



Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales

# Cofnod y Trafodion The Record of Proceedings

[Pwyllgor yr Economi, Seilwaith a Sgiliau](#)

[The Economy, Infrastructure and Skills  
Committee](#)

07/12/2016

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Motion under Standing Order 17.42 to Resolve to Exclude the Public  
from the Remainder of the Meeting and the Next Committee Meeting  
on 15 December 2016

Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd. Lle y mae cyfranwyr wedi darparu cywiriadau i'w tystiolaeth, nodir y rheini yn y trawsgrifiad.

The proceedings are reported in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included. Where contributors have supplied corrections to their evidence, these are noted in the transcript.

**Aelodau'r pwyllgor yn bresennol**  
**Committee members in attendance**

Hannah Blythyn <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Hefin David <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Russell George <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Vikki Howells <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Mark Isherwood <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Ceidwadwyr Cymreig Welsh Conservatives
Jeremy Miles <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Adam Price <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Plaid Cymru The Party of Wales
David J. Rowlands <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	UKIP Cymru UKIP Wales

**Eraill yn bresennol**  
**Others in attendance**

Rhodri Griffiths	Dirprwy Gyfarwyddwr Polisi, Cynllunio a Phartneriaethau Trafnidiaeth, Llywodraeth Cymru Deputy Director, Transport Policy, Planning & Partnerships, Welsh Government
Simon Jones	Cyfarwyddwr Trafnidiaeth a Seilwaith TGCh, Llywodraeth Cymru Director Transport and ICT Infrastructure, Welsh Government

Darren Mepham Prif Weithredwr Cyngor Bwrdeistref Sirol Pen-y-bont  
ar Ogwr  
Chief Executive, Bridgend County Borough Council

Ken Skates Aelod Cynulliad, Llafur (Ysgrifennydd y Cabinet dros  
[Bywgraffiad](#) | [Biography](#) yr Economi a'r Seilwaith)  
Assembly Member, Labour (the Cabinet Secretary for  
Economy and Infrastructure)

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol**  
**National Assembly for Wales officials in attendance**

Michael Lewis Dirprwy Clerc  
Deputy Clerk

Gareth Price Clerc  
Clerk

Gareth Thomas Gwasanaeth Ymchwil  
Research Service

*Dechreuodd y cyfarfod am 09:30.*  
*The meeting began at 09:30.*

**Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau**  
**Introductions, Apologies, Substitutions and Declarations of Interest**

[1] **Russell George:** Bore da. Welcome, Members and members of the public to the Economy, Infrastructure and Skills Committee this morning. I move to item 1. There are no apologies this morning. Can I ask if there are any declarations of interest? There are none.

**Sesiwn i Graffu ar Waith y Gweinidog—Comisiwn Seilwaith**  
**Cenedlaethol i Gymru**  
**Ministerial Scrutiny Session—National Infrastructure Commission for**  
**Wales**

[2] **Russell George:** So, we move to item 2. We're pleased to welcome the Cabinet Secretary to be back with us again this morning. Cabinet Secretary, I'd be grateful if you could introduce the colleagues with you this morning.

[3] **The Cabinet Secretary for Economy and Infrastructure (Ken Skates):** Thank you. I have with me, this morning, Simon Jones and Rhodri Griffiths.

[4] **Russell George:** I'm very grateful. So, Members have a series of questions this morning in regard to our inquiry on the national infrastructure commission. I'll start with the opening question. What are the benefits of the commission? What will they be?

[5] **Ken Skates:** Well, can I begin by thanking the committee for undertaking this inquiry at this time? We're still out to consultation; the consultation closes on 9 January. So, I think it's very timely. I wish to take a pragmatic approach to this matter, but the overall objectives of establishing an infrastructure commission for Wales are to depoliticise some of the major decisions that need to be made, to bring in expert and technical advice on an independent basis to advise Ministers on key infrastructure for the long term, to ensure that we have infrastructure decisions made and advice provided on in making those decisions that can overcome some of the challenges of the electoral cycle—again, to avoid politicising some key infrastructure decisions—and also to accelerate the process of delivery of key infrastructure projects.

[6] **Russell George:** Do you foresee there being any disadvantages in setting up a commission, and perhaps, following on from that, if it's such a good idea, why has it not been done in the past?

[7] **Ken Skates:** Disadvantages, no; not necessarily. One of the key elements of what we are proposing is that we have been very clear in saying that we will learn from experience. We're taking a pragmatic approach to this matter. So, we will be able to ascertain, through regular reporting by the secretariat of the commission, the success and the efficiency and the effectiveness of the commission's operations. We don't envisage, at the moment, any negatives. Really, the question is: what will be the degree of the added value that the commission brings? I think, within that, it will be essential that we do have regular reporting. I'd be more than happy to ensure that reports that are made by the commissioner, and the Welsh Government's responses to them, are tabled in the National Assembly in a similar way to that which happens at a UK level with the UK commission and the UK Parliament.

[8] **Russell George:** Okay. I'm grateful for that. That's a useful answer.

Thank you, Cabinet Secretary. David Rowlands.

[9] **David J. Rowlands:** I think, Cabinet Secretary, we're all very anxious that this doesn't become just another quango. So, obviously, what we'd like to explore just a little bit is to understand more about the Cabinet Secretary's proposals for how the commission will actually work in practice, and whether the Cabinet Secretary intends to set out the role and remit of the commission in a remit letter, including a fiscal remit on that?

[10] **Ken Skates:** I'm very conscious of the need to consolidate and simplify the architecture—the ecosystem—that we have at the moment concerning advisory bodies, and I am aware of concerns that this may be another advisory body to add to the 48, I think it is, that we have at the moment. I believe that this could actually complement a reduction in the number of bodies that we have at the moment because this has to operate (a) on a pan-Wales basis, but taking into account regional and local factors. It should also be cross-cutting and look at all forms of economic and environmental infrastructure. But it should also identify where there are interdependencies with social infrastructure and examine any barriers to delivery of infrastructure projects. That could cover any form of governance structures, funding issues or skills issues. So, it's my view that, because this would take very much a broad view of infrastructure and a long-term view, it would be in the interests of all sectors, all regions and all local areas to gain the advice and the confidence—to have the confidence based on that advice that a commission can bring. I would anticipate, in the first instance, establishing the commission with a remit letter that would outline from point 1 that the commission should focus very much on the early work of establishing and providing advice on how it's going to actually form a business plan, and how it will provide information on future recommendations, methodologies and development of operational relationships with partners. Then there will be periodic remit letters to follow. Those remit letters would require reporting on and, as I've said, I'd be happy to table them in the National Assembly.

[11] **David J. Rowlands:** Okay. You mentioned cost cutting in your discussion there. Obviously, we also have concerns about costs et cetera of this commission. What levels of staffing and funding do you think this commission will actually require?

[12] **Ken Skates:** Because we're still in the consultation process, we're still taking advice and opinion on this. But it's argued that the commission should be supported by a secretariat, and the model that we are recommending is

not similar to, for example, the Scottish model, which costs approximately £10 million a year to operate. The model that we're proposing, we believe, would be a highly cost-effective advisory body.

[13] **David J. Rowlands:** Fine. Obviously, this is going to be an advisory body. We also may be having concerns about whether you actually take the recommendations that are put to you and how long that will take to implement in practice.

[14] **Ken Skates:** This is again where, if we look at the UK commission's work and the response from UK Ministers—I think we can learn a good lesson here. The recommendations and the advice that will be provided by the commission would be provided on a regular basis. Ministers would then have to respond in a transparent way, so that the National Assembly would then be able to gauge the degree to which Ministers are then taking into account the advice. I would expect that, if Ministers were to deviate away from that advice, they would have to do so with compelling reasons.

[15] **David J. Rowlands:** Thank you.

[16] **Russell George:** Cabinet Secretary, with regard to the remit letter you talked about, will that include a financial remit in that as well?

[17] **Ken Skates:** No. I'll ask Rhodri to go into detail on the fiscal element of the remit, because we've looked at other models as well in this regard: Scotland, and I know that you're taking evidence from countries in the southern hemisphere as well, which, actually, interestingly—some of those started out as a non-statutory body within government and then evolved, which is precisely what we've said we are considering. So, Rhodri, would you like to take the question on the fiscal remit?

[18] **Mr Griffiths:** We've had a lot of discussion about how we might do the fiscal limit, and there's been a lot of discussion about whether that should be a hard fiscal limit or whether it should be a softer fiscal limit as the Australians operate. The UK Government commission has a hard fiscal limit enshrined within its enabling Act of about 1 to 1.5 per cent. That doesn't, however, recognise, if you pulled that into Wales, the devolved competencies that we have. We don't have any competence in terms of specifying funding for the rail infrastructure, so we were looking at a model that provides guidance from the Welsh treasury to the commission on the funding envelope that it has. But that's clearly a gross public expenditure funding

envelope that we provide. The Welsh Government isn't responsible for all infrastructure within Wales; there's a private element of that, and we would expect the commission to look at the barriers and opportunities in driving that public funding and enabling that funding then to come into Wales, as well as just looking at the fiscal envelope that the Welsh treasury would provide. So, they might consider things like policy levers, as well as a funding envelope.

[19] **Ken Skates:** That would be set as a requirement within the remit letter to explore these options. I think it's also worth saying as well that, within the remit letter, we would set the expectation that non-devolved and devolved infrastructure projects should be examined by the commission.

[20] **Russell George:** I'm grateful. Jeremy Miles.

[21] **Jeremy Miles:** Thank you. You mentioned in your last reply the question of independence. I wonder to what extent you feel there is a series of trade-offs here, effectively, between speed of establishment on one hand and independence on the other. The first would suggest the non-statutory model and the latter, perhaps, would suggest a statutory model. Is that a fair characterisation?

