33.50%</b>
	<i>Aberaeron Harbour Development (on hold)</i>	5.3	<b>1.7</b>		0	<b>3.6</b> <b>-67.92%</b>
	<i>Montgomery Canal – Restoration to Navigation</i>	22	<b>8</b>	1	2.4	<b>10.7</b> <b>-48.68%</b>
	<i>Cynefin – The Green Heart of Wales</i>	25.3	<b>13.2</b>	2.2	0	<b>9.9</b>
						<b>-38.97%</b>
<b>Digital</b>	<i>Digital Programme</i>	10.2	<b>9.2</b>	0	1	<b>0</b> <b>0%</b>
	<i>Digital Programme (unallocated)</i>	TBC	<b>1.1</b>	0	0	<b>0</b>
<b>Supporting Enterprise</b>	<i>Mid Wales Commercial Property Investment Fund</i>	4.5	4.5	0	0	<b>0</b> <b>0%</b>
	<i>Sites and Premises (unallocated)</i>	TBC	6.8	0	0	<b>0</b>
<b>Other</b>	<i>Currently unallocated funding (due to project changes)</i>	TBC	4.6	0	0	<b>0</b>
<b>Total</b>	<b>-</b>	<b>£221.10</b>	<b>£105.60</b>	<b>£22.00</b>	<b>£18.40</b>	<b>£87.60</b>

### 2.4.1 Portfolio Viability - Key Challenges

The full detail of the health check relating to the individual projects will be available as part of the updated SPBC. Each project has its own set of challenges that will be bespoke to it. However, a handful of key issues that give rise to the Red/Amber ratings can be summarised at a Portfolio level:

- **Capital cost inflation** – the inflationary pressures affecting large-scale capital projects has put significant pressures on the cost estimates across all projects. Early strategic outline cases were first developed in 2020/21 – with 24/25 prices greatly increased from those original estimates.

- **Match Funding** – the economic landscape in Mid Wales is uniquely challenged. Access to private sector investment is disadvantaged compared to the economic diversity along the M4 and A55 corridors and the English border. There are only a small handful of large business in the region, and the dynamics of the private sector varies across the geography. Projects have been put forward to drive consequential investment in key economic sectors – where the public sector has to front load some of that investment to pump prime/attract/leverage private investment. This is a challenging fiscal environment for the projects in securing match funding. There has been a significant reduction in available public sector funds, exacerbated by a lack of policy and institutional alignment on available funding streams. Furthermore, increasing project costs give rise to additional pressure on match funding availability. Both in the public and private sector, the availability and appetite of additional investment has shifted considerably – requiring significant re-thinking in some projects.
- **No Revenue Funding** – the lack of any revenue funding to support the early development phases of projects has meant a slower than desired pace to achieving delivery. Project Sponsors have had to carry significant financial risk. The Local Authorities have supported projects where possible with other sources of funding and continue to look at de-risking early activity where appropriate. The lack of revenue funding also puts pressure on having adequate capacity and capability within projects to oversee the early project management/development.

### 2.4.2 Portfolio Viability - Mitigation

The Projects within the Growth Deal Portfolio are making reasonable progress in resolving and mitigating these challenges:

- **Securing Alternative Funding:** significant effort is being placed on exploring alternative funding sources, including private sector investment.
- **Scope Review:** projects will continue to keep in view the balance of scope and ambition in relation to affordability and viability. The Portfolio's headline outcomes remain unchanged, but Projects are working hard to manage the increased cost pressures, anticipated outcomes and ensure Value for Money. This is especially true of the Tir Glas project, where recent events require a re-look at the strategic intent and what is possible moving forward.
- **Robust Project Management:** arrangements across the Projects and within the Portfolio Management Office (PoMO) have been strengthened in recent months – with robust project management discipline embedded across the Portfolio. This means that the PoMO has confidence in its management information and reporting upwards to Government. This ensures that any issues that cannot be resolved or are without an acceptable tolerance – can be identified early and corrective action taken.

### 2.4.3 Portfolio Viability - Conclusion

The Growing Mid Wales Board will be considering the updated Portfolio Business Case at its meeting in June.

The key recommendations they will consider will be that:

- The overall Portfolio remains broadly viable and achievable at present.
- It is already delivering in some key areas, and there are several key projects imminently expecting approval.
- The PoMO is broadly comfortable with the mitigation strategies and actions currently in place to address challenges identified.
- For those projects that face more substantive concerns (red rated), there is a recovery plan in place – with a review proposed for the Autumn.
- For any currently unallocated funding – the proposal will be that we review progress on the current projects and plans in place, with a view to allocating in the Autumn. This gives time any the recovery plans in place for lagging projects to be actioned. It also

gives the Portfolio time to evaluate the success of the recently launched Mid Wales Commercial Property Investment Fund.

## 2.5 Regional Impact

The Growth Deal continues to aim to provide the following benefits to the Mid Wales region through the delivery of capital economic projects in key areas of regional strength and opportunity:

- 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

As part of the full Strategic Portfolio Business Case published in 2024, a full economic appraisal was undertaken, providing a benefit-cost ratio for each of the programmes and the portfolio as a whole.

Given the varying degree of maturity and deliverability between projects, the decision was taken not to undertake a full economic re-appraisal, and instead the results of the 2024 appraisal are taken to still be the best estimate of costs and benefits of the portfolio at present.

Even though some projects have been subsumed into larger ones, this has been done on the basis that their benefits will be retained, irrespective of an increase in MWGD funding.

The table below, outlines the employment and GVA benefits of the Portfolio, classified by Strategic Growth Priority, following an economic appraisal undertaken on the 2024 SPBC<sup>3</sup>.

**Table: Indicative Net and Gross Economic Benefits (2024)**

Strategic Growth Priority	Gross GVA (£m)	Gross Jobs Created (FTEs)	Net Additional GVA (£m)	Net Additional Jobs Created (FTEs)
Applied Research & Innovation	£570 (£515-630)	545 (495-600)	£210 (£190 – 230)	230 (210 – 255)
Agriculture, Food & Drink	£90 (£85-100)	195 (175-215)	£35 (£30 – 40)	85 (75 – 90)
Strengthened Tourism Offer	£350 (£315-385)	515 (460-565)	£135 (£120 – 145)	215 (190 – 235)
Digital	£215 (£195-235)	495 (445-545)	£75 (£70 – 85)	210 (190 – 230)
Supporting Enterprise	£705 (£635-775)	1,610 (1,450-1,770)	£275 (£250 – 305)	680 (615 – 750)
<b>Total</b>	<b>£1,930</b> <b>(£1,740-2,125)</b>	<b>3,360</b> <b>(3,025-3,695)</b>	<b>£735</b> <b>(£660 – 805)</b>	<b>1,420</b> <b>(1,275 – 1,560)</b>

Source: Hatch calculations based on programme and project material as of February 2024

The impact of the Growth Deal will be reviewed regularly, with the 2026 update of the Portfolio Business Case projected to provide much greater clarity on the actual progress against those early and indicative targets.

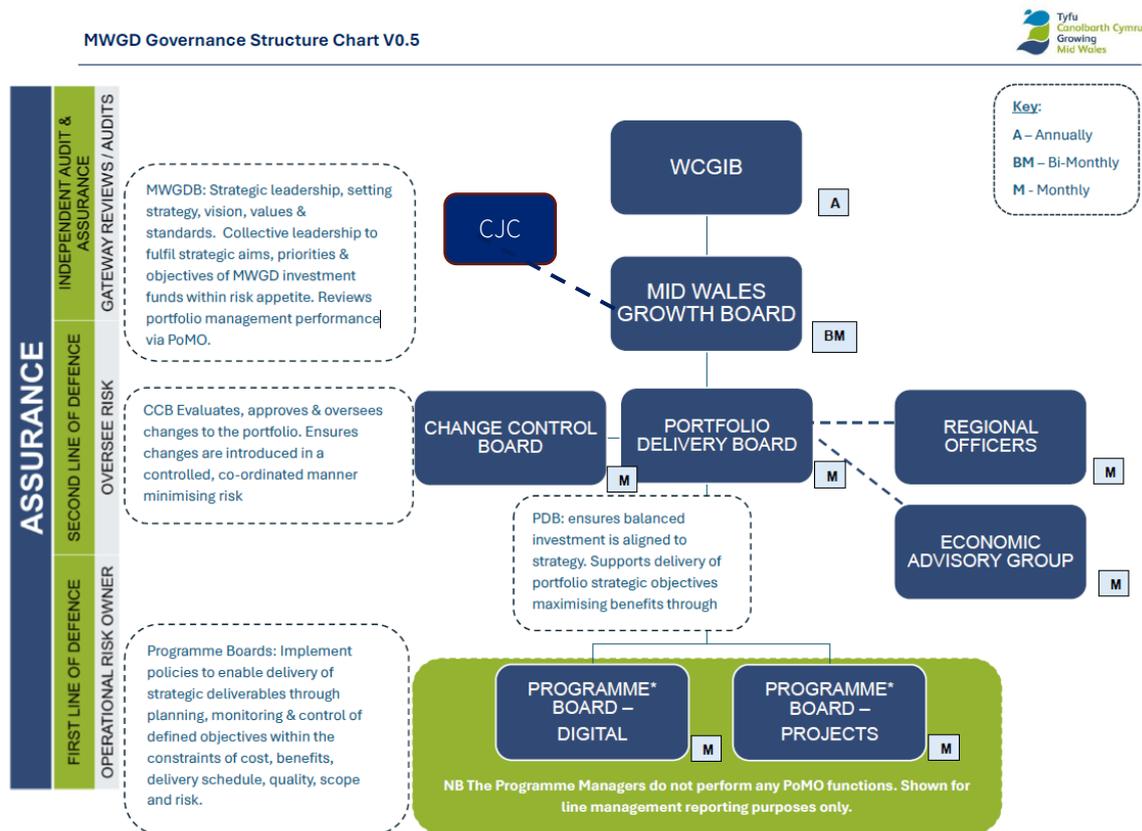
<sup>3</sup> [240419\\_GMW-Board\\_P5.5\\_Appendix 4\\_Strategic Portfolio Business Case v3.pdf](#)

Whilst there have been some changes to the Portfolio this year, there has been no indication of a downgrade in benefits. More will be known as the business cases mature, costings are affirmed, and benefits further quantified.

## 2.6 Governance and democratic accountability

The Mid Wales Growth Deal continues to be governed by a Joint Committee constituted via an Inter-Authority Agreement between Ceredigion and Powys Councils.

The governance landscape of the Growth Deal is as follows:



The Mid Wales CJC has been established, with the CJC Economic Wellbeing Sub-Committee receiving reports from the GMW Board on its work.

Mid Wales currently has no plans to “lift and shift” the Growth Deal into the CJC. This is because the current arrangements are deemed to be appropriate for the administration and delivery of the Growth Deal. The transfer of the Growth Deal into the CJC would incur significant costs and implementation challenges (owing to the fact that the CJC is a separate legal entity) and is currently not deemed to be a beneficial step for the region.

## 2.7 Fit with the Wider Support landscape

The Growth Deal is capital programme that is delivered as part of the wider regional vision and strategy. There has traditionally been a strong working relationship with Business Wales/Welsh Government at the operational level both regionally and locally.

We do not believe we have been formally made aware of the review of the business support landscape by Welsh Government. We would like to work with partners to understand more and evolve the conversations in this space to ensure that businesses in Mid Wales have adequate access and visibility of support and determine if our regional arrangements can support/deliver support into the future.

### 3. 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.

#### 3.1 Skills

Our Regional Skills Partnership continues to grow from strength to strength. It has four key deliverables:

- Produce and analyse labour market intelligence (LMI) to inform current and future priorities.
- Review regional skills provision
- Influence decisions on skills, training, and education.
- Act as a strategic body that represents regional interests.

It has significant representation across all sectors, but notably the private sector on its Board and cluster groups. These cluster groups map to our regional priorities:

- Advanced Manufacturing & Engineering
- Agriculture
- Construction and Energy
- Digital
- Food and Drink
- Health and Social Care
- Public Sector
- Tourism and Leisure
- Transport & Logistics

There are also another two cluster groups that support the RSP:

- The **Provider Cluster** offers an insight into work and classroom-based learning and employability programmes in the region. It focuses on the strategic direction for current and future provision and employability within the context of Welsh Government skills priorities, LMI and our industry cluster groups.
- The [Young Person's Guarantee \(YPG\) Cluster Group](#) brings together YPG representatives across the public sector, skills training provision, employability and Third Sector delivery partners in an advisory capacity to sense check RSP activity supports our young people especially those who are or at risk of not being in employment, education or training. The RSP works with this group to look for opportunities, collaborations and innovative ideas within the region to engage this cohort of young people with the labour market and prevent long term social exclusion.

The Chairs of each cluster group sit on the Mid Wales RSP Board which in turn reports directly to the Growing Mid Wales Board.

The team work as part of the regional Growing Mid Wales team, working across all areas of regional work – including the Mid Wales Growth Deal.

