

# Agenda – Economy, Trade, and Rural Affairs Committee

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Meeting Venue:	For further information contact:
Video Conference via Zoom	Robert Donovan
Meeting date: 15 July 2021	Committee Clerk
Meeting time: 09.30	0300 200 6565
	<a href="mailto:SeneddEconomy@senedd.wales">SeneddEconomy@senedd.wales</a>

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## Private pre-meeting (09.15–09.30)

In accordance with Standing Order 34.19, the Chair has determined that the public are excluded from the Committee's meeting in order to protect public health. This meeting will be broadcast live on [www.senedd.tv](http://www.senedd.tv)

## Public meeting (09.30)

- 1 Introductions, apologies, substitutions and declarations of interest  
(09.30)

- 2 Committee Remit  
(09.30–09.35)

(Pages 1 – 2)

Attached Documents:  
Committee Remit



### **3 Paper(s) to note**

#### **3.1 Chairs' Forum Legacy Report**

(Pages 3 – 22)

Attached Documents:

Chairs' Forum Legacy Report

#### **3.2 Economy, Infrastructure and Skills Committee Legacy Report**

(Pages 23 – 53)

Attached Documents:

Economy, Infrastructure and Skills Committee Legacy Report

#### **3.3 Climate Change, Environment and Rural Affairs Committee – Fifth Senedd Legacy report**

(Pages 54 – 93)

Attached Documents:

Climate Change, Environment and Rural Affairs Committee – Fifth Senedd  
Legacy report

#### **3.4 External Affairs and Additional Legislation Committee – Fifth Senedd Legacy report**

(Pages 94 – 113)

Attached Documents:

External Affairs and Additional Legislation Committee – Fifth Senedd Legacy  
report

#### **3.5 Welsh Government response to the Economy, Infrastructure and Skills Committee Long-term recovery from COVID-19**

(Pages 114 – 145)

Attached Documents:

Welsh Government response to the Economy, Infrastructure and Skills Committee Long-term recovery from COVID-19

### **3.6 Remote Working: Implications for Wales – Welsh Government response**

(Pages 146 – 155)

Attached Documents:

Welsh Government Response to the Economy, Infrastructure and Skills Report: Remote Working: Implication for Wales

### **3.7 Regional Economic Frameworks letter from the Minister for Economy, Transport and North Wales**

(Pages 156 – 157)

Attached Documents:

Letter from the Minister for Economy, Transport and North Wales in response to Regional Economic Frameworks

### **3.8 Letter to the Minister for Environment, Energy and Rural Affairs**

(Pages 158 – 159)

Attached Documents:

Letter to the Minister for Environment, Energy and Rural Affairs re UK-EU Trade and Cooperation Agreement

### **3.9 Letter from the Minister for Rural Affairs and North Wales, and Trefnydd**

(Pages 160 – 161)

Attached Documents:

Letter from the Minister for Rural Affairs and North Wales, and Trefnydd re The Official Controls (Extension of Transitional Periods) Regulations 2021

**4 Motion under Standing Order 17.42(ix) to resolve to exclude the public from the remainder of the meeting**

(09.45)

**5 Committee procedures and ways of working**

(09.45–09.55)

(Pages 162 – 170)

Attached Documents:

Committee procedures and ways of working

**6 Strategic approach to Committee remit**

(09.55–10.05)

(Pages 171 – 183)

Attached Documents:

Strategic approach to Committee remit

**7 Early Committee activity**

(10.05–10.25)

(Pages 184 – 187)

Attached Documents:

Early Committee activity

## Economy, Trade and Rural Affairs Committee Remit

July 2020

### Purpose

1. The paper sets out the remit and responsibilities of the Economy, Trade, and Rural Affairs Committee.

### Recommendation

2. The Committee is invited to note its remit.

### Background

3. The rules and procedures of the Senedd are laid out in Standing Orders. Standing Order 16.1 requires the Senedd to establish committees with power within their remit to:

*"(i) examine the expenditure, administration and policy of the government and associated public bodies;*

*(ii) examine legislation;*

*(iii) undertake other functions specified in Standing Orders; and*

*(iv) consider any matter affecting Wales."*

4. In doing this, the Business Committee has to ensure that every area of responsibility of the Welsh Government and associated public bodies, and all matters relating to the legislative competence of the Senedd and functions of the Welsh Ministers and of the Counsel General, are subject to committee scrutiny.



## Committee remit

**5.** The remit of this Committee, as agreed by the Senedd on 23 June 2021, is:

*"To examine legislation and hold the Welsh Government to account by scrutinising its expenditure, administration and policy matters, encompassing (but not restricted to): economic development, regeneration, skills, trade, research and development (including technology and science), and rural affairs."*

**6.** Further details on the wider roles and responsibilities of Senedd committees are set out in the Business Committee's report Sixth Senedd Committees Titles and remits laid before the Senedd on 23 June 2021.

# Fifth Senedd Legacy Report

March 2021



The Welsh Parliament is the democratically elected body that represents the interests of Wales and its people. Commonly known as the Senedd, it makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

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# **Fifth Senedd Legacy Report**

March 2021



# About the Chairs' Forum

The Chairs' Forum brings together the Chairs of Senedd committees to coordinate work, address practical matters affecting the operation of committees, and consider cross-cutting strategic issues. The Forum is chaired by the Llywydd and meets approximately six times a year.

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## Chair:



**Elin Jones MS (Llywydd)**  
Plaid Cymru

## Current membership:



**Mick Antoniw MS**  
Welsh Labour



**Jayne Bryant MS**  
Welsh Labour



**Janet Finch-Saunders MS**  
Welsh Conservatives



**Russell George MS**  
Welsh Conservatives



**John Griffiths MS**  
Welsh Labour



**Llyr Gruffydd MS**  
Plaid Cymru



**Mike Hedges MS**  
Welsh Labour



**Ann Jones MS**  
Welsh Labour



**Dai Lloyd MS**  
Plaid Cymru



**Lynne Neagle MS**  
Welsh Labour



**David Rees MS**  
Welsh Labour



**Bethan Sayed MS**  
Plaid Cymru



**Helen Mary Jones MS**  
Plaid Cymru

# The Chairs' Forum

## Introduction

- 1.** As we approach the end of the Fifth Senedd, we have reflected on our time as Chairs of Senedd committees and have, in this report, identified certain aspects of our experience that we believe will be useful to the Sixth Senedd's Business Committee when it comes to considering its role in the process of establishing committees.
- 2.** This is not an account of our committees' work or an analysis of their effectiveness. Rather we offer our collective view based on our experience of chairing Senedd committees over the past five years.
- 3.** We begin the report with our view on the role of Chairs before moving to consider some of the more practical aspects of committee operation.
- 4.** The table at Annex A provides a summary of our conclusions and recommendations.

# 1. The role of Chairs

## 1.1. Election of Chairs

5. We are the first cohort of Senedd committee Chairs to have been elected by the Senedd. We unanimously endorse this approach.
6. Being elected by the Senedd has enabled us to operate with greater independence and authority.
7. In a Senedd that has seen significant changes to political groups and committee memberships, and faced great uncertainty as a consequence of EU exit and the COVID-19 pandemic, Chairs of committees have provided an important consistency to Senedd Business.

## 1.2. Commitment to the role

8. Chairing a committee is a significant commitment. A Chair must invest considerable time outside committee meetings to perform effectively. The role is one of providing strategic leadership and direction, and of building relationships with committee members that in turn facilitates trust and consensus. The role also requires engagement with stakeholders, representing the committee at external events, media work, developing policy expertise and undertaking professional development.
9. Ideally, Chairs of committees would be freed of other parliamentary duties to enable them to focus full-time on being a committee Chair e.g. not sitting on another committee and/or not being a party spokesperson.

**Recommendation 1.** Whilst recognising that this might be difficult to achieve, we recommend that the leaders of political party groups in the Sixth Senedd consider minimising the parliamentary duties placed on members of their group who are committee Chairs and to avoid potential conflicts of interest when allocating spokesperson responsibilities.

## 1.3. Setting the right direction

10. It is important that committee Chairs do all they can to ensure that the right culture is embedded within their committees at the start of a Senedd, so that committee members, particularly new Members of the Senedd, understand the value of committee work and are committed to it.

