



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](#)

05/07/2017

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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 Bywgraffiad Biography	Llafur Labour
Hefin David Bywgraffiad Biography	Llafur Labour
Russell George Bywgraffiad Biography	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Vikki Howells Bywgraffiad Biography	Llafur Labour
Mark Isherwood Bywgraffiad Biography	Ceidwadwyr Cymreig Welsh Conservatives
Jeremy Miles Bywgraffiad Biography	Llafur Labour
Adam Price Bywgraffiad Biography	Plaid Cymru The Party of Wales
David J. Rowlands Bywgraffiad Biography	UKIP Cymru UKIP Wales

Eraill yn bresennol
Others in attendance

Cynghorydd/ Councillor Myfanwy Alexander	Deiliad y Portffolio Addysg, Cyngor Sir Powys Portfolio Holder for Education, Powys County Council
Tracy Burke	Cyfarwyddwr, Strategaeth, Llywodraeth Cymru Director, Strategy, Welsh Government
Cynghorydd/ Councillor Ellen ap Gwynn	Cadeirydd Tyfu Canolbarth Cymru, Arweinydd Cyngor Sir Ceredigion Chair of Growing Mid Wales, Leader of Ceredigion County Council

Cynghorydd/ Councillor Gareth Lloyd,	Deiliad Portffolio dros Adfywio, Cyngor Sir Ceredigion Portfolio Holder for Regeneration, Ceredigion County Council
Gwenllian Roberts	Dirprwy Cyfarwyddwr, Yr Uned Ynni Cymru Llywodraeth Cymru Deputy Director, Energy Wales Unit, Welsh Government
Jo Salway	Pennaeth Swyddfa'r Cabinet, Llywodraeth Cymru Head of Cabinet Office, Welsh Government
Mike Shaw	Swyddog Ymgysylltu Rhanbarthol Canolbarth Cymru Mid Wales Regional Engagement Officer
Ken Skates Bywgraffiad Biography	Aelod Cynulliad, Llafur (Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith) Assembly Member, Labour (The Cabinet Secretary for Economy and Infrastructure)
Cynghorydd/ Councillor Martin Weale	Deiliad Portffolio dros Adfywio, Cyngor Sir Powys Portfolio Holder for Regeneration, Powys County Council

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

Robert Lloyd-Williams	Dirprwy Clerc Deputy Clerk
Gareth Price	Clerc Clerk
Ben Stokes	Y Gwasanaeth Ymchwil The Research Service

Dechreuodd y cyfarfod am 09:59.
The meeting began at 09:59.

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

[1] **Russell George:** Croeso, bawb. **Russell George:** Welcome, everyone.
Croeso i Bwyllgor yr Economi, Welcome to the Economy,
Seilwaith a Sgiliau. Infrastructure and Skills Committee.

10:00

Tyfu Canolbarth Cymru—Bargeinion Dinesig ac Economiâu
Rhanbarthol Cymru
Growing Mid Wales—City Deals and the Regional Economies of Wales

[2] **Russell George:** I'd like to welcome Members and members of the public to our committee this morning. This morning, we're continuing our inquiry into city deals and the regional economies of Wales. I'd like to welcome our five witnesses this morning. I'd be grateful if you could just introduce yourselves for the record. If I could start, perhaps, from my left.

[3] **Mr Lloyd:** Gareth Lloyd. County councillor and cabinet member in Ceredigion—economic development and community development.

[4] **Ms ap Gwynn:** Bore da. Ellen **Ms ap Gwynn:** Good morning. Ellen ap Gwynn: arweinydd—*leader*— ap Gwynn: leader of Ceredigion Ceredigion, a hefyd yn gadeirydd council and chair of the Growing Mid partneriaeth Tyfu Canolbarth Cymru. Wales partnership.

[5] **Mr Shaw:** Good morning, Chair. I'm Mike Shaw; I'm group manager and lead on mid Wales regional engagement. I work, actually, for Ceredigion County Council.

[6] **Ms Alexander:** Bore da. **Ms Alexander:** Good morning. I'm Myfanwy Alexander, Cyngor Sir Myfanwy Alexander—*[Interruption.]* I Powys—*[Torri ar draws.]* Mae gen i hold the portfolio in the cabinet for bortffolio yn y cabinet yn gofalu am looking after skills and education. sgiliau ac addysg.

[7] **Russell George:** Sorry, we were being interrupted by lots of noise for a moment. Can we get that sorted? Thank you.

[8] **Ms Alexander:** I'm Myfanwy Alexander, Powys County Council—education and skills.

[9] **Mr Weale:** Martin Weale—portfolio holder for planning and regeneration.

[10] **Russell George:** Lovely, thank you. Well, if I can start with the first question: what has the mid Wales partnership achieved since it was established in 2015? Who wants to have a stab at that? Leader.

[11] **Ms ap Gwynn:** A gaf i ddechrau, fel cadeirydd? Cychwynnwyd y bartneriaeth tyfu'r canolbarth diolch, wir, i gefnogaeth y cyn-Weinidog, Edwina Hart. Achos pan roeddem ni, fel arweinyddion, yn cwrdd â hi yn rheolaidd i drafod materion economaidd, roedd hi'n sôn cymaint am dde-ddwyrain Cymru, a gofynnais i'r cwestiwn, 'Beth yw'ch polisi chi ynglŷn â chanolbarth Cymru?' Achos roedd coridor yr M4 a'r A55 yn cael lot fawr o sylw, ond dim sylw i'r darn pwysig yn y canol—y darn jig—so sy'n cydio'r de a'r gogledd at ei gilydd, sydd mor, mor bwysig i ni fel cenedl. Wedyn, fe gawsom ni, ar ôl gweithio a chytuno gyda Phowys fel partneriaid, y byddem ni'n cychwyn partneriaeth tyfu'r canolbarth, fel y dywedoch chi, ddwy flynedd yn ôl—. Yn y cyfamser, rydym ni wedi cymryd y cyfle i ddadansoddi'r angen yn y ddwy sir bwysig yna a hefyd i ddechrau datblygu strategaeth wrth symud ymlaen. Nawr, mae'r strategaeth yn ei le.

Ms ap Gwynn: If I could start, as chair. Now, the Growing Mid Wales partnership was established thanks to the support of the former Minister, Edwina Hart, because when we, as leaders, met with her regularly to discuss economic issues, she would often talk about the south-east of Wales, and I asked her the question, 'What's your policy on mid Wales?' Because you had the M4 corridor and the A55 corridor being given a great deal of attention, but there was no attention paid to that important part in the middle—the piece of the jigsaw linking north and south, which is so crucial to us as a nation. Having worked with Powys and come to an agreement with them, as partners, that we would establish the Growing Mid Wales partnership, and that happened, as you can see, two years ago—. In the meantime, we have taken the opportunity to analyse the needs in the two counties, those two important counties, and also to start to develop a strategy to move us forward. The strategy is now in place.

[12] Beth sydd angen nawr, wrth What we need now, of course, is to

gwrs, yw rhoi cig ar yr asgwrn strategol yna, a sicrhau bod yna arian yn dod i mewn i'r canolbarth er mwyn inni allu symud ymlaen. Nawr, mae yna rai pethau yn digwydd yn barod, yn enwedig gyda'r brifysgol yn Aberystwyth. Mae'r gwaith ymchwil maen nhw'n ei wneud yn *biotech* ac *agritech* yn hynod, hynod bwysig. A hefyd, mae yna waith ymchwil yn digwydd sydd yn bwysig iawn i ddatblygiad y ganolfan porth awyr posib yn Llanbedr ac Aberporth—mae yna driongl yn y fan yna: Aberporth, Aberystwyth a Llanbedr.

[13] Nawr, mae de Gwynedd, sef Meirionnydd, yn mynd i fod yn fwyfwy rhan o'r canolbarth. Rydw i wedi cael trafodaeth gyda'r arweinydd newydd, ac mae o'n frwd ein bod ni'n tynnu i mewn gyda'n gilydd, achos mae gennym ni *track record*, os caf i ddweud, o gydweithio ar drafnidiaeth o dan yr hen ymbarél Trac, ac rydw i'n deall bod Ysgrifennydd y Cabinet bellach wedi ailsefydlu'r pedwar partneriaeth datblygu trafnidiaeth, neu reoli trafnidiaeth, ac rydw i'n falch iawn o glywed hynny, achos mae Powys, Ceredigion a de Gwynedd yn rhan o'r bartneriaeth yna. Roeddem ni wedi ei gadw e i fynd er bod y cyn-Weinidog, mewn gwirionedd, wedi dod â nhw i ben. Ond roeddwn i'n teimlo bod trafnidiaeth a chysylltiadau mor, mor greiddiol i ni, roedd rhaid inni gadw yr un aelod staff, wir, sydd yn cydlynu'r gwaith strategol o lunio cynlluniau datblygu ar gyfer

put some meat on those strategic bones and to ensure that funding is made available to mid Wales so that we can make progress. Now, there are some things happening already, particularly with Aberystwyth University. The research that they're carrying out in biotech and agritech is extremely important. There's also some research happening that is very important to the development of the possible spaceport in Llanbedr and Aberporth. There's a triangle there: Aberporth, Aberystwyth and Llanbedr.

Now, south Gwynedd, namely Merionethshire, is going to be more and more a part of mid Wales. I have been having discussions with the new leader, and he is very eager that we do work together because we have a track record of collaboration on transport under the old Trac umbrella, and I do understand that the Cabinet Secretary has now re-established the four transport development, or transport management partnerships. I'm very pleased to hear that, because Powys, Ceredigion and south Gwynedd are part of that partnership. We had maintained it, although the former Minister had, in reality, brought them to an end. But I believed that transport and connectivity is so essential to us we had to maintain—it was only one member of staff, but that member of staff co-ordinates that strategic work of planning development in the field of transport

trafnidiaeth yn y canolbarth i gyd. So, across the whole of mid Wales. So, dyna, yn fras, beth o'r gwaith rydym that's some of the work that we have ni wedi bod yn ei wneud. been doing.

[14] **Russell George:** And can I ask you: you mentioned about other counties beyond Ceredigion and Powys, so are you suggesting that Growing Mid Wales extends to other counties as well?

[15] **Ms ap Gwynn:** Wel, os— **Ms ap Gwynn:** Well, if—*[Inaudible.]*
[Anghlywadwy.]

[16] **Russell George:** I should just say: you don't need to press the equipment.

[17] **Ms ap Gwynn:** Diolch. Fel rydw **Ms ap Gwynn:** Thank you. Well, as I i'n dweud, rydw i'n teimlo bod say, I believe that Meirionnydd Meirionnydd, yn arbennig, yn rhan o particularly is part of mid Wales—the ganolbarth Cymru—yr hen old Merionethshire is part of south Feirionnydd, rhan o dde Gwynedd, Gwynedd, of course—because the mewn gwirionedd—achos mae'r links up and down—. The A487 is so cysylltiadau sydd yn dod i fyny ac i essentially important for the lawr—. Mae'r A487 mor, mor agricultural industry, for example, as greiddiol bwysig i'r diwydiant a corridor for milk and other food amaeth, er enghraifft, fel *route* ar produce, and the A470 through mid gyfer llaeth a chynnyrch bwyd, ac Wales, from Cardiff to Llandudno, but mae'r A470 drwy'r canolbarth, o on the border, of course, the A483 is Gaerdydd lan i Landudno, ond ar y also very important. All three ffin, wrth gwrs, mae'r A483 hefyd yn corridors are very important, not only bwysig. Mae'r tri choridor yna yn to mid Wales, but to the whole of bwysig iawn, nid yn unig i'r Wales—it connects us. canolbarth, ond i Gymru gyfan, wir, i'n cysylltu ni.

[18] I ni yn y gorllewin, os caf i fod For us in the west, if I can be yn blwyfol am funud, mae'r cyswllt o parochial for a little while, the link Aberystwyth, er enghraifft, gyda from Aberystwyth, for example, by thrên, sydd yn hollbwysig, i faes awyr train, which is very important, to Birmingham—ac ymhen hir a hwyr, Birmingham airport—and, hopefully, gobeithio, gyda gwell gwasanaeth, o there will be an improved service dan y *franchise* newydd, lawr i there under the new franchise, to Gaerdydd neu lan i le bynnag mae Cardiff or to wherever people want to

pobl am fynd. Mae'r A44, i fi, hefyd go. The A44, for me, also has that â'r cyswllt uniongyrchol yna, direct link, because of the university, oherwydd y brifysgol, yn un peth, ac in one respect, but also because of oherwydd y nwyddau sydd yn llifo the goods flowing over the border dros y ffin o gyfeiriad yr Amwythig i from Shrewsbury into Powys and over mewn i Bowys a draw i Geredigion. to Ceredigion. We must ensure that Mae'n rhaid inni sicrhau mae'n our focus—. We do have a freight ffoecs ni—. Mae gyda ni strategaeth, strategy being prepared for us so *freight strategy*, yn cael ei pharatoi i that we can have a better ni er mwyn i ni gael gwell understanding of those traffic flows dealltwriaeth o'r llifoedd traffig sydd through mid Wales, and where we yn mynd drwy'r canolbarth, a lle yn would want the Cabinet Secretary to wir y byddem ni am i'r Ysgrifennydd focus investment in order to make Cabinet ganolbwyntio buddsoddiad i improvements in terms of wella'r cysylltiadau yna. connectivity in that area.

[19] **Russell George:** Okay, one question I won't ask, but I'm tempted to ask, is what is mid Wales, because that's another question in itself, isn't it? Perhaps if I can ask another panel member—in your written evidence, you say that the overarching goal is to establish the region as the rural powerhouse of Wales. What exactly does that mean? I think Mike's indicating.

[20] **Mr Shaw:** Thank you, Chair. I can hear myself in the headphones. I'll get used to this system, perhaps. We are, as a region, the most rural region in Wales. I think some of the Assembly Members will have seen some evidence given to one of your other committees from Organisation for Economic Co-operation and Development about measuring impact, but also talking about rural policy. OECD cited in their evidence 'Rural Policy 3.0', which is a very long, big document, which is their latest thinking—that talks about rural regions and characterises them as those that are around urban areas, supporting urban areas, rural-urban areas, and those that are without an obvious urban centre.

[21] Now, the other three regions of Wales are very much in the urban-rural. They have rural areas and their rural challenges are, if I might say, really challenges for those regions to be inclusive and to reach out into their rural regions from their urban centres. But in mid Wales, we are rural-rural. We don't have those obvious centres.

[22] In this policy document, they highlight opportunities for rural areas, and one of them, which they've highlighted, is bioeconomy—a big word, a bit

of a portmanteau word that covers all sorts of things—

[23] **Russell George:** What I really wanted to know is—one of your goals is to establish the region as the rural powerhouse of Wales. I specifically want to know: what exactly does that mean?

[24] **Mr Shaw:** I'm going to put up—sorry, it's a very big room.

[25] **Russell George:** It's all right. Can you send that to us?

[26] **Mr Shaw:** I can send it to you afterwards.

[27] **Russell George:** Yes.