## 3.2 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 led a significant body of work to develop Local Area Energy Plans in Powys and Ceredigion.

Growing Mid Wales have been successful in applying to Welsh Government's Whole Systems Research and Innovation in Decarbonisation (WSRID) challenge fund.

1. **Severn Wye Energy Agency – Smart Local Energy Systems for Industrial Parks**  
This project explores how industrial and business parks in Powys and Ceredigion can reduce grid demand by generating solar energy and storing it in batteries. The aim is to align local energy generation with usage, enabling technologies like agrivoltaics and electric farm machinery.
2. **Centre for Energy Equality – HARVEST (Holistic Agricultural and Rural Virtual Energy System Transition)**  
HARVEST proposes a decentralised, community-owned virtual power plant linking homes, farms, and businesses using solar panels and batteries. Based in Llanidloes, it aims to empower rural communities to manage their own energy systems.

3. **Challoch Energy – Village Rural Energy in Mid Wales**  
This project evaluates the feasibility of community-based integrated energy systems across villages in Powys and Ceredigion. It seeks to decarbonise local energy use while delivering financial benefits through affordable, locally generated power.
4. **Lafan & Coleg Sir Gâr – Sustainable Slurry Utilisation**  
Focused on Felinfach, this study investigates converting livestock slurry into renewable energy while recovering nutrients and improving grid efficiency. It aims to turn a waste product into a sustainable energy and nutrient source.
5. **Water to Water – First Welsh Net Zero Milk**  
In partnership with First Milk, this project explores how dairy farms in Ceredigion can become energy self-sufficient using Smart Local Energy Systems. The goal is to support net zero milk production while enhancing rural energy resilience.

For further information: [www.growingmid.wales/wsrid](http://www.growingmid.wales/wsrid)

### 3.3 Agri-Tech and Agri-Food

Mid Wales is playing a leading role in the delivery of a pan-regional Agri-tech and Food-tech Cluster, supported by £5 million of Innovate UK funding through its UK-wide Launchpads programme. This investment recognises the region's strategic potential to drive innovation in agriculture and food production—two sectors that are not only economically significant but also central to the UK's long-term food security and net zero ambitions.

The Launchpad in Mid and North Wales is one of only a handful selected across the UK. Growing Mid Wales hosts the Cluster Management Organisation, in collaboration with two key innovation partners: M-SParc (Menai Science Park) and AberInnovation - together with the Ambition North Wales coordinating support for businesses and research institutions across the region.

The cluster is designed to stimulate innovation-led growth by supporting SMEs and start-ups to develop and commercialise new technologies in areas such as precision agriculture, automation, biotechnology, and sustainable food processing. It also provides a platform for collaboration between academia, industry, and government, ensuring that innovation is aligned with regional economic priorities and national policy objectives.

Mid Wales' leadership in this initiative is both deliberate and strategic. The region has long been underrepresented in UK innovation funding, despite having significant sectoral strengths and a strong base of rural enterprises. The Launchpad provides a mechanism to address this imbalance by anchoring investment in place-based innovation and enabling local businesses to scale and compete nationally and internationally.

The Launchpad has generated strong interest from businesses across the region, with a growing number of collaborative R&D proposals and innovation projects in development. It is also helping to raise the profile of Mid and North Wales as a centre of excellence in agri-tech and food-tech, attracting attention from investors, policymakers, and research institutions across the UK.

For further information, please see: [www.growingmid.wales/agritechfoodtech](http://www.growingmid.wales/agritechfoodtech)

Chair, Children, Young People, and Education Committee  
Chair, Climate Change, Environment, and Infrastructure Committee  
Chair, Culture, Communications, Welsh Language, Sport, and International Relations Committee  
Chair, Economy, Trade, and Rural Affairs Committee  
Chair, Equality and Social Justice Committee  
Chair, Health and Social Care Committee  
Chair, Legislation, Justice and Constitution Committee  
Chair, Local Government and Housing Committee

9 May 2025

Dear Committee Chairs,

### **Welsh Government Draft Budget 2026-27: Engagement**

At our meetings on 12 March and 30 April 2025, the Finance Committee (the Committee) considered its programme of engagement for the forthcoming Welsh Government's Draft Budget 2026-27. I am writing to Chairs of subject committees to share our thinking. The Committee has agreed to undertake a number of engagement activities prior to the publication of the Draft Budget later this year. These include, a stakeholder event, focus groups held with the general public, and various other approaches to gather the views of young people.

### **Stakeholder Event: Bangor**

This year's stakeholder event will take place at the Huw Owen Hall, Management Centre at Bangor University on Thursday 19 June. This will be an opportunity for the Committee to hear directly from interested organisations/individuals on the expected Draft Budget proposals, as well as their views on the Welsh Government's approach to setting the budget and prioritising resources. As cross-Committee engagement with stakeholders on the budget is crucial to effective scrutiny, I would like to invite Committee Chairs or a Member of your Committee to join the event. If Chairs or Members are interested in attending, please contact the clerking team [seneddfinance@senedd.wales](mailto:seneddfinance@senedd.wales) by 23 May.

## Citizen engagement focus groups with the Welsh public

On behalf of the Committee, the Senedd's Citizens Engagement Team will be holding a series of focus groups on the Draft Budget with the Welsh public. The team has undertaken similar exercises over the past few years and the aim of this work is to form a cross-sectional study to allow the Committee to monitor perspectives and attitudes over time. Participants will be sourced through similar partner organisations to cover the same demographics as last year, and groups will be organised to focus on particular policy areas. The Citizens Engagement Team will circulate the dates of sessions to all Committees, should any Members wish to participate. In addition, there will be opportunities for individuals to share their views with Members of the Committee at the Urdd National Eisteddfod, the National Eisteddfod and at the Royal Welsh Show. This will allow an opportunity for Members to hear first-hand from the citizens of Wales where spending should be prioritised.

## Youth Engagement

To further complement our engagement work, the Committee will hold a workshop with Members of the Youth Parliament (WYP). In previous years it was extremely informative to hear openly from young people about the issues concerning and directly affecting them. We are keen to continue building on this invaluable work and will be inviting the youth Members to participate in a workshop again this year.

We have also decided to invite Members of the WYP to participate in one of our Committee meetings in the Autumn term. Further details will be confirmed in due course.

## Finance Committee Plenary Debate on the Welsh Government spending priorities

The Committee intends to hold a Plenary debate on Wednesday 16 July on the Welsh Government's spending priorities for 2026-27. The outcomes of our engagement work will inform and feed into this debate, which will provide the best opportunity to influence the Welsh Government spending priorities before the Draft Budget is published later in the year. As ever, we would very much welcome the participation of Committee Chairs, as well as other Members, as part of this debate, to ensure that the Welsh Government's spending plans are informed by the views and priorities of Senedd Committees.

## Approach to budget scrutiny

I will shortly be writing to Chairs, with regard to the Committee's approach to budget scrutiny, including information on the consultation and timetable once the Trefnydd has notified the Business Committee of the Draft Budget publication dates before the summer recess.

If you have any questions about any aspect of the Draft Budget process, please feel free to contact me or the Clerk to the Finance Committee, Owain Roberts, 0300 200 6388, [seneddfinance@senedd.wales](mailto:seneddfinance@senedd.wales).

Yours sincerely,



Peredur Owen Griffiths  
Chair, Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: PO/HIDCC/0222/25

Mike Hedges MS  
Chair  
Legislation, Justice and Constitution Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff  
CF99 1SN

9 May 2025

Dear Mike,

I am writing in accordance with the Inter-Institutional Relations Agreement to let you know that the Inter-Ministerial Group for Environment, Food and Rural Affairs meeting scheduled for 12 May has been cancelled. Officials are working to identify a new date. I will update the Committee when a new date is identified.

I have also copied this letter to the Climate Change, Environment and Infrastructure Committee and the Economy, Trade and Rural Affairs committee.

Yours sincerely,

**Huw Irranca-Davies AS/MS**

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd  
a Materion Gwledig  
Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

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

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

[Gohebiaeth.Huw.Irranca-Davies@llyw.cymru](mailto:Gohebiaeth.Huw.Irranca-Davies@llyw.cymru)  
[Correspondence.Huw.Irranca-Davies@gov.wales](mailto:Correspondence.Huw.Irranca-Davies@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.

Huw Irranca-Davies AS/MS  
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet  
dros Newid Hinsawdd a Materion Gwledig  
Deputy First Minister and Cabinet Secretary for  
Climate Change and Rural Affairs



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: PO/HIDCC/0246/25

Mike Hedges MS  
Chair  
Legislation, Justice and Constitution Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff  
CF99 1SN

21 May 2025

Dear Mike,

I am writing in accordance with the inter-institutional relations agreement to let you know that the Inter-Ministerial Group for Environment, Food and Rural Affairs will be held on 23 June. I will be representing the Welsh Government.

The meeting is expected to focus on the circular economy, animal diseases, discussions on the EU-UK Common Understanding Agreement, including a potential SPS Agreement, and the impact of the Internal Market Act on the EFRA sector. I will update you on discussions, and a communique will be issued, after the meeting.

I have also copied this letter to the Climate Change, Environment and Infrastructure Committee and the Economy, Trade and Rural Affairs committee.

Yours sincerely,

**Huw Irranca-Davies AS/MS**

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd  
a Materion Gwledig  
Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

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

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

[Gohebiaeth.Huw.Irranca-Davies@llyw.cymru](mailto:Gohebiaeth.Huw.Irranca-Davies@llyw.cymru)  
[Correspondence.Huw.Irranca-Davies@gov.wales](mailto:Correspondence.Huw.Irranca-Davies@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.

# Agenda Item 4.3

Rebecca Evans AS/MS  
Cabinet Secretary for Economy, Energy and Planning  
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio



Llywodraeth Cymru  
Welsh Government

Eich cyf/Your ref  
Ein cyf/Our ref: MA-RE-1092-25

Andrew RT Davies MS  
Chair - Economy, Trade and Rural Affairs Committee

13 May 2025

Dear Andrew,

Thank you for providing me with an opportunity to respond to the Economy, Trade and Rural Affairs Committee's recent report on the Green Economy.

I would also like to thank the other Committee Members and all contributors who gave their time to provide valuable evidence to the Committee. Please find the Welsh Government's response to the recommendations and conclusions enclosed. I look forward to discussing the report further with you on 11 June.

Yours sincerely,

**Rebecca Evans AS/MS**  
Cabinet Secretary for Economy, Energy and Planning  
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio

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

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

[Correspondence.Rebecca.Evans@gov.wales](mailto:Correspondence.Rebecca.Evans@gov.wales)  
[Gohebiaeth.Rebecca.Evans@llyw.cymru](mailto:Gohebiaeth.Rebecca.Evans@llyw.cymru)

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.



# **Response to the Economy, Trade and Rural Affairs Committee Report - Green Economy**

March 2025

In March 2025, the Economy, Trade and Rural Affairs Committee submitted its report on the Green Economy. The report includes 16 recommendations and 4 conclusions. This is the Welsh Government's response to those recommendations and conclusions.

# Contents

<b>1. Introduction.....</b>	<b>3</b>
<b>2. Recommendations .....</b>	<b>4</b>
<b>3. Conclusions.....</b>	<b>15</b>

## 1. Introduction

- 1.** Our Economic Mission is clear about the benefits to Wales in having a stronger, fairer, greener Welsh economy. Whilst it is not without its challenges, we have long recognised the wide-ranging benefits and opportunities for Wales with an economy focused on decarbonisation, just transition and greener and cleaner industries.
- 2.** Progress is possible due to the open partnership this government prefers to operate within, and the stability of leadership provided by the Welsh Government allowing for a focus on the longer term. High quality jobs in these industries and a move to a more sustainable operation, enables growth and aligns with the First Minister's priorities for more jobs.
- 3.** This government is working in collaboration with the UK Government on the Industrial Strategy and we have been clear about the importance of clean industries as a sector which has huge potential in Wales. As well as the Cabinet Secretary for Economy's wide-ranging brief which includes energy and planning, enabling a strategic approach to ensuring Wales is well placed to benefit from the green revolution.
- 4.** I thank the members of the Economy, Trade and Rural Affairs Committee for their report on the Green Economy. I have set out my response to the Report's individual recommendations below.

## 2. Recommendations

The strategic approach to decarbonising the economy (1 and 2)

- 5.** Recommendation 1: By May 2025, the Welsh Government should clearly set out what actions it needs the UK Government to take to support Wales's transition to a green economy. This should inform both governments' development of an industrial strategy to decarbonise the Welsh economy.
- 6.** Response: Accept in principle
- 7.** The transition to a green economy has already begun with the UKG signing the agreement to decarbonise the TATA site at Port Talbot, the journey will continue in the development and collaboration with the UK Industrial Strategy. Whilst it is a UK strategy the Welsh Government has identified priority sectors for Wales and shared these with the UK Government.
- 8.** Our Economic Mission aligns to the UK Government ambitions and values, to stimulate economic growth and increase productivity, we are also aligned to creating new and quality jobs in renewable energy, whilst minimising our carbon impact.
- 9.** Positive engagement and input will continue through the development of sector plans, including across the clean energy industries. This includes engagement through the Business and Industry Inter-Ministerial Group (IMG), a key vehicle for advancing together the Industrial Strategy within Wales.
- 10.** Recommendation 2: The Welsh Government should set out how it will attract commercial developers to become active partners in this transition, and what conditions it will place on co-investment with them.
- 11.** Response: Accept
- 12.** The Investment Summit is a major piece of active engagement with commercial developers to become active partners in the process of transition to a green economy. There are ongoing discussions with partners and there are huge opportunities for collaboration. A broad suite of support measures is potentially available to support investment opportunities in Wales, including access to finance through the Development Bank of Wales and work we are progressing with the renewable energy industry through a sector deal.