**11.** Our experience of the Fifth Senedd has shown that taking time at the start of a committee's life to develop a strategy that engages committee members, sets objectives, and maps out how a committee wishes to operate is essential to achieving this.

**Recommendation 2.** We recommend that the Sixth Senedd committees spend time establishing long-term objectives for their work, a strategy for the delivery of their objectives, and establishing a vision of how they wish to operate, before determining the details of their work programmes.

**12.** It follows that Chairs, through their Clerks, should ensure that any Member joining a committee during the course of a Senedd receives an appropriate induction to ensure that they are aware of how the committee they are joining operates. Additionally, a new committee member should be afforded the opportunity to contribute to the future development of a committee's strategic approach.

**13.** Effective scrutiny requires prioritisation. Our experience has shown the importance of prioritising a limited number of issues and maintaining a focus on them over time. This often has a greater impact on Government policy and delivery.

## Engagement

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**14.** Committees in the Fifth Senedd have engaged with citizens, stakeholders and expertise in a range of ways.

**15.** Considering who a committee needs to engage with, and how best to engage with them, to achieve a committee's objectives is a routine part of work planning.

**16.** There is a broader opportunity for committees, when establishing themselves at the start of the next Senedd, to set a more general approach to engagement as part of their individual strategy to achieve the objectives they set.

**17.** For example, a committee might decide to:

- prioritise having a regular in-person presence across different locations in Wales;
- operate in a predominantly virtual mode;
- spend less time in formal meetings and more time working in other ways;

- prioritise citizen engagement (perhaps through the use of citizens assemblies); and/or
- prioritise expert engagement.

**18.** Of course, many more approaches are possible, the examples above are provided as an illustration only.

**Recommendation 3.** We recommend that committees consider their broader approach to engagement when establishing their objectives and strategy at the start of the Sixth Senedd.

**19.** There is more that can be done to understand the people committees engage with. Consideration should be given to how data can be collected so that committees can better understand who they are engaging with through their work and, perhaps crucially, who they are not yet reaching.

**Recommendation 4.** We recommend that information about the people committees engage with is collected and reported throughout the Sixth Senedd to enable committees and the Chairs' Forum to monitor who committees are engaging with and whether that engagement is achieving committee objectives.

## Committee support

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**20.** The support we, and our committees, receive from Senedd Commission staff is highly valued and appreciated.

**21.** Whilst a high level of support might be needed for a committee on its establishment and in its early years of operation, the approach to supporting committees should mature with their development and be proportionate to the needs of each committee at a given time.

**Recommendation 5.** We recommend that Chairs, with the support of their Clerks, periodically consider the support committee members require. There may be a case for adjusting that support as committee members develop in their roles through the course of a Senedd, and as a committee faces different tasks.

## 1.4. Understanding the impact of committee work

**22.** We believe that there is more that needs to be done to understand the impact of committee work.

**23.** Professor Diana Stirbu has been commissioned to develop a framework for evaluating the effectiveness of Senedd committees in the Sixth Senedd.

**24.** This will include a proposal for how committees can better monitor the diversity of their engagement and how the Chairs' Forum can play a role in considering the overall picture in terms of the diversity of committee engagement.

**25.** At our meeting on 22 October 2020, we endorsed the approach to be taken by Professor Stirbu to this work and a number of Chairs contributed to her work.

**26.** A final report of Professor Stirbu's work is expected in April 2021.

**Recommendation 6.** We recommend that the Sixth Senedd's Chairs' Forum considers Professor Stirbu's report at as early an opportunity as possible in the Sixth Senedd.

## 2. Committee structures

### 2.1. Size of committees

**27.** The size of committees varies according to function and political balance requirements.

#### Policy and Legislation Committees

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**28.** The Policy and Legislation Committees started the Fifth Senedd with eight members. This was a reduction in size compared to the Policy and Legislation Committees that operated in the Fourth Assembly [Senedd], which operated with a membership of 10.

**29.** On 18 June 2019, the membership of Policy and Legislation Committees was reduced to six members.

**30.** Whilst some Chairs had misgivings at first about a reduction in the size of committees from eight to six members, due to the heightened risk of inquorate meetings, most believe that attendance and member engagement has improved since the reduction in size.

**31.** To verify our view on attendance, Senedd Commission officials have provided us with aggregated attendance data for those committees affected by the change in membership numbers.

**32.** This data provides an indication that attendance improved with the reduction in committee size.<sup>1</sup>

**33.** For ease of illustration, this can be presented as the average number of seats left empty across the affected committees. An empty seat means that a member has not attended a meeting and no substitute has attended in their place i.e. a seat has been left empty for the duration of a meeting.

**34.** Because of the significant change to how committees have operated since public health restrictions were introduced in response to the COVID-19 pandemic, we have restricted the period for comparison up until the point when committees moved to operating virtually.

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<sup>1</sup> A committee member is recorded as having attended a committee meeting if they attend any part of a committee meeting.

Number of members	Mean number of seats left empty per week across affected committees (to the nearest whole seat)
Eight members (before 18 June 2019)	7
Six members (19 June 2019 to 26 April 2020)	4

**35.** Whilst an observation that is more pertinent for another section of this report, the data we received has also shown a further improvement in attendance for this cohort of committees since they moved to virtual meetings.<sup>2</sup>

Number of members	Mean number of seats left empty per week across affected committees (to the nearest whole seat)
Six members (when working with virtual meetings i.e. after 27 April 2020)	2

**36.** We believe that the smaller policy and legislation committees seen in the Fifth Senedd have operated well. An increase in the size of committees, without a reduction in the overall number of committees, would dilute the focus individual Members can bring to committee work (as more Members would be required to sit on multiple committees).

**37.** The decision on the size of committees is interdependent with considering the number of committees, their functions, and the political make-up of a Senedd.

**Recommendation 7.** Whilst acknowledging that the factors in paragraph 37 must also be considered, we recommend that a membership of six (and certainly no more than eight), would be a good place for the Sixth Senedd's Business Committee to start when considering the establishment of Policy and Legislation Committees.

**38.** In making this recommendation, we also note that frequent changes of committee membership are problematic and continuity of committee

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<sup>2</sup> Other factors, beyond the move to meeting virtually, may have contributed to the improvement in attendance. For example, a reduction in competing commitments as a consequence of the public health restrictions.

membership is key to the development of subject expertise and committee cohesion.

### Specialist Committees

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**39.** The Legislation, Justice, and Constitution Committee, has operated well with a membership of four, in light of its specific function.

**40.** Conversely, the Petitions Committee experienced problems with quoracy when it had a membership of four. These have largely abated since it was expanded to five members. The Petitions quoracy problems were also affected by the fact that it had independent members, who are unable to send a substitute in circumstances where they are unable to attend a meeting.

**41.** The Committee for the Scrutiny of the First Minister has noted that its membership, consisting of all Chairs of other committees, has been too large and considers that a membership of eight would be more appropriate for a committee with its functions.

**Recommendation 8.** We recommend that the size of the Committee for Scrutiny of the First Minister in the Sixth Senedd be reviewed, in light of experience in the Fifth Senedd.

**42.** The reduction in the size of the Public Accounts Committee during this Senedd put the political balance on the committee in favour of the opposition. This had a significant impact on PAC's dynamics.

**43.** The Finance Committee's size did not have a particular bearing on its operation. The Finance Committee also had a political balance in favour of the opposition.

**44.** The Standards of Conduct Committee has had an increased workload in the Fifth Senedd, necessitating additional meetings and time commitment from its members, as well as additional support.

## 2. 2. Dual function policy and legislation committees

**45.** We believe that combined Policy and Legislation Committees i.e. committees that combine both policy and legislative scrutiny roles work well.

**46.** Non-legislative and legislative actions are interdependent within an area of policy. An understanding of these actions in the round is essential to the effective scrutiny of government.

**47.** Whilst specific procedures apply to the scrutiny of Bills, there is a wider policy context within which each piece of legislation sits. Subject knowledge is at least as important to the scrutiny of a Bill as procedural familiarity.

**48.** Members, and Chairs in particular, develop policy knowledge and stakeholder relationships that are invaluable when applied to both functions.

