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Llywodraeth Cymru
Welsh Government

David Melding AM
Chair, Committee for the Scrutiny of the First Minister
National Assembly for Wales

8th October 2013

Dear David,

I'm writing in response to your letter of 20 August raising some further points following my appearance before the Committee for the Scrutiny of the First Minister on 19 July at the Stiwt Theatr, Rhosllanerchrugog.

My response to the Committee's further recommendations is attached.

Yours sincerely



CARWYN JONES

THE FIRST MINISTER'S RESPONSE TO RECOMMENDATIONS FROM THE COMMITTEE FOR THE SCRUTINY OF THE FIRST MINISTER: MAJOR INFRASTRUCTURE PROJECTS IN NORTH WALES

OCTOBER 2013

Infrastructure investment is a key priority for the Welsh Government. I welcome the Committee's recognition that collaboration is essential to maximise infrastructure investment opportunities, an approach that we continue to drive forward through our Wales Infrastructure Investment Plan (WIIP)

Recommendation 1:

We would like you to explain how all these Welsh Government plans and strategies will work coherently and effectively across Wales and across Ministerial portfolios. Perhaps you could set this out diagrammatically so that we can see how they all fit together.

The Programme for Government (PfG) describes the outcomes this Government strives to achieve: healthy people, living productive lives in a more prosperous and innovative economy; safer and more cohesive communities, with lower levels of poverty and greater equality; a resilient environment with more sustainable use of our natural resources; and a society with a vital sense of its own culture and heritage. These outcomes reflect our commitment to sustainable development as the central organising principle through which this Government operates.

In order to make progress towards these outcomes, Government policy is developed across and within each Ministerial portfolio.

Strategic national policies (such as the WIIP) provide the cross cutting perspective to best inform sectoral specific policy and initiatives, whilst legislation (such as Welsh and UK planning law) provide the policy framework for the effective preparation of local planning authorities development plans and the legal context within which policy formation and delivery must work (all of which will have an impact on the scope and delivery of initiatives)

Policy in each Ministerial portfolio is developed in the context of the PfG and by applying these overarching policies like the WIIP. This means that robust sectoral delivery plans can then be created which meet the needs of the Welsh population. In addition this process has successfully increased the focus of our limited resources, targeting those interventions which will have the greatest national economic and social benefits. Once such interventions are identified we work with public and private stakeholders across Wales to ensure that we make best use of all available funds including potential new European Funding.

In Annex 1, figure 1 illustrates how these strategic policies can be viewed as a series of stages or filters which shape Welsh Government spending programmes and projects.

Recommendation 2:

We would like to know how you propose to develop the Welsh Government's thinking and approach to ensuring that local communities receive direct benefits from all forms of major infrastructure developments, whether located in or affecting their areas.

Delivery of community benefits through investment via public procurement is a key commitment within the PfG and features in the Wales Procurement Policy Statement, published by the Minister for Finance, in December 2012 (Principle 4).

This innovative approach ensures that we maximise the provision of local training and employment opportunities and the use of local supply chains.

The Welsh Government's Community Benefits procurement policy has already been applied across more than 80 projects with a value in excess of £4bn.

In 2012 the Minister for Finance established a Task and Finish Group, chaired by Martin Mansfield, General Secretary TUC, in a personal capacity, to explore opportunities for strengthening both the policy and its application.

The approach has been built into the Local Government compact and is being embedded into projects within the Wales Infrastructure Investment Plan across sectors including waste, education and health. Community Benefits training has been provided to over 260 staff including Welsh Government finance and grants managers and officers from 30 public sector organisations.

Recommendation 3:

We were unclear whether you were expressing support for the proposed seabed cable connection between North and West Wales, and we should like you to clarify your position on the proposal.

Different options are being considered for grid infrastructure in North Wales and the use of seabed cable connection is among these.

The seabed cable proposal may offer advantages in terms of better utilising our existing grid infrastructure and allowing greater flexibility in use and development of generating capacity. However, a full and robust assessment of potential impacts will be undertaken, especially in regard to environmental aspects.

Recommendation 4:

It would be helpful if you could clarify the Welsh Government's position on the development of new gas powered power stations in Wales.

As set out in the Welsh Government 'Energy Wales' document, gas is a flexible responsive and reliable source of energy which can play a key role in transition to a low carbon energy system.

We believe that we have a key role in helping to facilitate a transition that is as efficient as possible, and in ensuring that we realise the significant opportunities for Wales. We are committed to further strengthen our partnerships, working with business and investors to ensure that appropriate energy developments succeed commercially and sustain the Welsh economy.

Recommendation 5:

We recognise the importance of the Wrexham to Saltney Junction scheme to people living in north Wales and would like to see the Welsh Government show leadership and clarity of purpose in bringing this scheme forward as soon as possible.

The Welsh Government is seeking to maximise value for money and the impact from investment in public transport. On 3 October the Minister for Economy, Science and Transport announced that, following a review, an agreement has been reached with Network Rail on a £44m revised scheme to improve north south rail journey times and increase capacity between Wrexham and Chester. The scheme is expected to be completed by Spring 2015 and will retain the benefits of the original scheme.

This scheme, in addition to our leadership on the development of a business case for the modernisation of the rail network in the region, demonstrates our commitment to improving rail infrastructure in North Wales.

Recommendation 6:

It would be helpful to know when a scheme to remove the current bottleneck at the A494 Aston Hill will be implemented.