Supporting communities to benefit from the transition to a greener economy (3, 4, 5 and 6)

**13.** Recommendation 3: The Welsh Government and partners should publish consistent guidance for developers to support a strategic approach to delivering community benefits across renewable energy projects in order to ensure more wealth generated by the renewable sector is retained by the communities who host those developments.

**14.** Response: Accept

**15.** We currently have guidance in place to support our goal for ensuring wealth generated by the renewable sector is retained by host communities. We are working with Community Energy Wales and Ynni Cymru to consider the current guidance.

**16.** Recommendation 4: The Welsh Government should review what is defined as locally-owned in its generation targets, to close off any loopholes. It should also set out how this more stringent definition of locally-owned will be applied to achieving the target of 1.5GW locally-owned generation by 2035.

**17.** Response: Accept

**18.** We currently have guidance on local ownership. We are working with Community Energy Wales and Ynni Cymru to consider the current guidance and part of those discussions include the definition of 'local ownership'.

**19.** Recommendation 5: The Welsh Government should set out its strategy for introducing targets or quotas for the use of local workers and contractors when developing renewable energy installations and their associated components and infrastructure, including negotiations with the UK Government to amend the Contracts for Difference scheme, which can pose a barrier to the use of local labour and supply chains.

**20.** Response: Accept in principle

**21.** A Renewable Energy Sector Deal encompasses all established and innovative technologies. Working with key stakeholders we will explore the supply chain and training needs, building on the work of the Offshore Wind Task and Finish Group. We want to ensure benefits from these developments are retained within Wales.

**22.** On the Contract for Difference scheme, we are engaging with the UK Government and providing feedback to ensure local supply chains and local skills are benefiting from renewable energy projects in Wales. The changes to the 7th auction round for offshore wind illustrates how this scheme is evolving to try and maximise local supply chains. The Offshore Task and Finish Group is looking at supply chains, ports and skills to gain a better understanding of the actions required to maintain benefits of fixed and floating offshore wind in Wales.

**23.** Recommendation 6: The Welsh Government should provide the Committee with regular updates on the progress made by Ynni Cymru and Trydan Gwyrdd Cymru against their aims and objectives and how they will work together with GB Energy.

**24.** Response: Accept in principle

**25.** Regular updates on Ynni Cymru are available on the Welsh Government website. The page includes a list of projects which have received grants and provides updates on the application process for the new grant funding year 2025-26 (<https://www.gov.wales/ynni-cymru-capital-grant-funding-programme-grants-awarded>)

**26.** Trydan Gwyrdd Cymru is working to develop a number of potential renewable energy project sites through the pre-planning stages.

**27.** We will continue to update the Senedd on key developments and progress made by Ynni Cymru and Trydan Gwyrdd Cymru. With Great British Energy due to be established following the Royal Assent of the Great British Energy Bill, we will be setting out more details of partnership working and how Great British Energy will deliver in Wales.

Renewable energy priorities (7, 8 and 9)

**28.** Recommendation 7: The Welsh Government should work with the UK Government, Crown Estate and industry to develop and publish a pipeline of renewable energy projects, which is regularly updated.

**29.** Response: Accept in principle

**30.** We currently have the Offshore Wind Task and Finish Group which will coordinate the work across sectors from ports, to supply chain opportunities and skills and workforce requirements to develop an overall plan recognising the inter-relationships between sectors, which will include a pipeline of

opportunities. The work on the Renewable Energy Sector Deal will consider what might be useful in terms of future opportunities in Wales.

**31.** Recommendation 8: The Welsh Government should provide further details of how it intends to work with partners to address the lack of resource in the planning system, so that speedier consenting decisions are made for renewable energy applications.

**32.** Response: Accept

**33.** A range of immediate measures have been introduced to speed up decisions on infrastructure schemes, including renewable energy projects. Additional resources have been provided to Planning and Environment Decisions Wales to employ additional case officers and inspectors. Natural Resources Wales has been provided with additional funding for planning and permitting casework and Planning Directorate has funds available to support additional capacity in local planning authorities - an example being the recruitment of infrastructure planning officers to work across North Wales.

**34.** Our objective is to ensure that all partners involved in the consenting of projects operate on a full cost recovery basis. This objective underlies the Infrastructure (Wales) Act consenting regime due to be introduced this year and underpins the changes to planning application fees scheduled for the autumn. This will allow all involved in planning and consenting to recruit and retain the staff that they need. To gain a fuller understanding of future workforce requirements we have commissioned the Royal Town Planning Institute Cymru to undertake a workforce planning study on our behalf. As an immediate step to increase capacity are supporting bursaries through the Pathways to Planning scheme.

**35.** Recommendation 9: The Welsh Government should set out how it will prioritise investment in ports, and support Welsh ports in their efforts to access UK Government funding such as the Floating Offshore Wind Manufacturing Investment Scheme.

**36.** Response: Accept

**37.** The Offshore Wind Task and Finish Group will co-ordinate the work across sectors involved in the delivery of offshore wind. The ports in Wales represent a key sector and the action plan from the task and finish group will set out how government will support the ports in Wales including action needed to access government funding.

## A just transition and fair work (10 and 11)

**38.** Recommendation 10: The Welsh Government should work with partners to develop just transition action plans to support the communities and workers most at risk of negative impacts from transitioning to net-zero.

**39.** Response: Accept in principle

**40.** We have already consulted on a Just Transition Framework, and we are committed to supporting a just transition to a net zero society in Wales. We are also committed to a social partnership way of working that provides a voice for workers and trade unions and this has an important role to play in a just and inclusive transition to a greener economy. Similarly, we will continue to promote fair work principles as part of a just transition that helps to safeguard worker well-being and provide a secure environment for workforce learning and development, which is essential to the resilience our economy and businesses will need.

**41.** Recommendation 11: The Welsh Government and UK Government should work with partners including industry and educational institutions to tackle the gap in diversity in the renewable energy workforce. This could include developing more inclusive education and training routes into renewable energy roles, and leading work to ensure partners can contribute to cultural change in energy workplaces that makes them more attractive to underrepresented groups.

**42.** Response: Accept in principle

**43.** A Renewable Energy Sector Deal encompasses all established and innovative technologies and will explore the supply chain and training needs. We will be working with relevant stakeholders to ensure we are delivering for the benefit of Wales. However, we believe that we are already tackling this gap with the new curriculum in Wales, and have good examples of working with developers, schools and colleges to share knowledge, information and opportunities.

**44.** An example of this is the Morlais tidal stream project off the coast of Ynys Mon. This project has worked with schools to share knowledge and information, ensuring local opportunities are recognised early. Marine Energy Wales also has an educational work stream where it works with schools and colleges. Other key

stakeholders include Regional Skills Partnerships and Careers Wales, where they also work to ensure a diverse workforce.

Skills (12 and 13)

**45.** Recommendation 12: The Welsh Government should carry out, or commission, a skills audit to better understand what skills provision is currently available and where gaps within provision are. This should establish what skills are needed, both now and in the coming years, and where they are, and will be, required to address skills shortages. Following the skills audit, the Welsh Government should produce a report clearly explaining what is needed by when. This report should be regularly updated to enable skills providers and industry to work together to provide the skills required. The Welsh Government should address the perceived mismatch between the education and skills system and what industry needs, including whether the current system can deliver for the upskilling and reskilling of the current workforce.

**46.** Response: Accept in principle

**47.** The Welsh Government is currently scoping a skills audit for Wales, considering what approaches have been taken elsewhere and what data are available for Wales. However, identifying green jobs and skills may be difficult due to data limitations - we lack the sample sizes in data sources to be able to do the granular analysis that England can do. Whilst individual sectors may produce their own data, e.g. projections of what is required in future years, it is very difficult to place that in the context of an overarching skills audit due to overlaps, different methodologies, definitions and quality / robustness, amongst other factors. A Green Skills Review is currently under way, one of a number of complementary Short-Turnaround-Reviews, which will continue to strengthen our understanding of the needs of industry and further education both now and in the future. The Minister for Culture, Skills and Social Partnership led a Green Skills roundtable in January and further targeted engagement with stakeholders is currently being developed which will inform ministerial recommendations for future skills provision.

**48.** Recommendation 13: The Welsh Government should set out how it will work with Careers Wales to ensure that careers advice is better integrated throughout a pupil's education journey to ensure young people are aware of the opportunities within Wales presented by transitioning to a greener economy.

**49.** Response: Accept in principle

**50.** We already work closely with Careers Wales to ensure schools can embed careers learning and advice through a learner's education journey, including building awareness of the range of opportunities available to young people in the world of work. This is supported both by Careers Wales's ongoing school support programmes, and the Careers and Work-Related Experience requirements of the Curriculum for Wales, which will complete its roll-out in September 2026.

**51.** Careers Wales recognises the green economy will have an impact on future jobs and has prioritised this area across its work. In all secondary schools, special schools and Pupil Referral Units, Careers Wales offers a facilitated Education Business Partnership which provides opportunities for learners and teachers to meet and interact with employers. These interactions aim to inform, inspire and motivate young people about their future career and include the offer to engage with a wide range of green economy employers across Wales. Since September 2024, Careers Wales also offers careers guidance and coaching to all year 11 learners before they leave compulsory education, ensuring young people receive impartial support tailored to their individual needs.

**52.** The Careers Wales and Working Wales websites are full of information relevant to young people and adults to support their career journeys, including a wide range of information, opportunities, and support available through the Net Zero and your Career area.

**53.** Careers Wales also provides an offer of support to schools to build their Alumni community and, through the Big Ideas Wales Role Model contract, is continuing to deliver 1,000 workshops to inform and motivate learners to consider self-employment and business start-up. Careers Wales has also developed a range of resources which give teachers and practitioners a real sense of what a green future job market looks like, so that they can pass that vision on to the young people and encourage them into the right training pathways.

**54.** As well as the support that Careers Wales provides, schools play a key role in raising awareness of the range of opportunities available to young people.

**55.** The Curriculum for Wales, which began roll-out in 2022, ensures careers education and sustainability are embedded across a range of learning, and we have worked closely with Careers Wales to help them develop their offer to support the Curriculum. Careers and Work Related Experiences (CWRE) is a

cross-cutting theme in this curriculum, for learners from ages 3 to 16. This means that for the first time, we expect learning about careers to be integrated into learning from children's earliest time in school. Because Careers education is integrated with other learning, it gives schools an important opportunity to ensure careers education makes important links with issues like sustainability.

**56.** In the case of sustainability and the green economy, one of the four purposes of the Curriculum is to support learners to become ethical, informed citizens who show their commitment to the sustainability of the planet. As schools plan all learning, including careers education, we would expect them to plan how this helps learners develop these attributes.

**57.** Careers education can play an important part in preparing learners for the green economy by exposing them to a wide range of career opportunities, including in emerging sectors. We would expect age and developmentally appropriate careers education to be embedded across various Areas of Learning and Experience, in line with the statutory CWRE guidance.

**58.** For example, the Science and Technology Area of Learning and Experience seeks to build learners' understanding of ethical entrepreneurship, business ethics, and sustainable green industrial processes and practices. This prepares them for the world of work and builds their awareness of emerging green economic fields. Sustainability and climate change, and the ways in which individuals, communities, and countries can respond to these challenges, are also included as a mandatory part of learning within the Humanities Area. The Health and Well-Being Area of Learning and Experience encourages learners to develop resilience and adaptability, and to make informed and considered decisions, which are vital in a changing economic landscape. These Areas of Learning provide key contexts for engaging careers and work-related experience provision, helping learners to see how their learning connects with the world of work, including in the green economy.

**59.** Schools also have access to a range of resources from Careers Wales to support them to plan effective careers education.

**60.** Our early insights research into Curriculum implementation found that primary and secondary schools were identifying these cross-curricular careers education opportunities, and drawing on positive relationships with Careers Wales, as well as local employers and organisations, to support their provision.

**61.** We will continue to work closely with Careers Wales to understand the impact of their support for schools, including in developing engaging CWRE

provision that raises learners' awareness of green skills and jobs. We will also be promoting green growth and jobs as a career pathway at the UK WorldSkills National Finals, which is being held in Wales in November.