[22] **Ken Skates:** So, if we start with what we're proposing: 10 members we anticipate having appointed through the normal public appointments process, appointed on the basis of experience and expertise, rather than by virtue of membership of a body. So, the actual individuals who would sit on the commission would be independent of Government. In terms of the statutory or non-statutory nature of the commission itself, we do believe that it'd be quicker to establish a non-statutory one, and it would be far less costly as well, but I have said that, as we learn from experience, we could then, before the end of the Assembly—because I've also undertaken to carry out a review of the workings of the commission—look to bring forward legislation to make it a statutory body.

[23] **Jeremy Miles:** What sort of evidence would you need to see in order to make that decision, do you feel, at this stage?

[24] **Ken Skates:** It's difficult to say at this stage, because we're still in a consultation and we haven't yet finalised the role and remit. It would be difficult to assess at this stage exactly what we would need to see of the commission ahead of then determining whether it should be a statutory



body. I think, crucially, what we need to know is to what degree it adds value and delivers against the objectives of ensuring that we get expert advice, that programmes can be accelerated, that a long-term view is being taken of infrastructure and that the advice—the technical advice and the expertise that are utilised—is being put to best use.

[25] **Jeremy Miles:** We have taken evidence from the Australian commission, and the state-level commissions in Australia as well, and one of the points they've made is that they, obviously, started off on a non-statutory basis, and, having become statutory, they felt that gave them a more authoritative voice when making, sometimes necessarily, controversial recommendations. Do you recognise that as a legitimate issue?

[26] **Ken Skates:** I do. Yes, I do recognise that and I think, clearly, there will still be tensions with the model that we're proposing at a local level where advice will be delivered to Ministers, but there will still be, particularly at a local level, those who demand, 'Build a bypass in my area'—or a bridge. But what the commission that we propose will enable us to do is to actually give some authority to the decision making on the basis of it being independent, expert advice. Therefore, it would be our hope that, at least, it could give confidence to people, given the transparent nature of the work of the commission, that decisions are being taken on the basis of expert advice and needs, rather than on the basis of a political decision.

[27] **Mr Jones:** I'd just add that I think there is a need, during this initial period, to understand what the obstacles are, or the barriers, to delivering that kind of independence—that independent advice and independent appearance. If one of those barriers is that the body doesn't have the authority because it's not enshrined as a statutory body, then that would be part of the evidence that we'd consider. But I think, actually, there might be a range of other obstacles that need to be overcome in the early years. So, I think there'll be a period of reflection during those early years to understand what's getting in the way of this body doing the right job, and what the potential solutions are to that.

[28] **Jeremy Miles:** In your discussions with the UK Government, around their initial—. They started off on a non-statutory basis as well, but what reasons have they given you about their thinking behind that and do they reflect what you're thinking at the moment?

09:45

[29] **Ken Skates:** This is an ongoing discussion that we have with the UK Government, but as of yet we don't have any detailed reasons for why the decision was taken not to proceed, if you like, to the next step. But it's an ongoing discussion. Rhodri, where are we up to with UK Government officials in this area?

[30] **Mr Griffiths:** The UK infrastructure commission itself has only been around in this guise for a year and we've been in detailed discussions with officials about the forward trajectory for that and the move, potentially, for the UK commission to look at specific projects as opposed to a wider infrastructure plan for the country.

[31] Just picking up on the point as well, I think the Australian model is coming from a different place, having been part of a public authority, whereas we're setting something up that is an independent commission, and has its own independent mind in terms of its work programme going forward. I think that's something that we learned from early discussions with officials in the UK about how that might work.

[32] **Ken Skates:** Chair, can I make a suggestion? As we get more detailed information from UK Government officials concerning the UK commission and the reasoning for their decisions, I am more than happy to share that information with yourselves.

[33] **Russell George:** I'm very grateful, and it might be worth you looking back at the record of our conversation, because we had a good, very helpful session with Philip Graham last week. It was very helpful in guiding us as a committee. It would be useful for you and your officials to take a note of the record on that.

[34] **Ken Skates:** I'll do that. Thanks, Chair.

[35] **Russell George:** You said in your opening comments, Cabinet Secretary, that you want the commission to be free, if you like, or you want to set up the commission to be free of that political cycle, which I understand. But a non-statutory organisation will still have that fear of it not being independent, in the first instance, and I know you understand that, but if it's set up as a non-statutory body, what else can you do to make it as independent as possible within that structure?

[36] **Ken Skates:** You've got the details on exactly what we want to do, and the model we wish to implement. By virtue of looking at a longer-term programme of infrastructure, five to 30 years, that will inevitably mean that the commission is looking at infrastructure planning that goes beyond a single electoral cycle. So by virtue of that, I would expect decisions to be taken on the basis of advice that has come forward without prioritising the electoral cycle in any deliberations. In terms of ensuring independence, we would set the remit letter. The commission would then report back. We would respond. Other than that, I would not expect any pressure to be brought on the commission, but I would expect the commission to liaise with other public bodies to ensure that the advice that is given to Ministers is based on information that can be gathered from across Wales and from across all sections of society as well.

[37] **Mr Jones:** It's perhaps just worth adding to that that the Cabinet Secretary talked earlier on about the commissioners themselves being technical people. So, there's a thing here, I think, about the kind of people who are going to be commissioners. This won't be a political organisation, with a small 'p'; this is a technical body to provide advice. So, in a sense, if the selection of the commissioners and the skills that are going to form part of that panel is correct, then some of these things are mitigated against anyway, perhaps.

[38] **Russell George:** Thank you. I'm grateful. Vikki Howells.

[39] **Vikki Howells:** Thank you, Chair. We've been doing some consultation with stakeholders and exploring ideas around the remit and the reach of the commission. I was wondering, Cabinet Secretary, if you could give us some more information and your own viewpoint regarding why you don't think that the commission's remit should include social infrastructure.

[40] **Ken Skates:** Well, because we already have arrangements in place that we feel are delivering social infrastructure in an effective and acceptable way. That said, the commission would be tasked with looking at interdependencies between economic and social infrastructure. So, for example, in terms of planning schools and road access to schools, we'd expect the commission to be able to examine both sides of development. There is also a need to take into account, I think, in terms of social infrastructure, what is happening on the ground with local development plans, and we're at a crucial point where they've been submitted. My concern would be in incorporating the social infrastructure at this stage, which could

lead to, essentially, tearing up a lot of work that is just being completed and introducing a new form of advice and, therefore, a new form of decision making that could run against the grain of what local authorities in particular and regional bodies have been tasked with achieving and have, until recently, been undertaking. However, as I've said, as we learn from experience, as we move on, this is meant to be a pragmatic model and I would be open to, if the evidence base is there, incorporating social infrastructure into a future commission.

[41] **Vikki Howells:** Thank you, that's very useful. So, for instance, Building Queensland is one of the people who submitted some written evidence to us, and they consider both economic and social infrastructure within their remit, because the Queensland state Government's role delivers both types of infrastructure, as does the Welsh Government. So, in the future, you could perhaps—I'm not putting words into your mouth now, but are you saying that, in the future, that is an approach that you might consider for the commission to take?

[42] **Ken Skates:** There is potential in the future, yes. One word of caution that I'd always apply in learning from other nations is that we need to take account of cultural, political and social differences. I think de Tocqueville proved that you can't transplant a culture; you need to appreciate, understand and evolve one, because there are all sorts of mores that you can't overcome in transplanting one culture to another. And with Queensland, of course, in terms of that area of the world, you have sparsely populated rural areas with more intensively populated urban areas, so the political and social landscape is different and the way that local government operates is different. So, I wouldn't necessarily suggest that the way forward is to immediately transplant a model from one part of the world to Wales, but instead to learn lessons from it and potentially evolve in a pragmatic way what we are seeking to develop, based on the experience of other countries.

[43] **Vikki Howells:** Thank you. And finally, I wanted to raise the issue about childcare infrastructure as well, because, obviously, Welsh Government has a really ambitious plan, moving forward with childcare, and I was wondering whether there would be some sort of potential for the commission to actually influence how childcare infrastructure is established under the new plans.

[44] **Ken Skates:** Well, one of the areas of work that the commission will be expected to undertake is to examine cross-cutting issues and barriers to the delivery of key objectives. So, it could be—it could be—that the commission

is tasked with looking at that. Likewise, in other areas of work, for example with childcare, there are significant questions about the skills base that is required to deliver it. So, the commission could undertake work to look at barriers concerning skills to deliver the infrastructure that would then lead to the provision of social care. But this is perhaps a—. I don't think it could be undertaken in the first instance, because the commission, as I said earlier, to begin with, would be tasked with looking at how to deliver against its business plan methodologies, to develop methodologies, and so forth, but, as we move on, it could well be that if we incorporate social infrastructure, we could also include within that the development and delivery of advice on how to ensure that childcare objectives are realised.

[45] **Vikki Howells:** Thank you.

[46] **Russell George:** I'd imagine that, if social infrastructure was included, that would bring tension with local authorities, in many regards.

[47] **Ken Skates:** I think you're right there. I think that would be inevitable.

[48] **Russell George:** We've got local authorities coming to us later, so they may or may not say that, but, with regard to the commission, is the commission giving evidence to you as the Welsh Government, or what role has the commission got in providing advice as well to local authorities?