[28] **Mr Shaw:** This is a sort of convergence of ideas about the role of rural in future UK. This comes from the UK. This is a submission to the Department for Business, Energy and Industrial Strategy from Innovate UK about the future growth sectors in the UK's economy. One of those highlighted is bioscience and biotechnology—a bit of convergence there with OECD evidence. They highlighted the importance of innovation, of driving the rural economy, of finding a new economy here, and in the additionalities they have highlighted the role of stimulating the rural economy and finding a rural powerhouse, a driver for the rural economy.

[29] **Russell George:** Okay.

[30] **Mr Shaw:** I would suggest—if I may just finish, because I know we're short of time—that, because we are the rural-rural economy of Wales, it is our job to be the rural driver for Wales and be the powerhouse and pick up on things like bioeconomy, agritech, and all these things that are identified in this, which we will circulate later, by Innovate UK and in the evidence that's gone into the UK Department for Business, Energy and Industrial Strategy. That links then to other sources of funding beyond the growth deal, like sector deals and things that I know are not actually the specific purpose of your inquiry today.

[31] **Russell George:** No. Thank you. I'll look for a Powys, perhaps, contribution—especially what you mean by a 'rural powerhouse for Wales'.

[32] **Ms Alexander:** I think to some extent—. There's an old country and western song that says, 'Do what you do do well, boy', and I think that

perhaps part of our rural development problem has been trying to do things that would be much better done in urban areas in rural areas. Our focus is looking at the economy that we have, the people who are already innovating and driving our economy forward, and encouraging more of that, because, realistically, if you're talking about some forms of heavy industry, they need to be close, for example, to other heavy manufacturing industry. So, by saying, 'We want to take our existing industries, such as tourism, agriculture, and so on, and then increase the forward-looking investment to drive those industries forward', that could be the way in which we could lead. We have the critical mass of farming and we have the critical mass of agricultural innovation and skills in Powys so that every part of Wales could benefit from what we drive forward. But that's what we really mean by a 'rural powerhouse'—us leading the rural economy of Wales, because we are the people who already have so much of that skill and so much of that vision.

[33] **Russell George:** That's clear. I'll bring in Jeremy Miles.

[34] **Jeremy Miles:** Thank you. We're talking about the economy and innovation, and how industry and business operate, and yet no-one on the panel comes from any of those sectors. Should we be concerned that they're not engaged with what you're trying to achieve?

[35] **Ms ap Gwynn:** A gaf i ateb hynny? Mae aelodaeth y bartneriaeth yn cynnwys pobl o'r sector breifat, pobl o'r trydydd sector, o HE, o FE, ac o'r sector sgiliau yn fwy cyffredinol. Felly, mae yna rychwant eang o aelodaeth o'r ochr twristiaeth, o'r Mid Wales Manufacturing Group, ac mae'r ochr academiaidd yna hefyd. Felly, mae'r linc yna rhwng yr ymchwil a beth sy'n digwydd ar lawr gwlad o amgylch y bwrdd o fewn y bartneriaeth.

Ms ap Gwynn: Can I answer that? The membership of the partnership does include people from the private sector, the third sector, further education and higher education, and also the skills sector more generally. So, there is a wide range within the membership from tourism, from the Mid Wales Manufacturing Group, and then we have the academic side there also. So, that link between the research and what's happening at grass-roots level is around the table within the partnership.

[36] **Mr Lloyd:** Jest i ychwanegu at hynny, mae yna gynrychiolaeth o'r byd amaeth yma, a'r byd trafniadaeth ar y pen pellaf i chi. Nid yn unig ein

Mr Lloyd: Can I just add to that? There is representation from agriculture and transport here. We're not just here as cabinet members and

rôl fel cynghorwyr ac aelodau'r cabinet ac yn y blaen—rŷm ni'n dod â gwybodaeth bersonol o'r mudiadau yr ydym ni'n dod ohonynt, ond hefyd yn cynrychioli'r bobl sy'n dod atom ni i'w cynrychioli nhw gyda'u busnesau ac yn y blaen. Fel y mae'r arweinydd wedi ei ddweud, rŷm ni'n edrych i ddod â'r bobl gywir mewn i gyfarfodydd cywir pan fo angen. Achos y bobl rŷm ni'n moyn cael mewn i'n helpu ni i ddeall yr hyn sydd ei angen, a hefyd i'w chael ynghlwm â hyn, yw'r math o bobl sy'n brysur iawn, fel rŷch chi'n gallu dychmygu, felly nid ydyn nhw'n mynd i ddod i gyfarfod ar ôl cyfarfod ar ôl cyfarfod. Rŷm ni'n eu moyn nhw yna am y cyfarfodydd sy'n bwysig i'r ystod yna i gael y gwerth allan o'u gwybodaeth nhw.

councillors—we do bring personal knowledge also from the different sectors we come from. We also represent people who come to us to represent them with their businesses and so on. As the leader has said, we'll be looking to bring the correct people in to the right meetings as and when required. Because the people we wish to bring in to help us to understand what is needed are the type of people who are very busy, as you can imagine. They're not going to come to numerous meetings. We want them there for the correct meetings, the important meetings, to get the best value out of their information and knowledge.

[37] **Jeremy Miles:** Ond nid oedd hwn yn un ohonyn nhw.

Jeremy Miles: But this wasn't one of them.

[38] **Mr Lloyd:** Wel, rydw i'n mynd nôl i'r rhai sydd wedi'u gwahodd. Nid ydw i'n gwybod pwy ych chi wedi gwahodd yn benodol i ddod yma. Rŷm ni wedi ymateb i'r galwad. Os ych chi am fwy i ddod, rŷm ni'n fwy na hapus i ddod yn ôl â llond bws gyda ni.

Mr Lloyd: Well, I think we're just going by who was invited. I don't know who you invited specifically. We just responded to the invitation, but we'd be more than happy to bring other members with us if you'd like.

[39] **Mr Shaw:** Could I just—

[40] **Russell George:** If I can, I'll bring you in, Mike, and Councillor Alexander as well. Perhaps if I can ask as well: do you think the partnership has got enough private sector representatives on it, or could that change? I'll ask Mike to respond.

[41] **Mr Shaw:** Just going in two steps there, if I might, first of all, in terms of involving the private sector, we are an inclusive partnership. I know you're seeing local government here. Local government's role is to facilitate. The key players in mid Wales—farming unions, farming, businesses, and research, because there's a lot of research and innovation money in our economy—we've got that inclusive partnership. We're very proud of being inclusive. I think we're a more inclusive partnership driving the economy than some other regions. But I'm not here to criticise; I'm here really to tell you I think we're doing a good job. We have a different sort of business base. We're working at the moment on engaging more fully with the Federation of Small Businesses, for instance, because we have a lot of small businesses. We've got new tourism and private sector representative organisations coming to join us now—in fact, I think we can be really proud of the involvement of private sector around the table.

[42] Now, just, I didn't quite—I lost the sense, but I wanted to say something about the Mid Wales Manufacturing Group, because you've already heard—

10:15

[43] **Russell George:** Can I—? We're very pushed for time this morning, so we've got to keep the answers quite short and focused, but what I will do is, at the end, I will come to you and I will say, 'Is there anything else that we've missed that you want to add?' So, if you make a note of anything, I'll come to each of you at the end, all being well, if we've got time. Can I just bring in Councillor Myfanwy?

[44] **Ms Alexander:** Roeddwn i i Mr Miles. Rydw i'n cynrychioli'r diwydiant creadigol, sydd, ar ôl amaeth, yr un pwysicaf i'r ardal rydw i'n ei chynrychioli, ac mae Martin yn gwybod bob dim am drafndiaeth yn y canolbarth achos mae ganddo fo gwmni bysys. So, mae presenoldeb ar y bwrdd o'r sector preifat, ond jest ein bod ni'n gwisgo hetiau eraill.

Ms Alexander: I just wanted to respond to Mr Miles. I represent the creative industries, which, after agriculture, is the most important in the area I represent, and Martin knows all there is to know about transport in mid Wales because he has a bus company. So, we do have that private sector representation, but we also wear other hats.

[45] **Russell George:** There we are. Well, I might come to—

[46] **Mr Weale:** That's the same as I was just going to say. Stole my thunder.

[47] **Russell George:** I may well come to a question with you later on, Councillor Martin. I'll come to Hannah Blythyn.

[48] **Hannah Blythyn:** Thank you, Chair. In your paper to the committee you say that the partnership is fully committed to developing a growth deal approach for mid Wales. I was just wondering if you could outline the case that's been made to date for this, and how successfully you think that case has been put forward.

[49] **Ms ap Gwynn:** It's early days to look at the growth deals. We've been in the process of setting the strategy in place. I think the next step will be to start planning ahead for making an application for a growth deal. That means, of course, that we've got to have buy-in from the Cabinet Secretary, buy-in from London, and buy-in from both county councils, possibly three, depending whether any developments might come. But that's the next stage for us, because I think the city deal regions were light years ahead of us, and that's why we're having to run to catch up, basically. And I'm very grateful to the previous Minister for allowing us, for seeing that we needed that opportunity to fill the gap that was there, as I've said before, between the A55 corridor and the M4 corridor, and the need to link north and south Wales as well as making sure that there are links across the border, because we're so reliant, at least in Ceredigion—most of our freight comes from there for shops. If you see the lorries coming over the mountain, they're non-stop; I think you'll know all about them.

[50] **Russell George:** Thank you.

[51] **Hannah Blythyn:** So, just leading on from that, have you had any conversations with the UK or Welsh Governments to date, or is that—?

[52] **Mr Shaw:** We have had conversations with Wales Office and BEIS—a very simple answer—but I'd just like to go back to your first question and say we're not focused so much on growth deal capital 'G', capital 'D', but the growth-deal approach as a whole, and making sure that we—. And we are quite latecomers to the race. We're trying to establish a strong programme to go forward rather than just chase money, money, and that's the stage we're at, at the moment. We're presently drafting a consultants brief to look at a

number of propositions. These are the opportunities that were identified in the framework, and to shape those in terms of a growth deal bid, or sector deal bid, or some other bidding mechanism. But it's, broadly speaking, lower case 'g', lower case 'd'—an approach of that sort. But, on the basis of from a programme, rather than just going for the headlines of money.

[53] **Hannah Blythyn:** On that, have you looked at—? While you're pulling all that together, are you looking at any examples from elsewhere, perhaps in the UK or further afield, for similar projects or deals or approaches for rural areas? Are there things of best practice that we should be aware of?

[54] **Russell George:** Who wants to answer that?

[55] **Mr Shaw:** I've been told to carry on, Chair—I'm sorry. The obvious thing that I would like to stress is one of collaboration with other areas. We are keeping in touch with the other regions in Wales through various collaborations, because that's important. We've also developed a very strong collaborative link with the Marches Local Enterprise Partnership, and through them we are learning of good practice in English LEPs. The English LEPs have access to a LEP network, which we don't have access to because we're not an English LEP, as it were, and we would aspire to have that ability to keep in touch with them. Through them we're learning of agri-food developments, agri-tech developments, in the west midlands—a wider area in fact—a group of LEPs working on that. And, for another of our propositions to do with defence and security, which covers Powys and Ceredigion, we're aware of and watching what is happening on a collaboration between LEPs in, I think it's Wiltshire, Gloucestershire, Worcestershire and the marches as well. There are other examples as well, but they're very specific and I think they're the ones we cited in the written evidence we gave.

[56] **Russell George:** Do you have further questions, Hannah?

[57] **Hannah Blythyn:** Just one final question. You said about meetings with the Wales Office and BEIS, so you still need to meet or speak with the current Cabinet Secretary for economy here.

[58] **Ms ap Gwynn:** We have met with Ken Skates. We've also met with Lesley Griffiths, because we're an area where agriculture and food and farming and fisheries, in fact, are also central to our economy—you have to look in all directions—and Carl Sargeant, who's responsible for regeneration. So, we have to deal with all of the Cabinet Secretaries, and we have been

doing so, together with Julie James on skills and broadband, because Ceredigion and Powys are lacking terribly on the roll-out; we're only at 61 per cent. As Mike has already said, we have a lot of small businesses—FSB is important to us across the Growing Mid Wales partnership—and their broadband links are absolutely awful in some areas. If we really are serious about growing our economy, we've got to make sure those infrastructures are there—not just the transport one but also the broadband one, and the telephony. They're not devolved to you, I understand that—I've had that conversation with Julie James—but we need to make those links as well, to London, to Ofcom, to make them understand the real need for us to have these developments in a timely fashion and not lag behind everybody else.

[59] **Russell George:** Councillor Myfanwy.

[60] **Ms Alexander:** Just very quickly, there's also the key partnership between education and skills, because our learners need to be ready to join the workforce, and that's not a process that happens just in FE or HE. That should be taking place as part of the new 'Successful Futures' curriculum anyway. So, there's a partnership there.

[61] **Russell George:** You said in your answer to—. Sorry, Councillor Martin, did you want to come in?

[62] **Mr Weale:** I was just going to say that also the training is so—. Because we're so sparsely populated, and the self-employed jobs are so different—you know, there's all sorts: art, farming, whatever it is, so many different jobs—we need a lot of training, and we need training for everything, not just bits and bobs of plumbers or carpenters. We need training in the arts, in different things, because that's where we're picking up. I think, Myfanwy, you were saying about your area that—. Go on, you—.

[63] **Ms Alexander:** Yes, the creative, but also, I think, in terms of what we want to do in terms of our businesses, we've got a key problem because many of our areas are now effectively unbanked. You can drive for two hours before you see an open branch of a bank. Our problem in mid Wales, as opposed to many other areas of Wales, is not so much unemployment as lack of productivity, and we will not get that productivity raised unless we have investment in our small and micro businesses. And how we provide the financial acumen in our businesses—. Because, in the old days, they would have gone to the bank manager. He doesn't exist anymore, so we need to be able to provide training for our existing businesses to raise their aspirations,

and for those aspirations to be achievable to them in, let's be realistic, an unbanked culture.

[64] **Russell George:** And how do we do that?

[65] **Ms Alexander:** Well, I think one of the things is—. A person, a small business man, who might be perfectly confident sitting across a desk with a familiar bank manager has now perhaps got to go through a complex series of online tests. Now, that's the kind of mentoring that you could have from someone who we could provide who knows exactly how to access—or maybe even saying to them, 'Have you thought that traditional funding isn't for you? Maybe you should be looking for a third sector finance provider or even crowdfunding for your job.' But what I'm saying is there is a gaping hole in the financial services available to people in the middle of Wales and we won't improve our productivity unless we bridge the gap between our entrepreneurs and the money they need to develop. We won't develop our productivity without that.

[66] **Russell George:** Before I go on to Adam Price, the other question I have is: in your response to Hannah you said that you'd had meetings with Welsh Government and UK Government, but, just a brief answer: how did those meetings go? Did you go there banging the table, 'We want a growth deal?' What was their answer?

[67] **Mr Shaw:** These are early days. They're informal. They are building partnerships, and we've had no discouragement.

[68] **Russell George:** Okay.

[69] **Mr Shaw:** I think that's the positive, but one step at a time. No demanding and no hammering on the table.

[70] **Ms ap Gwynn:** Could I just come back on that? On the skills side, which I think—

[71] **Russell George:** You don't need to touch the equipment.