Financing the net-zero transition (14, 15 and 16)

**62.** Recommendation 14: The Welsh Government should develop a long-term net zero investment strategy.

**63.** Response: Reject

**64.** The First Minister is clear we do not need any further strategies; we need action and delivery. Our Economic Mission is fully congruent with our Net Zero plan, our journey to net zero and a greener, stronger, fairer Wales. It focuses on our second carbon budget (2021 - 2025). It also looks ahead to build the foundations for Carbon Budget 3 and our 2030 target, as well as net zero by 2050.

**65.** Our Investment Summit will bring to Wales investors in that greener economy, it will present the opportunities that this country has to offer and the energy transition that has already begun. The next Welsh Government will need to ensure and monitor the added benefit of the UK 10-year Industrial Strategy and its impact on transition to net Zero as well as increase productivity and jobs in Wales.

**66.** Recommendation 15: The Welsh Government should work with the Development Bank of Wales to set out the steps the Bank should take to play a greater role in contributing towards, what the Bank called, "the single largest economic mission in Wales" - delivering net zero. This should include support both for private sector investment and community energy provision.

**67.** Response: Accept

**68.** The Welsh Government's remit letter to the bank clearly set out that DBW is expected to play its full role, by requiring changes to business behaviours and practices to move our economy purposefully toward Net Zero and our wider environmental goals, while maximising the future economic opportunities from these activities. The bank's corporate plan details the organisational response to this remit, which is overseen by the Board and reported to the Welsh Government. The bank continues to deliver on the corporate plan and has established a Green Business Loan Scheme (GBLS).

**69.** Since 2023 the GBLS has provided over £7.5m of repayable finance to small and medium-sized enterprises to invest in energy-saving technologies, thereby reducing operating costs while supporting emissions reduction. DBW also operates a £12.5m Local Energy Fund to support community-led renewable energy projects that increase the amount of renewable generation in Wales.

**70.** Operating the GBLS pilot has positioned the bank to now take a leading role in Project Perseus. This project (overseen by the IoD, ICAEW, UK Finance and the British Business Bank) is developing the UK's most advanced cross-sector smart data scheme to enable green loans supported by automated emissions reporting. This is a prestigious and significant development which highlights the innovative and ground-breaking role of the bank and how it is contributing to sector-wide initiatives.

**71.** Recommendation 16: The Welsh Government should use all potential levers to prioritise investment in the transition to a greener economy, including working with partners such as the UK Government, the National Wealth Fund and local authorities to jointly invest in projects where appropriate. Spending should focus on opportunities to leverage private sector investment and filling potential investment gaps.

**72.** Response: Accept

**73.** The Welsh Government is committed to working with the UK Government and the National Wealth Fund to help leverage private sector investment. The Welsh Government is committed to working collaboratively with the UK Government and other partners to identify all potential opportunities to jointly invest in projects and build investment pipelines to support the transition to a greener economy.

**74.** The National Wealth Fund is the key lever to deliver the UK Governments' 'clean growth mission' across the UK and shares the Welsh Government's ambitions and values, to stimulate economic growth, create new and quality jobs in renewable energy, whilst minimising our carbon impact.

**75.** The NWF objective is to provide the capital funding necessary to mobilise private investment across the UK which will support its growth and clean energy missions'. It is committed to working collaboratively with the Development Bank for Wales and regional partners to provide commercial and financial advisory and lending support throughout the investment cycle to deliver on local priorities, supporting them with early-stage project development.



### 3. Conclusions

The strategic approach to decarbonising the economy

**76.** Conclusion 1: The green economy is an opportunity that must be grasped quickly. The Welsh Government should work at pace with the public and private sector to support decarbonisation, underpinned by a just transition, to help Wales fully realise the opportunities presented. In turn the Welsh Government must make maximum use of public-private partnerships to drive renewable energy investment.

**77.** Response: Agree

**78.** The Welsh Government agrees that transition to a green economy needs to be based on cross sectoral partnerships, to be carried out at pace and to include investment in renewable energy. The Welsh Government is committed to working collaboratively with the UK Government and other partners to identify all potential opportunities to jointly invest in projects and build investment pipelines to support the transition to a greener economy.

**79.** The Welsh Government has committed a further £4.5m to the Green Business Loan Scheme in 2025-26 and the bank continues to work with stakeholders across the UK, through Project Perseus, on the underpinning mechanisms which will enable data sharing on emissions at business level to unlock green finance. Such ventures are critical in establishing a viable connection between the financial economy and real economy to enable a clear path to net zero in a secure, scalable and assurable manner.

**80.** The National Wealth Fund (NWF) is the key lever to deliver the UK Government's 'clean growth mission' and shares the Welsh Government's ambitions and values, to stimulate economic growth, create new and quality jobs in renewable energy, whilst minimising our carbon impact.

**81.** The NWF objective is to provide the capital funding necessary to mobilise private investment across the UK which will support its growth and clean energy missions. It is committed to working collaboratively with the Development Bank for Wales and regional partners to provide commercial and financial advisory and lending support throughout the investment cycle to deliver on local priorities, supporting them with early-stage project development.

**82.** Conclusion 2: The Welsh and UK Governments should work together at pace to develop an industrial strategy that provides a clear vision for decarbonisation of the Welsh economy. The strategy must facilitate the Welsh Government taking a key leadership role in the decarbonisation of Welsh industry.

**83.** Response: Agree

**84.** We remain committed to collaborating closely with the UK Government on the development of the forthcoming Industrial Strategy. The UK Government shares our ambitions and values, to stimulate economic growth, create new and quality jobs in renewable energy, whilst minimising our carbon impact. Positive engagement and input will continue through the development of sector plans, including across the clean energy industries. This includes engagement through the Business and Industry IMG, a key vehicle for advancing together the Industrial Strategy for Wales and the wider UK and ensuring its successful delivery.

**85.** Through supporting the UK's clean energy industries there is an opportunity to accelerate growth opportunities and jobs, which align with the First Minister priority areas. We will continue to work to focus upon funding opportunities, where for example the National Wealth Fund will commit at least £5.8 billion over the UK Parliament to green hydrogen, carbon capture, ports, gigafactories and green steel sub-sectors. We are working closely with regions to help maximise opportunities and in areas with the UK Government across Freeports, Investment Zones and City and Growth Deals to help realise our strengths and maximise opportunities.

**86.** Wales has thrived on a diverse economy rooted in manufacturing and can move forward in an exciting shift towards renewable energy. This transition is not merely a necessity, it is an opportunity for small and medium enterprises (SMEs) to flourish, creating new supply chains and fostering fulfilling careers in areas of Wales that have often suffered from outward migration. We published a Business Decarbonisation Brochure in February 2025, which brings together in one place the strategic context, presents researched evidence on carbon and financial impacts and provides references to a wealth of technical and financial support.

**87.** We will continue to focus and support through Net Zero Industry Wales, Business Wales and the Development Bank of Wales to support businesses and to help realise opportunities which net zero brings.

**88.** Conclusion 3: The Welsh Government will need to make use of public-private partnerships to drive renewable energy investment. As part of this they should make ambitious but realistic asks of commercial developers as conditions of government investment.

**89.** Response: Agree

**90.** The Welsh Government agrees that partnership across sectors and with commercial developers are essential to drive renewable energy investment.

Renewable energy priorities

**91.** Conclusion 4: Weak power network infrastructure is an issue that must be tackled to support unlocking Wales' green economy potential and green growth.

**92.** Response: Agree in principle

**93.** The existing grid network provides a secure, resilient and stable supply meeting historic use. However, analysis from our Future Grids for Wales report shows that Wales's electricity demand may almost triple by 2050 and updating Wales's grid is essential if we are to have an energy system fit for purpose in the long term. Significant increases in renewable generation to meet up to three times the current demand will require new electricity transmission network infrastructure. The report clearly evidences that increases in peak electricity demand will create a need for electricity distribution network reinforcement.

**94.** Welsh Government officials meet regularly with network companies and other key energy network-related organisations including Ofgem, the Department of Energy Security and Net Zero, and the National System Energy Operator (NSEO). These companies and organisations are responsible for both grid connectivity in Wales, and for strategic planning for improving grid capacity and strengthening networks in Wales. The Welsh Government has led energy planning across Wales at the local authority level to identify future needs, which has closely involved network companies and provides evidence that is informing network companies' delivery plans.

**95.** Officials also sit on the committee that oversees NSEO's Strategic Spatial Energy Plan, which will in turn inform the Central Strategic Network Plan. We are already working with the newly launched Regional Energy System Planner for Wales, which will play an important part in developing a coherent plan for gas

and electricity networks in Wales that meet the priorities of Welsh people and businesses.



# Welsh Government Response to ETRA Committee Report

## Holyhead Port storm damage and closure: Initial findings.

14/05/2025

Set out below are the Welsh Government's responses to each of the Committee's recommendations and conclusions from the April 2025 report: Holyhead Port storm damage and closure: Initial findings.

# Content

1. Recommendations	2
2. Conclusions	15

# 1. Recommendations

## Recommendation 1

The Welsh Government must undertake a lesson learned review from the Port closure and publish the findings. This should include lessons from the acute response to the closure but also any overarching lessons from the ongoing incident.

### **Response: Reject**

1. Firstly, we would reemphasise that the ports in Wales handling Irish Sea traffic are commercial entities either privately owned and operated or operate on a Trust basis.
2. We are committed to the delivery of the Taskforce on the resilience of sea connectivity between Wales and Ireland following the temporary closure of Holyhead Port.
3. The second taskforce meeting will focus on contingency planning. Lessons identified will be an integral part of the discussion in this meeting and each respective member will be given an opportunity to consider the contribution they can make in the event of any future port closure and how we can work together to minimise its impact.

**Financial Implications:** none

## Recommendation 2

The Committee believes the incident may have been better managed if there had been a specified Cabinet Secretary leading Welsh Government's response. In any future incidents of this scale or complexity Welsh Government should agree a Ministerial lead who will oversee and be held accountable for management of the response.

### **Response: Reject**

4. Whilst recognising that there are always improvements that can be made to incident response arrangements, we reject the assertion that this incident was not well managed. The outcome speaks for itself.
  
5. Through the leadership of both the Welsh and Irish Governments and effective collaboration between sector stakeholders, people and goods were able to cross the Irish Sea ahead of the Christmas holiday. We believe very strongly that the Welsh Government response benefitted from the capabilities and sector expertise of both Cabinet Secretaries.

**Financial Implications:** none

### Recommendation 3

Members feel they still do not have a clear picture of how the Welsh Government's response to the incident and port closure unfolded. The Welsh Government should set out a timeline of internal actions it took in response to the closure from the first collision on 6 December 2024. This should include steps taken to obtain the most up to date trade data from HMRC.

#### **Response: Partial Acceptance**

6. From 06 December, the closure of the Port of Holyhead was dealt with as part of the Welsh Government's Civil Contingency arrangements as part of the wider Storm Darragh response. Civil Contingency teams have well established procedures and practices which were implemented as part of this response. Situation reports were completed daily which recorded all updates.
7. The Welsh Government, the North and Mid Wales Trunk Road Agency, alongside Cyngor Sir Ynys Môn, had activated their well-established stacking arrangements for ports closure.
8. On 07 December, the situation report confirmed the Port of Holyhead was closed until at least Monday 09 December due to structural damage at the port.
9. On 11 December an email from the Operations Manager at Stena Line Ports indicated that the diving inspections "had been encouraging.....and that they had a high level of confidence in opening on 12 December."
10. On 12 December an email from Stena Line Ports indicated further inspections were required, and they would push back re-opening another 24 hours. Stena Line Ports also indicated that they were liaising with freight customers and were running additional services to Fishguard and Birkenhead. Again, both ferry operators continued to take bookings for future sailings. On 12 December, given the emerging situation in terms of significant HGV traffic on Ynys Môn, Welsh Government officials strongly suggested to the port operator that communications setting out the port was closed until further notice would be more appropriate, in order to avoid potential welfare issues for those travelling to the area.
11. In late afternoon on 12 December, CSTNW met with Stena Line Ports and Cyngor Sir Ynys Môn to discuss the ongoing closure of the port, and the steps

Stena Line Ports were taking to resume services. The Port Authority indicated to the Cabinet Secretary and the Leader of the local authority that the port would remain closed until 19 December. The Welsh Government offered to support the Port Authority, but this offer was rejected.

12. On 12 December, the Port of Holyhead closure was no longer considered a civil contingencies matter, as HGVs began to move to other ports, lessening the immediate impacts on Ynys Môn, but increasing the pressures elsewhere (Birkenhead and Cairnryan). Within Welsh Government, the matter was moved to be under the remit of the Transport Divisions.
13. On 14 December, a Written Statement was issued: [Written Statement: Port of Holyhead Closure \(14 December 2024\)](#).
14. On Sunday 15 December, the Cabinet Secretary for Transport and North Wales met Irish Ministers to discuss the situation at Holyhead port and to identify actions to mitigate the temporary closure which at that stage, and on the basis of the information provided by the Port Authority itself, was expected to last until 19 December. On 17 December, Stena Line Ports convened a meeting with Irish Government Ministers, the Cabinet Secretary for Transport and North Wales and the Cabinet Secretary for Economy, Energy and Planning. The Port Authority in updating its position of the 12 December confirmed the Port of Holyhead would now be closed until 15 January at the earliest. Stena Line Ports informed both governments at the same time as it informed the sector and general public via a press release. The Welsh Government issued a Joint Communique with the Irish Government on that day: [Joint Communique from the Welsh Government and the Irish Government - Port of Holyhead \(17 December 2024\)](#)
15. Officials from across Welsh Government were working across the various aspects of the closure. This work included preparing daily situation reports with input from the Welsh Government's Dublin Office, UK Government, Irish Government, Stena Line Ports, Stena Line Ferries, Irish Ferries, ports across Wales and Liverpool, Local Government and freight companies.
16. We took steps to identify, facilitate and deliver increased capacity at Welsh Ports, encouraging ports and operators to add additional routes, identified and managed potential stacking issues at ports where capacity was being added, and monitored daily the numbers of all freight and passengers making the crossings against the capacity.