**49.** The pressure of Bill scrutiny can affect the ability of a committee to pursue other aspects of its remit, particularly when the spread of government Bills is unevenly distributed across policy areas. This can reduce the ability of a committee to scrutinise the Welsh Government in other areas of a committee's remit.

**50.** There is more that can be done to address some of this pressure without moving away from an operating model for committees that is centred on the dual function approach. We address this

**Recommendation 9.** We recommend that the dual function policy and legislation committees should continue in the Sixth Senedd.

### 2.3. Remits

**51.** In most cases committee remits have been unproblematic. The Policy and Legislation Committees were established without strict boundaries to their remits to allow the pursuit of issues beyond policy silos. This has proved an advantage at times when managing scrutiny workloads and pursuing issues that cut across different Ministerial responsibilities.

**52.** The External Affairs and Additional Legislation Committee was established with a specific remit related to the UK's departure from the EU. Whilst it appears unlikely that a committee with the same remit will be established in the Sixth Senedd, it performed a range of scrutiny functions that the Sixth Senedd's Business Committee will need to consider when proposing a committee structure.<sup>3</sup>

**53.** Some committees have faced near to unsustainable workloads at times during the course of the Fifth Senedd. In particular, we note the breadth of the Equality, Local Government, and Communities Committee's remit and its Bill

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<sup>3</sup>. Aspects of the EAAL Committee's remit no-longer function due to how the process of EU Exit has progressed since the EAAL Committee's establishment. It is for this reason it appears unlikely that a committee with the same remit will be established in the Sixth Senedd.

scrutiny workload, and the volume of legislation that the Legislation, Justice, and Constitution Committee has had to consider at times alongside its other scrutiny remit.

Number of Bills considered by responsible committee

Responsible committee	Bills
Climate Change, Environment and Rural Affairs Committee	1
Committee of the Whole Senedd	3
Children, Young People and Education Committee	4
External Affairs and Additional Legislation Committee	1
Economy Infrastructure and Skills Committee	1 <sup>4</sup>
Equality, Local Government and Communities Committee	6
Finance Committee <sup>5</sup>	1
Health, Social Care and Sport Committee	5
Legislation, Justice and Constitution Committee	2

**54.** The Petitions Committee has experienced a significant increase in the number of petitions it is required to consider. Consideration will need to be given to how this increased workload is managed, should the receipt of petitions continue to grow in the Sixth Senedd.

**Recommendation 10.** We recommend that the Welsh Government shares as much information as possible in relation to its legislative programme for the Sixth Senedd at as early a point in the Six Senedd as possible, so that the Business Committee can consider the implications for committees and their workload.

**Recommendation 11.** The Bill scrutiny process itself can create pinch points for a committee and its staff. We recommend that the Sixth Senedd's Business Committee (or another committee with responsibility for Senedd procedures)

<sup>4</sup> The Bill remitted to the EIS Committee was withdrawn shortly after introduction (the Bus Services (Wales) Bill).

<sup>5</sup>The Finance Committee also introduced its own Bill, now the Public Services Ombudsman (Wales) Act 2019.

undertakes a review of the Bill scrutiny process to assess whether it is as efficient and effective as it might be.

**55.** We believe that a degree of additional capacity should be built into the committee system.

**56.** We acknowledge that the Fifth Senedd's Business Committee originally established a reserve policy and legislation committee that was to be used as a means of alleviating pressures in the committee system and that there was sufficient capacity to create a time-limited committee to consider Senedd Electoral Reform during the course of the Fifth Senedd.

**57.** Understandably, the reserve committee was swiftly re-tasked to consider the implications for Wales arising from the Brexit process (as the EAAL Committee) leaving that committee with little capacity to consider Bills unrelated to its core remit.<sup>6</sup>

**Recommendation 12.** We recommend that the Sixth Senedd's Business Committee, when considering the establishment of committees, should consider how best to build-in additional capacity and flexibility to handle peaks in committee workload.

**58.** We have seen a number of instances where Senedd committees have worked together during the course of the Fifth Senedd.

**59.** We have also seen an increase in interparliamentary working, for example through the Interparliamentary Forum on Brexit and in relation to the UK-wide Common Policy Frameworks.

**60.** We endorse Senedd committees working together.

**61.** We recognise the value that interparliamentary working can bring to our work.

**Recommendation 13.** We recommend that the Sixth Senedd's Business Committee considers whether there are any steps it can take to help enable

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<sup>6</sup> The EAAL Committee considered one Senedd Bill, the Regulation of Registered Social Landlords (Wales) Bill. It managed this by creating a sub-committee. It consider a wide range of other legislative matters, including UK Bills, the process of retaining EU Law, and legislation associated with the common frameworks programme.

joint working between Senedd committees and interparliamentary working, for example when timetabling committee business.

## 2. 4. Virtual meetings

**62.** In our view, virtual and hybrid means of conducting committee business are here to stay in one form or another, alongside the holding of in-person meetings at the Senedd and elsewhere.

**63.** Our experience of operating remotely during the COVID-19 pandemic has shown that committees can operate effectively through the use of virtual meeting technology.

**64.** Moreover, this use of technology has the potential to make committee business more accessible and flexible in a number of ways. This is of benefit to both committee members and those invited to contribute to committee work.

**65.** Without the restrictions of physical space and the need to account for travel time, virtual meetings can be convened more quickly and at times during the week that might not have been suitable for Senedd business previously.

**66.** This flexibility also has the potential to enable committee business to take better account of the family responsibilities of committee members, staff, and those invited to contribute to committee business.

**Recommendation 14.** We recommend that, within the parameters set for committee business by the Senedd Commission and the Business Committee in the Sixth Senedd, it should be a matter for individual committees to decide their mode of operation on a meeting by meeting basis i.e. whether in person, hybrid, and/or remote meetings will best enable them to achieve their objectives.

## 2. 5. Chairs' Forum

**67.** The Chairs' Forum has added value to our work by providing a space within which we can address cross-cutting scrutiny issues, share good practice, and look more strategically at the work of committees.

**68.** Additionally, as a consultative forum, it has helped inform Senedd Commission and Business Committee decisions affecting the operation of committees. For example, in relation to timetabling and changes to business necessitated by the Coronavirus pandemic.

**69.** We believe the Chairs' Forum works well as an informal group and welcome the Business Committee's decision to provide the Forum with a timetabled meeting slot at the end of each half term.

**Recommendation 15.** We recommend that the Llywydd establishes a Chairs' Forum in the Sixth Senedd and that the Sixth Senedd's Business Committee timetables a regular slot for it to meet.

## Annex A – Summary of our view

### Election of Chairs

We are the first cohort of Senedd committee Chairs to have been elected by the Senedd. We unanimously endorse this approach.

### Commitment to the role

**Recommendation 1.** Whilst recognising that this might be difficult to achieve, we recommend that the leaders of political party groups in the Sixth Senedd consider minimising the parliamentary duties placed on members of their group who are committee Chairs and to avoid potential conflicts of interest when allocating spokesperson responsibilities.

### Setting the right direction

**Recommendation 2.** We recommend that the Sixth Senedd committees spend time establishing long-term objectives for their work, a strategy for the delivery of their objectives, and establishing a vision of how they wish to operate, before determining the details of their work programmes.

**Recommendation 3.** We recommend that committees consider their broader approach to engagement when establishing their objectives and strategy at the start of the Sixth Senedd.

**Recommendation 4.** We recommend that information about the people committees engage with is collected and reported throughout the Sixth Senedd to enable committees, and the Chairs' Forum, to monitor who committees are engaging with and whether that engagement is achieving committee objectives.

**Recommendation 5.** We recommend that Chairs, with the support of their Clerks, periodically consider the support committee members require. There may be a case for adjusting that support as committee members develop in their roles through the course of a Senedd, and as a committee faces different tasks.

## Understanding the impact of committee work

**Recommendation 6.** We recommend that the Sixth Senedd's Chairs' Forum considers Professor Stirbu's report at as early an opportunity as possible in the Sixth Senedd.

## Size of committees

**Recommendation 7.** Whilst acknowledging that the factors in paragraph 36 must also be considered, we recommend that a membership of six (and certainly no more than eight), would be a good place for the Sixth Senedd's Business Committee to start when considering the establishment of policy and legislation committees.