The Minister for Economy, Science and Transport issued a Written Statement on Transport on 10 July. This statement set out that funding will be made available to progress the next stage study of improvements, to deal with the transport issues on the A494 trunk road in Deeside. The study will include consultation with the public and other stakeholders. The next stage is to appoint consultants to undertake the work.

Recommendation 7:

Could you indicate how parking and rest facilities for the safety of drivers of heavy goods vehicles and other road users travelling along the A55 will be improved.

With regard to more general rest facilities for shorter breaks there are a number of service areas and laybys throughout the length of the A55 and many facilities exist in the communities alongside the A55.

There is currently a private Large Goods Vehicle (LGV) truck stop, the construction of which was part-funded by Welsh Government grant, at the Deeside Industrial Park at the eastern end of the A55/A494.

There is also a truck stop being developed at Parc Cybi, Holyhead (A55 J2). This will have space for 168 LGVs and is again supported by Welsh Government and the European Regional Development Fund (ERDF).

In addition, private applications have also been made for a truck stop development near A55 J31 (Caerwys), however these have to date been unsuccessful with the local planning authority.

Additional question - We would welcome a further note that sets out the Welsh Government's plans to improve other road and rail transport links in this area.

The Minister for Economy, Science and Transport issued written statements on 10 July and 18 July setting out key priorities for improving road and rail across all parts of Wales. These statements can be viewed via the following links:

<http://wales.gov.uk/about/cabinet/cabinetstatements/2013/railpriorities/?lang=en>

<http://wales.gov.uk/about/cabinet/cabinetstatements/2013/transport/?lang=en>

Recommendation 8:

We should like you to provide a clear statement on what the Welsh Government is doing to ensure that hard-to-reach areas will have a quick resolution to the barriers preventing them from accessing Next Generation Broadband.

As part of the Superfast Cymru programme the Welsh Government is working in partnership with BT to ensure businesses and homes outside of the planned commercial footprint in Wales can access fibre broadband by 2016. When combined with commercial roll-out, 96% of premises in Wales will have access to fast fibre broadband.

However, it is estimated that 4% of areas in Wales remain very hard to reach and are not currently expected to be able to be served directly by the project. More detailed planning is currently underway to help us identify these areas not covered by either commercial or Superfast Cymru roll-outs. The review process will be completed by the end of this year. We are also working with industry to continue exploring options to help identify suitable and flexible ways to provide improved broadband access to those premises not covered by either the commercial or Superfast Cymru roll-out.

In addition we have recently announced our Access Broadband Cymru Scheme. Access Broadband Cymru will provide grants of up to £1,000 per premises in areas which have slow broadband connections. It will complement the Superfast Cymru programme by providing support in areas either not covered by the programme or where no date has been published for the roll-out of superfast broadband.

Recommendation 9:

Please could you explain and clarify the Welsh Government's position on realigning its regeneration funding and the implications for areas where funding has been withdrawn.

In March 2013 we published 'Vibrant and Viable Places, New Regeneration Framework' and subsequent guidance for targeted investment. These documents mark a step change in our approach to regeneration in Wales.

In May, all local authorities were invited to submit Strategic Outline Programmes (SOPs), on behalf of local partnerships comprising the public, private and third sectors, for regeneration schemes seeking a share of up to £90m of Welsh Government capital investment over the next three financial years. This process is currently underway and the Minister for Housing and Regeneration will be formally announcing the settlements to receive funding in January 2014.

We have made it clear that we will fulfil the existing commitments to the current Regeneration Areas. After that, investment for places within those areas will need to be successful through the Vibrant and Viable Places bidding round – some have already not been invited to the second stage. While this is disappointing for them we should remember these areas have all benefitted from substantial Welsh Government investment to date including:

- North Wales Coast £30m (includes £10m for West Rhyl)
 - Mon a Menai £33m

We are also determined that the most deprived areas should not be left behind. Therefore a ring-fence £5m fund available over the next three years to invest in key projects which are aimed at tackling poverty in settlement areas which have not been successful at Stage 1 but which contain wards which are within the top ten per cent of deprived areas as measured by the 2011. Unsuccessful RA areas will be eligible for this funding should they not receive any other funding from VVP.

All Local Authority areas will in the future have dedicated Welsh Government support for Regeneration both in terms of developing proposals and acting as a conduit for all areas of Welsh Government.

Recommendation 10:

We would like to know if and when the Welsh Government intends to revise Technical Advice Note TAN 15: Development and Flood Risk.

It is not our intention to embark on a review of TAN15 at this time.

A review of TAN15 has been called for many times in the past, however the evidence from Natural Resources Wales (formally Environment Agency Wales) shows that the policy is working. However, as with the introduction of all policy there is inevitably a period of transition. Consequently there have been instances of applications for development being approved before the policy was introduced but being built afterwards.

Evidence from EAW in their HLT13 Reports highlighted discrepancies in how Local Planning Authorities (LPA's) were following the advice in TAN15. In order to address this, in 2012 we introduced a new Notification Direction which now requires LPA's to notify WG if they are minded to approve development contrary to TAN15.

Additional question - what is the Welsh Government doing to promote biofuel development in north Wales.

Biomass, like nuclear energy, offers the ability to complement the intermittency of renewable energy sources such as wind and solar. It is essential to ensure that biomass comes from sustainable sources, and that air quality standards are not compromised as a result of use of biomass for energy generation.

Annex 1

The figure 1 below illustrates how Welsh Government plans and strategies work coherently and effectively across Wales and Ministerial portfolios, with strategic policies as a series of filters which shape Welsh Government spending programmes and projects.

Figure 1: Relationship between Policy, Programmes and Projects