[72] **Ms ap Gwynn:** Sorry. I'm used to doing it.

[73] **Russell up George:** Otherwise they explode. [*Laughter.*]

[74] **Ms ap Gwynn:** Anyway, if I can go back to the skills side, I've had this conversation with Julie James, because I'd been very frustrated, in that she has not allowed us to have our own regional learning partnership specifically for mid Wales. We've had to work with the south-west one, which includes mid Wales. But, unfortunately, their thinking doesn't include mid Wales, and the first draft of a strategy we had for skills development was sadly lacking on the skills we actually need and know we need, and, I'm afraid, I did bang the table a bit there, but I haven't got very far as yet. I will be back.

[75] And I'm sure Myfanwy will support me in this, because both counties have now lost direct control of their FE colleges. Neath Port Talbot has taken over Coleg Powys and, recently, Coleg Sir Gâr has taken over Coleg Ceredigion. Now, they are in the process of asset stripping courses. Okay, the funding for FE is sadly lacking and it needs to be addressed, but, from my point of view, we still have Hyfforddiant Ceredigion Training in-house ourselves, where we can provide skills training specifically for the workforce. Now, in my book, I think that's where we need to be focusing and developing work-based learning through our own provision, and not relying on a sadly lacking FE sector in mid Wales.

[76] **Russell George:** Okay, that's powerful. Myfanwy.

[77] **Ms Alexander:** Just to add to what Ellen said there, I think what we can contribute through an initiative like this is to help to make the connections between businesses and where they will get their skilled workforce, and that may include schools. Because, for example, the life sciences sector in Welshpool is very keen on A-level biology; it's their favourite qualification. And so, the partnership there between the local firms and the high school is as crucial as between the FE college and those employers. But it's not always easy for those connections to be made, and facilitating and brokering those connections, we see, would be a key part of what the development plan for our area would mean.

[78] **Russell George:** Okay, that's good. That's clear. Adam Price.

[79] **Adam Price:** Rŷch chi wedi **Adam Price:** You've given us a dechrau rhoi rhagflas i ni, rwy'n flavour, I think, of some of the areas credu, ar rai o'r meysydd a'r themâu and themes that will be the focus of a fydd yn ganolbwynt i'ch rhaglen ar your programme for a growth deal or gyfer, wel, bargaen dwf o bosibl neu any other possible funding unrhyw raglen ariannu arall, ac mae programme, and Mike Shaw has

Mike Shaw wedi esbonio eich bod chi wedi mynd mas at ymgynghorwyr i roi rhagor o gig ar yr esgyrn. Ond, a oes yna unrhyw brojectau allweddol eraill rŷch chi yn barod wedi eu hadnabod yr ŷch chi heb eu crybwyll a fyddai'n rhan o unrhyw raglen rŷch chi'n ei rhagweld? Ac a oes yna ffigur gyda chi yn barod ar gyfer y cyfanswm? Hynny yw, y maint cyllidol y byddech chi'n hoffi ei weld a fyddai'n gallu cael effaith arwyddocaol ar economi canolbarth Cymru.

explained that you have gone out to consultation to put more meat on the bones. But are there any other key projects that you've already identified that you haven't mentioned and which would be a part of any programme that you would anticipate introducing? And do you have a figure for the total? That is, the amount of funding that you would like to see and which could have a significant impact on the economy of mid Wales.

[80] **Ms ap Gwynn:** Yr unig beth sy'n fy mecsio i—

Ms ap Gwynn: The only thing that concerns me—

[81] **Russell George:** So, who's going to answer that? 'How much money do you want?' is the question there. [*Laughter.*]

[82] **Ms ap Gwynn:** We haven't got to the bottom line yet.

[83] Ond rwy'n credu bod *Brexit* o'n blaenau ni—gobeithio nad yw, ond mae'n edrych yn ddu ar y funud. Mae hynny'n golygu bod yna dwll. Rydym ni wedi colli—. Rwy'n credu ein bod ni'n cychwyn o le gwael. Yng Ngheredigion yn unig, rydym ni wedi colli 25 y cant o incwm y cyngor sir, sef rhyw £38 miliwn dros dair blynedd. Mae Powys wedi bod yn yr un sefyllfa—y ddwy sir sydd wedi colli fwyaf—sy'n bwrw'r economi. Mae'r brifysgol wedi colli arian, ac maen nhw mewn perygl o golli arian ymchwil. Mae'r llyfrgell genedlaethol wedi colli, ac mi oedd Ceredigion yn benodol—tua 40 y cant o'r economi yn bwysig o ran y sector cyhoeddus.

But I do think that we are facing *Brexit*—I hope not, but things are looking bleak at the moment. That means that there is a black hole. I think we have lost out—. We're starting from a weak position. In Ceredigion alone, we've lost 25 per cent of the council's income, which is some £38 million over three years. Powys has been in the same situation—the two counties that have lost most—and that, of course, has an impact on the economy. The university has lost funding, and they are at risk of losing research funding too. The national library has lost out, and Ceredigion specifically—around 40 per cent of the economy is reliant

Nid oedd hynny'n iach, efallai, ond dyna'r gwir.

on the public sector. That wasn't perhaps healthy, but that is the reality.

10:30

[84] Erbyn hyn, wrth gwrs, mae'r economi wedi cwmpo ac mae o'n dechrau dangos. Rydym ni'n gwybod ers blynnyddoedd bod ein hieuentid ni'n llifo dros y ffin, neu i lawr i Gaerdydd bellach, diolch byth, ond rydym wedi colli poblogaeth o tua 2.3 y cant ers 2014. Felly, mae hynny'n dangos i chi lle rydym ni nawr, heb orfod wynebu Brexit. Felly, mae yna bwl anferth o arian sydd ei angen i gymryd lle beth rydym wedi ei golli. Mae yna £150 miliwn efallai o arian Ewrop mewn perygl o gael ei golli os na chawn ni arian ychwanegol, neu yn ei lle, o Gaerdydd. Felly, dyna'r math o—. Rydym ni'n edrych ar £200 miliwn a mwy o dwll yn yr economi, os gallaf i jest cymryd hynny allan o'r gwynt.

The economy has started to decline and that has started to have an effect. We have known for some years that our young people are flowing over the border, or now down to Cardiff, thank goodness, but we have seen a population loss of some 2.3 per cent since 2014. That shows you where we are now, without having faced Brexit. So, a huge fund is required in order to replace what we've lost. There is £150 million of European funding that is at risk of being lost unless we get additional or replacement funds from Cardiff. So, that's the scale of things. We're looking at £200 million and more in terms of a hole in the economy, if I could just pluck that figure out of the air.

[85] Mae'n rhaid inni gael cynlluniau sy'n mynd i gefnogi busnesau bach a chefnogi ymchwil—nid yw hwnnw wedi'i ddatganoli. Mae'r brifysgol mewn perygl o golli allan. Maen nhw'n dechrau symud i ffwrdd yn barod. Cawsom ni £40 miliwn i'r brifysgol yn Aberystwyth ar gyfer datblygu'r campws arloesi sydd yn mynd i gael ei lansio wythnos y sioe. Mae yna ddarpariaeth newydd ar gyfer hyfforddi milfeddygon yn dechrau datblygu yn Aberystwyth—rhywbeth sydd wedi bod yn daer ei

We have to have schemes that are going to support small businesses and support research—that's not devolved. The university is at risk of losing out. They're starting to see that impact already. We had £40 million for Aberystwyth University to develop the innovation campus, which is to be launched during the Royal Welsh Show. There is new provision for training vets, which is starting to be developed in Aberystwyth—something that's been needed for many years. There are

angen ers blynyddoedd. Mae yna bethau yn dechrau dod, ond mae'n rhaid inni nawr fod yn agored. Dyna fy ffocws i, fel cadeirydd ac fel arweinydd y sir, sef ein bod yn gorfod edrych yn fanwl iawn ar beth y gellid ei wneud i ddatblygu'r economi er mwyn llenwi'r bwlch yna sydd ar y gorwel, rwy'n ofni.

[86] **Adam Price:** Yn eich tystiolaeth ysgrifenedig chi, rŷch chi'n gofyn am ddatganoli rhagor o bwerau i'r rhanbarth. A allwch chi sôn am ba bwerau yn union rŷch chi'n cyfeirio atyn nhw yn fanna?

[87] **Ms Alexander:** Un peth bach efallai: pan fyddwn ni'n sôn am ddatblygu'r economi, mae gennym ni bersbectif newydd ac mae'r persbectif o ran y ffaith ein bod ni'n dibynnu ar bobl sy'n hunangyflogedig a busnesau micro. Mi fyddwn i'n licio edrych ar *slant* hollol wahanol. Felly, yn lle meddwl am brosiectau mawr, mi fyddem ni'n edrych o'r gwaelod i fyny, i dyfu busnesau bach. Felly, rydym ni eisiau cael y grym i fuddsoddi pres. Mae'n bwysig iawn i gynllun fel hwn gyrraedd bob twll a chornel o ardal sydd gymaint ar wasgar. Felly, beth rydym ni ei eisiau yw'r cyfle i wario'r pres sy'n mynd i wir effeithio ar y math o economi sydd gennym ni yn y canolbarth, sy'n hollol wahanol i ardaloedd eraill yng Nghymru. Felly, pan fyddwn ni'n sôn am bwerau, y pŵer i wario, mwy na dim, yr ydym ni'n chwilio amdano a'r potensial i

things that are in development, but we now have to be open. That is my focus, as chair and leader of the council, in that we do have to look in great detail at what can be done to develop the economy so that we can fill that gap that we are facing, I'm afraid.

Adam Price: In your written evidence, you do ask for further devolution in relation to powers for the region. What powers exactly would you be referring to there?

Ms Alexander: Just one brief point: when we talk of developing the economy, then we have a new perspective and that perspective is in terms of the fact that we are reliant on people who are self-employed and microbusinesses. I would like to look at an entirely different slant on this. So, rather than thinking of major projects, we would be looking from the bottom up in order to grow and develop small businesses. So, we want the power to invest money, and it's very important that a programme such as this reaches every nook and cranny of such a dispersed population. So, what we want is an opportunity to spend the money that will truly impact on the kind of economy that we have in mid Wales, which is entirely different to other areas of Wales. So, when we talk of powers, it's the power to spend that we're looking for more than anything

ddatblygu prosiectau sy'n mynd i fod yn addas o ran *scale* yr ardal honno a sicrhau bod cyfartalwch ar draws yr ardal a bod prosiectau'n mynd i ddwyn elw i sectorau fel amaeth a thwristiaeth sydd, ar hyn o bryd—yn enwedig amaeth—o dan fygythiad.

and the potential to develop projects that will be appropriate in scale for our area. We need to ensure that there is equality across the area and that projects will bring benefits to sectors such as tourism and agriculture, which at the moment—particularly agriculture—are under threat.

[88] **Ms ap Gwynn:** A gaf fi ddod i mewn ar hyn? Rwy'n credu ei bod yn bwysig. Yn y sector twristiaeth, rwy'n ymwybodol iawn o un cynllun mawr sydd wedi cael addewid o arian datblygu yng nghanol Aberystwyth ers dwy flynedd. Mae wedi cael ei gyhoeddi ddwywaith, ond mae'r arian yn dal heb gyrraedd. Visit Wales yw hynny—Croeso Cymru. Pam? Mae biwrocratiaeth yn rhywle yn llesteirio datblygiadau oherwydd bod pethau'n cael eu dal yn ôl am ba bynnag reswm. Rwy'n deall bod rhaid bod yn ofalus a bod y cynlluniau busnes yma'n mynd i weithio, ond mae hwn yn fusnes sydd wedi profi ei hun, ac felly rwy'n credu bod rhaid inni gael mwy o hyblygrwydd yn y ffordd y mae potiau arian yn cael eu dosrannu. Pe byddem ni'n cael y pot arian i fod yn gyfrifol amdano fo ein hunain, a'n bod ni wedyn yn gallu ymateb i'r galw yn lleol, byddai hynny'n hwyluso pethau, yn enwedig ar lefel bach. Os ydych chi'n delio gyda chwmni mawr, digon teg—rŷch chi angen rhoi mwy o amser a mwy o sylw iddyn nhw, ond mae busnesau ar y lefel rŷm ni'n delio efo nhw, ar y cyfan, yn fach. Byddem ni'n gallu

Ms ap Gwynn: Can I just come in there? I think this is important. In the tourism sector, I am very aware of one important scheme that was promised development funding in the middle of Aberystwyth about two years ago. It's been announced twice, but that funding still hasn't come. That's Visit Wales—Croeso Cymru. Why? There's bureaucracy somewhere that is causing problems and restricting development, as things are being held up for whatever reason. I understand that we have to be careful and that business planning is very important in order to make sure that projects work, but this is a project that has proven itself. So, I think that we have to have more flexibility in the way that funding is disseminated. If we had a pot of funding so that we could be responsible for it ourselves, and we then would be able to respond to the need locally, that would certainly facilitate things, especially on a smaller scale. If you're dealing with a large company, it's fair to say that you need more time and they need more attention at that level, but as regards the businesses that we deal

delio gyda nhw'n fwy lleol a with, they are, on the whole, quite rhyddhau arian iddyn nhw. small. We could deal with them on a more local level and disseminate funding to them.

[89] Rydym ni wedi bod yn dibynnu We've been dependent on the ar yr Heritage Lottery Fund i raddau. Heritage Lottery Fund to some Mae yna ddatblygiad twristiaeth extent. There is a new tourism newydd yn datblygu, gobeithio, lawr development, hopefully, in the yn y brifysgol, yn yr hen goleg. university, in the old college building. Rydym ni'n dal yn aros am We're still waiting for an ddatganiad ar hwnnw rwy'n gobeithio announcement on that, which I hope fydd yn bositif. Rydym ni wedi cael will be positive. We've had HLF arian HLF i uwchraddio amgueddfa y funding to renew the county museum in sir yn Aberystwyth. Mae hwnnw bron in Aberystwyth. That is almost ready a bod yn barod i agor ei ddrysau ar y to be launched, following the first cam cyntaf. Mae abaty Ystrad Fflur stage. Strata Florida has also had wedi cael £0.5 miliwn. Rydym ni yn £0.5 million. So, we are dependent dibynnu ar loteri, lle nad oes dim on lottery funding, where there is no arian yn llifo trwyddo o'r Llywodraeth money coming through from the ar hyn o bryd, beth bynnag. Rwy'n Government at the moment anyway. I derbyn ei bod yn amser anodd ar understand that it's a difficult time bawb yn ariannol, ond mae angen i ni for everyone financially, but we do sicrhau bod arian teg yn dod. Tegwch need to ensure that fair funding is sydd ei eisiau—ein bod ni'n cael y given. Fairness is what is needed—that we have the proportion of canran o arian y dylem ni fod yn ei funding that we should be having for gael ar gyfer y canolbarth. Diolch. mid Wales.

[90] **Adam Price:** A gaf i ofyn— **Adam Price:** Can I ask—

[91] **Russell George:** Does Mike want to come in?

[92] **Mr Shaw:** I just wanted to—

[93] **Russell George:** We're pressed for time, so the answers need to be a bit shorter so that we can get through all our questions. Mike.