**Recommendation 8.** We recommend that the size of the Committee for Scrutiny of the First Minister in the Sixth Senedd be reviewed, in light of experience in the Fifth Senedd.

## Dual function policy and legislation committees

**Recommendation 9.** We recommend that the dual function policy and legislation committees should continue in the Sixth Senedd.

## Remits

**Recommendation 10.** We recommend that the Welsh Government shares as much information as possible in relation to its legislative programme for the Sixth Senedd at as early a point in the Six Senedd as possible, so that the Business Committee can consider the implications for committees and their workload.

**Recommendation 11.** The Bill scrutiny process itself can create pinch points for a committee and its staff. We recommend that the Sixth Senedd's Business Committee (or another committee with responsibility for Senedd procedures) undertakes a review of the Bill scrutiny process to assess whether it is as efficient and effective as it might be.

**Recommendation 12.** We recommend that the Sixth Senedd's Business Committee, when considering the establishment of committees, should consider how best to build-in additional capacity and flexibility to handle peaks in committee workload.

**Recommendation 13.** We recommend that the Sixth Senedd's Business Committee considers whether there are any steps it can take to help enable joint working between Senedd committees and interparliamentary working, for example when timetabling committee business.

### Virtual meetings

**Recommendation 14.** We recommend that, within the parameters set for committee business by the Senedd Commission and the Business Committee in the Sixth Senedd, it should be a matter for individual committees to decide their mode of operation on a meeting by meeting basis i.e. whether in person, hybrid, and/or remote meetings will best enable them to achieve their objectives.

### Chairs' Forum

**Recommendation 15.** We recommend that the Llywydd establishes a Chairs' Forum in the Sixth Senedd and that the Sixth Senedd's Business Committee timetables a regular slot for it to meet.

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# **Fifth Senedd Legacy Report**

March 2021



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# **Fifth Senedd Legacy Report**

March 2021



# About the Committee

The Committee was established on 28 June 2016. Its remit can be found at:  
[www.senedd.wales/SeneddEIS](http://www.senedd.wales/SeneddEIS)

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## Committee Chair:



**Russell George MS**  
Welsh Conservatives

## Current Committee membership:



**Hefin David MS**  
Welsh Labour



**Suzy Davies MS**  
Welsh Conservatives



**Vikki Howells MS**  
Welsh Labour



**Helen Mary Jones MS**  
Plaid Cymru



**Joyce Watson MS**  
Welsh Labour

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## Chair's foreword

Whilst we were writing this report I cast my mind back to a strategy session we held as a newly formed Committee in 2016. As part of that session we discussed what we wanted people to think of the Committee in 2021 and put together some targets. They included being influential, producing meaningful recommendations, being respected by stakeholders and being able to change Government policy. I hope that is how we are seen today.

Back then I don't think anyone would have foreseen what the next five years would bring. This Senedd Term has probably been the most turbulent in the institution's history with public discourse first dominated by the result of the Brexit referendum and then the COVID-19 Pandemic. However during this turbulent time the Committee remained focused on our task of scrutinising policy and holding the Welsh Government to account, aspiring to be the Committee we envisaged when sitting in that strategy session.

The Committee has a wide and varied remit and ensuring we gave due time and attention to every element was a challenge, however one I believe we met. Our work on The State of Roads in Wales certainly captured the imagination of the public. One of my favourite memories of chairing this committee is judging the pot hole photography competition we held. Our Access to Banking inquiry grabbed headlines and highlighted the serious effects of bank closures on vulnerable people and small businesses. We also heard about the great research and innovation work happening in Wales and what needs to be done to strengthen the sector. It's clear to me research and innovation will be a key tool to help Wales rebuild stronger following the pandemic.

Whilst I hope that the next Senedd Term is a lot less turbulent than this, I know our successor committee or committees will still be very busy scrutinising issues like the future development of Transport for Wales, regional development including the progress of our four Growth Deals and the further development of our skills sector including the apprenticeship programme. This is of course alongside the frankly giant matters of recovery from the COVID-19 Pandemic and how to seize the opportunities and face the challenges presented by the UK leaving the European Union.

I have very much been honoured by the responsibility of, and enjoyed my time, chairing the Fifth Senedd's Economy, Infrastructure and Skills Committee. I would like to extend my gratitude to all the Members both present and former, everyone who has engaged with or provided the Committee with evidence over the past five years and the Committee support team at the Senedd.

A handwritten signature in black ink that reads "Russell George". The signature is written in a cursive style with a large initial 'R' and a long horizontal flourish at the end.

**Russell George MS**

Chair, Economy, Infrastructure and Skills Committee

# 1. Engaging with the people of Wales

The Committee has worked hard over the past five years to build strong relationships with stakeholders and engage the public in its work in different ways tailored to the subject and audience for its inquiries. This included regular stakeholder events and a bulletin newsletter, external visits, focus group work, surveys and even a photo competition.

- 1.** The Committee published a total of 14 newsletter bulletins for stakeholders over the Fifth Senedd, and undertook 16 visits to take evidence for inquiries at various locations around the United Kingdom and Brussels.
- 2.** In 2016 the Committee held a business breakfast event at World of Boats, Cardiff Bay, as part of a one-day inquiry into Business Rate reform. In 2017 Members held a workshop event in Shrewsbury with support from Transport Focus, alongside a large online survey, as part of its inquiry into the new rail franchise. When considering the future development of Transport for Wales the Committee went to meet with Transport for Greater Manchester, Transport for the North and the Liverpool City Region Combined Authority.
- 3.** Members also visited Glasgow as part of work on City Deals. The Committee was grateful to the business owners who participated in a video made to support its report into digital infrastructure. And in 2017 Members had a packed one-day programme of meetings in Brussels to inform its Selling Wales to the World inquiry.
- 4.** In 2018 Members visited North Wales Enterprise Zones, and went to London to meet with Professor Graham Reid and experts at the Wellcome Trust, Scottish Government officials at Scotland House, and UK Research and Innovation (UKRI). For that inquiry the Committee also held an external meeting at the University of South Wales campus in Treforest, and visited the Wales Cancer Research Centre at the University Hospital of Wales. Within the business timetable Members also made visits closer to the Senedd, including to Cardiff and Vale College, Principality and Nationwide Building Societies, Cardiff University Supercomputing, Cardiff Airport and British Airways Maintenance Centre.
- 5.** The Committee held eight stakeholder events at Senedd Cymru. These were used to engage directly with stakeholders and gather views on a more informal

basis, both in relation to planned inquiries and to help steer the strategic direction of the work programme. In 2017 the Committee published the outcome of consultation seminars on Welsh Government's new Economic Strategy using **Adobe Spark**. Other stakeholder workshops related to Professor Diamond's review of higher education and student finance, the apprenticeships levy, infrastructure, regeneration of town centres and the White Paper on Improving Public Transport, as well as consulting on the Committee's work programme priorities.

**6.** The Committee conducted surveys and focus group work for its inquiries into Access to Banking and on the impacts of Covid-19. It also held a photography competition in order to promote public engagement with the Committee's work on 'State of the Roads in Wales'.

**7.** The Committee is extremely grateful to all those who have hosted and participated in our visits, meetings, focus groups and stakeholder events over the past five years. The Senedd outreach and communications team have worked hard to help us engage with the people we serve. We are also grateful to Kate Faragher of BeSpokeSkills for her excellent facilitation of sessions to set our strategic direction and improve the effectiveness of our scrutiny work. All your contributions and collaboration have strengthened our ability to hold this Welsh Government to account and better serve those we represent as Members.