[49] **Ken Skates:** Well, the advice will come to Ministers, but then I would expect Ministers to take an overview of the—. To begin with, this is about the major infrastructure projects that are most likely to be contentious—this is the work of the commission to begin with. It would then be for Ministers, based on the advice that is gained from the commission, to liaise with local authorities and regional bodies. It would also be for the commission itself, during the process of gathering information and evidence, to be able to liaise with those regional and local bodies as well, including, for example, regional transport authorities that are being developed. So, it would work both ways—it would be for Ministers to get the advice, but it would also be for the commission to engage with partners as well, so that the advice that comes up is based on the liaison between local authorities and the commission itself and regional bodies.

[50] **Russell George:** Right, I understand. But if, for example, the commission moved to including social infrastructure, then, effectively, it's taking the decision on social infrastructure out of the hands of local

authorities to decide and bringing it to Welsh Ministers to decide. Am I thinking that that's right?

[51] **Ken Skates:** I think you probably are, and that was why I said just moments ago about being careful that we don't try to just uproot a model elsewhere in the world and plant it within Wales, because we have very different government systems and a very strong local government with a good degree of democratic accountability that people value. So, I think if social infrastructure is introduced, it would have to be on the basis of a phased approach, rather than from the outset. That's our view, but as experience leads us to appreciate the outcomes of the commission's work in the first four years, we'd be able to take a view on whether to incorporate social infrastructure within its work. But I think you're right—I think there would be tension, I think that would be inevitable. I'd be interested to know the views—clearly I'll be reading the committee's report—of, for example, the Welsh Local Government Association in this area.

[52] **Russell George:** Sure. Thank you. Hannah Blythyn.

[53] **Hannah Blythyn:** Thanks, Chair. Cabinet Secretary, in many of the sessions we've had with stakeholders, one of the things that's come up is the importance of focus on skills when considering the infrastructure pipeline in order to forecast requirements, and to see where those gaps and demands are. So, what consideration have you given to the focus on skills being part of the work of the commission?

[54] **Ken Skates:** Well, again, that's one of the areas that the commission will be expected to look at. Skills, planning of skills and pipeline of skills delivery is a major consideration in any infrastructure planning, so we'd expect the commission to look at that. The commission would be expected to liaise with delivery partners, which includes, for example, the regional delivery partnerships, who are increasingly significant in ensuring that infrastructure projects have the skills base that are required within Wales to deliver them.

[55] **Hannah Blythyn:** So, will a national infrastructure plan for skills be part of the overall infrastructure commission plan?

[56] **Ken Skates:** I wouldn't envisage that form of skills delivery, certainly from the outset, given that we already have well-established regional skills delivery partnerships that already incorporate, basically, all of the interests

and all of the delivery partners already. So, again, to uproot that particular model that we have right at this moment in time I don't think would be in the interests of either the commission or skills training providers or the partners that form the regional skills partnerships.

[57] **Hannah Blythyn:** So, you envisage that the commission will link in to perhaps current projects such as Better Jobs, Closer to Home to make sure it matches up with—.

[58] **Ken Skates:** Absolutely, yes. There will be an opportunity for the commission to examine the longer term—the commission's work, I should stress again, is about longer term infrastructure projects and planning. So, the commission could examine, with the example you've given, the development and provision of skills on a long-term basis within pilot areas for Better Jobs, Closer to Home, taking account of the emerging opportunities in terms of infrastructure.

[59] **Russell George:** Jeremy Miles.

[60] **Jeremy Miles:** Just to develop that answer a little further, the difference between the regional skills partnerships and the commission is one of time frame and scope, in a sense, isn't it, and geographic scope as much as anything? So, in the model that you envisaging, which does not involve a skills component as opposed to the reports, would that forward look be something that you'd expect the skills partnerships to take into account when they're making their judgments about the demand in their part of Wales? Is that how you'd see it working?

10:00

[61] **Ken Skates:** Yes, they should do. They should take account of the decisions that Ministers are taking and, therefore, as the decisions that Ministers take will be on the basis of evidence and recommendations from the commission, I would therefore expect regional skills partnerships to take account of that.

[62] **Jeremy Miles:** Okay. Thanks.

[63] **Russell George:** Adam Price.

[64] **Adam Price:** I've got a series of questions, Cabinet Secretary, on

funding and financing. Have your officials had an opportunity to examine the proposals announced last month in Canada for an infrastructure bank and, indeed, similar discussions in the United States, in the UK and in Australia?

[65] **Ken Skates:** We've been discussing this in regard to the additionality that such models could bring to Wales, particularly in the context of the emerging development bank for Wales and Transport for Wales as well, and whether bringing two or more together would provide the added value that I think all Members would wish to see. We are already able to utilise innovative funding methods. I think already about £0.5 billion has been drawn down through innovative funding, and just under £2 billion is going to be drawn down. In terms of Canada and the United States, what assessments have been made so far?

[66] **Mr Griffiths:** I think we're really keen to learn from all Governments and all models that are out there. We've been working more closely, I suppose, with the Scottish Futures Trust, and others, to look at how we might lever in things like the not-for-profit distribution model and the success that they're having there. And on that, if I might go into that perhaps a little bit, we're looking at creating a model that kind of replicates that way, to allow us to take an equity share, or returns to equity of some of the investment that we might bring into Wales—that additional investment that we might bring into Wales. And we've been working with Eurostat and the Office for National Statistics to develop that not-for-profit distribution model, and that, in accordance with Government classification regimes, it doesn't appear on balance on books. So, we've done a lot more work with the Scottish Futures Trust, and with the UK commission, but, with all the models that are out there, we're really keen to learn from them.

[67] **Ken Skates:** Would it help at all if we provide an analysis and appraisal of those models that we've been looking at?

[68] **Adam Price:** Yes, that would be useful, certainly. Just coming back specifically to the infrastructure bank, it's a fairly well understood model now. I think the London School of Economics did a paper in the context of the UK, and the UK Government are looking at it. I'm interested to hear the Cabinet Secretary say that you're looking at, potentially, bringing together some of these elements. Could the national infrastructure commission have that function? Is that one model that you're looking at? Could it be that, for example, the development bank could have a build and infrastructure finance division or team that could work in concert with the infrastructure



commission and with Transport for Wales?

[69] **Ken Skates:** We wouldn't rule it out. I think I'm just going to reflect on what David Rowlands said earlier about making sure that it's cost-effective and that there's no duplication. If it was complementary and it added value, then it's something that I'm sure, over the course of this Assembly and beyond, could be examined and potentially implemented as well.

[70] **Adam Price:** We've all read, of course—and seen now—about interest rates already rising in the United States as a result of speculation of what the President-elect may or may not do. Is that a factor in your calculation, that the window of opportunity of ultra-low interest rates globally is starting to close, and we may not want to wait for the three-year review of the national infrastructure commission before making sure that we are taking full opportunity to draw in this money from the capital markets while those ultra-low interests rates remain?

[71] **Ken Skates:** Yes.

[72] **Mr Jones:** The challenge we face is the limitation on borrowing powers. Hence Rhodri's discussion of innovative finance, because we need to find other ways of getting access to those financial markets and that ultra-low interest rate and actually that process to establish an innovative finance approach that satisfies the needs of Eurostat and the Office for National Statistics has been tortuous—it has not been a straightforward issue to deal with. Colleagues in Scotland have fallen foul of that issue and I think, whilst the Government has limited borrowing powers, actually, it's very difficult to take advantage of those ultra-low interest rates.

[73] **Adam Price:** Just a few final questions, then. You mentioned the Scottish Futures Trust, they, in their evidence to us—. I think I've talked about the hub model. Is that something that you think has some value worth exploring in the Welsh context? Also, the Welsh Local Government Association have, very interestingly, suggested possibly creating some kind of joint venture with the national infrastructure commission. The Welsh Government has, through the local government borrowing initiative, dipped its toes in these waters in the past, but is there an opportunity there to create a creative partnership between local government and the national infrastructure commission?

[74] Finally, on the use of Government guarantees, we know they are a key

part of the armoury of public infrastructure finance right across the world. I'm not going to stray into Circuit of Wales territory here, but, as a general tool, do you see the use of Welsh Government guarantees—and Infrastructure UK is doing the same at the UK level—as a useful part of the armoury that you'll be seeking to explore further over the coming years?

[75] **Ken Skates:** Yes, and also, with regard to the WLGA, I think that creative partnerships would be desirable. In terms of the hub, this is something that essentially we're proposing to do. I think it's recognised that the Scots have realised some great success in this area and it's something that we're looking to replicate in terms of making sure that the public sector is able to capture some of the returns to equity. Is there anything that you've got to add on this?

[76] **Mr Griffiths:** I think, just to build on that, we've worked with ONS and Eurostat and we've had the European Investment Bank to peer review the model that we are proposing, which will bring—probably in the new year, I suggest—about how that might work, further detail on that, but, absolutely, the hub model, we think, is a way of promoting public interest, but it secures additional funding within, which they've had some success with, absolutely.

[77] **Adam Price:** On the issue of Government guarantees, where the Government is not putting in the money, but you're essentially providing secondary insurance in the form of contingent liability to unlock private investment, is that something whereby the national infrastructure commission could identify investable projects, where that would be the key element in moving projects forward?

[78] **Ken Skates:** I imagine it could identify opportunities and make recommendations in that regard. This is a piece of work that is more relevant to my colleague the Cabinet Secretary for Finance and Local Government, but it's something that I would envisage that a national infrastructure commission could take an interest in examining, yes.

[79] **Russell George:** Cabinet Secretary, you have offered to provide us with some additional information, which we're very grateful for. I'd say that if we received that any time, that would be very useful to us, but if we receive it by the end of next week, that would probably help to shape our recommendations. [*Laughter.*] But if it were received beyond that, we would receive it gratefully as well.

[80] **Ken Skates:** Your request is made in such a polite manner, how can we refuse?