[94] **Mr Shaw:** Concisely, you ask about powers, and I'm aware that there's a discussion going on with some other regions about specific legal powers and structures in that way. Yes, we follow that, but actually what we meant in

our written submission—I'm sorry we didn't make it clear; I'm just seeing, as I thumbed through there—that it joins up with what we're expecting to see in the Cabinet Secretary for Economy and Infrastructure's strategy. So, we're almost anticipating that we're looking for, as the chair of Growing Mid Wales said, the region to be empowered, for structures and regulations to enable Growing Mid Wales, or our successor, to play a regional leadership role and to have things built underneath it. I'll stop there, but that was what was meant. It was about joining up with what the Cabinet Secretary said and a regional leadership role.

[95] **Russell George:** Thank you.

[96] **Adam Price:** Mae nifer o awgrymiadau wedi cael eu gwneud yn ddiweddar ynglŷn â datblygu rhanbarthol a hefyd datblygu gwledig. A buaswn i'n hoffi clywed eich barn ynglŷn â'r awgrymiadau hynny. Mae'r FSB wedi awgrymu creu dyletswydd ar ranbarthau ar gyfer datblygu economaidd. Felly, dyletswydd penodol. Mae'r CBI wedi dadlau o blaid creu corfforaethau datblygu rhanbarthol. Rydych chi'n sôn, wrth gwrs, am brofiad Bwrdd Datblygu Cymru Wledig yn eich tystiolaeth, ac, yn ystod y dyddiau diwethaf, mae Eluned Morgan wedi awgrymu creu comisiynydd ar gyfer Cymru wledig. Felly, a allwch chi roi eich ymateb chi i'r gwahanol awgrymiadau yma sydd yn berthnasol i waith Tyfu Canolbarth Cymru?

Adam Price: There are many suggestions which have been made recently about regional development, and rural development also. And I'd like to hear your opinion on some of those suggestions. The FSB has suggested creating a duty on regions in relation to economic development. So, a very specific duty to be placed on them there. The CBI has argued in favour of creating corporations for regional development. You refer, of course, to the experience of the Development Board for Rural Wales in your evidence, and, during the last few days, Eluned Morgan has suggested the creation of a commissioner's role for rural Wales. So, could you perhaps give us your response to the different suggestions that have been put forward and which are relevant to the work of Growing Mid Wales?

[97] **Russell George:** Which of you would like to lead on that? Councillor ap Gwynn.

[98] **Ms ap Gwynn:** Nid wyf i'n hoff o'r syniad o gomisiynydd—un person a rural commissioner—just one

yn edrych ar y cwbl, a chreu biwrocratiaeth? I beth? Mae gormod o fiwrocratiaeth yn barod, fel rwyf i wedi tynnu sylw ato fe. Corff datblygu yn yr un modd. Achos, dyna beth rydym ni eisiau—. Pe byddai dyletswydd arnom ni—. Océ, rydym ni yn gwneud y gwaith datblygu economaidd, ond nid yw'r arian RSG yn cynnwys elfen o ddatblygu economaidd. Felly, rydym ni'n gweithio efo un llaw y tu ôl i'n cefnau mewn gwirionedd. Nid oes arian gyda ni i greu y gyflogaeth y byddem ni'n hoffi ei gwneud er mwyn cynnal a chefnogi busnesau llawr gwlad. Mae fy mab fy hun, sy'n rhedeg busnes yn yr ardal, yn dweud, 'O, rŷch chi byth yn ein helpu ni', ac rwy'n dweud, 'Wel, does gen i ddim staff i ddod fewn i dy helpu di.' Rydym ni wedi bod yn ddibynnol iawn ar arian Ewrop, lle mae yna arian technegol sydd yn golygu ein bod ni yn gallu cael tîm o swyddogion i helpu i dynnu arian Ewropeaidd i lawr. Ond, yn gyffredinol, rydym ni yn gweithio efo ychydig iawn, iawn o fodd.

[99] Pe byddai dyletswydd, byddem ni'n falch iawn o gael yr hawl i hyrwyddo datblygiad economaidd yn y canolbarth, o fewn y sir a'r canolbarth ehangach, pe byddai'r modd gyda ni. Rwy'n credu mai arian yw'r craidd yn y diwedd—ein bod ni'n gallu cael staff sy'n gweithio ar y llawr sy'n gallu cefnogi'r busnesau bach yma. Nid oes ganddyn nhw'r modd na'r amser, yn aml iawn, i greu cynlluniau busnes er mwyn iddyn

person looking at all of it, and creating that bureaucracy? What for? There's too much bureaucracy already, as I've already highlighted. And a development body likewise. Because, this is what we want—. If there were a duty placed upon us—. We do that economic development work, but the RSG funding doesn't include that economic development element. So, we're working with one hand tied behind our backs, if truth be told. We don't have the funding to create employment as we would like to in order to maintain and support grass-roots businesses. My own son runs a business in the area, and he says, 'Well, you never help us.' And I say, 'Well, I don't have staff to help you.' We've been very reliant on European funding, where there is that technical fund, which means that we can have a team of officers to help us draw down European funding. But, generally speaking, we are working with very little in terms of means.

If there was a duty placed upon us, we would be very pleased to have the responsibility to promote economic development within the county, and in wider mid Wales, if we had the means. And I think it all comes down to funding ultimately—that we can have staff working at the grass roots who are able to support these small businesses. They simply don't have the funding or the time to create business plans so that they can

nhw allu datblygu.

develop their own businesses.

[100] **Ms Alexander:** Hefyd, byddai'n braf i gael y staff i hyrwyddo aelodau'r gymuned fusnes i fentora ein cymdogion, achos mae hyn wedi bod yn llwyddiannus, er enghraifft, o ran Effaith Dyffryn Hafren efo'r grŵp Sirolli sydd yna, a phobl mewn busnes yn cefnogi aelodau eraill o'r gymuned fusnes. Ond hefyd, i wneud hynny, mae'n bwysig cael strwythur i wneud hynny.

Ms Alexander: It would also be great to have staff to promote business community members to mentor our neighbours, because that's been very successful, for example, in terms of Severn Valley Effect with the Sirolli group that's there, and businesspeople supporting other members of the business community. But to do so, it's important to have a structure to do that.

[101] **Russell George:** Can I just ask for clarity, because in some of your answers it sounds like, 'Well, you know, the council's not got enough cash; you give us the cash, we can do it.' So, in terms of what you want to see the Welsh Government and, potentially, the UK Government doing in terms of some kind of package, is it giving the money to the council to get on, or is it a new body? Is Growing Mid Wales the right organisation to do that, or is there another organisation you think should emerge?

[102] **Mr Weale:** I certainly think it's giving money to the council, and let the council get on with it. That's short and sharp; that's what we need. We need money to get on with things, I'm afraid, and we're being left behind.

[103] **Russell George:** So, that's not happening in the deals in south Wales or north Wales. These are bodies that are, perhaps, led by the local authority, but it's not cash going directly to the county council; it's a body set up to administrate that.

[104] **Mr Weale:** But it's just another way of getting the money. Before you get the money, it's spent, isn't it? In business, you don't need loads of people telling you what to do. We've got the expertise. We know what we're doing.

[105] **Russell George:** Mike and Councillor ap Gwynn.

[106] **Mr Shaw:** Very, very simply, I think actions are more important than structures. Where structures get in the way of actions, yes, we need to do something. But you asked about what we've learnt from other regions, and

we have learnt a lot from some of the English LEPs, as I've said, and they do achieve things and they are achieving things. If you lived in those areas you'd probably want more, but they're still very often local authority vehicles. We've also recently learnt that the Marches LEP is actually run as a committee of Shropshire Council, formally and legally. It's a very important player in its economy. It's reached that. It does the work and the structures are sufficient to allow it to do that, but it's still bedded within the local authority.

[107] **Russell George:** Councillor ap Gwynn.

[108] **Ms ap Gwynn:** Rwy'n credu y byddwn ni'n clywed ym Mhapur Gwyn Mark Drakeford, y Gweinidog llywodraeth leol a chyllid—ar y deunawfed, rwy'n credu, mae'n rhoi adroddiad i chi—mae'n symud, rwy'n teimlo, i sefydlu pwyllgorau rhanbarthol—*joint committees*. Dyna'r argraff rwy'n ei chael. Ni allaf ddweud â llaw ar fy nghalon mai dyna beth fydd yn y papur, ond yr argraff o drafod gydag e yw dyna'r cyfeiriad mae'n symud iddo fe.

Ms ap Gwynn: I believe that we will see in Mark Drakeford's White Paper, the Minister for local government and finance—I think he's to report on the eighteenth—and I think he is moving towards the establishment of joint regional committees. That's the impression I get. I can't say hand on heart that that's what will be included in the paper, but in having discussed these issues with him that's the direction of travel I believe he is taking.

[109] Mae gennym ni bwyllgorau o'r fath sydd wedi eu sefydlu yn gorfforaethol gyfreithiol, er enghraifft, Trac, roeddwn i'n cyfeirio ato gynnu. Mae honno yn hen bartneriaeth sefydlog sydd wedi ei sefydlu o dan y bartneriaeth yna, sydd yn golygu bod y ddwy sir, neu pa bynnag siroedd sydd ynghlwm wrth unrhyw fenter, yn cydweithio. Mae ERW gennym ni fel y corff datblygu addysg, er enghraifft, rhwng chwe sir, ac mae'r strwythur yr un peth yn y fan hon. Os wyf i wedi deall beth mae e a Ken Skates yn ei ddweud, rwy'n credu eu bod nhw'n symud i'r cyfeiriad yna o ran y pedair

We do have such committees which are legally incorporated, such as Trac, which I mentioned earlier. That's a long-established partnership that was established as a partnership, which means that the two counties, or whichever counties are involved, do collaborate. We have ERW as the education development body, for example, between six counties, and the structure is the same there. If I've understood what he and Ken Skates are saying, then I do believe that they're moving in that direction in terms of the four regional development regions. If so, I believe that we will perhaps be invited to

rhanbarth datblygu economaidd. Os felly, rwy'n rhyw amau efallai y byddwn ni yn cael ein gwahodd i sefydlu pwyllgor ffurfiol neu ryw gorff ffurfiol rhwng y ddwy sir, neu pa bynnag siroedd a fydd ynghlwm wrth y canolbarth, i symud pethau ymlaen. Mae hynny yn ei gwneud yn haws. Mae hefyd wedi awgrymu, pan fuodd e'n siarad efo'r WLGA yn ddiweddar, fod y *precept* yn mynd i aros gyda'r cynghorau sir, ym mha bynnag drefn ranbarthol. Mae'r *precept* yn aros yn sirol, ond wedyn mi fydd yna fodd a mecanwaith i greu y cyllidebau ar y cyd ar gyfer pa bynnag faes mae'r bartneriaeth ynghlwm wrtho.

[110] Felly, mae hynny wedi digwydd eisoes, fel rwy'n dweud, ym maes gwella addysg. Mae hefyd yn y ddeddfwriaeth gwasanaethau cymdeithasol, lle mae yna elfennau o'r gwaith yna yn gorfod cael eu gweithio ar ôl troed bwrdd iechyd, er enghraifft.

[111] **Russell George:** Councillor Myfanwy.

[112] **Ms Alexander:** Just very briefly, I think it is important to remember that if we do have a very large input from the county councils, they are democratically accountable. And in any organisation such as this, we do need to have governance. We do need to make sure that any public money is appropriately spent, and so on, and the closer that is to our elected representatives, the more clear lines of responsibility that we have, and we would be accountable for that. As Ellen has said, we've got a very strong record of practical partnerships, and I think that's what we're looking for. We're looking for support for practical partnership activity.

10:45

[113] **Russell George:** And do you think that the private sector that is part of Growing Mid Wales would agree with your views in that regard as well?

[114] **Ms Alexander:** I think they would, yes.

[115] **Russell George:** Okay, that's good. Councillor—I've got too many Councillors. Vikki Howells.

[116] **Vikki Howells:** Thank you, Chair. You've said that you've had discussions with the Cabinet Secretary around the idea of having a regional growth deal, but what about the new economic strategy. Have you had any input into the development of the strategy to date?

[117] **Russell George:** Who wants to take that? Okay, Mike.

[118] **Mr Shaw:** Like other regions, we made a formal written input. We have met the Cabinet Secretary for Economy and Infrastructure to discuss these issues and those things. We're fully engaged as a partnership with officials in Welsh Government—economy, they sit around the table at the partnership. Perhaps I should have emphasised that at the start, that the word 'inclusive' includes key Welsh Government officials. So, we've got agriculture, we've got economy and regeneration now around the table. I hope we are on message. Some of the things I answered earlier were from where we think the economic strategy will go. They were actually from a presentation I did in a bioeconomy conference with the Department for Business, Energy and Industrial Strategy's head of bioeconomy from London, and we were talking about what the outcomes are that we're looking for from whether it's a sector deal or a growth deal or local growth funding—whatever that funding is, what outcomes we're looking for. So, we're beginning to explore those ideas, but I'm afraid we don't know the exact words of the strategy yet.

[119] **Vikki Howells:** No, I'm sure. If the forthcoming prosperous and secure strategy is to be targeted at inclusive growth and regional economies, how do you think it should differ from previous Welsh Government economic strategies?

[120] **Ms ap Gwynn:** Well, it should take account of the needs that we have. I think we've got to start from the bottom up. I don't want anybody coming down and telling me, 'This is what you need.' What we need is the freedom to tell them, 'This is what we need on the ground, this is what will work on

the ground in order for us to be able to carry on the work that has started.’ It’s in its infancy, we accept that, but we need the time and the space and the opportunity to be able to develop, to support our small businesses, to support the rural economy more generally, as well as the farmers, because they’re going to be hitting a brick wall soon if we’re not careful and don’t start preparing for the possible inevitability of not being part of the single market. That is going to hit them hard, and it’ll hit our markets and the economy in a wider way even harder. The same as I’ve already said with the universities in danger of losing research funding, we’ve got to be able to feed into that strategy and hope that it’s more than just ‘tourism’. Sorry, we need something with a bit more *cig arno fe*, more meat on the bone, because as I’ve said earlier, we’re losing our young people and we’re suffering—both counties are suffering—depopulation more than any other counties in Wales at the moment.

[121] **Russell George:** Councillor Myfanwy.

[122] **Ms Alexander:** In terms of inclusivity, I think, although we would have ambition and we’d like to see headline ambitious projects, we’re more about making differences in a lot of communities and the smaller microbusinesses. We have a situation in Powys where so many people are actually paying themselves far less than the minimum wage, and we also have the largest gap in Powys, for example, between house prices and average wages of anywhere in Wales, because our houses are relatively expensive and our wages are relatively low. Now, that makes life in those areas very hard, and if you can improve the productivity of those businesses by a small amount, it would make a huge difference to people’s lives. I think that our aspirations to include a lot of small-scale projects will actually mean that some of our most disadvantaged communities are well-included in that.