17. We ensured alternative transport provision was put in place such as extra capacity on trains and replacement bus services to enable passengers to reach alternative ports.
18. We focussed on communication with the public with a range of written statements and social media updates, as well as speaking directly to media outlets. This complemented the updates being provided directly by the Port Authority and ferry operators.
19. On 19 December, we issued a Written Statement indicating the progress that was being made: Written Statement: Welsh Government Update Following the Temporary Closure of Holyhead Port (19 December 2024).
20. Work continued throughout the Christmas period with officials having near daily meetings with stakeholders.
21. On 7 January 2025, the Cabinet Secretary for Transport and North Wales issued a statement during Plenary, as well as taking part in a plenary discussion on the closure: Statement by the Cabinet Secretary for Transport and North Wales: Port of Holyhead (7 January 2025) – Item 5.
22. Officials were in regular discussions with Stena Line Ports to confirm the re-opening date of 16 January and ensure the consistency of communications about the port's re-opening.
23. On the 16 January we issued a Written Statement following the re-opening of Holyhead Port: Written Statement: Welsh Government Statement Following the Reopening of the Port of Holyhead (16 January 2025)

Financial Implications: none

#### Recommendation 4

The Welsh Government should urgently decide what financial and other support it will provide to local businesses affected by the closure and publicly communicate the reasons for its decision.

#### Response: Reject

24. We draw the Committees' attention to the fact that the port of Holyhead is not owned by the Welsh Government: it is a privately owned and operated port. As such, Welsh Ministers are not responsible for the infrastructure that failed.
  
25. Notwithstanding the above, both the Cabinet Secretary for the Economy, Energy and Planning and the Cabinet Secretary for Transport and North Wales have consistently stood ready to support businesses affected by the Port's closure, subject to confirmation and discussion of requirements by Cyngor Sir Ynys Môn. This is consistent with the approach taken when the Menai Suspension Bridge had to be closed urgently in October 2022, impacting on businesses operating in Menai Bridge and its surrounding areas.
  
26. In terms of the timeline, on the 20 December, Welsh Government officials and counterparts in Cyngor Sir Ynys Môn agreed on the following joint approach to assessing and understanding the impacts of the port's closure on businesses:
  - that the Council and WG continue to work closely together;
  - we learn from our experiences (lessons learned) from the closure of Menai Suspension Bridge to gathering information from local businesses (Holyhead and the Island);
  - an online portal will be launched soon in January for businesses to share evidence of the impacts of the Port closure;
  - we are keen to capture the economic, employment and chain of delivery – as well as community impacts;
  - Business Wales stood ready to respond to business enquiries on case by case basis.
  
27. The Holyhead Port Closure: Impact Survey Results Summary Report was submitted to us by Cyngor Sir Ynys Môn on the 14 February. This work was carried out alongside a case study, funded by the Welsh Government's Smart Towns Programme. The 'Trefi Smart Cymru Case Study' measured the impact

of the port closure on Holyhead High Street, between 6 December 2024 and 15 January 2025.

28. An initial meeting with the Chief Executive was held on the 19 February to consider the findings of the reports and consider potential responses. This was followed up by email on 21 February confirming the potential to develop tailored business support and inviting an indicative timeline, and by a subsequent email on 5 March outlining two potential non-domestic rates (NDR) options for the local authority to consider which could provide direct financial support for affected businesses.
  
29. Cyngor Sir Ynys Môn wrote to the Welsh Government on 10 April formally outlining their proposed package of business support. Initial appraisal of the wide range of activities suggests that they would help address the challenges that threaten the vibrancy of Holyhead's town centre and wider visitor economy. On that basis, the Welsh Government has responded positively and will work quickly with Cyngor Sir Ynys Môn to develop and agree funding so that these actions can be implemented as swiftly as possible.

**Financial Implications: managed within existing budget**

## Recommendation 5

The Welsh Government should expedite its work to implement the recommendations in the Committee's A New Direction for HGV Drivers and to bring forwards the maritime and ports strategy and freight plan as a matter of urgency once the task force has completed its work.

### **Response: Partial Acceptance**

30. The Welsh Government will expedite work on the Freight and Logistics Strategy. This work will take place alongside the work of the Taskforce.

31. As part of the strategy, driver welfare and safe parking will be considered. We will also learn from what others are doing in this space.

**Financial Implications: none**

## Recommendation 6

The Committee intends to monitor the work of the Irish Sea Task force. To assist with this, the Welsh Government must set out full details of its terms of reference, membership and tasks including timescales. The Task force should regularly update the Committee. The Irish Sea Task force's objectives should include:

- Understanding the causes of the events at Holyhead to understand whether there are any implications for the wider ports sector or ports policy;
- Ensuring the future safety of the Port;
- Improving facilities for drivers at / en route to Holyhead
- Assessing the resilience of, and improving transport links, to Holyhead including consideration of rail connections;
- Supporting the long-term viability of the Port and avoiding trade diversion; and
- Ensuring there is a strong contingency plan for any future closure at Holyhead in particular and Welsh ports in general. This should include traffic management, communications, implementation of alternative maritime routes and support for local businesses.

### Response: Partial Acceptance

32. The Terms of Reference (TOR) for the Taskforce outlines the key areas it will focus on. The TOR can be found here: [Taskforce on sea connectivity between Wales and Ireland: terms of reference | GOV.WALES](#)
33. During the Taskforce's first meeting, members agreed that future meetings of the Taskforce will include: contingency planning; a Holyhead focused meeting; a southern routes specific meeting; and the future developments of ports. A final meeting will review each thematic session and members of the Taskforce will agree to key actions that they will take forward. Progress against these actions will be monitored with a commitment to review after 6 months.
34. The ETRA Committee will be kept informed, along with other members of the Contact Group, with a note following each meeting.
35. As the port of Holyhead is privately owned and managed, the safety of the port, alongside the long-term viability of the Port is a matter for Stena Line Ports.

36. Port and maritime safety is a reserved matter for the UK Government. Following the ETRA committee on 06 March we have submitted further information on the regulations of ports to the Committee.

**Financial Implications:** none

## 2. Conclusions

## Conclusion 1

Despite our best efforts, the lines of Ministerial accountability and responsibility are unclear to the Committee and to key stakeholders involved in the response and recovery efforts. Members believe this confusion may have exacerbated issues with Welsh Government's response to this emergency.

### Response:

37. As set out previously in our response to Recommendation 2, whilst recognising that there are always improvements that can be made to incident response arrangements, we reject the assertion that this incident was not well managed.
  
38. Ministerial accountability and responsibility were explained to the Committee. The Cabinet Secretary for Transport and North Wales initially led on the response to the closure of Holyhead Port as it was initially a North Wales related issue. Both the Cabinet Secretary for Economy, Energy and Planning and the Cabinet Secretary for Transport and North Wales used their respective expertise to inform the Welsh Government's response.
  
39. The response to an incident of this nature benefits from the collective expertise of all those involved.

## Conclusion 2

The Committee was dismayed by the apparent lack of speed and urgency in the Welsh Government's response to the closure of Wales' busiest ferry port along a crucial European trade route. The Committee has seen limited evidence that the Welsh Government has adequately addressed the closure in the past three months. Members believe it was local action and collaboration between ports that prevented Holyhead's closure from being a true disaster for Welsh trade and the economy.

### Response:

40. As set out previously in this response, the port of Holyhead is privately owned and managed.
41. During the closure, Welsh Government convened a group of officials who co-ordinated a structured response that enabled discussions between Governments and key stakeholders to take place. The Welsh Government published regular clear communications via Written Statements and Press Notices.
42. We worked with UK Government departments to deliver additional passenger and goods capacity by them consenting to additional sailings from Dublin via Fishguard and Pembroke Dock, as well as additional freight capacity via ports in England. With the Department for Transport, to implement temporary and limited relaxation of the enforcement of rules for drivers of vehicles affected by the closure of the Port of Holyhead which had caused queues and delays at surrounding ports. In addition, working with our key partners including Cyngor Sir Penfro, Transport for Wales and our Strategic Road Network team, we ensured that road, rail and bus transport links to these new services would operate smoothly, with the necessary capacity over the holiday period and there was suitable provisions for cars and HGV's parking up across Pembrokeshire.
43. Since the closure, Welsh Government have continued to support the industry by setting up an Irish Sea taskforce. We will ensure that the committee is updated following each meeting.
44. It is disappointing that the Committee's report does not recognise the response and efforts of not only the Welsh Government, but also the Irish Government, in convening partners and actors to mitigate the impact of Holyhead's closure on both sides of the Irish Sea.

45. We believe in the principle of subsidiarity in the response to such incidents. Incidents should be managed as locally as possible, with higher tiers of government intervening only when requested and/or as needed. We expect ports and local stakeholders to take the lead in managing such incidents ensuring that Government is kept up to date with reliable and timely information, with central governments intervening to ensure national and international levels of co-ordination. We would also remind the Committee that these ports are commercial entities

### Conclusion 3

Whilst the Committee was broadly satisfied that the work the Isle of Anglesey County Council undertook gave a clear view of how businesses were affected by the closure, Members are concerned about the lack of understanding of how the consequences of the closure impacted the workforce. For example, the Committee would like to have a clearer picture of the effects of job losses and lost working hours on households. For this, and any similar future incidents, the Welsh Government should examine how it can work with partners to directly understand the impact on workers as well as businesses.

### Response:

46. As set out previously in this response, Welsh Government Cabinet Secretaries and their officials were in regular contact with counterparts in Cyngor Sir Ynys Môn. In the case of the impact on businesses, this was via the council's Economic Development Team and the approach set out in response to Recommendation 4 above, thereby respecting the principle of subsidiarity in that the council was best placed to source details on the local economic impacts.
  
47. Whilst our agreed approach with the council noted that we would seek to "capture the economic, employment and chain of delivery – as well as community impacts", we acknowledge that there is a gap in the data on this point. Furthermore, it is difficult to obtain an accurate understanding of the impacts as the survey was open for a week whilst the port was still closed and two weeks when reopened. Initial respondents may have based their answers on the assumption that there would be a reduced number of daily sailings, whereas upon reopening of the port, the number of sailings has been maintained from a single jetty, albeit with an amended timetable which itself may impact local trade.
  
48. We will consider this recommendation as part of our ongoing engagement with Cyngor Sir Ynys Môn and other local stakeholders, in addition to the Holyhead-themed Taskforce meeting.

#### Conclusion 4

The Committee outlined concerns about trade diversions in its report, the Border Target Operating Model: A view from Wales report. The Welsh Government must use all available levers to ensure Holyhead remains an attractive choice to avoid trade diversions.

#### Response:

49. Since Brexit, there has been a substantial increase in direct ferry traffic between Rosslare and the continent, avoiding the “land bridge” route across Wales and England. This was an inevitable result of creating two regulatory regimes for food, animals and plants where there used to be one. Welsh Ministers support the UK Government’s discussions with the European Commission aimed at securing a new agreement which could supersede the need for Borders Target Operating Model (BTOM) controls, which have already been implemented on the south and east coasts of England.
  
50. Welsh Ministers continue to have discussions with the UK and Scottish Governments to ensure that implementation of the BTOM in ports facing the island of Ireland is done in a way which maintains a level playing field for all ports, makes an effective contribution to securing human, plant and animal health across Great Britain, and minimises costs and the risk of delays to businesses. All of this is essential to maintaining the competitiveness of Welsh ports. A further announcement on this is scheduled for the summer, subject to agreement with other administrations.

## Conclusion 5

The Welsh Government has shown a lack of attention to both ports and freight during this Senedd. Members believe that if there had been greater engagement with the Ports and freight sectors, and the recommendations set out in the Committee's A New Direction for HGV Drivers report had been implemented, then Welsh Government would have been in a better position to respond to this crisis. We believe that the delays to both the maritime and ports strategy and freight plan illustrates a lack of engagement with these sectors may have placed the Welsh Government at a disadvantage now.

### **Response:**

51. The Welsh Government are aware and have fully acknowledged the importance of the Ports and Freight sector to the economy of Wales.
  