[81] **Russell George:** Thank you. If it could help to shape our thinking, then I think that would be useful.

[82] **Ken Skates:** Absolutely.

[83] **Russell George:** Mark Isherwood.

[84] **Mark Isherwood:** Could I ask a supplementary on the previous one before I start?

[85] **Russell George:** You may, yes.

[86] **Mark Isherwood:** What consideration has been given to the revenue implications, further to the previous discussion, of either borrowing through an off-balance-sheet mechanism or underwriting liability?

[87] **Ken Skates:** Okay, do you want to take this?

[88] **Mr Jones:** Yes. I suppose it's just worth reflecting on where we are in terms of repayments of borrowing at the moment as a Government. I think that something like 1 per cent of the revenue budget is spent on repayments at the moment. I think that, even with the plans that Rhodri outlined earlier on, it takes us to about 2 per cent. If you compare that with Scotland, which is on about 5 per cent, there's a difference there, but, again, I think, as the Cabinet Secretary said, it's probably an issue for the Cabinet Secretary for Finance and Local Government to address in more detail.

[89] **Mark Isherwood:** Your proposals for the commission refer to areas where UK and Welsh Governments interact on cross-border issues—road and rail in particular. The North Wales Economic Ambition Board went further and also said that engagement should include infrastructure in England that affects Wales and presumably vice versa also. How would you like the two commissions to work together in these areas and where are you up to with discussions on the arrangements for this?

[90] **Ken Skates:** We would agree with the North Wales Economic Ambition Board that that work should be undertaken. There are very significant pieces of infrastructure that span the border and it's essential that the UK

commission and the national infrastructure commission for Wales work closely together. For that reason, we're proposing to appoint a UK commissioner on the national infrastructure commission and discussions are ongoing in terms of ensuring that the UK commission as well pays due regard to what work is being undertaken by our commission.

[91] **Mark Isherwood:** How would you define 'pays due regard': representation or simply consideration?

[92] **Ken Skates:** I think, by virtue of having somebody on the UK commission from Wales, we would have a stronger degree of representation. I think that would be the most desirable outcome, but discussions are ongoing.

[93] **Mark Isherwood:** Government to Government or Government to UK commission?

[94] **Ken Skates:** Both.

[95] **Mark Isherwood:** Okay, thank you. Are those progressing positively or—

[96] **Ken Skates:** I think it's fair to say 'yes'.

[97] **Mark Isherwood:** Are there timescales? Can you indicate when you might be able to announce to the Assembly—

[98] **Ken Skates:** Who the commissioner is, or—

[99] **Mark Isherwood:** Or, what's been agreed between the two—

[100] **Ken Skates:** Well, that will depend in part on what the outcome of the consultation is and the final role and remit of the commission and the membership as well.

[101] **Mark Isherwood:** And why do you consider that having a member of the UK commission on the Welsh commission would facilitate consideration of cross-border issues?

[102] **Ken Skates:** Why? Because it's essential that we get the UK commission's input into the decisions that Welsh Ministers are going to be

making. Therefore, through the advice that comes from the national infrastructure commission for Wales, it's essential that we have the UK commission's work reflected. So, I think it makes perfect common sense to have a member of the UK commission on the national infrastructure commission for Wales.

[103] **Mr Jones:** Can I just add to that? It will be extremely important for the Wales infrastructure commission to have the UK infrastructure commission's perspective, to understand the way of thinking and the rationale, particularly because many of the issues that the national infrastructure commission for Wales is going to be facing are around non-devolved areas that may be considered by the UK commission.

[104] **Mark Isherwood:** When we took evidence last week, we heard a view expressed over what role these persons should play on the two relevant commissions. Should they be the voice of Wales in England, the voice of England in Wales, or should they have equal remit with other members of the commission of which they're a member, in respect to all the matters that that commission covers? Do you have a view on that?

[105] **Ken Skates:** We'll take a view once we've seen those opinions and once we've had an opportunity to scrutinise them. I think that there has to be a relationship that is based on equals. And it's not necessarily an English commission, it's a UK commission as well. So, given the nature of non-devolved infrastructure delivery and cross-border infrastructure, I think it's essential that we have strong representation on both sides.

[106] **Mark Isherwood:** And that those persons' remits should be equal to those of other members of that commission. So, the English commissioner in Wales, for example—. The UK commission member in Wales would have an equal voice on Welsh decisions—

[107] **Ken Skates:** It's the commission that has the remit rather than the individual members. So, I don't believe it would be advisable to have an exception for one commission member. I think it's more important that the entirety of the commission is given a remit.

[108] **Mark Isherwood:** Finally, what are your views on the work of collaboration extending beyond cross-border and non-devolved issues to shared work on research and evidence gathering?

[109] **Ken Skates:** That's absolutely essential. I think that could be one of the great benefits of setting up a national infrastructure commission for Wales. The potential to share research opportunities and learn from best practice is immense.

[110] **Mark Isherwood:** Thank you.

[111] **Russell George:** One of the negatives of devolution, in my view, has been the obstacles that often appear when you're taking forward cross-border transport schemes. You're nodding because you represent a constituency—like me—on the border.

10:15

[112] **Ken Skates:** We are very close to one another, aren't we?

[113] **Russell George:** We are. Is the commission going to be helpful in taking forward cross-border transport initiatives?

[114] **Ken Skates:** Yes, I believe it will be, in part because we'll have—or we hope to have—a UK commissioner on the national infrastructure commission for Wales, but also because it will be tasked within the remit letter to examine non-devolved as well as devolved infrastructure, and infrastructure of a cross-border nature as well.

[115] **Russell George:** That's the answer I wanted to hear. Thank you, Cabinet Secretary. Hefin David.

[116] **Ken Skates:** I think we're looking forward to the A483 being examined by them, aren't we?

[117] **Russell George:** That's right.

[118] **Hefin David:** Let's not be parochial. [*Laughter.*] You've already indicated that you are going to take a cautious and gradual approach with regard to social infrastructure in order not to impinge too much on the authority of individual local authorities. Is that correct?

[119] **Ken Skates:** Yes.

[120] **Hefin David:** So, what about the city deals? The Cardiff city deal has

been up and running for a while. Are they going to take kindly to an infrastructure commission sticking its oar into what they are doing?

[121] **Ken Skates:** It won't be sticking its oar into what they are doing. It'll be providing—

[122] **Hefin David:** I'm playing devil's advocate.

[123] **Ken Skates:** Yes. It will be providing advice to Ministers about what is required. What is required will be based not on the immediate future of a city deal—the priorities that are incorporated into a city deal for the immediate future—but on the basis of long-term infrastructure. In that regard, I would hope that city deal boards would actually welcome the advice that is provided, on the basis of long-term infrastructure planning.

[124] **Hefin David:** So, it will have a very clear remit not to engage with what's currently going on. It is about the next stage.

[125] **Ken Skates:** Absolutely, yes. I think I have already stated publicly that the commission will not be assessing projects that have already been agreed or are to be decided upon in the imminent future. This is about longer term infrastructure programmes.

[126] **Hefin David:** What about the Cabinet Secretary for local government's plans for regional collaboration? How will that fit with the long-term plans?

[127] **Ken Skates:** My belief is that it will complement regional delivery. Regional delivery is about taking a more strategic approach to services and infrastructure, and I think the infrastructure commission, in determining what our long-term needs are, will be able to better engage at regional level than perhaps would be the case on the basis of individual local authorities at a more local level. So, I think, actually, the interaction will probably be enhanced by virtue of having regional working.

[128] **Hefin David:** There will be some tensions with this, though, won't there?

[129] **Ken Skates:** Well, there always will be, let's face it. Infrastructure can be the most contentious area of Government delivery. I don't think that this could be—. Even if it was a statutory body, I don't think you would relieve the tension that is bound to exist, where you have local members who may wish

to have—as I said earlier—a bypass or a bridge in their area—

[130] **Hefin David:** Or not have.

[131] **Ken Skates:** —or not have. But what the commission will do is give confidence to local authorities, local authority members and, indeed, the general public, that the advice that is given to Ministers, and therefore the decisions that are taken, is on a sound basis of need for the long term.

[132] **Hefin David:** I take that point. You made that point earlier. But I just wonder about the double tension, because you are commanding local authorities to engage in collaboration. The Cabinet Secretary was very clear in a question last week, or the week before, that there is no choice: ‘Tough. Get on with it.’ Therefore, you’ve got that pressure, and then you’ve got the added pressure.

[133] **Ken Skates:** But surely, if you are then tasked to collaborate on a regional basis, it is in your interest to take decisions on the basis of long-term regional strategic interests, rather than on the basis of parochial local interests. So, I would actually expect the operation of the commission—the advice given to Ministers and then the decisions that are made—to actually complement rather than cause further tension within the regional footprint of delivery. I actually think that, rather than there being a double tension, you could actually see relief of that tension by virtue of having that expert, independent technical advice being delivered to Ministers, and then Ministers being able to respond to it, to ease those tensions at a regional level.

[134] **Hefin David:** So, have you had those kinds of discussions with local authority leaders, and have they indicated that they would react in that way?

[135] **Ken Skates:** Personally, I have not had discussions with local authority leaders. In order to do so would be pretty exhaustive. We have discussions with the WLGA, and those discussions will be ongoing. But this is a process that we will learn from as well. Just as I wouldn’t expect any local authorities to make an immediate assessment of the success or otherwise of the operations of the infrastructure commission, I wouldn’t expect the WLGA either to be able to provide a definitive answer as to whether this will increase tension or relieve it. My expectation is that it will enhance and complement regional delivery—it won’t cause it more difficulties.