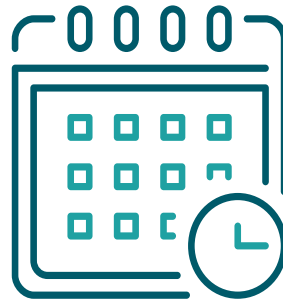
Economy, Infrastructure and Skills Committee  
**Our work during the Fifth Senedd**

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**49**

COMMITTEE  
REPORTS



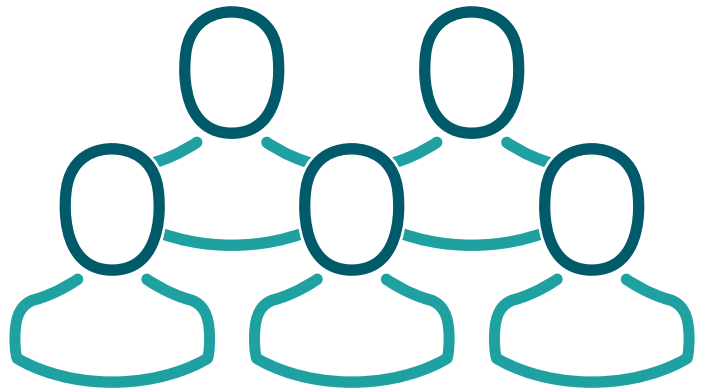
**142**

COMMITTEE  
MEETINGS

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**463**

WITNESS  
APPEARANCES



STAKEHOLDER  
EVENTS



**16**

**20**

COMMITTEE  
DEBATES



## 2. Scrutiny in the Fifth Senedd

This section sets out a brief background of how the Committee operated through the Fifth Senedd. It is then followed by sections outlining key issues explored by the Committee, broken down into the economy, infrastructure, transport and skills remits.

### Background

**8.** At the beginning of the Fifth Senedd the Economy, Infrastructure and Skills Committee consulted on what its priorities should be, receiving 49 responses to inform the strategic direction of its work. Over the period 2016-2020 the Committee's work programme aimed for a balance of policy inquiry work across the three elements of its remit - economy, infrastructure (primarily transport infrastructure) and skills (which also includes research and innovation).

**9.** In March 2020 the COVID-19 pandemic forced a temporary suspension of all Senedd business, including that of the Economy, Infrastructure and Skills Committee. Following the Easter recess period, committee business resumed, however the meetings were reduced to a fortnightly basis and held via video conference. From the autumn term 2020 committee meetings returned to their normal pace of weekly meetings, however they continued to be held via video link.

**10.** From the resumption of business until mid-autumn 2020, Members felt it was important the Committee prioritised responding to the COVID-19 emergency; Members postponed planned inquiries and created an emergency work programme focusing on the pandemic's effects. In mid-autumn whilst the pandemic was still the Committee priority and focus, Members felt comfortable reintroducing an element of non-pandemic work and to finish off inquiry work that had been paused in March.

**11.** The Committee published three reports relating to the pandemic:

- **The Impact of COVID-19: Summary of Initial Findings** - a short report outlining urgent concerns the Members had across the Committee's portfolio;

- [The Impact of COVID-19: Skills – early findings](#) – a second short report outlining in further detail concerns in the skills area of the portfolio;
- [Long-term Recovery from COVID-19](#) – an in-depth holistic report on how recovery should look across the Committee’s remit.

12. Further details on the content of each is contained in the thematic sections below.

## Economy

13. The future of the steel industry was one of the highest profile economic issues at the beginning of the Fifth Senedd, a large driver for this was concerns over the future of Port Talbot Steelworks. One of the first pieces of work the Committee undertook was a one day session with business, unions and the Welsh Government. Following this session the Chair wrote to the [Prime Minister](#). Concerns regarding the future of Welsh manufacturing, including steel, are still present particularly as a result of the Pandemic and are addressed in the Committee's recovery report.

14. **Business Rates** have been a key topic of interest for this Committee since the start of the Fifth Senedd. The Committee's first report was released following a [one day inquiry on Business Rates](#) held in October 2016. Most recently the Committee discussed the need to extend business rates relief on hard hit sectors. On 3 March the Welsh Government made an announcement they would be extending the business rates holiday for [leisure, hospitality and retail](#).

15. In the spring of 2017, anticipating Welsh Government’s development of a new economic strategy, the Committee held seminars and published [a report](#) on some ‘alternative voices’ views on what the strategy could contain.

16. The Committee has regularly examined the topic of regional economic development. In November 2017 the Committee published its [first report](#) on ‘City Deal activity’ in Wales. At the time there were only two city deals in Wales, however the North Wales Economic Ambition board was “leading the charge” for what would eventually develop into the North Wales Growth Deal, and in mid Wales attention was turning to what would become the Mid Wales Growth Deal.

17. As the Deals developed the Committee continued to follow their development and progress, holding annual scrutiny sessions with the leaders of each Deal. The [most recent of these](#) was held on 3 March 2021.

- 18.** As well as the City and Growth Deals the Committee has looked at other aspects of regional economic development. In 2018, five years after their establishment, the Committee published a report on Enterprise Zones. In 2020 the Committee started an inquiry into the Valleys Taskforce; however the inquiry only completed its consultation stage before being overtaken by events and Members decided to reprioritise to focus on the COVID-19 pandemic.
- 19.** The Committee also held an evidence session with Maria-Varinia Michalun, author of the OECD's report on the future of regional development and public investment in Wales, in December 2020.
- 20.** The Committee scrutinised Welsh Government's policy and approach to regeneration over the course of the Fifth Senedd, with Town Centre Regeneration: Five Years On in February 2018. The Committee also considered the role of the Transforming Town Centres programme in relation to Welsh Government's policy on future remote working.
- 21.** In August 2018 the Committee published a report intitled Industry 4.0 - the Future of Wales. This report explored the 'Fourth Industrial Revolution', advancements in automation and artificial intelligence. It looked at their impact and the risks and opportunities they present to Wales.
- 22.** In September 2018 the Committee published Selling Wales to the World. This was a report looking towards the UK's exit from the European Union and examining how Wales sold itself to the World in terms of tourism, education, and trade and inward investment.
- 23.** Problems with the use of Compulsory Purchase Orders came up both in scrutiny of Welsh Government's work on town centre redevelopment, and active travel, leading to a Committee report in June 2019.
- 24.** There was a high level of public engagement with the Committee's 2019 inquiry into Access to Banking and its findings received national press coverage. The inquiry looked at the impact on individuals, business and communities of reduced access to cash and bank branches; significant issues of digital exclusion; and Welsh Government's support for a proposed new Community Bank, Banc Cambria. Several issues identified in the report, for example a move to cashless payments, have been greatly expediated by the pandemic.
- 25. Procurement** - The Committee made wide-ranging recommendations to Welsh Government in 2020 on the role of Public Procurement in the Foundational Economy and scrutiny of progress with responding to this, and the

Future Generation Commissioner's review - [Procuring Well-being in Wales](#) - will be important in the Sixth Senedd to help drive a fair and green economic recovery.

**26.** As already mentioned, in March 2020 the **COVID-19 pandemic** forced the temporary suspension of the Committee's business. When business resumed the Committee embarked on an emergency work programme focusing on the pandemic's effects. In June 2020 the Committee published a [summary of its initial findings](#).

**27.** The report looked at the initial response, what should happen next, and highlighted gaps in business support and workplace safety concerns. Two key issues from that report that remain very relevant are sector-specific support and monitoring and evaluation of the response.

**28.** The Minister for Economy, Transport and North Wales had told the Committee he wanted to 'build back better' following the pandemic. Members decided to embark on a large-scale examination of what that should mean across the whole Committee remit.

**29.** On 3 March 2021 the Committee published a comprehensive report on [Long-term Recovery from COVID-19](#). At over 60 pages and including 53 recommendations it was the longest report the Committee published. The report should be read as a holistic document, however from an economic perspective it set out:

- how reconstruction funding should be used to revitalise and re-tool the Welsh economy, using recovery to address some endemic issues Wales faced before the pandemic, but also promoting a green recovery and preparing the economy for the future;
- ongoing support that will be required for sectors particularly affected by the pandemic;
- how to ensure equality in the recovery; and
- what the Welsh Government needs to do in order to head off a huge spike in youth unemployment.

**30.** During the first lockdown in Wales around 40% of people worked from home. This 'grand experiment' led to reduced congestion and air pollution as well as socio-economic gains for some. To lock in these gains the Welsh Government announced an [ambition](#) to have 30% of workers continuing to work from or close

to home on a regular basis. As a result of this stated ambition the Committee decided to hold an Inquiry - [Remote Working: Implications for Wales](#).

**31.** Members were aware that the policy was very much in development so the Inquiry was designed to be a short and focused piece of work which would aid policy development and expand the evidence base. The inquiry looked at the positive and negative impacts of increased remote working across a number of areas, as well as looking at the development of proposed remote working hubs. The Committee also commissioned academic papers on the subject: [Remote working – spatial implications in Wales](#) and [Outlining the contours of the ‘great homeworking experiment’ and its implications for Wales](#).

