

Ken Skates AC/AM

Ysgrifennydd y Cabinet dros yr Economi a Thrafnidiaeth
Cabinet Secretary for Economy and Transport



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref

Russell George AM
Chair Economy, Infrastructure &
Skills Committee

SeneddEIS@assembly.wales

4 December 2018

Dear *Russell,*

I am writing following the scrutiny session of the Economy, Infrastructure and Skills Committee on 21st November to provide further information on the following information / points which I will address in turn.

- Provide the latest Transport for Wales (TfW) interim remit letter to the end of the financial year.

The TfW remit letter to 31 March 2019 is being finalised and will be published on the Welsh Government website in early December.

- Provide a note on TfW complying with the companies act and the fact that TfW is going beyond that at the request of the Welsh Government

TfW was established under the Companies Act (2006) and is fully accountable to the Welsh Ministers as a wholly owned subsidiary company limited by guarantee. The scope of operation of TfW is limited to the activities which the Welsh Ministers may lawfully carry out. It is not possible therefore for TfW to discharge functions which are outside the Welsh Ministers' powers. The Welsh Ministers therefore retain ultimate responsibility for transport matters but are able to ask TfW to carry out activities on their behalf.

As a wholly owned subsidiary company of the Welsh Ministers, TfW is subject to all statutory duties applicable to the Welsh Government, including those set out in the Well-Being of Future Generations (Wales) Act (2015). The overarching principles governing the relationship between the Welsh Ministers and Transport for Wales are laid out in the Management Agreement. The Welsh Ministers acknowledge certain activities of TfW may be subject to applicable laws or regulations, including the Companies Act 2006. In addition to these laws and regulations, the Welsh Ministers expect that TfW will ensure that in carrying out its functions, comply with the following governance principles applicable to public service organisations funded by Welsh Government:

- putting the Citizen First;
- knowing Who does What and Why;
- engaging with Others;
- living Public Service Values;
- fostering Innovative Delivery;
- being a Learning Organisation; and
- achieving Value for Money.

The Management Agreement also requires that TFW complies with Government-wide corporate guidance and instructions. This includes *Managing Welsh Public Money* that sets out the main principles for managing resources. This document aims to explain how TFW (as a public body in Wales) should handle public funds with probity and in the public interest.

- To inform the committee at the earliest opportunity about the work currently been undertaken on funding for the Reid review.

As discussed at the Committee, the Leader of the House and Chief Whip is working with senior Welsh Government officials and Welsh Ministers to assess the funding requirements to support the ambitions in the Reid review. An update will be provided to the Committee in due course.

- Whether the Cabinet Secretary is confident that the budget of £1.892m budget for export, trade and inward investment for activity such as events, trade missions etc is sufficient? Because many people comment about the lack of a strong Wales brand abroad. Is this going to be sufficient to attract new trade and investment?

I am confident that the proportion of the £1.892m Trade and Inward Investment budget that is allocated to support Welsh companies to export is sufficient to fund activity such as overseas events, trade missions and grants for export-related activity. I have acknowledged the challenges that might face Welsh businesses following the UK's exit from the European Union, which is why I have also taken the decision to allocate a further £7.5m to support Brexit-related business activity from the Transition Fund, including support for exporters, over the next three years.

Support for inward investors is funded from a number of different budgets across the department and is not restricted to the budget allocated to the Trade and Inward Investment budget line. It is not possible to quantify the amount of funding that is spent on attracting inward investment as this is a cross-department activity supported by Marketing, Inward Investment and teams within Business & Regions. A proportion of the budget allocated to the Welsh Government's network of overseas teams, which are part of the Office of the First Minister, is also used to fund activity related to attracting inward investment.

Retaining and growing foreign direct investment for Wales is clearly crucial and Welsh Government's FDI marketing programme delivered a 60% growth in visitors to tradeandinvest.wales last year. Whilst most of this activity is focused on the London market, our digital content provision is designed to appeal to wider audiences.

Over the last three years we have developed a strong Wales brand – the approach is award-winning and has been welcomed by Stakeholders across a wide range of sectors. I can assure you that across Government we invest more than £1.892m to market Wales to the world and we are always continuing to invest to grow our international networks and impact.

Tourism marketing is often a flag-carrier for Wales and we invest significantly each year to market Wales to established and emerging international markets, with a particular focus on Ireland, Germany and the US. The work includes events, advertising, partnerships and media relations as well as activity to target the tour operator sector internationally. There was an impressive and encouraging growth of 24% in business from the top 100 international operators to Wales in 2017. As the International Convention Centre Wales opens, Visit Wales is leading the work of promoting Wales generally in the lucrative business events marketplace, which is forecast to be worth at least £24m extra per annum to the Welsh economy.

Over the next eighteen months, £3m will also be invested to promote Wales as a place to study in new markets – growing this market will deliver long-term benefits to the Welsh economy on a wide-range of levels.

- Provide information on the progress on the deal with Plaid Cymru of £30m for funding improvements to the power plant in Port Talbot. Stage 1 has taken place, but there was concern from Tata about accessing further funding from the Government.

Welsh Government is continuing to discuss potential support with Tata along with legally binding conditions securing jobs.

I trust that the responses will address the Committee's areas of interest and look forward to updating the Committee further on the priorities within my portfolio. Thank you for your continued support.

Yours ever,



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