[136] **Mr Griffiths:** I’d probably add to that, I think the whole nature of the



commission is to be open and transparent and to develop a consensus for the recommendation that it's making. So, one of its core functions is to diffuse some of those local, parochial discussions.

[137] **Hefin David:** That was the indication that was given to us by Philip Graham from the UK commission last week. The words he used were that we need to take an 'open and collaborative' approach. I actually was playing devil's advocate a little bit, but nonetheless, I think it's worth recognising that local authorities are accountable to their local electorate and it's worth recognising that there will be those tensions to overcome.

[138] **Ken Skates:** As I said, there will be—we recognise that right now. There will be tensions there. We're not promising this will be a silver bullet to relieve all contention in terms of decision making.

[139] **Russell George:** Jeremy Miles.

[140] **Jeremy Miles:** I recognise the clarity that comes from saying that the commission won't have a remit over any projects that are either currently approved or close to being approved, on the table, as it were. Obviously, that draws a clear line and also, the long-term nature of the commission might be an asset for the discussions you've just been talking to Hefin David about. But, although it's a long-term remit, there's also a short-term component to it, because it's looking from five to 30 years, isn't it? So, at the early stage of what it's planning, it's going to be important for it to know what the configuration of the existing projects is actually going to be, presumably in terms of time frame. Is there any thinking emerging about how that might feed into the remit letter or the arrangements that you give to the commission?

[141] **Ken Skates:** Yes, this relates back to the answer I was giving earlier about the business plan methodologies and the early work that the first, if you like, the conception remit letter will incorporate.

[142] **Mr Griffiths:** I absolutely think that one of the first tasks that the commission will have to do is to establish the needs—looking at demographic change, economical structural change that might happen—and they'll need to then look at what is business as usual now, really, in terms of how they may affect what's currently being delivered on the ground. They'll need to do some form of gap analysis and then come up with a selection or an appraisal for outcomes and there may be an optioneering kind of event

that they'll need to—. I mean, it's for the commission themselves to develop their work plan, but that sort of evidence gathering and establishing the needs that we need to go forward and the rationale for doing that will be very much foremost in the remit.

[143] **Jeremy Miles:** I understand that but really what I'm asking is one of the inputs to that analysis is going to be looking at what's on the table and when it is going to be delivered, because that's obviously one of the considerations that the commission will need to take into account in assessing the gap, as you say. Is that something that you envisage it taking into account in a level of detail at that point?

[144] **Mr Griffiths:** What we've said—what the Minister has said is that it won't open up decision making that's already happened. It will absolutely need to collaborate with those institutions and those bodies that are delivering on the ground now, particularly things like the metro, because that has a long-term delivery plan for that.

[145] **Ken Skates:** And you're right: it will have to do this at the outset and it will have, as a primary source, the national transport finance plan to refer to in mapping out what infrastructure is going to be delivered in the short term and how that then can bridge with the longer-term objectives that we have.

[146] **Jeremy Miles:** Thanks.

[147] **Russell George:** Cabinet Secretary, with regard to the future generations commissioner, what role do you think he's got there in holding the commission to account on the well-being goals?

[148] **Ken Skates:** We've not yet concluded discussions with the commissioner—I met the commissioner last week. It's clear that the infrastructure commission will have to pay due regard to the ways of working and the goals within the Act. In terms of the ways of working, I think, during the course of this session, we've been able to examine some areas that are at the heart of the Act, including the need to work collaboratively, to plan for the long term, to prevent problems and to engage in a transparent and meaningful way. We have not yet reached a decision on whether the future generations commissioner should hold to account the commission, because we've not yet determined whether the commission should be added to the list of public bodies. My view at this stage is that because the infrastructure commission will be reporting to Ministers—and Ministers are already duty-

bound to deliver against the Act and are on that list—at this stage, it's my view at the moment that I don't expect or anticipate the commission to be added to that list, because essentially it's advisory to Government and, by virtue of Government, then, being on that list, the commission's work would have to pay due regard to the Act as well.

[149] **Russell George:** Okay, thank you. Do Members have any final questions?

[150] **David J. Rowlands:** Just one—I just want to build on a little bit of what Hefin and Jeremy have been talking about: the ability of the commission to work positively with local government et cetera. That brings into play the fact—what sort of sanctions are there if they don't carry out that role in the way that you want?

[151] **Ken Skates:** In engaging with the commission or engaging with one another?

[152] **David J. Rowlands:** I'm talking about the commission engaging with the other bodies—the local authorities et cetera. There may be individuals who won't engage with the other bodies properly, or that even the commission as a whole is failing to interact.

[153] **Ken Skates:** Okay. Well, there would be the remit letter and the reporting against the remit letter. The reporting against the remit should include any tensions, any difficulties that have been experienced in terms of engagement. At that stage, it would be for me to liaise with the Cabinet Secretary for Finance and Local Government to determine how to respond to any concerns that have been expressed, either by the commissioner or by local government.

[154] **David J. Rowlands:** Okay, thank you.

[155] **Russell George:** Is there any information, Cabinet Secretary, that you or your officials want to provide us that you think would be helpful? We'll be discussing as a committees later today our recommendations and hopefully completing that process next week. So, any information that you feel that will be useful to us, and that we've not asked this morning, will be gratefully received now.

[156] **Ken Skates:** Thank you. We'll provide the information that I've pledged

to offer. Again, my thanks for carrying out this inquiry at such a timely moment.

[157] **Russell George:** I'm grateful. Thank you, Cabinet Secretary.

10:27

### **Papurau i'w Nodi Papers to Note**

[158] **Russell George:** We are just a little bit out of time, so as we've got a tight schedule towards the end of the morning, can I just move to item 4 and note the papers under item 4? There's a series of letters with regard to the infrastructure commission and a letter with regard to the steel industry, and a letter from the Chair of the Public Accounts Committee. Are Members happy to note those items? Great.

[159] We'll take a short break and convene back at 10.40 a.m.

*Gohiriwyd y cyfarfod rhwng 10:28 a 10:42.  
The meeting adjourned between 10:28 and 10:42.*

### **Awdurdodau Lleol—Comisiwn Seilwaith Cenedlaethol i Gymru Local Authorities—National Infrastructure Commission for Wales**

[160] **Russell George:** I move to item 3 with regard to our inquiry on the infrastructure commission. I'd like to welcome our witness this morning to give evidence to us. I would just say that the meeting is bilingual, so you have got a headset in front of you that can be used for translation from Welsh to English on channel 1 and for amplification on channel 0. This is a public meeting, so all of what you say will be on the transcript, and that will be made available to you after the meeting as well. You may note some Members using technology—that just means that they're maybe taking notes, and not that they're not taking note of what you're saying to us.

[161] I'd be grateful if you could introduce yourself and your role just for the record, please.

[162] **Mr Mepham:** My name's Darren Mepham. I'm chief executive of Bridgend County Borough Council, though I'm here today probably more in

my role as the lead chief executive for the Cardiff capital region city deal.

[163] **Russell George:** I'm very grateful. David Rowlands.

[164] **David J. Rowlands:** Good morning, Darren. We're very mindful of the fact that you're on your own this morning, so I'm sure me and my colleagues won't be over-rigorous in our examination of your views on the commission. But one of the things that's obviously on our minds is the fact that—how do you feel that this may be just another quango, and if you consider, right at the beginning, whether you feel this commission is necessary?

10:45

[165] **Mr Mephram:** Well, if I can just qualify what I'm going to say in that it's not necessarily the considered view of the capital deal partnership, because I haven't had the chance to get a consensus view from the 10 politicians. I can give a view as a practitioner in this, if you're happy, on that basis. My concern would be that we have quite a crowded field, an increasingly crowded field. So, I think that there's at least a conversation to be had about some of the detail to make sure that it could add value rather than adding bureaucracy. If I can qualify that a little, if I start with the Cardiff capital city region, that's a 20-year deal that is intended to give economic uplift in the area, partly through infrastructure, partly through soft infrastructure, certainly through training and skills. It's requiring us to develop a methodology to evaluate our interventions. We've got £1.2 billion to invest. We know that we want to lever in £4 billion of private sector investment. So, it's very important that every penny we spend is evaluated to make sure that we are confident it's going to have the economic uplift. Now, that's something that we're doing. That's something that Swansea will be doing with their city region deal. It's something that I've sort of picked up as being perhaps a potential role for the national infrastructure commission. So, my concern would be that we don't end up doing the same thing twice unnecessarily.

[166] What I do think there's a need for—and I have spoken with the Welsh Government about this, as we're developing the city deal—clearly, although it's a devolution deal, not everything is going to be devolved to the Cardiff capital region. So, certainly on infrastructure, there are parts of national infrastructure that make sense to keep out of the city deal—things like the airport, the motorway network, the bridges. Although they're in the region, it doesn't make sense for them to become a regionally-controlled asset.

[167] What we haven't got yet is a clear mechanism to make sure that, as we're making our investment decisions as a city region, they're lining up with investment decisions that the Welsh Government are making on their bits of infrastructure, or indeed, with the Swansea city region. So, a good case in point would be tidal lagoons in Swansea and tidal lagoons in Cardiff and Newport. If we just leave the city deals in isolation, there won't necessarily be the opportunity to tie those things in. So, I think there is a mechanism required to link these things at a national level. I suppose I question whether a commission is necessarily the best way of doing it—I'm not saying it couldn't do it, but it's something that I guess I'd expect the Welsh Government to have a hand in anyway—

[168] **David J. Rowlands:** Well, they say that, obviously, the remit of the commission is for projects—really long-term projects, as such. We've talked a lot about the added value that the commission would bring, and that's the important thing. Do you feel that it will have added value with regard to the projects that you're involved in at this moment?