## Infrastructure

**32.** In 2016 the Committee scrutinised Welsh Government’s consultation on establishing a **National Infrastructure Commission for Wales**, to get clarity for stakeholders on how it would be taken forward and to influence the development of policy. In January 2017 the Committee released a [report](#) on the matter, including a recommendation that the chair should subject to a pre-appointment hearing with a relevant Senedd Committee.

**33.** This recommendation was accepted by the Government and on 7 June 2018 the Committee held a [pre-appointment hearing](#) with the preferred candidate for Chair, John Lloyd Jones. The Committee then held further scrutiny sessions with the Commission on its development and initial findings.

**34.** A further expected pre-appointment hearing for an incoming Chair of the NICW was postponed after the incumbent Chair’s appointment was extended to the end of the Fifth Senedd, but the Committee [wrote to the](#) Minister for Housing and Local Government in August 2019 to outline concerns about the strategic direction of NICW and its future expectations for the status and functioning of the Commission and role of its Chair. The Committee did not hold a scrutiny session with the Commission on its 2020 [Annual Report](#) due to COVID-19 related pressures.

**35.** Responsibility for scrutinising the Draft National Development Framework, prior to its publication as [Future Wales: the national plan 2040](#), was led by the Climate Change, Environment and Rural Affairs Committee. However [infrastructure issues](#) were scrutinised by the EIS Committee.

**36.** **Connectivity and closing the digital divide** was a focus throughout the Fifth Senedd, with reports on [Digital Infrastructure in Wales](#) in September 2017, and

**Mobile Action Plan Update** in January 2019. Broadband connectivity and digital inclusion were key issues in the Committee's reports on Access to Banking and Remote Working, and Ministers were scrutinised on their approach, most recently on **24 February 2021**.

**37.** While housing fell primarily within the remit of the Equality, Communities and Local Government Committee, the Committee reported on **Barriers facing small home building firms** in April 2020, and undertook joint work with the Finance Committee on **Retention Payments in the construction sector**.

## Transport

**38.** The Committee has focused on transport governance and delivery arrangements, scrutinising Welsh Government's ambition for an integrated transport network, and on its strategic approach to decarbonising transport and generating modal shift, including through promoting active travel.

**39.** **Decarbonisation of transport** and achieving modal shift were central to a wide-ranging inquiry and report published in July 2020. This was preceded by Committee recommendations on **Electric Vehicle Charging Infrastructure** in October 2019. Most recently, the Committee's Long-term Recovery from Covid-19 Report contains **four recommendations** for Transport Recovery priorities.

**40.** **The future of rail services** was a priority for the Fifth Senedd. In June 2017 the Committee published **On the right track? The Rail Franchise and South Wales Metro**. The Committee took a strong interest in **The Future Development of Transport for Wales** (TfW), reporting on its proposed remit, functions and future governance arrangements in May 2019. The report was followed up in regular scrutiny of the Minister for Economy, Transport and North Wales, as well as in evidence sessions with the Chief Executive of Transport for Wales, Keolis Amey, and Network Rail. The new TfW franchise got off to a rocky start in 2018, and the Committee published a report on 2018's **Autumn Rail Disruption** in May 2019. Although some measures of performance improved, including dealing with autumn related problems, the franchise was dogged by overcrowding problems until the Pandemic dramatically reduced passenger numbers.

**41.** **Bus services** looked set for an overhaul with proposed legislation on and delivery in the **Bus Services (Wales) Bill**. These were initially part of wider legislative proposals in the Improving Public Transport White Paper, which also included 'Joint Transport Authorities' and reforms to Taxi and Private Hire Vehicle licensing (see legislation section). The Committee consulted stakeholders and **responded to the White Paper**.

**42.** The Welsh Government-owned TfW is critical to delivery of an integrated network, and is significantly expanding its role to include work on bus services, highways, active travel, transport modelling and delivery of transport strategy and planning. Its relationship with the local government strategic bodies, the Corporate Joint Committees legislated for in the [Local Government and Elections \(Wales\) Act 2021](#), will be vital. What was not envisioned before Covid-19 impacted services so dramatically was that by February 2021 Transport for Wales would also have taken over Wales and Borders rail operations as “operator of last resort”, and that Welsh Government would be supporting bus services through the Bus Emergency Scheme (mark II). The Committee has scrutinised these developments up to the end of this Senedd term and they will be a priority for the successor committee holding the transport portfolio.

**43.** Lord Burns briefed the Committee in February 2020 and [3 February 2021](#) on the work of the [South East Wales Transport Commission](#) (SEWTC) established following the First Minister’s decision not to proceed with the M4 Relief Road. Implementation of SEWTC recommendations will be a matter for scrutiny in the Sixth Senedd.

**44.** The Committee’s 2018 inquiry into [The State of Roads in Wales](#) included a popular ‘pot holes’ photographic competition - a light-hearted take on a serious subject for Welsh road users. A number of the issues considered in the Report continue to be important. These include how highway authorities ensure value for money when delivering maintenance programmes, and ensuring the new National Transport Delivery Plan includes a clear pipeline of major projects.

**45.** Welsh Government’s ownership of Cardiff Airport has been a regular scrutiny item. Most recently the Chair invited Members of the Public Accounts Committee to join the EIS session on 10 March 2021 to scrutinise the Airport support package announced the previous week.

## Skills, research and innovation

### Skills

**46.** The first major piece of work on skills the Committee undertook was an [Inquiry into the Apprenticeship Levy](#) in Wales which reported in March 2017. The Levy is a 0.5% charge on large employers’ pay bills. The levy is UK-wide and the inquiry looked specifically at the impact for Wales, and at cross border issues. In August 2018 the Committee published a follow up report [The Apprenticeship Levy: One Year On](#).

**47.** Apprenticeships were a key theme of the Committee's skills work, including degree apprenticeships. In February 2018 the Committee published Apprenticeships in Wales; a report which built on some of the non-levy issues raised in the previous apprenticeship levy inquiry, and also followed up on the report by the Enterprise and Business Committee from the Fourth Assembly of the same name.

**48.** During the Fifth Senedd the Welsh Government proposed a Post-Compulsory Education, Training and Research (PCET) Bill (which became known as the Tertiary Education and Research Bill). To inform better scrutiny of the Bill, and to scrutinise Welsh Government funded university research and innovation activity and how it links with businesses, the Committee held an Inquiry on Research and Innovation in Wales which reported in June 2019. Plans for the Bill were eventually shelved as a result of COVID-19, it being published as a draft bill for consultation. However the report is still a useful analysis of the research and innovation landscape in Wales and the challenges and opportunities within it that remain perhaps more relevant than ever with the ending of EU funding now nearer.

**49.** In October 2019 the Committee released a report on Regional Skills Partnerships (RSPs). Members were very interested in the activities of the RSPs and the link between them and industry. Given their key role in the skills system, and their influence over a large proportion of further education and apprenticeship provision, RSPs became a regular feature of the Committee's skills scrutiny.

**50.** In November 2020 the Committee heard from each RSP regarding their role in recovery from the COVID-19 pandemic, this is covered further below, and Members were concerned about the lack of budget for a promised fourth Mid-Wales RSP in the 2021/22 budget. When asked about this in the Committee's scrutiny session the Minister said he would find the funding. The Committee was also concerned that the partnerships were not well understood by stakeholders and did not have the resources or capacity to undertake the sort of labour market analysis it felt was required.

**51.** At the end of 2019 the Committee launched an Inquiry into **Degree Apprenticeships**. This Inquiry was disrupted by the suspension of business and subsequent refocus on the pandemic. When businesses were suspended the Committee had completed its evidence gathering and had visited the Office of National Statistics Data Science Campus to meet with a group of degree apprentices, but had not been able to take evidence from the Government. In

November 2020, once the Members felt it appropriate to restart non-COVID-19 work, the Committee published a [report on the Inquiry](#).

