



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](#)

07/07/2016

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

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

Rachel Jones	Dirprwy Glerc
	Deputy Clerk
Gareth Price	Clerc
	Clerk

*Dechreuodd y cyfarfod am 11:00.*  
*The meeting began at 11:00.*

**Cyflwyniad, Ymddiheuriadau a Dirprwyon**  
**Introductions, Apologies and Substitutions**

[1] **Russell George:** Bore da, good morning and welcome to the first committee meeting of the Economy, Infrastructure and Skills Committee. This is the very first meeting, and I'd first of all like to welcome Members and members of the public who are watching this morning. The meeting is bilingual; headphones can be used for translation from Welsh to English on channel 1, and for amplification on channel 2. The meeting will be broadcast and a transcript of proceedings will be published. If I can advise Members, there's no need to press the buttons on the equipment; they will come on automatically. In the event of a fire alarm, please follow directions from the

ushers. Can I ask if there are any Members with declarations this morning? There are none.

11:01

### **Cyflwyniad i Bwyllgor yr Economi, Seilwaith a Sgiliau** **Introduction to the Economy, Infrastructure and Skills Committee**

[2] **Russell George:** In the meeting this morning, we will have a small session of me inviting Members to speak about what they see as their priorities and perhaps to tell the people who are watching and stakeholders who are watching a bit about themselves and their background, and then we'll go into an informal session later in the morning, and we'll finish before 12 o'clock.

[3] I should say that committee was established on 28 June this year to examine legislation and hold the Welsh Government to account by scrutinising expenditure, administration and policy matters encompassing, but not restricted to, economic development, transport, infrastructure, employment and skills, and research and development, including technology and science. From my perspective, I very much see the committee as being a critical friend of the Government, and a priority to me as the Chair is that I would try to allow their to be consensus across Members when we do our work and in our reporting to the Assembly.

[4] I think, at that point, I would like to ask Members to perhaps briefly set out a little bit about themselves and their background and what their aims are for this committee and what they want to see out of this committee. Hannah, you've indicated.

[5] **Hannah Blythyn:** I didn't even press anything. Diolch, Chair. I'm Hannah Blythyn. I'm the new Assembly Member for Delyn. This was the committee that I wanted to be on as a new Assembly Member, because I think the remit of this committee is going to be of fundamental importance over the next years. Coming from north-east Wales, representing a constituency in north Wales, I'm particularly interested in how we look at what's happening with the growth deal in the north-west and the impact on the north-east of Wales and across north Wales and the importance of cross-border economic collaboration and working. You know, that doesn't just impact on north-east Wales—again, that goes to other areas of Wales as well. But I think that's something that we really need to look at—how we get more

of that in much more detail.

[6] In terms of my background, actually, it's quite novel for me to be on this side of the committee now, having given evidence a couple of times in my former life working for a trade union. I worked for the Unite trade union, so, I did a lot of work with the Assembly and legislation, particularly to do with the Agricultural Wages Board. But, in that role, I've also worked with a lot of the large what we call anchor companies and major employers in Wales. So, Airbus in my own area, and Tata, but also Ford and GE Aviation. So, hopefully, those relationships I've already got there will be helpful and useful in this role in the committee as well.

[7] **Russell George:** Thank you, Hannah. David Rowlands.

[8] **David J. Rowlands:** Right. I was born and brought up in the mining village of Argoed in the Sirhowy valley. I went to Pontllanfraith Grammar School and I then went on to a degree in business studies. I have a particular interest in this committee, and a particular interest in transport within this. Given that I represent the South Wales East region in Wales, I see that, with transport, there's going to be quite a large amount of work there, but, I would also like it to encompass railways and the waterways. There are areas, as you know, such as the Brecon canal, where there are ideas that that might be extended down into the Newport basin, and I'd like to get involved in what goes on there and exactly where we stand with those sorts of things. So, that will be my particular thought there, as far as I'm concerned, just to look after the transport side of this.

[9] **Russell George:** Thank you, David. I think this is important, because we have stakeholders watching this morning. I think they'll be interested in knowing what our backgrounds are and what our priorities are. Hefin David.

[10] **Hefin David:** I'm the Assembly Member for Caerphilly—newly elected in May. I was born and brought up in Caerphilly, by the way; given what David said about his background. I was, and will be until 18 July, a senior lecturer at Cardiff Metropolitan University. My research area, and my teaching, is in business and, on a broader scale, human resource management, but my research is in small firms, and particularly the first employment decisions of owner-managers. So, my research looked at why owner-managers employ, but later became: why would they employ, given the cost of employment? My thesis was entitled 'The reluctant employer', which I think is a really good picture of small firms at the moment. So, I

explored why they use social capital and how they use social capital instead, and how businesses connect with each other. If you look around Caerphilly, you can see that, for businesses, it isn't competition, it's collaboration and connections, and not necessarily about creating employment for small firm owners. So, I don't think it's right for us to see small firms, necessarily, as engines of employment; instead, we should be looking at what kind of skills they need to grow and develop.