[169] **Mr Mepham:** I'm not sure that it will, and that's a personal view. I'd be happy to be proven wrong, but my concern is that as we move with these very, very large regional footprints, I think the co-ordination we need is fairly light-touch co-ordination. It depends on how the commission is cast. It could provide a light-touch role to pull things together, or it could be very, very onerous and very prescriptive. So, it depends how it develops, I think.

[170] **David J. Rowlands:** Yes. Fine. Thank you.

[171] **Russell George:** What do you think should be the key objectives of the commission?

[172] **Mr Mepham:** Thinking about it in the context of the city deal, the city deal is purely about well-being from the point of view of economic growth. That's really where we're coming from. So, the things that would fall outside of that and perhaps wouldn't be co-ordinated in quite the same way would be things like some of the environmental infrastructure, things like sea defences, flood defences, some of the natural environment stuff. That's not necessarily high on our agenda as something that we're investing in, but it's clearly important nationally. So, I would have thought that there's a role for co-ordination of that. I suppose my question again would be: to what extent is that duplicating what Natural Resources Wales do? Again, I don't know.

You'd know better than I, but that seems to be their remit and they do have a national remit for that—and, indeed, the future generations commissioner, because the future generations commissioner has a very strong interest in, obviously, the long-term viability and sustainability of any investments that we're making. So, I just do get a little bit concerned about where the overlaps will be.

[173] **Russell George:** Do you think that local government should have direct access to the commission?

[174] **Mr Mepham:** I think if—

[175] **Russell George:** I'm thinking in terms of supporting local authorities to develop their own local development plans, for example.

[176] **Mr Mepham:** Yes, I do. If the commission's producing national evidence and doing research and so on, it'd be vital that not just local authorities, but the regional authorities, have access to that and inform investment decisions. We've got a regional transport authority for the 10 councils in shadow form; we expect to have a regional strategic housing function and a regional strategic land use planning function across the 10 authorities in the next few months or years. So, for those bodies, it would be very helpful to be informed by any national commission, rather than working in isolation from it.

[177] **Russell George:** And what about the other way around, in terms of the commission getting their evidence base together? How should they work with local authorities?

[178] **Mr Mepham:** We've established, for example, a growth and competitiveness commission for the city deal, and that publishes its results next Friday. That's going to be published, and that's giving us advice about, over the next 20 years, where do we best invest to have the best impact on economic growth. Now, that's not a cheap piece of work, that's quite an investment for us as local authorities, it's part of the deal with Welsh Government and the UK Government, and so any commission would be, I think, silly not to tap into that, or indeed other bits of research that are of high quality, either at a regional—well, mostly at a regional level, I think. Because, although it's the Cardiff region that I'm involved with, I'm aware that there's similar work being done in the north of Wales, and certainly in Swansea. So, a national entity that did harvest that and put it together could

be helpful.

[179] **Russell George:** Is this an example again where you're suggesting there might be some overlap of work and repeated work being done?

[180] **Mr Mepham:** It could be. It could be. I suppose my contention is it wouldn't be that difficult for either the Welsh Government, or the future generations commissioner to pull together the pieces of work that we're doing in three or four regions, or indeed pull us together as regions. I just don't know whether a new body is required to do something that perhaps some of the existing bodies could do for us.

[181] **Russell George:** Okay. Hefin David.

[182] **Hefin David:** I would say it doesn't sound like you don't know, it sounds like you don't want it.

[183] **Mr Mepham:** Don't mind?

[184] **Hefin David:** It doesn't sound like you don't know, it sounds like you're actively not in favour of an infrastructure commission.

[185] **Mr Mepham:** Well, I'm open minded, but I personally haven't seen anything that's compelling as to how it would add value.

[186] **Hefin David:** Okay. So, you wouldn't see it having a role with social infrastructure, for example, having a power over social infrastructure?

[187] **Mr Mepham:** Well, I think the WLGA's stance has been, again, that it depends how the commission is formed. Is it about power and decision making, in which case, local authorities and regions become delivery agents for a national body that's defining what's required, or is it about co-ordination and research and putting together information and pointing things out, which is, I think, a different kettle of fish, really? I think local government, particularly because of the investment and the devolution agendas that we have with regional city deals—. I think it's odd to then simultaneously devolve authority and autonomy to regional level so that we can have an impact, but simultaneously create something national that has authority and power over those regions. I think something that has a national oversight and can add value and research is useful, but I think your phrase about having control and power is a different matter.



[188] **Hefin David:** Okay, so I'm inferring from that that you think the former that you said, the fact that it should have an advisory kind of role for local authority, a research role, rather than a direct power to command or—

[189] **Mr Mepham:** Personally, I think that would be more useful.

[190] **Hefin David:** Okay. Have you any concerns about how it might impact directly on what you're doing now with the city deal?

[191] **Mr Mepham:** Potentially, potentially. We've got quite a long way to go in terms of defining that methodology that I talked about, about how do we make decisions on the investment priorities, and how do we know which things are going to add GVA and going to work in 20 years' time. Because that's the nature of the deal we have with UK Government: if we don't deliver the GVA the money stops flowing and, indeed, can be clawed back. So, my concern would be that we're trying to develop a framework for investment decisions, investment prioritisation, and another framework is overlaid onto that that doesn't actually have the same basis.

[192] **Hefin David:** It's quite interesting; the Cabinet Secretary seemed a whole lot more upbeat about the impact that it could have, saying that it's a bridge between regional and national planning, that it's not going to interfere immediately in the city deal, that there's a longer-term picture. So, do you not recognise any of that?

[193] **Mr Mepham:** No, I do. I don't want to be downbeat, I'd just say I don't know how it would pan out, because there's quite a range in how it could be. I think I do see some value in some national co-ordination, as I've said, because, otherwise, we'll just have disparate regions doing different things. But I personally don't think it would be helpful to have another tier of, effectively, governance directing decisions.

[194] I was trying to think, on the way, of the sorts of things I think that it could be very useful to do. For example, if somebody, whether it's this commission or another commission or Welsh Government, was to take the different elements of infrastructure and say, 'Well, looking ahead 20 or 30 years, how ready are we for the impact of climate change? How ready are we with our coastal defences?'—you could apply the same test to social infrastructure—that kind of oversight and view and giving a framework, could be very, very helpful. I think that the departing point for me is when

the regions start to become delivery agents for something that's decided elsewhere.

[195] **Hefin David:** Okay, thank you.

[196] **Adam Price:** Can I just—

[197] **Russell George:** Adam Price.

[198] **Adam Price:** I'd agree with Hefin David that you don't sound very positive about the—I accept what you're saying, you remain to be convinced, but the mood music is not positive. Would that have been your view in terms of the proposal to create a UK infrastructure commission, or is the UK different to Wales in this regard? Does the UK National Infrastructure Commission, in your view, add something, and you're not convinced that the Welsh one would? Help me to understand the difference, if that's the case.

[199] **Mr Mepham:** Well, I think the advantage we have in Wales is scale. So, we are a very manageable scale. If you take the regional work, there's not going to be more than three or four regions, at best. We've got a manageable Natural Resources Wales body. We've got the proximity and closeness of our institutions. I think there's a lot of strength in that, whereas I think, at a UK level, it is much more disparate and I can see that, left to its own devices, it wouldn't happen, which is why I think a light-touch marshalling of the existing agencies could be quite good. I think there's lots of expertise in Natural Resources Wales, there's lots of expertise developing in the regions, there's expertise in Welsh Government, and we're having conversations with Welsh Government as to what does it mean to create a regional planning authority, for example, across the Cardiff region, which is about half of the Welsh economy in terms of GVA. What's that mean for Welsh Government's response? How does that Government make sure that it doesn't duplicate what's been done at that level? How does the devolution deal really work in practice? So, there is, I guess—I stress this is a personal view, again, so, if I'm downbeat, I wouldn't take it that all local government's downbeat. But how do we make sure that anything that we put into this adds value and doesn't just crowd out with more layers of decision-making proxy? That's my concern. I think, as a small country, we have the strength of not needing to have lots of layers of proxy, because we have the strength to be able to work collaboratively anyway. But, equally, if we're not careful we can gum things up by putting too many layers in.

[200] **Adam Price:** I'm interested in the evidence that we've had so far from local government and, indeed, the regional bodies. There's more enthusiasm in north Wales than there is in south Wales. Any views as to why? They seem to see the natural infrastructure commission as a potential useful partner that, maybe, would enhance their voice in terms of national policy in relation to Government. In south Wales, maybe there's a view of, 'We're happy with the regional structures; we don't need a national body.' Is there any reason why that would be?

[201] **Mr Mepham:** I don't know about north Wales, but I think you've spoken to the regional boards that were set up by the previous Minister, haven't you?

[202] **Mark Isherwood:** The North Wales Economic Ambition Board.

[203] **Mr Mepham:** Right, okay. No, I don't think it's necessarily negative. I think that, from my point of view, we've gone out on quite a limb with the UK Government; we're taking a big risk. We're having to carry the cost of borrowing against the cash flow for the UK Government's element of the city deal. So, for us, that's quite a big contribution, as 10 councils, so we're putting in a big investment to spend this £1.2 billion, much of which is our own money that we're having to borrow, with quite a lot of strings attached to it—quite rightly so, because you don't want to waste £1.2 billion.