52. We meet both the freight and the ports sector on a regular scheduled basis and ensure that they have the support of officials and Cabinet Secretaries across a range of projects and business as usual requirements. Our attention to both these sectors can clearly be seen in our engagement, site visits, attendance at formal events and our clear commitment to setting up the taskforce.
  
53. We had continuous engagement with our ports throughout the Holyhead closure and whilst we could always improve engagement with some sectors, we do not believe this would have placed us in a better position to respond. Our positive engagement with stakeholders continues. This will include the future publication of a ports plan and freight strategy.

15 May 2025

Dear Leader,

### **City and Growth Deals**

The Senedd's Economy, Trade and Rural Affairs Committee is undertaking an inquiry into the four Welsh city and regional growth deals, and has recently launched a public consultation. I am writing to draw your attention to this consultation and inquiry.

When developing this inquiry, Members agreed we are eager to hear the views from as many local authorities as possible, as you are key stakeholders in the growth deals. We would welcome any thoughts you are able to share and are specifically keen to hear your views on the following areas regarding your authority's experience and your growth deal:

- **Progress to date and pace of delivery** – including progress made against targets, and any pressures or challenges affecting delivery
- **Consideration of some of the most significant projects and investments** – including any key successes or potential risks
- **Understanding the impact of the deals** - including the regional spread of activity
- **Governance and democratic accountability** - including the role of Corporate Joint Committees
- **Availability of private sector investment**
- **How the activities of the City and Growth Deals fit within the wider business support landscape** - including the Welsh Government's review of business support, and whether there are any opportunities for greater collaboration or coordination with Welsh Government activity.

If possible, I would appreciate your contribution by the consultation closure date of 23 June 2025.

Thank you in advance for your engagement.

Kind regards,

Andrew RT Davies

Andrew RT Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English



Huw Irranca-Davies MS  
Deputy First Minister and Cabinet Secretary for  
Climate Change and Rural Affairs

16 May 2025

Dear Huw,

### **Hybu Cig Cymru**

Thank you for attending Committee on 7 May to give evidence to our inquiry into Hybu Cig Cymru. In private discussions following the meeting Members were curious about the relationship between HCC and other similar levy boards. Obviously, there are areas in which these organisations will be in direct competition, however there are also non-competitive areas where there could be co-operation. Please could you give your views on the relationship between HCC and its counterparts including answering the following questions:

- What is the current relationship between HCC and other levy boards in the UK, specifically the Agriculture and Horticulture Development Board and Quality Meat Scotland?
- How much collaboration takes place currently between the organisations currently? Please could you provide examples?
- Has the Welsh Government and/or HCC explored avenues for the further sharing of resources and best practice (in non competitive areas) between these organisations?
- What are your views on how the relationship between these organisations should look in the future and will greater collaboration with other levy boards be reflected in the Welsh Government's new framework agreement with HCC?

As this inquiry is into the operation of a specific organisation I would like to conclude this work as quickly as possible to avoid adding any undue stress on HCC's workforce or board. To aid in this effort please could you respond to this letter by 29 May.

Yours sincerely,

A handwritten signature in black ink that reads "Andrew RT Davies". The signature is written in a cursive style with some capital letters.

Andrew RT Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English

Huw Irranca-Davies AS/MS  
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet  
dros Newid Hinsawdd a Materion Gwledig  
Deputy First Minister and Cabinet Secretary for  
Climate Change and Rural Affairs



Llywodraeth Cymru  
Welsh Government

Andrew RT Davies MS  
Chair  
Economy, Trade and Rural Affairs Committee

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

30 May 2025

Dear Andrew,

## Hybu Cig Cymru

Thank you for your letter following my Committee attendance on 7 May. As requested I have addressed your questions as set out below:-

**1. What is the current relationship between HCC and other levy boards in the UK, specifically the Agriculture and Horticulture Development Board and Quality Meat Scotland?**

HCC has a good relationship with its sister levy boards across the UK. Regular formal and informal communications exist resulting in the delivery of UK wide consumer focused campaigns, research and development projects as well as wider industry development.

A snapshot of the current formalised communications channels are provided at Annex A.

**2. How much collaboration takes place currently between the organisations? Please could you provide examples?**

HCC has been in regular collaboration between the organisations. Examples of collaboration projects over recent years are provided at Annex A.

**3. Has the Welsh Government and/or HCC explored avenues for the further sharing of resources and best practice (in non-competitive areas) between these organisations?**

- Due to its finite resources, HCC continually explores opportunities to maximise value for its levy-payers through collaboration with sister levy boards.
- Where better value for money can be secured in non-competitive activity there is an implicit understanding that collaboration should be sought with sister levy boards.

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

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

[Gohebiaeth.Huw.Irranca-Davies@llyw.cymru](mailto:Gohebiaeth.Huw.Irranca-Davies@llyw.cymru)  
[Correspondence.Huw.Irranca-Davies@gov.wales](mailto:Correspondence.Huw.Irranca-Davies@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.

- As a Welsh Government owned, independently operated company, HCC are also able to maximise the value of activities, research, and event presence through collaboration within the wider Welsh public sector, sensitive to the unique needs of the industry in Wales within its devolved legislative and policy context.
  - PGI Welsh Lamb and PGI Welsh Beef holds a unique position over its English counterpart. Due to the designation of PGI status it is able to market itself clearly as 'Welsh' over its English counterpart which has to market itself as 'British' due to the lack of a PGI designation. This unique selling point dictates the need for separation at times in its promotion through a focused, Wales run, Wales owned, levy body.
4. **What are your views on how the relationship between these organisations should look in the future and will greater collaboration with other levy boards be reflected in the Welsh Government's new framework agreement with HCC?**
- HCC has built up a good relationship with the other levy boards and through continuing collaboration will continue to work together to amplify activity where relevant and , access funding to establish programmes which maximise value for money that benefit the whole supply chain.
  - My officials have been working closely with HCC to agree the revised updated Framework Agreement which provides clarity surrounding roles and responsibilities of HCC executive, board and Welsh Ministers and officials.
  - The Framework Agreement also states that HCC shall prepare an annual operational plan setting out the level of service to be achieved in key areas and the performance and output information to be collected to monitor progress.
  - The key performance indicators as set out in the Operational Plan 2025-2026 include engagement and collaboration activity with the other levy bodies, for example:-
    - **Red meat industry roadmap** - To progress, develop and communicate an industry-owned roadmap to net zero with other devolved levy bodies and wider industry

I hope you find this information helpful to assist you in the next steps of the inquiry into HCC.

Yours sincerely,



**Huw Irranca-Davies AS/MS**

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd  
a Materion Gwledig

Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

### Current formalised communication channels

- Biannual meeting of the Chairs (LMC, QMS, HCC & AHDB).
- Quarterly meetings carried out between the levy boards (LMC, QMS, HCC & AHDB) at CEO level as well as CEO monthly virtual meetings, to discuss non-commercial opportunities to collaborate and discuss areas where strategic collaboration would benefit the industry.
- Regular meetings are also carried out between senior leadership team members and counterparts in sister levy boards (e.g. quarterly levy repatriation meetings).
- In addition, wider ad-hoc collaboration meetings are also in place (on a group and one-to-one level) dependent on the subject matter (e.g. communications campaigns through to research). For example, during key marcoms campaign periods (such as *'Love Lamb Week'* and *'Great British Beef Week'* – fortnightly meetings are in place).
- During periods of critical need (e.g. at the height of the pandemic when the hospitality industry was closed) levy boards urgently put into action a *'Make it Beef'* campaign with only a few weeks' notice and collaborated throughout to secure its successful delivery.

### Examples of collaboration projects over recent years

#### Policy and sustainability

- Carbon baselining: as part of HCC's commitment to the soil health environmental metric, there is collaboration with sector partners, AHDB and QMS. The aim being to deliver environment baselining to establish on-farm net carbon, taking account of carbon stored in soil, along with hedges and trees, as well as greenhouse gas (GHG) emissions and sequestration.
- HCC continues collaboration with both AHDB and QMS on pre-competitive sustainability workstreams, and other UK sector partners, to help reinforce the sustainability message. This includes the recently published, industry-led, [Beef & Lamb Roadmap](#) – to a net zero brief.
- In addition, work continues on industry leading genetic improvement projects focusing on efficiency and environmental gain such as the [RamCompare](#) and Breeding Better programmes.
- [RamCompare](#) is a national sheep progeny testing initiative, jointly funded by HCC and AHDB. The project gathers valuable performance data from commercial lambs to drive genetic improvements in the sheep industry.
- [GrassCheck GB supporting UK grassland](#) productivity with on-farm support is dedicated to enhancing grassland and productivity across the UK through levy board and wider collaboration.
- Securing further return of investment through sharing research and data is also regularly explored. Examples include, purchasing of consumer data in conjunction with AHDB, in order to secure better value for money (e.g. Kantar WorldPanel information).

## Trade and export

- In the area of international trade and export, the HCC team has collaborated and attended trade stands shared with sister levy boards. A current example being work ongoing with AHDB to explore the possibility of a shared stand at Gulfood 2026. Such shared activity has been carried out in the past in trade events such as Gulfood 2023.
- At other international trade events (e.g. Foodex 2025, New York Fancy Food 2026) HCC secures preferential rates through attendance in collaboration with the Welsh Government's Food Division. Such an approach allows HCC to maximise the benefit of collaboration with either government or sister levy board partners.
- HCC create bespoke events in market utilising Welsh Government assets in the region to minimise cost, for example, utilising UK embassies to showcase our product instead of paying for a restaurant and utilising Welsh Government staff to help plan and coordinate activities.

## Brand and communications collaboration

HCC works with sister levy boards regularly on integrated UK national campaigns. Recent examples include:

- Collaboration on **beef** is best showcased yearly during Great British Beef Week. This year saw the farmer led campaign, Naturally delicious – [Great British Beef Week 2025](#), putting the faces behind British beef farming at the heart of the campaign. Collaborating with sister levy boards allowed a rebranding of the yearly campaign to 'Beef Week' in order to promote the PGI Welsh Beef brand in Wales.
- Collaboration on **lamb** is showcased best with HCC's yearly collaboration around Love Lamb Week in September each year. In 2024, the HCC team worked with its sister levy board to deliver the UK wide [Make it Lamb campaign](#). This saw a reach of almost two million users across social media in its collaboration over [all four UK red meat levy boards](#).
- In the area of **health and education**, HCC shares ideas, best practice and information with colleagues from AHDB, QMS and LMCNI. We are currently exploring how to work in collaboration for 'New Scientist Live' for 2025/26.
- When Food a Fact of Life, run by British Nutrition Foundation and funded by AHDB, have an education event in Wales, HCC works in partnership with our sister levy board – e.g. invited co-host participation.

Rebecca Evans MS  
Cabinet Secretary for Economy, Energy and Planning

16 May 2025

Dear Rebecca,

### **Review of Business Support**

I understand that you mentioned at a recent meeting of [Cardiff Breakfast Club](#) that you were intending to undertake a review of the business support landscape. I also note in an [article on Business Live](#) you said you were “keen to explore all of that and to understand what the best business support system looks like in the future.”

You will recall recommendation 5 from the Committee’s [report](#) on the Development Bank of Wales, which stated “The Welsh Government should prioritise a review of Business Wales’ functions and examine the feasibility and desirability of integrating these functions into the remit of the Development Bank of Wales and focus on streamlining the offer of support to businesses. Over the next 6-12 months the Cabinet Secretary should keep the Committee updated on consideration of this issue and give a clear rationale for the decision taken consequently.”

The Welsh Government [response](#) to the report accepted the recommendation in principle “on the basis that future reviews of Business Wales and the Development Bank will consider where any further strengthening of the interface between the services is required and opportunities for service integration where appropriate. Welsh Government remains open to exploring options while seeking to secure the stability, quality and impartiality of established service delivery.”

The Committee is embarking on an [inquiry](#) into the four Welsh city and regional growth deals. It would be very useful to have further details of your plans for a review of business support as part of the evidence base for this inquiry. Please could you set out details of your planned review, including

any terms of reference or more generally the scope, who is carrying out the review, and what timeframe they are working towards. Please can you also include details of how/if this review will link into the Committee's recommendation above.

As you had previously committed to keeping the committee updated regarding reviews of business support, I would appreciate if you could supply this information by 30 May. Thank you in advance for providing this information – it will be very useful to our inquiry.

Yours sincerely,

A handwritten signature in black ink that reads "Andrew RT Davies". The signature is written in a cursive style with some capital letters.

Andrew RT Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English



Carolyn Thomas MS  
Chair  
Petitions Committee

16 May 2025

Dear Carolyn,

### **Committee response to correspondence regarding petitions**

Thank you for your letters regarding the petition calling for a long-term future for Lampeter Campus (P-06-1507), the petition regarding dog grooming (P-06-1391) and the two petitions regarding greyhound racing (P-06-1253 and P-06-1354). The Committee considered these letters and the petitions at our meeting on 30 April.

The Committee has a busy forward work programme, so we have no plans to undertake specific inquiries on these issues at this point. However, we are keeping a watching brief with regards to the situation in the Welsh Higher Education Sector where it relates to our remit around the economy and research and development. We are also keeping a watching brief on the Welsh Government's animal welfare work, and we will include dog grooming in this.