[123] Mae’n rhaid i mi ddweud gair I must say something about the
 rŵan ynglŷn â’r iaith Gymraeg. Mae Welsh language here. I’m privileged
 gen i’r fraint o gynrychioli un o to represent one of the strongholds
 gadarnleoedd yr iaith Gymraeg yng of the Welsh language in the north of
 ngogledd sir Drefaldwyn ac ar hyn o Montgomeryshire and young people
 bryd mae’r bobl ifanc yn llifo allan. are flowing out of the area at the
 Beth mae pobl ifanc eisiau? Maen moment. What do young people
 nhw eisiau cael bywoliaeth yn eu want? They want to be able to earn a
 cartrefi; maen nhw eisiau byw yn eu living in their areas; they want to be
 hardaloedd eu hunain. Os ydym ni’n able to live in their own areas. If we
 cael projectau bychain i ddatblygu have small projects to develop skills

sgiliau a chodi cyflogau mewn ardaloedd fel dyffryn Banw, byddwn ni hefyd yn sicrhau dyfodol yr iaith fel iaith gymunedol mewn ardaloedd fel hyn.

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

[125] **Adam Price:** Rydw i'n falch eich bod chi wedi codi hynny, achos mae yna awgrym hefyd yn y Papur Gwyn—yn gyfochrog, a dweud y gwir, gyda'r trefniant ar gyfer tyfu'r canolbarth—fod yna gydweithio hefyd ar draws y gorllewin, ond gan gynnwys sir Drefaldwyn, o bosib, oherwydd y cyswllt iaith ac economi sydd yn uno'r ardaloedd hynny o Fôn, gan gynnwys Ceredigion a rhannau gorllewinol o siroedd eraill, i lawr i sir Gaerfyrddin. A fydddech chi'n croesawu'r math yna o hyblygrwydd, a dweud y gwir? Achos yn sir Gaerfyrddin, er enghraifft, mae yna gysylltiadau i'r de gyda ni, ond hefyd mae yna gysylltiadau ar hyd y gorllewin. Gallem ni gael y ddau—hynny yw, cydweithio ar sawl lefel, wrth gwrs.

[126] **Ms Alexander:** A hefyd mi fyddem ni'n falch iawn o ddysgu o bethau sydd wedi llwyddo mewn ardaloedd eraill a chyfrannu, hefyd, o'n profiad ni i'r cynlluniau sydd wir yn mynd i roi dyfodol i'r iaith fel iaith gymuned. Mae hynny'n hollbwysig. Rydym ni angen tai a swyddi, a hwn ydy'r stori cyfan, bron, ond sut i gael hynny, a sut i sicrhau, 'Wel, mae bywyd cefn gwlad yn ddeniadol i bobl

and to raise salaries in areas like the Banw valley, then, certainly, we could ensure a future for the language as a community language in those areas.

Adam Price: I'm pleased you raised that point because there is also a suggestion in the White Paper—along with the arrangements for the growth of mid Wales—that there should also be collaboration across the whole of the west of Wales, including Montgomeryshire, possibly, because of the language and economy link that unites those areas from Anglesey, including Ceredigion and the western parts of other counties, all the way down to Carmarthenshire. Would you welcome that kind of flexibility? Because in Carmarthenshire, for example, we have links to the south, but there are also links across the west. We could have both—that is, collaboration on many different levels.

Ms Alexander: Also, of course, we'd be very happy to learn from success stories in other areas and also to contribute from our experiences to the schemes that really will give a future to the language as a community language, and that's extremely important. We need houses and jobs, and this is the full story, really, of how to do that and how to ensure that rural life is

ifanc.’ So, mae hwn yn golygu bod yn attractive to young people. This rhaid iddyn nhw fod yn ardaloedd efo means that it needs to be an area tipyn o fwrlwm a hwyl—mewn ffordd, where there’s some vibrancy—in a rydym ni mewn rhyw fath o *Celtic twilight*. way, we’re lost in some sort of Celtic twilight.

[127] **Russell George:** Councillor Gareth, very briefly, and then I’ll come to Hefin.

[128] **Mr Lloyd:** Yn gyflym iawn, buaswn i’n croesawu hynny. Mae’r enw’n dweud y cwbl: Tyfu Canolbarth Cymru. Dyna beth rydym ni’n ceisio’i wneud. Gallai bron gael ei enwi, fel mae pobl yn dweud wrthyf i, ‘Cael canolbarth Cymru i ddala lan’, achos dyna’r teimlad sydd, ein bod ni’n cael ein gadael ar ôl, felly mae’n rhaid tyfu, ac mae’n rhaid atgyfnerthu’r ardal yna ac edrych i’r dyfodol, nid ar draul ardaloedd eraill, achos mae pob un eisiau’r un peth yn y diwedd, ond yn bendant, mae’n rhaid i ni edrych, a cheisio’n gorau dros yr ardal sydd gyda ni drwy hefyd gydweithio gyda’n partneriaid ar draws ba bynnag ffin, pa bynnag brosiect neu ba bynnag gynllun gwaith rydym ni’n gweithio arno—edrych i ddefnyddio ein cryfderau ni at ei gilydd, os oes modd, a hefyd, fel sydd wedi cael ei ddweud, dysgu o’n gilydd hefyd.

Mr Lloyd: Very briefly, I’d welcome that. The name says it all: Growing Mid Wales. That’s what we’re trying to do. It could almost be called, as people tell me, ‘Getting mid Wales to catch up,’ because that’s the feeling out there that we’ve been left behind, so we need to grow and make the area resilient for the future, not at the expense of other areas, because everyone, essentially, wants the same thing, but certainly we need to look at and do our best for our area by also collaborating with our partners, whoever they are, across whichever border, whatever project or programme that we’re working on—look to draw our strengths together wherever possible, and also, as has been said, to learn lessons from each other too.

[129] **Ms ap Gwynn:** Os caf i ddod i mewn hefyd— **Ms ap Gwynn:** If I could just come in too—

[130] **Russell George:** Very briefly.

[131] **Ms ap Gwynn:** Gwnaeth Edwina Hart sefydlu partneriaeth Dyffryn Teifi, er enghraifft, a rhoi bwrdd o **Ms ap Gwynn:** Edwina Hart did establish the Teifi valley partnership, and put a board of local people in

bobl lleol, busnes lleol, i arwain y bartneriaeth. Nid oedd dim arian yn dilyn hynny. Roedd hi'n rhwystredig iawn i bawb ohonom ni. Nawr, rydw i wedi gofyn, ar ôl i ni gael arian adfywio i Aberystwyth, mae yna *tranche* arall yn dod, ac roeddwn i'n dweud, 'Wel, pam na allwn ni ei roi o nawr i ddyffryn Teifi, o Aberteifi lan i Dregaron?' Maen nhw wedi gwrthod hynny; maen nhw am i ni ganolbwyntio ar Aberystwyth. Mae'n rhaid i bobl wrando ar beth rŷm ni moyn a beth sy'n mynd i weithio i ni. Diolch.

place to lead on that. There was no money related to that, no funding; it was very frustrating. I did ask, after we'd had regeneration funding for Aberystwyth, 'If another tranche is coming, can't we now put that towards the Teifi valley, from Cardigan to Tregaron?' They've refused that; they want us to concentrate efforts in Aberystwyth. But people do need to listen to what we want and what works for us. Thank you.

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

[133] **Hefin David:** Can I preface my two questions by saying that I'm not making any value judgements and there's no weight to my opinion here, I'm just trying to be neutral and ask the question? To what extent would you say that a regional economic strategy could lead to a sense of isolation, a sense of localism that leads to a sense of isolationism?

[134] **Ms ap Gwynn:** We're already isolated—that's the whole problem. That's why I made the point so strongly to Edwina Hart when she was talking about the metro in south-east Wales, and the city deal in Swansea, and what she was going to do to north Wales with our North Wales Ambition Board. I stopped her in her tracks and asked her, 'Please, Minister, what are your plans for the middle bit—the biggest bit of Wales?' We're like a hole in polo mint—

[135] **Hefin David:** The funny thing is, though, I've been saying exactly the same thing about the bit of the south Wales Valleys communities that sits between the Heads of the Valleys road and the M4. We'd say exactly the same thing. So, to what extent would you say, actually, the rural areas of Caerphilly county borough—which is where I'm from—have the same issues, the same problems, as those rural areas that we're talking about today?

[136] **Ms ap Gwynn:** I'm sure you have, but you—

[137] **Hefin David:** So why do we need a regional focus, when we could have the same outcome?

[138] **Ms ap Gwynn:** Well, you've got a regional focus now: you've got the metro coming that will link those top Valleys from Blaenau Gwent, Merthyr and around to Aberdare, down into Cardiff. That's what you've asked for, or your local authorities have asked for, and they're working together, as 10 local authorities in the south-east. Now, as I say, the south-west ones: Swansea, Neath Port Talbot, Carmarthen and Pembroke are working on the Swansea city deal. The six counties in the north are working together on the ambition board, and we have been left behind—ignored to all intents and purposes. We are not a hinterland to Swansea or Cardiff or the north Wales coast; we're our own part of—

[139] **Hefin David:** So, you feel that the city deals that are on offer in the other areas are going to solve those problems.

[140] **Ms ap Gwynn:** Well, those are your problems to solve, aren't they?

[141] **Hefin David:** This is a unique language here. I find it extraordinary to say, 'Those are your problems.' This is Wales; this an economic strategy that should be fitting the whole of Wales.

[142] **Ms ap Gwynn:** Exactly, and we've been left behind in the past so we're trying to catch up, and we're making the point.

[143] **Ms Alexander:** Can I just come to that from a different approach? I think, actually, we would like to say to the rural inhabitants of Caerphilly—because farming, for example, is so much of an industry in mid Wales—'let us break new ground for everyone.' We don't regard Growing Mid Wales as being something just for mid Wales. It's for us to—to get back to my catchphrase—'Do what you do do well.' And if we develop strategies for developing—. Let me give you an example: if you look at the businesses on Valleys high streets at the moment, that's a crisis, the state of—. So, if we work out ways of driving forward finance for microbusinesses in mid Wales, then that is as useful to a Valleys town where the streetscape is shocking. So, that's what we'd like to do. We will always be small scale. We will always have focuses on things like agriculture, but we would like to reach out with that to everybody. Let us be a testing ground and a learning area for the whole of Wales.

[144] **Hefin David:** We're talking about connecting the northern Valleys; why can't we connect with mid Wales as well, so that your supply chains are feeding into a Caerphilly high street?

[145] **Ms Alexander:** Absolutely.

[146] **Russell George:** Mike's promised to be very brief.

[147] **Mr Shaw:** Very, very brief. The problems are well recognised, and I'm hearing two things. One is about inclusivity within regions. We've got a regional approach and that's appropriate because regions are distinct. And I'm hearing from Welsh Government official colleagues that we are beginning to develop—we've already had one meeting—a vehicle called a regional alignment board, which is trying to bring officials together to join up what's happening in regions and to address just the sorts of problems that you've talked about via the sort of mechanisms Myfanwy—

[148] **Hefin David:** I'm really pleased with what Councillor Alexander has said. I'm a little bit perturbed by what Councillor ap Gwynn has said. It'd be great if you could square that circle and—

[149] **Ms ap Gwynn:** I've got no problem working with peripheral areas—if I may call them that—because we've been seen as a peripheral area in the past, to mid Wales, of course. If there are common problems, we can share expertise—

[150] **Hefin David:** I think there are.

[151] **Ms ap Gwynn:** We can share, but it doesn't mean to say that we don't need that focus on the needs of mid Wales, because otherwise we're being—

[152] **Hefin David:** We need to focus on the north of the Caerphilly borough as well.

[153] **Ms ap Gwynn:** Fair enough. You focus on Caerphilly and I'll focus on—

[154] **Hefin David:** But that's the point. I take your argument, but what I'm saying is that isn't how we should use our language. We should be talking about a collective strategy across all of Wales and how it connects together, which Councillor Alexander has done perfectly.

[155] **Russell George:** I'll bring in Councillor Martin, because he hasn't said much.

[156] **Mr Weale:** I was just going to say that we need to focus on mid Wales, but by lifting mid Wales up, we lift the rest of Wales up. That's what I want. I don't want to just say, 'I'm happy with my things'—

[157] **Russell George:** We'll end on this particular section. We've got a few minutes left. I want to bring in David in a moment. I'm going to give you advance notice of my last question so you can think about it as well. I want to say to you: if the Welsh Government and the UK Government said, 'Tell us what you want, mid Wales; there's no budget in mind—we haven't got a budget. Just tell us what you want, and what are your priorities? If it's for a growth deal or growth package—whatever you want—what are your priorities? Tell us in bullet points please.' That's going to be my question and I'll go to each of you to finish with, so you can incorporate any points, perhaps, you've not mentioned in that as well. But I'll come to David first, before I ask that question. David.

[158] **David J. Rowlands:** Given that the Welsh Government has stated that although it is putting in place overarching economic strategies, it wants regions to identify and develop local skills and industries—it appears that's exactly what you're doing—you must find it very frustrating that the Welsh Government are not supporting you in that, given that it's one of their stated aims.

[159] **Ms ap Gwynn:** Indeed. Well, I think we're beginning to see a little bit more support than we were. That's very true, but we've had to fight for it, as I said. I had to persuade the Minister for us to even get this off the ground two years ago. We are there now. We are part of the pattern of the regionalisation, and we need to see that develop for the needs and the betterment of our local communities, because it's a community of communities in mid Wales, as it is elsewhere in Wales. We are a big community of communities, but our communities have tended to be ignored in the past, so that's why—I'm sorry, Mr David—we've had to make the point and raise the profile of mid Wales. That does not mean to say—. As I said in the beginning, we're the middle piece of the jigsaw, and with the linkages—north, south, east, west—we need to make sure those linkages are strong and that our communities are strong so that we can bind the nation together and make good use of whatever strengths we all have, and share that out.

11:00

[160] **David J. Rowlands:** It is a better interaction, you're saying, but really, where are the funds? That's the \$64,000 question, isn't it? There are no funds for you to develop what you want to develop.

[161] **Ms Alexander:** That's why we need to have this discussion now, because we are looking at a post-Brexit world, whatever we think about that. That's the world we're looking at. And to some extent there is an advantage in that, and the advantage I can see is that we—Powys and Ceredigion—were in different economic support categories in terms of European funding, and we are now starting from ground zero. So, we'd like to say, 'This is how we see our region developing economically', and it doesn't really matter what colour we used to be on a European map. These are the problems that we all share. But it is really about developing industries and developing skills. A big thing for us at the moment is Woodknowledge Wales and creating good timber products to be used in houses so that we've got affordable houses built with Welsh timber, which are environmentally sustainable. That's the kind of thing that we want to be pushing forward, and that would benefit—. We're trying to pioneer this. We need support to do it, and it'll benefit the whole of Wales.

[162] **Russell George:** Have you finished your questions? At the beginning—before I ask my last question—there was quite a bit of talk about transport links. I was interested in what Councillor ap Gwynn was saying in that regard. But, Councillor Martin, from a Powys perspective, there's some written evidence that says to us that mid Wales needs to be connected to the Midlands Engine. Is this something you agree with or don't agree with? Are there transport links that need improvements or don't need improvements?

[163] **Mr Weale:** Yes, we definitely need transport improvements. We need the money to do it and we need to—. At the moment—

[164] **Russell George:** Is it just about money?