11:00

[204] We want to generate £4 billion and we want to generate 25,000 jobs, so it's big stuff, and, around that, we're putting in some quite new and novel structures. So, I mentioned the regional transport authority, for example, and possibly regional strategic planning, regional housing, regional inward investment. That's quite an investment for us to be putting in, and they are extra governance. The trick for us is to make sure that we take our governance at the local level at the same time as we create regional governance. Otherwise, we're just adding another layer. So, we're quite committed to that agenda, and we have, sort of, a national accountability alongside Manchester and Liverpool and other city regions. We will be held accountable under a national framework.

[205] **Adam Price:** Sorry, when you say 'national accountability', do you mean the UK?

[206] **Mr Mephram:** The UK, yes.

[207] **Adam Price:** Isn't that part of the problem—that actually, because the city deal is the principal focus, so far, of these strategic bodies that are emerging, the conversation is between these regions within Wales and the UK Government, and the Welsh national context isn't really as high up the scale of priorities as it needs to be—which is why we need a national infrastructure commission?

[208] **Mr Mephram:** I don't think that's the case. Our conversations are tripartite conversations, with Welsh Government and with UK Government. If anything, the Welsh Government is the much closer partner, because the UK Government is much more distant to this. It just says, 'Here's the money. We'll be back in five years' time to check the outcomes. Off you go', whereas Welsh Government is much more interested, quite rightly so, in the detail and how we link that in with things like Welsh Government infrastructure. So, we are having those conversations with the Welsh Government.

[209] The bit that I would like to see us doing more—and I have been encouraging Welsh Government to do this—is: how do we make sure that our conversation with Welsh Government as a Cardiff deal is lined up with Swansea's conversation with Welsh Government and, indeed, the north Wales conversation? There aren't many players in that, so that's something that we could relatively easily pull together and do in Wales.

[210] **Adam Price:** Yes, and one point, I think, a classic example, is that there were plans in an early draft of the Cardiff city deal for the transatlantic interconnector to come in both in Swansea and in Cardiff. We'd be the only country in the world, actually, to have two of them, probably. So, that's where the national infrastructure commission can come in.

[211] **Mr Mephram:** That's a really good example. We don't need two, we need one, and, from my point of view, it makes no strategic difference to Wales whether it comes into Swansea or Cardiff. It's obviously a big difference to Swansea and Cardiff, but, at a national level, it doesn't make a difference. That's where I do think there's a need for co-ordination. I don't disagree with that. My question is: how's that best achieved? Can we do that with Welsh Government or with a new body?

[212] **Jeremy Miles:** Do you take any comfort from the fact that the Cabinet Secretary has said that the commission won't revisit, if you like, projects that

have been green lit, or are at the point of bring green lit? Does that give you an assurance that the menu of infrastructure projects within the deal is, in effect, going to be ring-fenced and won't be, as you might put it, trespassed on by the commission?

[213] **Mr Mepham:** I don't think I'm too worried about that. I mean, that example of the pipeline is a good example—where, if we didn't have the ability to do that, we could end up with some quite perverse decisions being taken. So, I don't think that's a problem. I don't think it would be healthy to say, 'Well, we've got these things past the line, therefore you can't touch them anymore', because that wouldn't be healthy.

[214] **Jeremy Miles:** So, your issue really isn't about the existence of a third party making decisions; it's about whether you feel that that commission is the best way of doing that, or whether the Welsh Government should be doing it itself. Is that a fair way of characterising your position?

[215] **Mr Mepham:** Yes, Welsh Government, or Natural Resources Wales, or the Future Generations Commissioner for Wales, or some combination of what we've already got.

[216] **Jeremy Miles:** Yes, but isn't the point that you're looking at the allocation of resources between bodies competing, essentially, for a finite pot? So, it would need to be some body apart from the delivery agencies, presumably, wouldn't it?

[217] **Mr Mepham:** I suppose I see Welsh Government as being more than just a delivery agency. I see that as being a very strategic—

[218] **Jeremy Miles:** No, I take that point—really what you're saying is that it's not really up to Natural Resources Wales; it needs to be the Welsh Government, in your view, making these judgments about the allocation of resources.

[219] **Mr Mepham:** Yes. I think somebody outside of those areas needs to hold the ring.

[220] **Jeremy Miles:** Yes, okay.

[221] **Russell George:** Vikki Howells.

[222] **Vikki Howells:** Thank you, Chair. I was interested in your comments around environmental infrastructure and the fact that you see that perhaps one of the biggest uses of the commission, in your eyes, could be to deliver something that complements what you're doing within the city deal without stepping on your toes, for want of a better phrase. And that led me to think about the skills agenda. Now, the skills agenda is within the remit of the commission, particularly with regard to things like skills in the construction industry, but also, in our discussion with the Cabinet Secretary this morning, he was talking about skills around childcare, to deliver on our childcare pledge. Would you see movement in that sort of direction as being something that would complement the work that you're doing yourselves, or would it, in any way, infringe on work that you are doing or plan to do?

[223] **Mr Mephram:** I don't think it needs to infringe. I don't want to give the impression that I'm trying to put a barrier around stuff that we're doing, as that's not the case at all. It really is a genuine concern about having added layers of bureaucracy that don't add value, but I accept that it can add value if it's done right. I think, on the skills agenda, again, there is a need for co-ordination. So, if I take an example with Swansea and Cardiff, we know, or we think, that there's going to be a development of tidal barrage technologies coming to Wales, and that'll be exciting and big and a really good opportunity for growth and skill development. I've spoken to the company that is interested in doing this, and, of course, they're working on a regional footprint because that's what they've got to work with at the moment. So, the danger would be that they could be very creative and forward-thinking about skills for Swansea, because that's where they're going to be going first, but not thinking about the skill need for Cardiff and Newport further down the line, and that's a much more national skills agenda than just a regional one.

[224] Going back to our commission—the city deal's growth and competitive commission—I don't want to steal their thunder because they'll launch it next week, but one of the indications we've had is that we can increase productivity because, in south-east Wales, we're close to optimum employment levels. Employment's not too bad, but our productivity is incredibly low, and they're giving us indications of at which part of the skills agenda we should target our efforts to increase productivity. We've got choices of course. We're currently doing a lot of work at the very, very low skill end to move people out of poverty. City deal has focused on high-end staff and working with universities and how we capitalise on the high number of graduates we've got. But there's also a vast middle area, which is quite key to driving up productivity. Now, that's what our commission has found. It

may well be the same for Wales, I don't know, but that could be the sort of thing that could inform how we do skills in Wales.

[225] **Vikki Howells:** So, your commission, with the capital region, is already looking at skills, but there could be a role for the national commission in terms of looking at skills in a broader area and joining that up. For instance, my constituency, Cynon Valley, is within the Cardiff capital region but also has really strong links with the Swansea bay region. So, for areas like that, would you say that there could be some benefits from the national commission?

[226] **Mr Mepham:** There could some benefits in joining up skills—yes, there could be, to answer your question. One of the ways that, I think, city deals might develop, if we look at what's happened in Manchester—. We're focused on our city deal that we're putting together now—it's £1.2 billion, so it sounds quite big. Somewhere like Manchester is on its fifth city deal, and they kind of roll and move forward. And we have had some very early conversations about thinking, 'Well, if this is successful, would our next deal be a combined deal between Swansea and Cardiff?' Because it is an artificial boundary; there's no logic to that split really in economic terms. It's too early yet, but maybe the future iterations could be, and that's where, at a regional level, we could pick up some of those benefits too.

[227] **Vikki Howells:** Thank you.

[228] **Russell George:** Thank you. Jeremy Miles.

[229] **Jeremy Miles:** Some previous witnesses have talked about the importance of being an independent commission on a statutory basis that is able to be authoritative when it's making recommendations that will necessarily be controversial in some cases. I suspect, from what you've said so far, that may not be a view to which you are inclined, but do you just want to give some comments on whether you have a view about how it should be set up in terms of independence, and being at arm's length from the Welsh Government? If you've got anything to add—the direction of what you've been saying before suggests that you might not feel that, but I just want to give you an opportunity to elaborate.

[230] **Mr Mepham:** I think if it's going to add value and be challenging and do challenging research and so on, then independence isn't a problem. If there's going to be that mechanism, then, in fact, that's helpful. The

question as to statutory or non-statutory, personally, I would suggest non-statutory followed by a review. So, establishing what it would like to achieve and then seeing what it could not achieve because it's not statutory, and what's the case for making it statutory, rather than the other way around, because I think it's harder to go that way.

[231] **Jeremy Miles:** And, presumably, that, in a sense, is compounded by the fact that we're in a reasonably dynamic environment at the moment, with city deals being at different stages and so on. In terms of the range of skills you feel would be useful and necessary on the commission, do you have thoughts about what you would like to see the commission reflect in terms of skills?

[232] **Mr Mepham:** Well, I suppose it depends to a certain extent on the remit and how broadly it scopes. So, those sorts of professional disciplines. Certainly, in terms of our commission, we went for economists in particular, because that's what we were looking for, but we went for a mixture of academics and those working in practice—so, some of the big firms. So, we had a mixture of academia and people working in the sector, and I think that, as a principle, is quite helpful.

[233] **Jeremy Miles:** Do you feel there should be businesspeople on the commission?

[234] **Mr Mepham:** Yes. So, people working in business, but with a particular expertise in those particular areas, yes.

[235] **Jeremy Miles:** Great. Thanks.

[236] **Russell George:** Adam Price.

[237] **Adam Price:** Moving to finance, one of the key challenges in Wales is trying to actually leverage, particularly, money from the private sector, where there is a demand for investable projects, and city deals, in fact, have been able to identify some of those opportunities. Could the national infrastructure commission have a role in helping facilitate some of those mechanisms for ensuring there is greater private sector investment in some public infrastructure projects in Wales?