[11] I'm a county councillor, and will be until next year's election, when I'll be standing down, and I was chair of the policy and resources scrutiny committee until May, which was primarily about managing resources and protecting front-line services. But, my interest as a councillor, and now my interest as an Assembly Member, is in looking at local development planning and the infrastructure associated with that. You will have noticed, Chair, that Neil McEvoy AM and I have formed a very good, constructive relationship in seeking out a strategic development plan for south-east Wales, and I hope that we can find some way of constructively working towards a strategic development plan for south-east Wales, in which infrastructure is key.

[12] Finally, I've worked as an academic in China and India, and across Europe, and I'm very well aware of the importance of international connections, particularly to our higher education, but also to our economy in Wales.

[13] **Russell George:** Thank you, Hefin. Vikki Howells.

[14] **Vikki Howells:** Thank you. My name's Vikki Howells, and I'm the newly elected Assembly Member for Cynon Valley. I was born and brought up in Aberdare, within my own constituency. My background is in teaching. I spent 16 years teaching at a secondary level, including teaching geography at key stage 3 and key stage 4 and following the education for sustainable development and global citizenship framework at all levels. So, what, really, that's given me is a broad understanding of issues surrounding the economy and infrastructure. In addition, I've pursued a pastoral role for many years, including, most recently, at key stage 5, where I worked with a range of providers regarding the skills agenda, and I believe passionately in a more joined-up approach between the skills agenda and the economic needs of Wales, moving forward as a nation, particularly post Brexit.

[15] In addition, my constituency falls under the newly formed Cardiff capital region, so I have a particular interest in the progress and delivery of

the city deal and the metro project, and also in the Welsh Government's recently appointed Valleys taskforce, too.

[16] Finally, another interest of mine is the role of women in the economy, and I would really like to see the committee doing some work regarding supporting women to ensure that they can maximise their entrepreneurial capacity.

[17] **Russell George:** Thank you, Vikki. Jeremy Miles.

[18] **Jeremy Miles:** Thank you, Chair. I'm the Assembly Member for Neath. My professional background, before I was elected as an Assembly Member was as a lawyer, as a solicitor, and I've spent most of my professional life advising businesses—some have been big global businesses, others have been two-person start-up businesses. So, a fairly wide range of experience there in commercial, corporate, regulatory and intellectual property.

[19] My sector—the sector that I've specialised in for a very long time—is the creative industries, and so I'm delighted with the Welsh Government's focus on that as a growth sector in Wales. Part of my mission has been to persuade people that the creative industries—television, film, digital and so on—is obviously about entertainment, but it's also about high-quality, high-skilled jobs. I've spent most of my working life working as a lawyer within businesses; some of those have been medium-sized businesses that have been growing, but I've also had roles in international companies and was involved in establishing a new division in the UK for a company that owns the NBC network in the States and Universal Studios. We started with nothing—a blank sheet—and by the time I left we had businesses across the UK, in Australia and Canada, and in the far east as well.

[20] So, I'm particularly interested in two things from that perspective: one is how we help strengthen small and medium-sized companies, but also how we attract investment from some of those larger global companies to Wales. I'm also interested in the social dimension of economic policy and economic regeneration, in particular; I was previously a trustee of the Bevan Foundation, and I'm interested within that about how we structure industrial policy generally around skills and transport in a way that supports economic regeneration in particular.

[21] **Russell George:** Thanks, Jeremy. And Mark Isherwood.

[22] **Mark Isherwood:** Thank you. I'll just switch this off, or there will be rebounds in my ears when I'm speaking myself. Fourth-term Assembly Member, representing north Wales, living in Flintshire but representing the whole region. I've sat on many of the Assembly committees over that term of 13 years; this is one I've not sat on previously, so I'm looking forward to something that, from my perspective, will be a new challenge.

[23] My background: I was previously working in the building society sector for 22 years; I was area manager in north Wales for a building society. My degree was in politics but I was professionally qualified as an associate of the Chartered Institute of Bankers, so unlike the idiots who wrecked our banking system, I was actually qualified, and in the mutual sector.

[24] As with Hannah, my key priority—naturally, representing north Wales—is how we go forward on capitalising opportunities for the Northern Powerhouse on the growth deal offer, working with the North Wales Economic Ambition Board, the North Wales Business Council, the Mersey Dee Alliance and the partnerships they've all developed with development initiatives around the Warrington area, and linking into Manchester City Council and beyond. Of course, that will involve our keeping an eye on how the two Governments are working together. The growth deal offer from the UK Government, although there've not been much details we've heard yet, does have additional money attached to it, but was based upon working with the UK [correction: Welsh] Government to agree devolution of economic and growth levers to north Wales to liberate that possible resource. And my understanding is that the Treasury's patience will not go on forever in terms of that. We know that the Cabinet Secretary has a conference in north Wales tomorrow to drive this forward, and developments from that will be something I hope that we will give a lot of close interest to.