[165] **Mr Weale:** It's not about money. We need money, but it's not about money. It's about the whole thing—

[166] **Russell George:** So, not the money; tell us what the other problems are. We know the money problems, they're everywhere. Tell us: what are the issues that are preventing those transport schemes?

[167] **Mr Weale:** Well, it's very difficult to go away from money, but—

[168] **Russell George:** I know. It's a hard question.

[169] **Mr Weale:** It is a hard one because any of my—. If you build a factory—to be plain Jane—in mid Wales for £1 million, if you finish and you've decided you can't go on, you finish and you sell it for £700,000. If you build it in Birmingham for £1 million and you can't go on, you sell it for £1.2 million, £1.3 million. That's the problem we've got. We can't get people into mid Wales at the moment because the infrastructure isn't there. The time of—

[170] **Russell George:** Why can't we get people into mid Wales? Why I say it's beyond money is because there are transport schemes on the Powys border that are not progressing. When I asked the UK Government they said, 'Yes, we've got the money'. When I asked the Welsh Government they said, 'Yes, we've got the money to do it', but they're not progressing. So, why aren't they progressing? That's not about money. Is this something that you recognise, and how is that sorted out?

[171] **Mr Weale:** I don't know. I don't know the answer to that one, I'm afraid.

[172] **Russell George:** Mike wants to come in.

[173] **Mr Shaw:** Very, very quickly, that's why we've got a freight strategy and that's why we're doing it in partnership with the west midlands partners. It's a joint one, because co-ordination of schemes, getting lines agreed—. To take two examples from Montgomeryshire, there's issues about lines and routes on the A483 and the A458. Both are key routes for, I'm sorry, the Severn valley—and Aberystwyth. Wales might prioritise it, but England has to too. That's why we're focusing on a co-ordinated approach, providing an evidence base in the freight strategy, trying to prioritise those improvements and working both in England and in mid Wales so that we can develop that base to move forward. I just must put in a thank you to Welsh Government, because the Welsh share of that study, which is ours, was funded by Welsh Government entirely. That shows the importance of these links and getting that co-ordination with the Department for Transport in England.

[174] **Russell George:** Councillor Myfanwy, briefly.

[175] **Ms Alexander:** I was speaking to a nurseryman in Montgomeryshire who says he exports a great number of his plants, mainly to Germany, and he says he worries more about getting them past Pant than he worries about getting them to Düsseldorf. If he can get them through that bottleneck, he knows they'll reach Germany fine. That's the kind of thing that we have all the time.

[176] **Ms ap Gwynn:** The agricultural industry produces fantastic food and drink. We've got Horeb food centre as part of the three centres to develop food products based on what we produce in Wales. We've got to take full advantage of those products and we need a way to export them, not only to south Wales, but also across the border and even further, as Myfanwy's just said. Because our fisheries, for example, are not big; they mainly go abroad. What impact Brexit is going to have on that trade, goodness only knows. It's going to be the same with the lambs and whatever. But we've got to be looking forward and trying to make sure that our links and our lines of communication, of all sorts, are open and clear.

[177] **Russell George:** And looking forward brings me to my last question. I've already put the question to you: I want your top priorities for a mid Wales growth deal, a mid Wales package, whatever you want to call it. I'm going to bar you from talking about any particular area of mid Wales. I want the high level, top priorities—not looking backwards, looking forwards. You've got all the money you want from the UK and Welsh Government Ministers, tell us what your top priorities are. If you can incorporate any points that you think are relevant that you've not had the opportunity to say during the questioning. I'll come to Councillor Gareth first.

[178] **Mr Lloyd:** Rwy'n siŵr y down ni ymlaen at fwy o bwyntiau lefel uchel fel rydym yn symud ymlaen, ond fe fyddwn i'n moyn tri neu bedwar peth *fundamental* o ran tegwch: ein bod ni fel ardal a phobl sy'n byw yn yr ardal yn teimlo eu bod nhw'n cael eu trin yn deg gyda'r bobl sy'n byw dros y ffin neu mewn ardaloedd eraill. Nid oes o reidrwydd pris ar ei ben e—

Mr Lloyd: I'm sure we'll come on to more high-level points as we proceed, but I would say three or four things that are fundamental in terms of fairness: that we as an area and people living there feel that they're being treated fairly compared to people living over the border or in other areas. That doesn't necessarily have a price on its head—

[179] **Russell George:** Can I stop you, Councillor Gareth? I don't want to hear—. What I want to hear is: what are your top, top priorities? We're over

time now, so you've got to give us your top key priorities.

[180] **Mr Lloyd:** Fy hunan, y peth mwyaf y byddwn i'n moyn yw bod y busnesau bach yn cael eu gwrandio arnyn nhw fwy. Os oes problem gyda busnes mawr, mewn rhyw ffordd, nid yw'n rhwydd, ond mae eu drwm nhw yn gwneud fwy o sŵn. Mae'r person bach sy'n gweithio i'w hunan, neu'n 'employ-o' un neu ddau—mae ei ddrwm e dipyn llai. Ond mae cymaint ohonyn nhw i'w cael, pe bydden nhw'n gallu cydweithio gyda'i gilydd, byddai'r sŵn y byddai'r drymiau yna i gyd yn ei wneud yn fyddarol.

Mr Lloyd: Personally, the main priority I would see is that small businesses should be listened to more. If there is a problem with a large business, somehow, it's not easy, but their drum is much noisier. The small person who is working on his or her own, or who employs one or two people—they can't make that noise. But there are so many of them, if they can work together, all of those drums together would be deafening.

[181] Un enghraifft glou iawn: Ysgol Fenter y Cardi, sef rhywbeth wnaeth y grŵp gweithredu lleol, gydag un swyddog a dim ond grantiau bach o hyd at £5,000, ynghlwm wrth arian roedden nhw'n buddsoddi eu hunain. Mewn blwyddyn a hanner i ddwy flynedd, fe wnaeth pobl a oedd yn gwneud pethau yn eu hystafell wely, fel hobi—fe aeth rhyw 30 i 40 o bobl ymlaen i fod mewn swyddi llawn amser, a oedd wedyn yn rhyddhau'r swyddi a oedd gyda nhw i bobl eraill.

One brief example: Ysgol Fenter y Cardi, which is something the local action group did, with one official and small grants up to £5,000, as well as funds that they invested themselves. In 18 months to two years, people working as hobbyists in their bedroom—some 30 to 40 people went on to full-time employment, which then released the jobs that they used to do to others.

[182] Mae cymaint o bobl allan yna sydd mewn busnesau bach sydd dim ond angen y gefnogaeth yna, yn fwy na dim, gyda pheth arian, i fynd i'r cam nesaf—neu i ddatblygu rhywbeth sy'n hobi nawr i fod yn fusnes. Fy mlaenoriaeth i fyddai helpu y busnesau bach yna i dyfu.

There are so many people out there working in small businesses who just need that support, more than anything, with some funding behind them, to go to the next step—or to develop something that is now a hobby into a business. My priority would be to help those small businesses to grow.

[183] **Russell George:** Okay. You've got less than 30 seconds for each of you now. Councillor ap Gwynn.

[184] **Ms ap Gwynn:** Okay—roads, broadband, and the freedom to set our own criteria as far as giving grants out.

[185] **Russell George:** Perfect. Thank you. Perfect answer.

[186] **Mr Shaw:** I'm not repeating: generational change, because I think a lot should be done anyway on this agenda, but we do need growth conditions to support generational change; food and farming—we need a proper agricultural policy developed, post Brexit; tourism support; and research innovation in future resilient things in our economy, things like—I'm going to say something that probably I shouldn't on the public record—

[187] **Russell George:** It will be on the public record.

[188] **Mr Shaw:** I know. I realise that, but things that will have a deep impact on—funding things that will have a deep impact on farming across rural Wales to do with bovine TB. We've got a project on a vet hub, we've got veterinary science, and we've got a post mortem lab in Aber now. We've got to get a vet park—

[189] **Russell George:** That's fine. Myfanwy.

[190] **Ms Alexander:** I'd like to have the capacity to tailor the development of skills on a micro level, so that businesses can really be served by the skills providers in their area. The other thing is finance for micro and small businesses in unbanked areas—support for that.

[191] **Russell George:** Councillor Martin.

[192] **Mr Weale:** Just basically to help communities right the way across—. If there's money no object, to help communities right the way across Wales. That's all I—. That's it.

[193] **Russell George:** Well, thank you for your time this morning. I'm sorry that I've been prompting you and trying to cut you off at some times, but it's been a very short session with lots of witnesses this morning. If you have got further evidence, send it to us in the next seven days. If you want to add to what you've said, that's fine. Anything you send to us in the next week will

be taken and given as much weight as has been done this morning.

[194] We're going to take a short break. We've got the Cabinet Secretary, Ken Skates, with us next on this issue, and you're all very welcome to join us from the gallery to witness that next session. We'll take a short break and we'll be back in five minutes—back at 11:17.

*Gohiriwyd y cyfarfod rhwng 11:11 ac 11:21.
The meeting adjourned between 11:11 and 11:21.*

**Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith—Bargeinion
Dinesig ac Economiâu Rhanbarthol Cymru
Cabinet Secretary for Economy and Infrastructure—City Deals and the
Regional Economies of Wales**

[195] **Russell George:** Okay, I'd like to welcome the Cabinet Secretary, Ken Skates, to our committee meeting this morning. This is our last session in regard to our inquiry into city deals and the regional economies of Wales. I'd be very grateful, Cabinet Secretary, if you could introduce your officials for the record.

[196] **The Cabinet Secretary for Economy and Infrastructure (Ken Skates):** Thank you, Chair. I'm joined today by Gwenllian Roberts, who's been leading on the north Wales growth deal. I'm also joined by Tracey Burke, from my strategy team, and also Jo Salway from the Cabinet office, and I make no apology for the gender imbalance on this side of the table. [*Laughter.*]

[197] **Russell George:** Very grateful, Cabinet Secretary. I'll come to Hefin David to kick off questions.

[198] **Hefin David:** Cabinet Secretary, if you'd been a UK Government Minister, would you have developed city deals?

[199] **Ken Skates:** I think they can be very useful. They are proving very useful in bringing together local authorities, and, in an English context, I think that's proven very beneficial. We've had, for some time, a view of developing city regions as a beneficial vehicle for driving economic growth, and, therefore, I certainly would have given great consideration to the delivery of city deals as a mechanism—

[200] **Hefin David:** So, you would have.

[201] **Ken Skates:** Certainly, if I was a UK Government Minister with a view of England and the need to reform local government and bring local government together in England, then I think it's very useful. In Wales, we were already looking at city region approaches, and we have published, through the local government White Paper, plans for reform. So, I think it's probably less needed in Wales as a mechanism to bring together local government. However, as a vehicle for delivering projects and economic development, it's very useful, but my view of city deals is that they go beyond just being a vehicle for delivering economic development and transformation. And they should be designed as well to bring together local government and—

[202] **Hefin David:** There's a cheaper way of bring people together, though, isn't there?

[203] **Ken Skates:** There is a cheaper way. There is a cheaper way through legislation, but it's also a very effective way of bringing together local government in England, I think, in particular. We are taking a different path here in Wales, but, across the border, I think developments with elected mayors have led to local authorities coming together in a way that perhaps they wouldn't have done, or would have shown more resistance to, had there not been the carrot that's attached to the city deal. So, I think, certainly, in terms of the ability to deliver with least pain local government reform on the English side of the border, they've been particularly useful.

[204] **Hefin David:** And do you agree with the way that it's been done? The footprint, for example, of the Cardiff deal is 10 local authorities. Is that the correct size—

[205] **Ken Skates:** I think it makes good sense. Let's applaud the fact that we have 10 local authorities that have come together in a very collaborative way. And, across Wales, we are seeing a greater degree of collaboration because of this particular initiative. So, I think it's very helpful. The reality is for the Welsh economy that we largely have two economies—we've got the north and the south—and often mid Wales feels compressed between the two, in also looking both north and south. But, with the footprints that have been developed for the city deals with Swansea bay and Cardiff, what we've seen develop are two very distinct sets of priorities, and deals that are based on existing strengths. I think, again, that's to be welcomed. The key is that city

deals are not seen in isolation, but are seen as part of a wider package of support, initiatives, and actions designed to grow levels of wealth in the aggregate, but also to ensure that you redistribute wealth more fairly, and wealth-creating opportunities.

[206] **Hefin David:** So, without coming on to things we might want to cover later, if you think about governance arrangements and economic arrangements, they're two separate things, yet what we've done here is, in a rather ad hoc way, conflated governance and economic arrangements. It's not in a way that, necessarily, you might have planned to do, but you think that, nonetheless, the cards have fallen well.

[207] **Ken Skates:** I think they've fallen relatively well to date. But, of course, these are long-term projects, and thorough evaluation and assessment will have to take place of each and every one of the deals, and all components of them. To date, I believe that work has been carried out very well, that we've seen an unprecedented degree of collaboration take place, and that, in its own right, is something to welcome. But—

[208] **Hefin David:** Do you think the Welsh Government's got sufficient oversight?

[209] **Ken Skates:** I think we do.

[210] **Hefin David:** Would you like to see more?

[211] **Ken Skates:** Well, I think what's going to happen is, as we reshape our department and go towards a more regional dimension, we will be working more closely with those—because we'll be adopting the same footprint. We'll be working more closely with those growth and city regions, and therefore, by virtue of having the same footprints, by working more closely with the individuals who are leading in the respective areas, we will also be far more engaged on a day-to-day level. So, I think that will be particularly helpful. But I think it's also worth saying that there is no single template for city deals that's been adopted, so we have to, I think, probably monitor and reflect on best practice and experience as the process develops.

[212] **Hefin David:** So, a last question: from a scrutiny point of view: who is responsible for the democratic scrutiny of the success or otherwise of city deals?

[213] **Ken Skates:** I think it's largely for local government to be effective in their duty to scrutinise the city deals. I think that, in local government, we've seen improvements in terms of scrutiny in recent years, but I still think that further improvement should take place, and it's for local government across Wales to determine how, or rather where, scrutiny is best undertaken, at a regional level, on the basis of a project-by-project model, or at a local authority level.

[214] **Hefin David:** The problem is that it's not the individual local authorities that are responsible for city deals; it's a joint cabinet of 10. So, having been on scrutiny myself and chaired scrutiny myself, the focus very much in scrutiny is towards the work of that local authority. Do you think there needs to be a process of training, development, maybe even a board or a body that is separate to the cabinet, to engage in scrutiny?

[215] **Ken Skates:** I do think that taking independent advice and getting assistance from outside of a local authority can be very helpful in ensuring that scrutiny is improved. In terms of the joint cabinet, and scrutinising the joint cabinet, there are those three opportunities to fully scrutinise what is taking place at the regional level, local authority level, and on a project-by-project basis.

[216] **Hefin David:** Where do we come in as Assembly Members with regard to scrutiny?

[217] **Ken Skates:** Insofar as Assembly Members are concerned, I'm not entirely convinced that the role of AMs has been settled yet insofar as scrutiny is concerned. That needs to be given further consideration as the city deals unfold, I think, and as the component parts are delivered. Jo, is there anything in terms of scrutiny that we picked up from across the UK that might be worth highlighting to committee members?