**52.** The welfare of apprentices and people leaving education, and the continuation of skills provision, were a key concern for Members in the early days of the COVID-19 pandemic. Whilst it was ‘all hands to the pumps’ in certain sectors, especially for health and social care apprentices, other apprentices had been furloughed or redeployed and were left with very uncertain futures – both of these presented serious challenges for the student’s health and wellbeing and the attainment of their apprenticeship. The Committee had also heard worrying evidence about a spike in youth unemployment and around the erosion of skills and training infrastructure. To this end the Committee published [The Impact of Covid-19: Skills – Early Findings](#) in June 2020.

**53.** As outlined above, Members decided to undertake a holistic inquiry into what recovery from COVID-19 should look like across the Committee’s portfolio. The [report](#) on this was published in March 2021 and from a skills, and research and innovation perspective highlighted:

- How a skills-led recovery can revitalise and re-tool the economy;
- The importance of research and innovation investment in recovery, including how this can strengthen resilience to future shocks;
- How skills can support a green, future proofed, recovery; and
- The importance of both ensuring training opportunities are available to everyone, no matter their background, and encouraging people to take training opportunities which will lead to jobs in fields where people like them are under-represented.

## Relationship with the EU/Wales after Brexit

**54.** During the Fifth Senedd the External Affairs and Additional Legislation Committee (EEAL) led work on Ports and Trade as it related to the UK’s relationship with the EU and the impact of Brexit on [Welsh Ports](#). Where matters were raised during EIS scrutiny these were taken up in correspondence with the Minister for Economy, Transport and North Wales. The Committee has been monitoring the development of Common Frameworks falling within the it’s remit, primarily in relation to late payments and public procurement. Scrutiny of finalised frameworks and implications for Wales will be a matter for the Sixth Senedd.

## Regular scrutiny items as required by Standing Order 16.1

**55.** Committee scrutiny as required under Standing Order 16.1(i) of the “expenditure, financing, administration and policy of Welsh Government, and “associated public bodies”, has included:

- General Ministerial scrutiny on a termly basis;
- In-year and annual budget scrutiny;
- Annual scrutiny of the Development Bank of Wales; and
- Scrutiny of the priorities of the National Infrastructure Commission for Wales (NICW) and pre-appointment hearings for any Chairs appointed, further details are in the infrastructure section above.

### 3. Legislation referred to the Committee

The Committee was referred a relatively small amount of legislation. The only Senedd Bill was the Bus Services (Wales) Bill, which was subsequently withdrawn by the Government due to COVID-19.

#### Bus Services (Wales) Bill

**56.** The Bill was introduced by the Minister for Economy, Transport and North Wales on 16 March 2020 and remitted to the Committee for scrutiny. The policy objective was to provide local authorities with an improved range of tools to use when planning and delivering local bus services within their area, and to improve the availability of information on bus services.

**57.** The Bill made provision for the creation of Welsh Partnership Schemes (WPS), Welsh Franchising Schemes (WFS), and for local authorities to run their own bus services. Local authorities would be able to use any or all of these options to improve bus services within their area. The Bill also sought to require operators to provide data about local bus services ('open data') which could be used to give the public access to more consistent, reliable and up-to-date information on bus services. It also sought to give local authorities the power to request information, including fare, revenue and passenger data, from bus operators on routes they have proposed to alter or withdraw.

**58.** Scrutiny of the Bill was paused due to the pandemic, and on 1 April 2020 the First Minister issued a written statement on the Government's approach to legislation in light of Covid-19. The Bill was not prioritised for progression but remained under continual review. On 15 July 2020 the Minister for Economy, Transport and North Wales, in Charge of the Bill, notified the Llywydd that the Bill was being withdrawn in accordance with Standing Order 26.79.

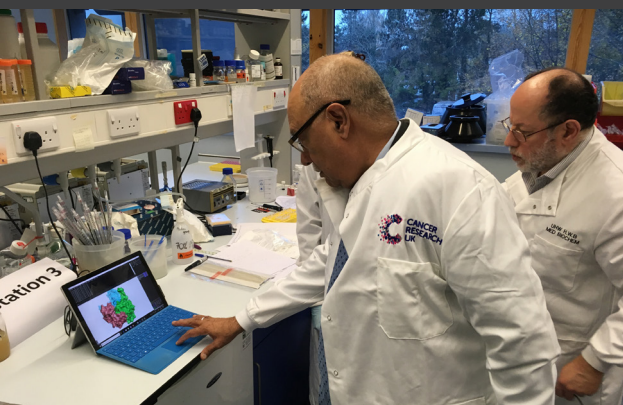
#### Post-legislative scrutiny of the Active Travel (Wales) Act 2013

**59.** Post legislative scrutiny of how the Act was being implemented built on initial post-legislative scrutiny undertaken by the predecessor Enterprise and Business Committee in the Fourth Assembly (Active Travel: the start of the journey - February 2016.) This work included engagement activity with focus groups, a survey and a short film, and a report published in November 2017.

## Legislative Consent Memoranda

**60.** The Committee reported on seven Legislative Consent Memoranda. Five were on UK legislation relating to non-domestic rates (i.e. business rates), including moving the dates of revaluation following COVID-19. Another was on ticket tout enforcement relating to the Birmingham Commonwealth Games Bill, and one concerned provisions in the Financial Services Bill relating to debt management and advice.

**61.** The Committee was satisfied that all of the Memoranda it reported on related to Bills which made provision for purposes within the legislative competence of the Senedd. Therefore, the Committee did not object to the Senedd approving the Legislative Consent Motions associated with any of them.



**Top left:** Launch of the Regional Skills Partnership Report at Cardiff and Vale College.

**Top right:** Members judge a pothole photography contest as part of the State of the Roads in Wales inquiry.

**Middle:** The Committee visiting British Airways Maintenance Cardiff.

**Bottom left:** Oscar Asghar MS on a Committee visit to Cancer Research UK's facility at University Hospital of Wales.

**Bottom right:** Members visiting Canton rail maintenance depot.

## 4. Priorities for the Sixth Senedd

Based on its inquiry work and engagement with stakeholders during the Fifth Senedd, the Committee considers the issues set out below to be important priorities for the successor Committee(s) of the Sixth Senedd.

### The Economy

#### **Economic development and regeneration**

- Regional Economic Development and investment in regional economies. There are many actors and many policies in the regional economic development space. The continuing development of the City and Growth Deals, particularly the Deals that were signed in the Fifth Senedd, will be important.
- How the Welsh Government's regional economic development policies and infrastructure interact with the UK Government's levelling up agenda will be an important issue. This would include the replacement of EU funding with the Shared Prosperity Fund, the UK Community Renewal Fund, the Levelling Up Fund and the Community Ownership Fund. It would also cover the development and implementation of the Corporate Joint Committees and their role in promoting economic wellbeing.
- The implementation of the OECD's Future of Regional Development and Public Investment in Wales Report.
- Regeneration of Town Centres and Communities: Transforming Town Centres; the Valleys Taskforce and supporting the most 'left behind' communities.

#### **Covid-19 Recovery**

- As discussed earlier in this report the Committee published [a report](#) on COVID recovery setting out a detailed and holistic approach to reinvigorating and re-tooling Wales' economy. This report highlights several risks and opportunities which will need to be taken and addressed in the next Senedd Term including:

- Supporting hard hit sectors including tourism, hospitality, culture/arts and hair and beauty;
- Tackling the looming surge in youth unemployment to prevent a scarred generation;
- Equality in the recovery, both making sure no one is left behind but also using the recovery to promote equality aims;
- Promoting a green recovery; and
- The future of retail as a result of the changes in behaviour during the Pandemic.

### **The future of industry and work**

- **Manufacturing future for Wales** - ongoing support for Wales manufacturing industry, and recommendations made in the Committee's report on Long-term recovery from Covid-19 on support for long-term affected sectors including aerospace and steel.
- The continuing opportunities and risks of increased **Automation and AI**.
- **Remote Working: Implications for Wales** - progress with the direction and implementation of remote working policy and its socio-economic impacts, including response to the 15 recommendations in the Committee's report debated on 17 March 2021.
- The interplay between **caring and employment**, including parenting and unpaid care. In the fifth Senedd the **Equality, Local Government and Communities Committee** published a report on parenting and employment which is an issue that straddles both Committee remits. As remote working beds in this may give people more freedom to balance care and work but also may place more expectations particularly on women as they currently undertake the majority of caring work.
- **Fair work** - scrutinising implementation of the Fair Work Commission's recommendations and addressing Fair Work issues arising from the pandemic.