Regarding greyhound racing, I note the Welsh Government has stated an intention to bring forward legislation to ban greyhound racing in Wales. It is for the Business Committee to decide which bills are scrutinised by which Committee. However, if a bill to legislate on that commitment is referred to this Committee, I will ensure we reflect on the views expressed and information provided by both petitions as part of our scrutiny.

Yours sincerely,

Andrew RT Davies

Andrew RT Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English



Rt Hon Elin Jones MS  
Chair  
Business Committee

19 May 2025

Dear Llywydd,

**Supplementary Legislative Consent Memoranda on the Product Regulation and Metrology Bill**

On 25 March 2025, the Business Committee referred the Supplementary LCM (Memorandum No. 2) on the Product Regulation and Metrology Bill to the Economy, Trade and Rural Affairs Committee. On 28 February, the Committee published a report on the original LCM related to this Bill. Members have considered the SLCM and are content that the original LCM report still reflects the position of the Committee regarding both the LCM and SLCM. As such, we will not be publishing an additional report at this time.

On 13 May 2025 the Business Committee referred a second SLCM (Memorandum No. 3) to the Committee with a reporting deadline of 19 May. We would be interested to hear Welsh Government's view on the new clause noted in this SLCM and how the Welsh Ministers consent process may work, however there is not sufficient time to explore these issues before the reporting deadline.

I have copied this letter to Mike Hedges MS in his role as Chair of the Legislation, Justice and Constitution Committee.

Yours sincerely,

Andrew RT Davies

Andrew RT Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English

CC: Chair, Legislation, Justice and Constitution Committee



Peredur Owen Griffiths MS

Chair

Finance Committee

22 May 2025

Dear Peredur,

### **Scrutiny of the Draft Budget 2025-26: Evidence provided by the Welsh Government**

Thank you for your letter and for giving the Committee the option to feed into your work on the budget process. Whilst the Committee has been broadly happy with the evidence we have received for the most recent budget rounds, we do have some ideas and comments we would like to feed in.

#### **Timing**

I am disappointed that the Welsh Government has regularly published its draft budget in a way that means the committee scrutiny period falls over the Christmas recess. I note this is a frustration your Committee shares.<sup>1</sup>

Whilst I accept the Welsh Government's budget process is somewhat dictated by the UK Government, the timing of all of this Senedd's budget rounds – falling over Christmas – is not conducive to good scrutiny. This timing puts additional pressure on stakeholders during a time when many people are on leave and offices are closed, and it also restricts the amount of meeting time committees have to review the draft budget. For future budgets, the Welsh Government must work hard to avoid committee budget scrutiny falling over the Christmas recess.

---

<sup>1</sup> Finance Committee report: **Scrutiny of the Welsh Government Draft Budget 2024-25**, paragraph 17

## Evidence received

The Committee is broadly content with the evidence we have received as part of the budget process. I would like to note that we have found the breakdown of actions by BEL activity tables particularly useful. In general, as well as providing budget details, we appreciate the fact that budget evidence papers provide a useful general update across portfolios and so are helpful for transparency and ongoing scrutiny.

However, in the future, we would like to see more information about the engagement the Welsh Government has undertaken with specific stakeholders and more widely with citizens on the development of its budget as part of the evidence base. This would help us both understand the thinking behind decisions and allow us to focus our work on the budget.

## Limited impact

Whilst I do welcome the opportunity to carry out budget scrutiny, and as noted above it provides a core part of our ongoing scrutiny of the Welsh Government, I personally find the impact of committee scrutiny on the budget somewhat limited. Our proportional system has tended to return very small majority or minority Governments. This means political deals have to be done, usually behind the scenes, to ensure budgets pass. As a result, the budget process itself can feel somewhat like a fait accompli.

Thank you again for the opportunity to feed into this work.

Yours sincerely,



Andrew RT Davies MS

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English



Mike Hedges MS  
Chair  
Legislation, Justice and Constitution Committee  
Senedd Cymru

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

22 May 2025

Dear Mike

### **Inter-Institutional Relations Agreement: Forthcoming Intergovernmental Meetings**

I am writing in accordance with the Inter-Institutional Relations Agreement to notify you of the second meeting of the Council of the Nations and Regions, which will take place on Friday 23 May. I will attend in person.

On the same day, I am also looking forward to a meeting between the Prime Minister, the First Minister of Scotland and the First Minister and deputy First Minister of Northern Ireland and myself, as well as a short bilateral meeting with the Prime Minister.

I will provide an update on discussions at those meetings in due course.

I am copying this letter to Huw Irranca-Davies MS, Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs; Rebecca Evans MS, Cabinet Secretary for Economy, Energy and Planning; Julie James MS, Counsel General and Minister for Delivery; the Rt Hon Elin Jones MS, the Llywydd; the Chair of the Finance Committee; and the Chair Economy, Trade and Rural Affairs Committee.

**Eluned Morgan**

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

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

[Gohebiaeth.Eluned.Morgan@llyw.cymru](mailto:Gohebiaeth.Eluned.Morgan@llyw.cymru)  
[Correspondence.Eluned.Morgan@gov.wales](mailto:Correspondence.Eluned.Morgan@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.



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: MA-RE-1179-25

Andrew RT Davies, MS  
Chair  
Economy, Trade and Rural Affairs Committee

28 May 2025

Dear Andrew,

Thank you for the Economy, Trade and Rural Affairs Committee's report into the Foundational Economy.

I welcome the Committee's work on this important part of Welsh Government's work to grow a resilient economy. The Committee's conclusions and recommendations are helpful and will further inform our Foundational Economy approach.

I have attached Welsh Government's response to each of the Committee's recommendations.

Yours sincerely,

**Rebecca Evans AS/MS**  
Cabinet Secretary for Economy, Energy and Planning  
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio

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

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

[Correspondence.Rebecca.Evans@gov.wales](mailto:Correspondence.Rebecca.Evans@gov.wales)  
[Gohebiaeth.Rebecca.Evans@llyw.cymru](mailto:Gohebiaeth.Rebecca.Evans@llyw.cymru)

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.



# The Foundational Economy

## Response to the ETRA Committee Report (April 2025)

28/05/2025

In April 2025, the Economy, Trade and Rural Affairs Committee submitted a report to Welsh Government following its Foundational Economy inquiry.

The report includes 10 recommendations. This is the Welsh Government's response to those recommendations.

# Contents

<b>1. Introduction.....</b>	<b>3</b>
<b>2. Responses to the ETRA Recommendations.....</b>	<b>4</b>
Recommendation 1.....	4
Recommendation 2.....	4
Recommendation 3.....	5
Recommendation 4.....	5
Recommendation 5.....	6
Recommendation 6.....	6
Recommendation 7.....	7
Recommendation 8.....	8
Recommendation 9.....	9
Recommendation 10.....	10

# 1. Introduction

The services and products within the Foundational Economy (FoEc) provide those basic goods and services on which every citizen relies, and which keep us safe, sound and civilized.

FoEc is a Programme for Government commitment and is central to the Welsh Government's Economic Mission.

The FoEc sectors the Welsh Government has a strategic focus on are:

- care and health services (including social care and childcare)
- management of social housing
- construction of residential and commercial buildings, energy and utilities
- food
- high street retail and services
- tourism
- public transport.

Welsh Government's objectives for nurturing the FoEc are to:

- Identify and support opportunities for more jobs, better jobs, greener jobs and promote fair work.
- Increase 'household liveability' by facilitating rising wages through promoting schemes such as Real Living Wage, helping increase the affordability of foundational essentials.
- Build local supply chains to keep people, skills and wealth in Wales.
- Contribute towards addressing the climate and nature emergencies.
- Encourage collaborative innovation and experimentation to improve basic goods and services, especially where these build resilient social infrastructure, such as through cooperative and community-owned projects.

The ETRA Committee's report has highlighted helpful conclusions and recommendations which will shape Welsh Government's future FoEc activities. This report provides responses to each of the Committee's recommendations.

## 2. Responses to the ETRA Recommendations

### Recommendation 1

The Welsh Government should use the dual definition developed by Professor Karel Williams and the Foundational Alliance Wales as the basis for its work on the foundational economy. It should also work with practitioners to create simple, one-line definitions to increase awareness of the foundational economy, and communicate these more widely to organisations.

**Response:** Accept

In June 2024, work commenced engaging stakeholders to clarify understanding and adoption of FoEc approaches. The stakeholders included FoEc ‘practitioners’, academics working on the FoEc topic, think-tanks, campaigning organisations, those working closely with anchor organisations and public bodies on related topics, procurement professionals, and other similar individuals. From this consultation, a refreshed policy definition and mission statement was published on 28 April 2025:

[Foundational economy: mission statement \[HTML\] | GOV.WALES](#)

The Mission Statement clarifies the Welsh Government definition and approach towards the FoEc. The definition includes both sectoral and qualitative elements.

The Statement also includes the objectives of the Welsh Government’s approach to the FoEc, as well as a description of the tools we use to leverage these. The aim of the mission statement is to encourage a shared understanding of the FoEc concept across a wider range of stakeholders.

**Financial implications:** None

### Recommendation 2

The Welsh Government should develop a number of key performance indicators to boost understanding of what it wants to achieve through foundational economy interventions. It should also collaborate with partners to produce a foundational economy delivery plan setting out the actions the Welsh Government and others will take to meet its objectives.

**Response:** Accept in principle

As part of the work to develop the mission statement, a long list of metrics has been compiled to monitor progress in delivering our FoEc objectives. Work will be progressed to shorten these into a set of key performance indicators, linked to the Wellbeing of Future Generations Act, to provide clarity of ambition. A future FoEc prospectus will be prepared in consultation with stakeholders which can be

presented in the first quarter of 2026 as a plan to be considered by the new administration following the May 2026 Senedd elections.

**Financial implications:** No immediate financial implications, but the future FoEc prospectus may have associated budget impacts.

### Recommendation 3

The Welsh Government should place greater focus on supporting a bottom-up approach to the foundational economy. As part of this approach, it should:

- Work with partners to trial and evaluate 'alliances of the willing' to deliver change in a few key foundational economy areas, including identifying opportunities to pilot a skunkworks-type approach.
- Develop less prescriptive approaches to grant funding that support innovation and empower organisations to deliver community priorities.

**Response:** Accept

Through our FoEc community of practice, which has been scaled up to generate greater reach across foundational sectors, we will work with stakeholders to identify opportunities which could benefit from trialling a skunkworks-type approach. The community of practice has been driven by a bottom-up approach, the activities of which have been member driven by stakeholders who want to drive change. We will use the lessons learned from the food community of practice in shaping further 'alliances of the willing'.

**Financial implications:** To be determined subject to identifying potential opportunities for deploying skunkworks-type approaches.

### Recommendation 4

The Welsh Government should learn lessons from other cross-cutting policy areas to mainstream a foundational economy approach across government, and set out by September 2025 how it intends to apply these lessons.

**Response:** Accept

The FoEc team will collaborate with other policy areas, such as Fair Work, to identify how these approaches could support further growing cross-government working.

**Financial implications:** None

## Recommendation 5

To support learning, spreading and scaling of good practice, the Welsh Government should publish key findings from evaluations of foundational economy initiatives in one place. These should then be embedded into its scrutiny of how effectively public service organisations are delivering foundational economy priorities. The Welsh Government should also work with partners to identify successful foundational economy projects that it wishes to scale up, and set out its plans to do so.

**Response:** Accept

A dedicated FoEc page has been created on Welsh Government's internet site where case studies publishing outputs and experiences of projects are available, along with other resources. In addition, Cynnal Cymru, the FoEc community of practice delivery partner, has dedicated website material for the FoEc, making available a range of learning resources and research content. The FoEc team will ensure that both websites are maintained and updated at regular intervals to ensure access to current information and learning. The FoEc team will also work with partners through the community of practice to invite suggestions for scale up activity and any agreed plans will be added to the Welsh Government and Cynnal Cymru websites.

**Financial implications:** None

## Recommendation 6

The Welsh Government should outline how it will improve the longer-term financial support available to successful foundational economy initiatives that require ongoing support. This should include analysing how the successor local growth arrangements to the Shared Prosperity Fund can be used to support foundational economy organisations.

**Response:** Accept

The current FoEc budget provision allows for funding of FoEc specific Business Wales activity, delivery of the community of practice, construction sector programmes of work through Constructing Excellence in Wales and a relatively small amount of budget of £250,000 to support project activity. The FoEc team will assist project partners through the community of practice to identify projects which have ambition and potential so scale and explore other available sources of funding which could support such activity.

**Financial implications:** None

## Recommendation 7

In relation to improving procurement opportunities for SMEs in the foundational economy, the Welsh Government should:

- Outline how it will work with partners to spread and scale-up best practice to support foundational economy SMEs across the whole of Wales to tender for public sector procurement opportunities.
- Set out how it proposes to use its powers under the *Procurement Act 2023* and the *Social Partnership and Public Procurement (Wales) Act 2023* to support greater spend with small and medium-sized Welsh businesses and third sector organisations.