[218] **Ms Salway:** I think one of the really big things in this is how you move from individual local authorities to a regional focus, and how you get that scrutiny right, because there are two elements to it. There's one that is—there's a very definite transfer of risk from Government to local authorities to step up and determine the priorities and move them forward. So, getting the balance right about respecting that autonomy and getting the scrutiny in is one thing, and I think there's going to be a particular challenge around scrutinising when you've got two levels of interest—one is what's in the interest of the region, and the other is what is in the interest of the local

authority areas. And making sure you get effective scrutiny on both of those levels, I think, is a very big challenge in there.

[219] **Hefin David:** I've got a question later to Mark Drakeford, so I might pursue that. Thank you.

11:30

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

[221] **Hannah Blythyn:** Thanks, Chair. Cabinet Secretary, you touched on this briefly in one of your answers to my colleague Hefin David in terms of what you outlined earlier in the year with looking at the new economic strategy to reshape our focus towards a more regional dimension, and that there'd be a role for city and regional growth deals as part of that. Are you able to expand on how they would be part of that?

[222] **Ken Skates:** Yes. I'm keen to make sure that we offer a clearer, simpler approach to economic development and I do welcome what the Cabinet Secretary for Finance and Local Government has presented in his White Paper, with clear footprints and proposals to mandate local authorities to operate on a regional level insofar as economic development is concerned. Because, on our side of the house, as part of restructuring the department, we're looking at setting up divisions for the city and growth region areas, but I'm also keen to make sure that we retain an eye, a transcending eye, so that we don't allow damaging competitiveness to undermine growth within the component city and growth regions that make up Wales.

[223] It's my view that we also need to ensure that we retain a careful watch on what's happening within those respective areas to ensure that we do genuinely deliver economic growth more fairly. Now, within the strategy, we capture the essence of a new economic contract, which is designed to iron out the lumpiness of the Welsh economy. I think it's fair to say that the approach that's been taken in recent years to create jobs, and to create jobs across Wales, has been the right approach, given that we have been sustaining a considerable period of deep austerity and significant losses in jobs in the public sector. But, now that we have record low unemployment and record economic activity, I think we need to look more closely at how the fruits of growth can be shared more equally across Wales.

[224] That is the driving force for moving towards a regional dimension, and

also for developing a new contract that will set out fresh expectations for Government support to be secured and realised. It will also require, I think, an appraisal, a fresh appraisal, of some of the indicators that we use to measure success. At the moment we use a basket of indicators. I believe that we should also be considering indicators that concern levels of well-being and happiness, because it's been proven time and time again that the most contented, the happiest, societies are those that are also the most equal—equal in terms of wealth, equal in terms of access to goods and services—and so I think it's important that, as a measure of the success of city deals and as a measure of success of Welsh Government interventions, we should consider those indicators as well.

[225] Tracey Burke has been looking at how we can use all measures to best effect, and which measures demonstrate in the clearest way how we are tackling poverty and inequality. She's been doing a lot of work in assessing how we can shift the focus from jobs created to improving productivity, reducing inequality, and also to ensuring that across all of the regions we have sustainable growth. Tracey, would you like to say something about the new way forward?

[226] **Ms Burke:** Yes. So, we've been looking at a range of different criteria, as the Cabinet Secretary said, around an economic contract—so, what we'd expect in terms of activities resulting from our expenditure. But we've also been looking at a range of different indicators. So, traditionally, we've just counted jobs as just a measure in and of itself, but much less so about the type of job that's been created. One of the issues we've wrestled with are issues around the quality of the job, and that means different things to different people. Sometimes that's related to the skill level, sometimes that's related to the salary, but, actually, at the heart of it, I suppose, it's about the fairness of the job, and that's quite a difficult thing to define. We're working currently with a range of social partners to try and get a better definition of what we mean by 'fair work' and then—an even more challenging thing—how we're going to measure that as part of our work. But just because it's a difficult thing to do is not a reason for us not to continue to pursue that.

[227] **Ken Skates:** Chair, if I may, I'm conscious I'm taking rather a lot of time answering this question, but I think it's also important to point out that, as we move to a new regional approach, there's going to be a need to respond to some specific challenges within the Welsh economy, namely, the challenge faced by rural Wales, also the need to ensure that the Valleys taskforce plan is fully considered and implemented, and also there's the

question of cross-border collaboration, particularly in the north-east, where there's a need to ensure that growth deals on both sides of the border are perfectly aligned and contribute to the wider Northern Powerhouse agenda so that we draw in maximum benefit from the Northern Powerhouse initiative as well.

[228] **Hannah Blythyn:** I was going to say: how do we make sure that we dovetail those agreements, particularly in a cross-border nature, and, also, in terms of looking at perhaps the priorities of the current city deals and growth deals, that they match perhaps the priorities or they balance the priorities of both Governments? Because I'm heartened by what you said about looking at inclusivity. And, actually, I think one of the criticisms we've perhaps come across in this committee with the current set-up of deals across the UK—not just in Wales—is how they are actually truly transformational, and it's actually making people's lives better, not about just being better connected.

[229] **Russell George:** If I can just say, we've got quite a lot of questions to get through, and, looking at the clock, we're going to, already, perhaps go a little bit beyond 12.

[230] **Ken Skates:** Apologies, Chair.

[231] **Russell George:** So, just be succinct in your answer, Secretary.

[232] **Ken Skates:** Okay. First of all, on the cross-border issue, I've asked the Secretary of State for Wales if he will jointly chair with me a piece of work, a short, sharp piece of work, looking at how we can ensure that that dovetailing takes place. And, with regard to the balancing of UK Government and Welsh Government priorities, well, I think we all start from the same point of view that we need to ensure that there's sustainable economic growth. The key question is in how do we deliver economic growth fairly across all regions and within regions across all communities. It's through that new economic contract and through the work we're doing on a regional basis that we hope to achieve that. But you're absolutely right to talk about the individuals, the people. City deals cannot be about buildings and merely infrastructure; they have to be about people. So, there has to be a strong degree of attention given to skills within the city deals, and I do think that both Cardiff capital city region and also Swansea bay city region have been able to demonstrate a very strong commitment to the development of skills to enable and empower people to take great advantage of the respective deals.

[233] **Russell George:** One of the bits of evidence that we've received in regard to one of the stumbling blocks for growth in mid Wales in particular is connectivity. I just listened to one of your answers to Hannah, now—how does the Welsh Government work with the UK Government transport department? Are there sufficient processes in place? Because it seems to me that schemes aren't moving forward. There are stumbling blocks for the growth of mid Wales because those processes perhaps are not in place as they should be. Is that something you would agree with?

[234] **Ken Skates:** One thing that I've been keen to do since being appointed is to establish stronger ties between Wales and the regions of western England. So, for example, we now have a memorandum of understanding with Transport for the North, I've met with Midlands Connect, and we're now trying to forge a stronger link with local authorities within the Growing Mid Wales partnership, and also, in terms of ensuring that other transport initiatives are benefiting both sides of the border, the Secretary of State for Transport at UK level and myself meet regularly to discuss how we can ensure that both Wales and the west of England benefit from investment in infrastructure. But I think the point that you make could be extended beyond mid Wales and the key to ensuring that we don't see skills being lost from peripheral communities and ensuring that we have the right infrastructure in place to enable people to travel to and from sub-regional hubs and regional capitals. I know there are Members in this committee—in particular Adam Price—who have talked about the need to support and develop regional capitals, and I think that's absolutely right. Alongside that, I think it's essential that we invest sufficiently in transport infrastructure to enable the peripheral communities within regions to quickly, rapidly, safely and reliably access those regional capitals, and indeed those sub-regional hubs, which could be smaller towns that have specialist areas of economic activity.

[235] **Russell George:** So, just very specifically, what structures are needed to ensure that projects that are cross-border can move forward, because, at the moment, there are plenty of examples of not moving forward because the Governments are working at different priorities. What specifically needs to happen?

[236] **Ken Skates:** I think, in fairness, they are in parts of Wales and in parts of western England. If you look at the north, we've got Growth Track 360, which has been—

[237] **Russell George:** That's fine. If you think they are, that's fine.

[238] **Ken Skates:** I think the midlands and mid Wales is an area where further attention and energy is required, though, to make sure that we get the same degree of collaboration and interaction that we're now seeing in the north.

[239] **Russell George:** Okay, thank you. Jeremy Miles.

[240] **Jeremy Miles:** You've talked, just now, about the regional aspect of the new economic strategy. You've spoken in the Chamber about the increased focus on foundational sectors in the new strategy. If, by that, you mean care, housing, retail, resilient smaller business, there isn't that much evidence that city deals have paid that much regard to those sectors to date. What's your view of how they fit in with that aspect of your strategy?

[241] **Ken Skates:** I've already said I think city deals must do more than just improve GVA and create jobs. They have to improve levels of health and well-being. I do think that the Swansea bay deal has a strong and welcome focus on well-being. The well-being centre that's proposed I think could be a flagship not just for the city region, but for Wales as well. But I'm particularly taken by the work that's been carried out by academics. I'm looking at Liverpool, at Manchester, and other parts of the UK, where they've assessed that, in order to get sustainable growth that is of equal benefit to all, you have to focus on more than just creating jobs. You also have to look at creating the best quality places. You have to deconcentrate investment in order to grow parts of the economy that lie in the hinterland. You have to have a relentless focus on the development of skills, and you have to have connected infrastructure as well.

[242] So, I'm very keen to make sure that Welsh Government activity complements and builds on activity that's being taken forward by local authorities and through city deals as well. So, you mention national foundational or national opportunity sectors. I think care is one where we could make a considerable difference, right across communities in Wales. It's an area of economic activity that touches pretty much every community. By focusing on care, having, of course, local delivery but a national approach, we'll also make sure that we've got consistency of delivery across Wales. By focusing on place building, we can deliver that quality of place that's required to make areas attractive for investors but also attractive for people to stay and to work and to start a business in. I'd certainly recommend the

work of Professor Michael Parkinson from Liverpool university, if you do wish to take a look at how the most successful city regions have developed. That presents a very compelling case for shifting away from just merely looking at creating jobs towards creating the right conditions for economic growth to be delivered.

[243] **Jeremy Miles:** Thank you.

[244] **Russell George:** We've got five Members with five different subject areas and 15 minutes.

[245] **Ken Skates:** Apologies, Chair.

[246] **Russell George:** No, no, that's fine. Thank you for your detailed answers, Cabinet Secretary, but what I would say is just be focused on the specific questions, and, if you're happy—. Are you happy for Members to interrupt you if they don't feel that they're getting quite the right point?

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

[248] **Russell George:** Thank you. Adam Price.

[249] **Adam Price:** The map of the economic regions of Wales that's proposed essentially follows the same lines as the existing city deals, the proposed growth deal for north Wales, and then the missing middle at the moment, but possibly a growth deal for the middle as well. It's an economic map of Wales that is unique in some ways. I've dusted down my economic history, and it certainly is a departure from the days of Development Board for Rural Wales, the Welsh Development Agency regions, in that it doesn't actually propose an economic region, for the first time, for the Valleys, which you mentioned, and neither for the whole of rural Wales. Isn't that a mistake, Cabinet Secretary, given the particular problems and opportunities that those two regions have?

11:45

[250] **Ken Skates:** Yes. This is interesting because it tips on the point I think I made to Hannah Blythyn that, in moving towards a regional dimension of economic development delivery within our department, we need to keep an eye on those two geographical areas that you've identified, and for that reason I'll be setting up specialist teams to ensure that the Valleys and rural

Wales have the right support for the unique challenges that they face. I think it's essential that the Valleys can tap into both city deals, and the Valleys taskforce has been a very good vehicle for doing just that. We'll see what comes of the Valleys taskforce in the long run, but certainly, as a time-limited programme, I think it's been exceptionally helpful in maximising opportunities for the Valleys. But for rural Wales, I think we also need to recognise that mid and west Wales can benefit from north Wales as a growth deal region and also from south-west Wales, Swansea bay city region, as well.

[251] **Adam Price:** I'd just be interested in—. There's a toolbox for economists who want to work out what constitutes an economic region. There are different ways of doing it. You can look at firm linkages; you can look at sectoral heat maps; you can look at travel-to-work patterns, et cetera. Was that kind of analysis done to answer the question, 'What are the real economic regions of Wales', so that it's not based on hunches that you and I may have, but actually based on the real evidence of the economic pattern of activity?

[252] **Ken Skates:** No, absolutely. There has to be. Yes. Tracey.

[253] **Ms Burke:** I was just going to go back, I think, to the original work that was undertaken by Dr Elizabeth Haywood back, I think it was, in 2012, roughly, when she undertook a review. These were the early days of thinking about city region as a policy, and she identified those two regions—the 10 local authorities for south-east Wales and the four local authorities for south-west Wales—as being coherent economic groupings that were likely to develop into city regions and had the potential to do that.

[254] **Adam Price:** Could I just—? I'm obviously familiar with Elizabeth Haywood's report. Since then a critique has emerged around city regionalism and the broader ideas of agglomeration economies, as they're called, which underlie them, which actually is about what happens in the hinterland communities. The critique is, basically, 'Look, city regionalism, far from being the solution, is actually the problem.' I won't go into the specifics that other Members will, but is the Government aware of that critique? And isn't city regionalism in a country like Wales where, actually, we have a far lower percentage of people living in cities, in the core cities, than most other countries in western Europe, isn't this an idea we've imported from elsewhere that actually doesn't fit our economic situation?

[255] **Ken Skates:** I think that's a really good question. I think there is very definite conflict within Wales between the clustering and agglomeration that lies at the heart of the city deal approach and the reality in Wales, which is that a huge proportion of people live in rural communities, and therefore, unless they move, which could be devastating for those rural communities, they risk being isolated. I know that a lot of people recently have done work looking at peripheral communities and the risk of hollowing out communities. I think it's essential that we ensure that there is—and regardless of whether there were city deals being progressed, we would still need to do this—we need to ensure that we have the right roads, rail and port infrastructure in place for people to be better connected. But I do definitely take what the Member says about the city deal approach being something that was designed outside of Wales, and, for that reason, I think it's imperative that we make sure that, if you like, the red lines within Wales, in terms of responsibility and a bespoke solution, are maintained.

[256] **Adam Price:** Two very brief policy proposals that I'd appreciate your response to: one from the FSB, the idea of creating a statutory duty on these new regions for economic development, and the other one from CBI, calling for the creation of regional development corporations.

[257] **Ken Skates:** Okay. In terms of the question about whether any statutory duty should be created, I concur with the evidence given by Mark Drakeford. I'm not convinced that that's required. I think we need to trust our friends and colleagues in local government to do what is right, which is to create the conditions for their respective economies to grow. They have the powers to do that. They'll be mandated to do it on a regional basis, which is very welcome, and we'll be working with them as well through the restructuring of my department, and in turn, I think that also negates the need for regional development corporations.