[25] But, clearly, we'll be looking at the whole of Wales as well, so issues such as the Circuit of Wales as a catalyst to stimulate economic growth, how we go forward on the Newport bypass—something, clearly, which this committee gave a lot of attention to previously and produced a report upon. Back to north Wales, recognising the growth deal and the wider opportunities—it's not just north-east, it's north-west as well, where there are two enterprise zones linking in, as we know, more to energy and particularly nuclear power, but also renewables and how we can link that into the social regeneration in what is the poorest third tier region in the UK.

[26] The key issues: again, keeping an eye on rail, rail electrification, not

only in the south, but the north as the economic ambition board and the growth deal take forward proposals for that. Employment schemes: the UK Government's Work Programme, although that's technically coming to an end next year; programmes such as Work Choice are also coming to an end next year. I understand that there are developing discussions between the two Governments over how to take that forward beyond the Welsh Government's own initiatives launched this week, and that's again something we need to be keeping an eye on to support not just those ready for work, but those furthest from the workplace.

11:15

[27] In my case, as you probably know, I'm very interested in removing the barriers to access for people disabled by society because of their impairments. SMEs are critical, I believe—yes, major companies, inward investment, exports are vital, but 99 per cent of our businesses are small and medium; over half the jobs in Wales are within small and medium enterprises. In terms of the developing picture over the EU, I'm also going to be a member—some of you may be—of the new external affairs and additional legislation committee, so we might be wanting to link in, rather than replicating the work they're doing, and having an overview of the areas of common interest. And, finally, the export position, which has been changing dramatically over recent years, with developing markets in North America, Asia and Pacific, as well as closer to home, and how we can best capitalise upon that.

[28] **Russell George:** Thank you, Mark, and I should also say that Adam Price is on our committee as well, but he's not here this morning. As for myself, I was elected as an Assembly Member in 2011, as the Assembly Member in Montgomeryshire. I've got a small business, which I started in 2003. I'm very fortunate to have lots of good members of staff, so I only have to spend one hour or two hours a week in that business, but it does help me, I believe, keep my feet on the ground in understanding the challenges that small businesses and high street shops face. Certainly, from my perspective, I was very involved, before I got involved in politics, in encouraging younger people to get involved in setting up their own businesses. I was part of a Welsh Government programme, as it happens, to go into schools to encourage younger people to think about setting up their own business and entrepreneurship. When I was in school, that wasn't the case. When I was in school, it was, 'Well, you have to be a teacher or a doctor or a solicitor' and, if you ever said that you wanted to be your own boss and

you wanted to work for yourself, and you wanted your own business, that wasn't an option that appeared on careers teachers' agendas at the time, but it's changed since then. So, I am passionate about encouraging younger people to think about the options of going into business themselves.

[29] In terms of priorities, very much like Hannah, I'm very interested in cross-border issues; my constituency's a cross-border constituency, and also, in the last Assembly, I chaired the cross-party group on digital communications, because it's a particular issue for rural Wales—the lack of broadband and the lack of mobile, and that was a subject I got involved in and wanted to press the Welsh Government and UK Government and the industry on. And, also, the other passion of mine is to be supportive of supporting and helping small and medium-sized businesses. Those are passions of mine.

[30] Right, thank you all very much for your contributions this morning. I'm sure for stakeholders watching, they'll be pleased to see the breadth of experience and knowledge that Members have brought this morning, and will be bringing to this committee. I've certainly learnt a lot myself, so I appreciate Members outlining their backgrounds and their passions, if you like, for what they want to look at in this committee. I think, at this point, we'll go into private session, but, before I do, can I say that, next week, on Wednesday morning, we've invited the Minister, Ken Skates, to attend the meeting, and he's accepted, and then, after that, we've got an opportunity to meet with some of the stakeholders who would like to engage with our committee?

11:18

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o Weddill y Cyfarfod**

**Motion under Standing Order 17.42 to Resolve to Exclude the Public from the Remainder of the Meeting**

*Cynnig:*

*Motion:*

*bod y pwyllgor yn penderfynu that the committee resolves to gwahardd y cyhoedd o weddill y exclude the public from the cyfarfod yn unol â Rheol Sefydlog remainder of the meeting in 17.42(vi). accordance with Standing Order*

*17.42(vi).*

*Cynigiwyd y cynnig.*

*Motion moved.*

[31] **Russell George:** So, at that point, can I ask if Members are content, under Standing Order 17.42 to resolve to exclude the public from the remainder of the meeting? Are Members content? Yes.

[32] **Hefin David:** They've only just arrived in the gallery.

[33] **Russell George:** Ah, right. Well, before we go into private session, I do think it's a great shame, when we've got members who have shown an interest, so I should just say that we've just sat for an half an hour this morning and we're just about to go into private session to talk informally. Sorry that members have only been here for a limited time, but I hope there may be other committees that members of the public may be able to go and watch as well. If Members are content, we'll go into private session.

*Derbyniwyd y cynnig.*

*Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 11:19.*

*The public part of the meeting ended at 11:19.*