**Response:** Accept

Through mainstreaming FoEc objectives into Business Wales delivery, specific support is targeted at businesses operating within the foundational sectors. For example, a series of Business Wales Supplier Roadshows across Wales are scheduled for May and June of this year, aimed at helping foundational suppliers find, bid for, and win public sector contracts, while navigating major changes to procurement regulations. Last year saw the first FoEc Expo events take place in north and south Wales, attracting over 1,100 registered delegates enabling suppliers to meet major public sector buyers and access support services to bid for future contracts. The Expos will be delivered again this coming autumn.

The Procurement Act 2023 aims to create a more accessible and transparent public procurement process for small and medium-sized enterprises (SMEs) and third sector organisations. Greater transparency for suppliers means they will be able to see all tender opportunities in one place, as well as increasing transparency of procurement pipelines, allowing businesses more time to prepare for relevant tender opportunities and to access support available through the Business Wales service. The Act requires contracting authorities to take due regard to the barriers faced by SMEs and to consider measures to remove or reduce these barriers. Both the Procurement Act 2023 and the Welsh Government's Social Partnership and Public Procurement (Wales) Act include 2023 improved prompt payment rules which will help to ensure that public sector supply chains operate more effectively.

The Social Partnership and Public Procurement (Wales) Act 2023 requires public bodies to report on how their procurement, generally, is contributing to wellbeing in Wales by recording and reporting wellbeing metrics. These will be the subject of public consultation over the summer but are expected to include how much procurement spend is with Welsh businesses, SMEs and third sector organisations.

The Social Partnership and Public Procurement (Wales) Act 2023 also includes contract and supply chain management duties for major construction and outsourcing services. For construction, model clauses will be published in six categories where improvements are needed. This includes providing opportunities for SMEs and third sector organisations to win contracts in construction supply chains. These clauses will be consulted upon during the summer and are due to come into force before the end of this Senedd term in 2026.

**Financial implications:** None

### Recommendation 8

The Welsh Government should outline how it will use recent procurement legislation to maximise the social value of procurement across devolved public sector organisations. It should provide tailored training to procurement staff to enable them to implement this.

**Response:** Accept

The Procurement Act allows for more flexible procedures and encourages consideration of factors beyond just the lowest price, such as social value, innovation, and sustainability. Tenders are no longer assessed on the basis of the Most Economically Advantageous Tender but on the Most Advantageous Tender, thereby removing the 'economic' criteria and allowing greater prioritisation of social value. Welsh Government has published Welsh Procurement Policy Note (WPPN) 003: Social value clauses/'community benefits' through public procurement to support contracting authorities in implementing social value objectives through their procurement activity.

A comprehensive learning and development programme was developed by UK Government so that stakeholders have sufficient training on the Procurement Act 2023. This suite of dedicated learning helps to ensure that Welsh contracting authorities understand how they can compliantly apply the flexibilities of the new regime.

With a focus on Welsh public sector priorities and the Well-being of Future Generations (Wales) Act, Welsh Government also developed bilingual learning products for devolved Welsh contracting authorities. This training supplements the core learning offered by the UK Government and incorporates requirements under the Procurement Act, the Socially Responsible Procurement duties in the Social Partnership and Public Procurement (Wales) Act and the Health Service Procurement (Wales) Act.

The Social Partnership and Public Procurement (Wales) Act 2023 requires public bodies to set objectives on how they will achieve wellbeing goals and then to

report each year on the extent to which they have met those objectives. The Socially Responsible Procurement duties within the Act, once brought fully into force, will require all public bodies covered by the duties to maximise their contribution to achieving wellbeing outcomes from all their procurement.

There is a commitment to support procurement staff as part of implementing the socially responsible procurement duties in the Social Partnership and Public Procurement (Wales) Act 2023. This commitment includes developing guidance, providing information, and maintaining ongoing dialogue with the procurement community to support them to perform their roles effectively.

**Financial implications:** None

## Recommendation 9

The Welsh Government should work with anchor institutions in devolved public services to ensure that 'grow your own workforce' approaches are developed and scaled-up across Wales, taking a flexible approach that meets the local needs of employers and communities.

**Response:** Accept

Large public sector organisations are major employers and offer great scope to provide fair work opportunities for local communities.

Some health boards have adopted models to recruit from their local communities and support recruits to complete apprenticeships and other forms of work-based learning in order to develop their skills and qualifications and progress their careers within the organisation. We have an opportunity to learn and further expand the 'grow your own' local community recruitment models to attract candidates from the wider community through work-based learning and apprenticeships to earn, learn and develop their careers within the health and care system. We will work with HEIW to publish guidance to scale and spread 'grow your own' local community recruitment models.

Additionally, in response to their action within the National Workforce Implementation Plan, HEIW produced an Evaluation Report – Healthcare Degree Apprenticeships submitted to the Strategic Workforce Implementation Board. Within their remit letter for 25/26 HEIW are asked to develop a plan to undertake further detailed research and consultation into the impact that degree apprenticeships could have in different occupational areas. This should take into consideration the work currently being undertaken by MEDR to refresh their apprenticeship framework.

The 'grow your own' programme progressed by Hywel Dda University Health Board is promoted as a case study through the FoEc community of practice

website: [Grow your Own – The Hywel Dda approach to building local skills and well-being – Cynnal Cymru – Sustain Wales](#). We will engage across the health sector to encourage adoption of similar approaches which reflect local workforce priorities.

Local authorities are also already significant employers locally, some of whom have geographically large, but sparse local employment markets, whereas others share a regional pool of people within easy commuting distance of several public sector employers. There are activities in place to support recruitment into some hard to recruit and retain jobs, such as planning and environmental health. We will explore scope for further action in the sector by raising it through the Partnership Council to bring it to the attention of Leaders, encouraging shared learning and identifying what Welsh Government could to provide support.

**Financial implications:** None

### Recommendation 10

The Welsh Government should take the following steps within its devolved powers to improve pay and conditions in the public and private sectors:

- Using remit letters to set requirements for public bodies covered by these to improve pay and working conditions, and working with social partners to develop and agree common minimum standards for pay and working conditions in the devolved public sector.
- Working at pace with social partners to develop proportionate proposals to support fair work through Welsh Government financial support, and starting to roll these out by the end of 2025. As part of this work, the government should also consider how the Scottish Government's Fair Work First approach can inform developments in Wales.

**Response:** Accept in principle

In December 2024, the First Minister wrote to all public bodies in Wales, encouraging them to consider the benefits of adopting the Real Living Wage and becoming a Real Living Wage accredited employer. This follows similar correspondence issued in previous years. We also collaborate with Cynnal Cymru, the Real Living Wage accreditation partner in Wales, providing them with annual funding. This support enhances their capacity to engage with employers, including public bodies. We expect organisations in Wales that receive public funding, including public bodies, to sign up to the Code of Practice on Ethical Employment in Supply Chains. The Code includes 12 commitments, one of which is for signatory organisations to consider paying the Real Living Wage and becoming a Real Living Wage accredited organisation.

NHS Wales has strong and well-established formal structures for social partnership working. Welsh Government, NHS employers and health unions work together in open, trusted relationships with the shared aim of improving the working life of NHS staff and identifying how NHS services can be improved. The formal social partnership structures include employer/union Local Partnership Forums in each health board, trust and special health authority which ensure national terms and conditions and national partnership priorities are delivered within the remit of every NHS Wales employer. At national level the tripartite Wales Partnership Forum has a significant role in identifying priorities for pay and conditions issues – for example in ensuring the consistent delivery of the pay and non-pay elements of our collective agreements.

In terms of arm's length bodies, framework documents outline expected staff management arrangements and the Welsh Government's principles around having fair pay systems (which includes paying the Real Living Wage, and having pay parity for those on the lowest rates of pay). Aligned to the Welsh Government's Programme for Government commitment to address pay disparities, and working in social partnership, action has been taken to consider harmonising rates of pay and employee terms and conditions across arm's length bodies. This work is ongoing.

A sub-group of the Social Partnership Council (SPC) has been convened and will consider fair work in Welsh Government grant funding to business. The group includes employer representative organisations and trade union representatives. A work plan has been agreed by the sub-group which includes consideration of the Fair Work First approach taken by the Scottish Government. It is anticipated that the group will conclude its work at the end of 2025. Its advice will be considered by the SPC and subsequently by Welsh Ministers.

**Financial implications:** None



Llywodraeth Cymru  
Welsh Government

Andrew RT Davies MS  
Chair of Economy, Trade, and Rural  
Affairs Committee

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

30 May 2025

Dear Andrew,

I am writing to inform you, in line with the inter-institutional relations agreement, that a meeting of the Inter-Ministerial Group for Trade is scheduled for 2 June 2025.

The meeting will be the first meeting since several significant trade announcements, including UK trade deals with the US and India, and will be used to discuss these agreements as well as engagement between UK administrations.

I will update you further following the meeting.

**Rebecca Evans AS/MS**  
Cabinet Secretary for Economy, Energy and Planning  
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio

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

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

[Correspondence.Rebecca.Evans@gov.wales](mailto:Correspondence.Rebecca.Evans@gov.wales)  
[Gohebiaeth.Rebecca.Evans@llyw.cymru](mailto:Gohebiaeth.Rebecca.Evans@llyw.cymru)

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.



Department  
for Environment,  
Food & Rural Affairs

Daniel Zeichner MP  
Minister of State

Seacole Building  
2 Marsham Street  
London  
SW1P 4DF

T: +44 (0) 3459 335577  
E: [correspondence.section@defra.gov.uk](mailto:correspondence.section@defra.gov.uk)  
W: [gov.uk/defra](http://gov.uk/defra)

# Agenda Item 4.14

Andrew RT Davies MS  
Chair: Economy, Trade and Rural Affairs Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff  
CF99 1SN  
[SeneddEconomy@senedd.wales](mailto:SeneddEconomy@senedd.wales)

Our ref: PO2025/08242/FA

30 May 2025

Dear Andrew,

Thank you for your letter of 10 April to the Secretary of State about the work that the UK agri-food and drink attachés undertake, including in support of the Welsh agri-food sector. I am replying as the Minister responsible for this policy area and I apologise for the delay in doing so.

Protecting and expanding agri-food market access is central to increasing resilience and boosting growth. Food and drink manufacturing supports prosperity across the UK – it is the UK's largest manufacturing sector by value and is unique in being present across the whole of the UK. We recognise the tremendous value of working closely with Welsh businesses, from established brands to the innovative small and medium-sized enterprises that Wales is known for, to continue to expand agri-food market access.

Defra currently has sixteen agri-food attachés around the world whose role is to support UK agri-food exports by opening up new market access. This includes protecting existing market access - for example in the event of disease outbreak - breaking down export barriers, increasing trade resilience and driving export growth in priority markets. We work closely with industry to identify the highest value opportunities to inform our market access incentives in Wales and across the UK.

Defra liaises closely with Welsh government teams, both directly and through forums such as the Trade Measures Board to understand priorities and provide progress updates. The attachés also work very closely with Welsh government counterparts in embassies to broaden market access and promote Welsh food and drink.

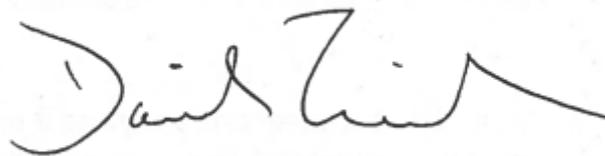
Recent examples include hosting food and drink showcase events in Morocco and New Delhi to celebrate St David's Day that Defra attachés helped to organise. These set piece promotional events compliment day to day joint working to increase access, resolve barriers and build visibility and demand for iconic Welsh products. Department for Business and Trade colleagues also play a key role in showcasing products at trade shows and supporting business to business connections. We will continue to look for opportunities to showcase Welsh food and drink and build further on the strong joint working between our global networks.

I am grateful that the agri-food attachés were able to meet Welsh government representatives as well as stakeholders as part of the Industry Engagement Week last November. The attachés also visited several farms and Welsh brands to raise awareness of the network in Wales. This built on a roundtable where Welsh businesses had the opportunity to connect with the attachés and ask questions about accessing markets. Welsh businesses fed back that the attachés were an invaluable resource to compliment the Welsh government's export accelerator programme and in market specialists. The export team in Defra has also visited the Royal Welsh Show to connect with officials and businesses directly to showcase the role we can play in delivering on export ambitions.

Last year the attachés working with Defra officials in the UK resolved an export barrier nearly every week, including securing access to the US market for UK beetroot growers and resuming pork exports to China for major UK producers, which industry estimates are worth £80 million. This work is continuing, including securing market access to export live seafood products to Vietnam, a priority market for Welsh producers.

Strengthening our export capability provides a powerful catalyst for growth and prosperity and enables us to showcase the quality and diversity of UK food and drink across the world. I look forward to continuing this long-standing partnership.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Daniel Zeichner', written in a cursive style.

**DANIEL ZEICHNER MP**

# Agenda Item 7

Document is Restricted

Document is Restricted