[258] One of my concerns with RDCs is that they could compete with one another, and Wales needs to be competing with the world, rather than risk us having the regions stealing wealth—creating opportunities from one another. So, by ensuring that we have collaboration at a local authority level, and co-operation with Welsh Government, delivering with a new regional dimension, we will be able to maximise the opportunities of existing strengths across the regions, but also ensure that that potentially damaging competition does not develop.

[259] **Russell George:** Okay, thank you. David Rowlands.

[260] **David J. Rowlands:** Yes. We've heard extensively about the ambitions for the city and regional deals. Quite a direct question: how likely is it that city and growth deals will achieve these ambitions?

[261] **Ken Skates:** We certainly believe in the deals and we've been part of—. Although much of the work on the Cardiff city region deal was undertaken before my appointment, I was involved in the later parts of the Swansea bay city region work, and I did find that there was a thorough analysis and scrutiny of the proposals. I am confident that they can be delivered. They are significant in ambition and they will require concerted effort across the respective regions, but I do believe that they can be delivered.

[262] **David J. Rowlands:** How would you respond to the fact that the Bevan Foundation has said—and I think you touched upon this earlier on, in all fairness, Cabinet Minister—that the deals are actually focusing too narrowly on job creation and GVA? What other alternative indicators should be required?

[263] **Ken Skates:** I think it's a good place to start, looking at job creation and GVA, but they're not the only indicators that we should be using to measure success. I think, in order to make sure that all of Wales benefits from economic growth, we have to look at other indicators. I highlighted some before. I think low-wage jobs is another indicator. We could look at skills levels as well: I think they're another strong indicator, particularly of the success of the city deals, given that both in the south have a strong focus on skills development.

[264] **David J. Rowlands:** Following on from my first question, obviously, in order to see how well the city deals are doing, there has to be a monitoring process in place. You don't have a placebo, as such, so you don't really know whether they are delivering something that would have been delivered anyway. Do you have any ideas of how you're going to do this monitoring? This is very important, because these are five-year plans, and in order to get the next tranche of money, you're going to have to prove that they have delivered.

[265] **Ken Skates:** I think this is a very good question. In all fairness, you're touching on the question of additionality—to what extent would we actually deliver on the aspirations contained within the deals were the deals not to exist? For that reason, I think that the respective deals and the ways that

they're going to be evaluated are going to be crucially important moving forward.

[266] With Swansea bay, there'll be the 11 projects, with full business cases to be built up. With Cardiff, there will be an evaluation process and, as you say, the five-year gateway assessment. Through those processes, I would hope that we will have a very sound evidence base that will be able to inform us as to whether there is true additionality being created through the city deals.

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

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

[269] **Vikki Howells:** Thank you, Chair. Cabinet Secretary, I'd just like to drill down a bit deeper into some of the points that you've already covered, really. I'm thinking about the south Wales Valleys, where there is a great deal of hope being placed on the city deal, that it will actually drive economic growth and promote inclusive growth. To what extent do you think that those hopes can be realised? Might there be any interventions necessary in order to achieve that? I'm thinking specifically about the concept of growth poles, which has been alluded to. How do we ensure that that actually comes to fruition so that the city deal really is a two-way flow of capital and labour within the region?

[270] **Ken Skates:** Okay. So, a number of points related to this question. One, the metro is going to be absolutely crucial in delivering prosperity into Valleys communities, but the metro alone will not ensure that that prosperity is retained, or indeed that the opportunities to create wealth are created within those communities.

[271] So, I think we will need to develop the strongest possible partnership between Welsh Government, Transport for Wales, local authorities, and the joint cabinets, to ensure that all investments that take place in Valleys communities are linked to the development of the metro, so that we have access to goods, access to services—schools, hospitals, and so forth—and job-creating opportunities developed close to metro stations.

[272] Other interventions will be required to get maximum benefit, I think. The work of the Valleys taskforce has been, I think it's fair to say, eye-opening in terms of demonstrating how we need a far greater degree of

collaboration across the public and private sector, and I would hope that the plan that stems from the taskforce's work is taken forward at speed.

[273] There should also be consideration of the new economic contract that we'll be consulting on, with criteria that will determine how we support business development, because with that criteria it's my hope and belief that we should be focusing resource where poverty levels are the highest and where there are fewest opportunities to get into work.

[274] **Vikki Howells:** With regard to the metro, there's still some unanswered questions there about freight, for instance. So, do you think that improving road infrastructure will also be key to supplementing the city deal offer? I'm thinking particularly of completing the dualling of the Heads of the Valleys road.

[275] **Ken Skates:** Yes. I do believe that. I don't think the metro in its own right is a silver bullet; it's part of a wider infrastructure programme, and certainly roads play a key feature in that, as does social infrastructure. So, it's going to be essential that we continue to roll out the programme of twenty-first century schools, modern facilities for further education, and that we draw in more higher education activities within those Valleys communities, so that we can actually start the process of building a higher value-added economy within Valleys communities, so that, as you've touched on, we don't just build an environment where human capital travels out on a high-tech, reliable transport service delivered by metro, but where we actually draw in investment and wealth-creating opportunities.

[276] **Vikki Howells:** So, based on the things you've said here in your answer, how would you respond particularly to the concerns of ColegauCymru, which you've already alluded to earlier, when they expressed their concern that the city deal model could hollow out the populations of Cardiff and Swansea?

[277] **Ken Skates:** I recognise that concern, and I've talked about the need to ensure that we have connected infrastructure to avoid that. It's also important that the provision of skills training is fairly rolled out, right across communities, so that everybody has an opportunity to be skilled in those areas where city deals are going to be focused at a sectoral level. It's imperative that we don't see city deals create wealth in Valleys communities and some of the peripheral communities just by virtue of trickle-down economics.

[278] Instead, I think the skills components of the deals are going to be increasingly important, and in terms of speed of delivery, I think they need to be delivered ahead of some of the other projects, so that people are skilled-up appropriately. The regional skills partnerships, of course, have been very beneficial. The all-age employability programme will offer a huge step forward in ensuring that every individual is equipped with the right skills for them to get into work, but also in a way that takes account of emerging opportunities within the regional economy.

12:00

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

[280] **Russell George:** I hope, Cabinet Secretary, you will be agreeable to stay for a further 10 minutes, if your schedule allows, because we're a bit constrained there.

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

[282] **Russell George:** We've got Mark and Jeremy to come. If I can ask you, Jeremy, to be pointed in your last questions, if that's okay, but Mark Isherwood first.

[283] **Mark Isherwood:** Thank you. In discussing how the deals can reach more economically disadvantaged communities, the North Wales Economic Ambition Board told us that they build it into their planning, the need to move westwards, where GVA is lowest. We've heard from Cardiff and Swansea how they had been able to build into their plans proposals to reach the more economically disadvantaged communities in their areas, and that the Governments had actually encouraged them to think flexibly about that. But how would you respond to the question raised by the future generations commissioner, and I quote:

[284] 'what difference will this make to Donna the single mum from the Valleys, her children and her grandchildren?'

[285] **Ken Skates:** Well, I think that comment by the future generations commissioner touches on what we were just talking about: the need to see the city deals in a wider context of interventions, and also the need to focus on upskilling, giving people connected infrastructure and making sure that

people have the right support to get into work. So, for example, the roll-out of the childcare package is going to be really important as well.

[286] City deals in their own right won't tear down barriers, giving people access to employment, nor will they in their own right create the conditions for every community to be prosperous. They contribute to a wider agenda that I believe Welsh and UK Government will agree on, which is wealth-creating opportunities. But in order to ensure that Donna and her children have the best possible opportunities to benefit from the city deal, we also have to take into account some of the wider Welsh Government, in particular, programmes to upskill the population, to give people support in order to get into work and to give people access to reliable and affordable public transport. But I think, also, there's a piece of work that, fortunately, is being done by the Cardiff capital city region to look at bringing together some UK Government activities concerning support for people who are unemployed, perhaps through ill health, and I think that that, again, is going to be crucially important to help those who are, if you like, furthest to reach or are people who would otherwise be left behind as the city regions prosper.

[287] **Mark Isherwood:** Thank you. I was going to conclude, actually, effectively referring to that, because, of course, the UK Government is currently out to tender on its next work support programme with three final shortlisted companies in Wales, but also the Welsh Government is developing its own new employability programmes through one of your colleagues. There's also a recognition that, in addition to removing physical and economic barriers, if we're going to remove the social and psychological barriers, we've got to take an asset-based development approach and lock in human capital and lock in people's strengths, enabling them to be build self-esteem and want to acquire the skills in order to access independence again. What consideration are you giving to how to embed those approaches so that we are not only reaching those people in more deprived communities who are just waiting for the opportunity, and we're reaching those who have the ability but for other reasons might not otherwise come forward?

[288] **Ken Skates:** I think, Chair, the questions are absolutely crucial that Mark Isherwood raises, because they touch on the need to ensure that all Government interventions are aligned in order to get as many people into a position where they can work as possible. We know that getting into work, or getting out of unemployment, is the best route out of poverty and the best route to ensuring that you're safe from being in poverty. I'm conscious, or at least I don't believe, that the Minister for skills is attending this committee to

give evidence, and yet, it's my belief, as I think I said on numerous occasions now, that skills should be at the heart of the city and growth deals. I know that the Minister herself has given great consideration to development of the deals. Perhaps it would be useful if we request—and I can certainly request—a paper to be put together that presents solutions to all of the points that Mark Isherwood makes with specific regard to how the all-age employability programme will relate to the respective actions being taken forward in the city deals. I think that could be really helpful in ensuring—

[289] **Russell George:** Thank you, Cabinet Secretary, we would welcome that. We have got three or four minutes, I think, Jeremy.

[290] **Jeremy Miles:** It won't take me that long to ask the question.

[291] **Russell George:** Great.

[292] **Jeremy Miles:** Local economies don't respect the neat boundaries that public policy works in, and I represent a constituency that is at the outside part of the region. So, I just wondered what analysis there is, or where your thinking is, in relation to the potential impact of city deals to cause displacement from other economic activity on the boundaries, if you like, of the areas that are getting particular levels of support. What's your view of that?

[293] **Ken Skates:** There is a risk. For the same reason that I said we need to avoid damaging competition, we also need to make sure that there is a close engagement, particularly in the south, between the two city deal joint cabinets to ensure that displacement is avoided and to ensure that the two deals truly to build on the existing strengths within the respective areas. There will be difficulties, I'm in no doubt, for some communities that can look both east and west in south Wales. For those communities, it's therefore essential that, through their local representatives, they are able to take advantage of opportunities on both sides of the city deal footprints. These are challenges that I think will be drawn out through the process of evaluation, through the process of monitoring and through the process of scrutiny.

[294] **Jeremy Miles:** There are also north-south issues. So, for example, in my constituency, just outside it, lies Ystradgynlais, for example, which would be in Powys. So, there is an issue not just east-west, but north-south as well. You recognise that.

[295] **Ken Skates:** And, for those reasons, I think the distinctive arrangements for Powys and Ceredigion must be retained and that mid Wales should be able to benefit from both north Wales growth deal initiatives and from the two south Wales city deals as well.

[296] **Jeremy Miles:** Thank you.

[297] **Russell George:** Thank you, Cabinet Secretary. Can I ask two last questions? With regard to best practice from city deals in other parts of the UK and lessons learned, is there anything that you can observe that you think can be applied to city deals here in Wales?

[298] **Ken Skates:** Probably the best person to answer that would be Jo, who's been following the development for several years.

[299] **Ms Salway:** We've worked very, very closely with the Scottish Government because, obviously, Glasgow was the first of the deals to come through. We learnt an awful lot from that, both in terms of how you navigate the way through and shape up a partnership, but also, one of the particular challenges for devolution is a three-way partnership—so, trying to find the compromises and shared positions across three levels of Government. So, we've worked very, very closely with them. We've also worked very closely with the Department for Communities and Local Government as well, who've been—. Because they're running it across the whole of the UK Government, they've learnt a lot through that process, both in terms of how far they can push some of the Whitehall departments and how you can shake some of that up.

[300] **Russell George:** So, in your experience, what's the No. 1 that you can pick from Scotland that makes you think 'that's good—bring it here' and what's the No. 1 'we don't want that' in Wales?

[301] **Ms Salway:** There's always something about the timing of where it's coming from and playing some of the opportunities that are there across the context. There's also something about being involved in them from a very early stage: so the gestation of the Glasgow deal was done much more between the UK Government and the local authorities, and that's a very big issue in there—that, if you want to pull off a three-way deal, you've got to be working around the table from a very, very early opportunity.

[302] **Ken Skates:** I think, in terms of what I've been able to assess, I'll be meeting with SQW later today, who have done a lot of work in Northern Powerhouse and there are a number of lessons that I think can be learnt. One: we need to think regionally rather than parochially, there can't be institutional bias within deals, and deals must put people first.

[303] **Russell George:** Related to that first question, prior to you coming in before us, we had the mid Wales partnership with us this morning as well. We've also taken evidence from the Mid Wales Manufacturing Group. You mentioned taking advantage of the north Wales and south Wales regions as well, but, in terms of their priorities, what I jotted down as they were giving us evidence was skills retention, upskilling people, improvements in digital infrastructure, road improvements, especially on cross-border, and particularly support for small businesses, because there are many small businesses and not so many large businesses. But I think a key message is: trust them to make the decisions for their region. That was the message that was coming across. So, would you welcome a submission from mid Wales in terms of a growth deal, or growth package, and how successful may that be? And who is the best person to submit that deal? Is it the mid Wales partnership, or is that the forum you think is right to put a bid together?

[304] **Ken Skates:** I think, given that the partnership has been in existence now for some time, it would make sense for it to submit a detailed paper. One thing that I would be keen to stress to the partnership is to be ambitious, to think regionally, and to ensure that they're focusing on areas of sectoral strength that are truly, truly apparent within mid Wales, rather than try, as is a risk, I think, with this nature of work, to be institutionally biased and look at what institutions could gain from a growth deal for mid Wales, and instead be a bit more Kennedyesque and look at how those institutions can contribute to the wider region, and how those institutions can contribute to the development of a deal that can be of true benefit to all people in the region.

[305] **Russell George:** Well, the witnesses are still in the gallery, so they've heard what you've said. So, if they do what you say, I think your message is that you'll look at that submission very favourably. Is that your message?

[306] **Ken Skates:** I think that's fair to say.

[307] **Russell George:** There we are. Thank you, Cabinet Secretary. In that case, can I thank you for your evidence this morning, and your officials, and

thank you for staying with us for an additional 10 minutes? We're very grateful.

[308] **Ken Skates:** And we'll send that note through, Chair.

[309] **Russell George:** Thank you.

[310] **Ken Skates:** And, if it helps at all, I've got the paper, digitally, from Michael Parkinson on regional economies. We could send that, too.

[311] **Russell George:** We'd be very grateful for that. Thank you.

[312] **Ken Skates:** Thank you.

12:11

**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 accordance with Standing Order 17.42(vi).

17.42(vi).

Cynigiwyd y cynnig.

Motion moved.

[313] **Russell George:** We move to item 4, and, under Standing Order 17.42, I ask if Members are happy to exclude the public from the remainder of the meeting. Are we happy? Yes, we are.

Derbyniwyd y cynnig.

Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 12:12.

The public part of the meeting ended at 12:12.