[238] **Mr Mepham:** Possibly. 'I don't know' is the answer to that. It's something that we're wrestling with as a city deal. We know that we could spend the money easily. We know that, historically, we've had investment



programmes that have spent money, but don't necessarily have as lasting a legacy as we would like, or haven't been as successful in levering in money. We're looking at trying to get a 1:4 ratio, so that's again why we commissioned the growth and competitiveness commission, to say, 'How do we spend that money in a way that will bring in private sector investment?' So, we're looking at vehicles like investment funds that can pump prime things and that can top up and make the difference to bring private sector partners in. So, we're sort of bridging those kinds of things, possibly bridging funding schemes so that they can move in that direction. What we don't know yet, because we haven't had the conversation with Welsh Government, is that there's a commitment to devolution of some funding mechanism such as business rates. So, what would business rate retention look like? And that's incredibly difficult, particularly because the Cardiff region is where a lot of the growth is happening and so, if you're not careful, you can skew the thing quite badly.

[239] So, on the sort of conversation you're talking about, or the conversation we're having at the city region level, there's no reason why it shouldn't happen at a national level. Again, I come back to my concern about how many times we have the same conversation. How do we, in a light-touch way, draw on that learning that we've already got from the city regions and pull it out rather than start again?

[240] **Adam Price:** But the WLGA, in its evidence for example, has suggested the possibility of local authorities working with the national infrastructure commission to create a Scottish Futures Trust-like model, using innovative financing models, including the not-for-profit distribution model that they pioneered, and started to—. Well, certainly, it's on the agenda in Wales. Is that something that would be genuinely additive and builds upon the discussions that you're already having at a regional level?

[241] **Mr Mepham:** My honest answer is that I don't know. I don't know enough about that Scottish model to comment, and it's not something that I've looked at closely.

[242] **Adam Price:** Okay. Thanks.

[243] **Russell George:** Mark Isherwood.

[244] **Mark Isherwood:** Thank you. How do you respond to the proposal that the future generations commissioner could hold the commission to account

over the implementation of the seven well-being goals?

11:15

[245] **Mr Mepham:** I suppose that's one of the confusions really, because I think there is a very, very big overlap. This agenda around sustainable future infrastructure seems to me to be very core to the future generations commissioner's remit and work. But I've made that point already. So, on that basis, I would have thought that there should be a link, otherwise the two commissioners could go off in a different direction.

[246] **Mark Isherwood:** And, therefore, should the commission be added to the list of public bodies subject to the Act?

[247] **Mr Mepham:** Personally, I would have thought so, yes.

[248] **Mark Isherwood:** As I understand, the Auditor General for Wales is now incorporating the seven well-being goals into their future audit mechanisms for public bodies, and bodies receiving public money in Wales. Would that be an appropriate vehicle to address this?

[249] **Mr Mepham:** I think it would. It seems to me that if there is going to be a commission that's established to take a really long strategic view of infrastructure, and if it's going to have more than a research role, but particularly a delivery role in influencing policy, then it has to be consistent with the future generations and well-being Act, otherwise it's going to off in a different direction. And if the mechanism to keep that consistent is making it subject to the commissioner's oversight, then that seems to be logical as well.

[250] **Mark Isherwood:** Thank you.

[251] **Russell George:** Hannah Blythyn.

[252] **Hannah Blythyn:** Thank you, Chair. With previous stakeholders in evidence sessions we've talked about how the two commissions, the UK one and the potential commission in Wales, could work together, particularly on those non-devolved infrastructure projects that impact us, such as those cross-border issues with regard to rail. How do you think they could best work together on those areas? And do you think, perhaps, that there should be representation from the UK commission on the Welsh one, and vice versa,

to make sure they're plugged into the various plans?

[253] **Mr Mepham:** I think it's a sort of widely held view, and I think there's a lot of truth to it, that in terms of infrastructure investment at a national UK level, Wales hasn't necessarily got its fair share. So, if we look at rail infrastructure, for example, and compare our part of Wales, south-east Wales, with other regions in the UK, I don't think we've got the investment that we should have done over the last 15, 20 years. So, if the collaboration between two commissions can assist with that, and take a more holistic view about what's a fairer distribution, then that can only be beneficial to Wales. But, quite what the mechanism should be for working between them, I don't have a view on that.

[254] **Hannah Blythyn:** Do you think perhaps there'd also be scope for the commissions to work together, perhaps on research and evidence gathering, so that they can share that information?

[255] **Mr Mepham:** Yes, and things like—. Whether it will last, but the concept of the Northern Powerhouse around investment is well established. When we start to look at the impact that we can have here, and certainly in south Wales, it's not sensible to separate it from the south-west of England, so the Bristol, Cardiff, Swansea axis, if you like, starts to become a bit of a western powerhouse. A Welsh commission in isolation wouldn't necessarily consider that, but a UK one would, or potentially could do. And if there was a Welsh commissioner there, sort of pushing that case for our economy to be seen as part of a wider economy, then that could be beneficial.

[256] **Russell George:** Do Members have any final questions? No. Darren, do you have any parting information that you would like to provide to us with regard to us as a committee as we form our recommendations for our inquiry? Is there any information that perhaps we haven't asked that you would like to impart to us that's not come about through questions?

[257] **Mr Mepham:** Perhaps just to qualify something you picked up and thought I was a bit down on. I'll just qualify that. Really, coming from the perspective of austerity in public services, my view is probably coloured, because at a time when we're trying in local government to make less money go further and further and have impact, I'm very cautious about seeing public money being put into other new systems on top of that, because it does add cost. And, so, my negativity is probably a reflection of my concern about austerity really, rather than being inherently negative.

[258] **Russell George:** Thank you for that; I appreciate that. I don't want to open up that part of the discussion, but, Mark, did you have a final question?

[259] **Mark Isherwood:** Reference has been made to north Wales, and you asked us to clarify which body and so on. Are you engaging directly, already, with the North Wales Economic Ambition Board and its proposals or not, because you were talking about possibly a four-region model? Or, is this a bridge that a commission could provide, provided that it was acting as that bridge and also in an advisory, research and information-gathering capacity, rather than a directive capacity, which you highlighted? I would say north Wales, although generally supportive of the principle, again, expressed concern about a directive role, because, like you, they're working west-east; like you, they're working with the UK Government as well as the Welsh Government. The UK Government's asked them to prioritise their key projects with a view to funding being linked to GVA performance, and we have to square that circle. So, there's a great similarity. But if you're not working together, could that commission provide that bridging role?

[260] **Mr Mepham:** Yes, it could. We do need to work together more. I think the reason we're not is because it's an incredibly intensive process working on city deals, and that's why I'm alone today, because my colleagues, whether politicians or other officers, are in discussions with different bits of Welsh Government and UK Government and so on. And so, just maintaining that progress is quite intensive at the moment. We've just been able to open our eyes a little a bit more and start to talk to Swansea at a very, very loose level. We've had some officer-to-officer conversations with north Wales, just to sort of compare notes about how we're finding things, but there's certainly scope for that to be much more formalised.

[261] **Mark Isherwood:** And finally, like you, they're calling for internal devolution from Welsh Government, like the power that equips the northern powerhouse, in areas that you've referred to, business rates and so on. How could we square that circle with the role of the commission, with internal devolution but the need to have a Welsh national overarching perspective on what's going on?

[262] **Mr Mepham:** I think it's possible, personally, if we can aspire to a fairly high level and a very strategic framework at a national level, rather than replicating all the regional stuff at a national level. So, for me, the devolution works in both ways. Yes, there's a devolution downward from UK

Government and from Welsh Government into regions. What comes with that is an upward movement of stuff from local authorities. We're pushing stuff up and saying, 'Let's share that, there's a meeting in the middle.' If it doesn't go from both directions, all we do is create more tiers. So, my comments about the national infrastructure commission are in that context. As stuff is moving down to the regional level, I wouldn't want to see that vacuum being filled by something else that's just as big coming behind it.

[263] **Russell George:** Darren, can I thank you very much for your time with us today? On behalf of the committee, we're very grateful. So, thank you very much.

[264] **Mr Mepham:** Thank you.

[265] **Russell George:** We've already covered item 4. Before we go into private session, can I just say, as this is likely to be the last public session before Christmas, can I wish Members a very happy Christmas? But can I also say as well, on behalf of members of the committee, that we're very grateful to the committee service for your support to us? We're either largely new Members or Members with new roles and I appreciate Gareth and team and the wider integrated team that supports us as well—those in Research Service and legal advice, and those involved in all technical aspects of the committee. I think, as a committee, we're very grateful for the high standard of briefings and support that you give us and we wish you a very happy and restful Christmas as well.

11:24

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o Weddill y Cyfarfod a Chyfarfod Nesaf y Pwyllgor ar 15 Rhagfyr 2016  
Motion under Standing Order 17.42 to Resolve to Exclude the Public from the Remainder of the Meeting and the Next Committee Meeting on 15 December 2016**

*Cynnig:*

*Motion:*

*bod y pwyllgor yn penderfynu that the committee resolves to gwahardd y cyhoedd o weddill y exclude the public from the cyfarfod a chyfarfod nesaf y pwyllgor remainder of the meeting and the ar 15 Rhagfyr 2016 yn unol â Rheol next committee meeting on 15*

*Sefydlog 17.42(vi).*

*December 2016 in accordance with  
Standing Order 17.42(vi).*

*Cynigiwyd y cynnig.*

*Motion moved.*

[266] **Russell George:** So, I move, under item 5, under Standing Order 17.42, to exclude the public from the meeting for the remainder of this meeting and for the next meeting as well. Are Members content with that?

*Derbyniwyd y cynnig.*

*Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 11:24.*

*The public part of the meeting ended at 11:24.*