## The foundational economy and public procurement

- Supporting the Foundational Economy including programmes and any proposed legislation to strengthen and support the role of public procurement to drive social value and support local supply chains.
- As well as part of the foundational economy the role of **public procurement** more general this includes strengthening Wales' public sector procurement skills and promoting the status of the procurement profession.

## Other economic drivers

- **Business Rate reform** - progress and implications for Wales.
- **Access to Banking** - scrutiny of Welsh Government's support for Banc Cambria, following the October 2019 EIS [report](#) and mapping the [decline in access to cash and bank branches in Wales](#) and its impact on people and communities.

## Infrastructure

- **National Infrastructure Commission for Wales** - its future status, role, strategic direction and leadership.
- **Strategic Spatial planning**: Future Wales: the national plan 2040 and the development of Strategic Development Plans by local authorities and Corporate Joint Committees (responsibility for scrutinising the **National Development Framework** fell to the Climate Change, Environment and Rural Affairs Committee but infrastructure issues were scrutinised by the EIS Committee).
- **Closing the digital divide**, in particular the following questions:
  - Ultrafast broadband – how can Wales catch up with the UK average?
  - How close to 100% should the Welsh and UK Governments try to get superfast broadband coverage?
  - Does the UK Government do enough to improve broadband coverage in Wales, given telecommunications is a reserved matter?

- Will a third, large-scale Welsh Government funding broadband infrastructure scheme be needed?
- Does the Welsh Government do enough with its devolved levers (e.g. planning and business rates) to improve the commercial environment for telecommunications infrastructure?

## Transport

- Covid-19 Recovery priorities - as set out in the Transport Recovery section of the Committee's report Long-term Recovery from Covid-19.
- Transport Strategy and delivery of National and Regional Transport Plans.
- Progress on decarbonisation of transport targets; achieving behaviour change and modal shift.
- Scrutiny of TfW's governance, remit and functions, e.g. responsibility for active travel; bus; transport modelling; governance and delivery of the three Welsh Metro programmes; supporting development and implementation of the Wales Transport Strategy; and its relationship with the Corporate Joint Committees.
- The future of rail services - including scrutiny of nationalised TfW Rail operations, rail infrastructure priorities; delivery of the Metro programmes; and the outcome of the Williams Rail Review.
- The future of bus services - the operation of the Bus Emergency Scheme II and the need for new funding models and legislation.
- Progress with taxi and private hire licensing reform.
- Development of the Corporate Joint Committees and their role in delivering an integrated transport network (see also economy).
- Implementation of SEWTC recommendations by Welsh Government and Transport for Wales.
- Progress with implementation of the Active Travel (Wales) Act 2013.
- Road Safety, including progress of 20mph limit pilot schemes and proposed legislation.

- Cardiff Airport - scrutiny of the rescue and recovery plan announced in March 2021.

## Skills and research and innovation

- The Committee's Long-term Recovery from COVID-19 report sets out a vision of a **skills lead recovery**.
- The Welsh Government did not fully implement the recommendations of the Reid Review in the Fifth Senedd. **Research and innovation** is known to be a key driver of productivity and will have a fundamental role in the COVID-19 recovery, yet faces fundamental challenges in Wales due to the ending of EU funding. The lack of a strategic approach to research and innovation in Wales. The Committee is concerned the Welsh Government may not fully understand its own total levels and areas of spending on these activities as this information was not provided in the budget statements.
- Redevelopment of the **Employability Plan and Employability support programmes** with a particular emphasis on the effectiveness of the currently being procured employability programme,; understanding and tracking individual learners and any "churn" between employment, training and being NEET; and with a critical focus on the skills system role in preventing mass youth unemployment.
- The further development and capacity of **Regional Skills Partnerships**, and their role in supporting COVID-19 recovery and improving Wales' economy. Particularly the development of the Mid-Wales RSP.
- The **future of the new 2021 Apprenticeship** programme including the development of new apprenticeship frameworks, degree apprenticeships and diversifying entrance to apprenticeship programmes that are usually dominated by one gender or section of society.
- The role of **Skills** in encouraging people to pursue careers in fields where people from their background are under-represented, and thus **tackling structural imbalances in the workforce**. This is particularly key in light of the opportunities presented by COVID-19 recovery.
- **Skills for the future** – skills training for the future economy. Using skills training to support the development of growth areas of the economy and the prosperity and life chances of individuals. This particularly ties

in with the Committee's COVID-19 recovery recommendations and the idea of a 'Green Recovery'.

## Relationship with the EU/Wales after Brexit

- Selling Wales to the world. This includes fostering economic relationships including promotion of trade and attraction of inward investment as well as promoting Wales to visitors to support a recovering tourism sector.
- The future of Welsh ports, in a post Brexit world including the possible development of free ports here and in the rest of the UK.
- Scrutiny of Common Frameworks, including the framework for public procurement.

## General

**62.** Members felt that both monitoring and evaluation and ensuring a joined up approach came up as themes in many of its reports and recommendations. In particular:

- Effective monitoring and evaluation against meaningful outcomes which have been set at the beginning of projects and programmes will be vital, not least to ensure COVID Recovery spending makes the best possible impact; and
- There are so many different policies and actors at play in regional development that a joined up approach will be vital to avoid at worst confusion, and at best competing and wasteful spend. Similar issues exist in transport around planning, land use and their interplay with transport policy and in research and innovation around funding sources and spend.

## Advice to future members

**63.** Whist it is of course up to the Chair and Members of the successor committee or Committees to dictate its format and direction Members thought we would include a couple bullet points of advice as to what we found useful this Senedd term and what Members may wish to bear in mind for the Sixth Senedd:

- At the beginning of the Term the Committee held a scrutiny training session with an external facilitator. During this session we learnt a lot,

we set the goals for the Committee mentioned in the Chairs Forward and the session training helped us gel as a group. We recommend the successor committee looks to undertake a similar training and goal setting exercise.

- We talk about the need for the Government to have a joined up approach above. Joined up scrutiny is also important. Most Members in this Senedd term sat on multiple Committees and we all had our own varied constituency interests, membership of cross party groups and other non-Committee related areas of expertise. Bringing this wealth of knowledge to the table allowed us to look at the big picture and wider effects, not just the detail, of the policy we were examining.

# Fifth Senedd Legacy Report

March 2021



The Welsh Parliament is the democratically elected body that represents the interests of Wales and its people. Commonly known as the Senedd, it makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

An electronic copy of this document can be found on the Senedd website:  
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# **Fifth Senedd Legacy Report**

March 2021



# About the Committee

The Committee was established on 28 June 2016. Its remit can be found at:  
[www.senedd.wales/SeneddCCERA](http://www.senedd.wales/SeneddCCERA)

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## Committee Chair:



**Mike Hedges MS**  
Welsh Labour

## Current Committee membership:



**Janet Finch Saunders MS**  
Welsh Conservatives



**Llyr Gruffydd MS**  
Plaid Cymru



**Neil Hamilton MS**  
UKIP Wales



**Jenny Rathbone MS**  
Welsh Labour



**Joyce Watson MS**  
Welsh Labour

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# 1. Overview

## Policy scrutiny

**1.** During this Senedd term, we undertook 20 policy inquiries, as well as several one-off sessions. These are listed in the chapters that follow according to subject area. We also held regular general scrutiny sessions with Ministers and Deputy Ministers whose portfolios fell within the remit of the Committee.

## Legislation

**2.** During this Senedd term, the Committee considered one Welsh Bill, 14 Legislative Consent Memorandums and several pieces of subordinate legislation. The Committee also undertook statutory scrutiny of the National Development Framework (see Chapter 8).

## Covid-19 and ways of working

**3.** Following the outbreak of the Covid-19 coronavirus pandemic, the Committee has focused on the impact of the virus on areas within its remit.. This has included monthly scrutiny sessions with Minister for Environment, Energy and Rural Affairs, and regular sessions with key stakeholders in sectors that have been affected.

**4.** As a result of the Covid-19 pandemic, the Senedd's Committees have been working remotely for the last year of the Senedd term. The Committee believes that there are advantages in using technology to facilitate the work of committees, particularly evidence gathering with witnesses. This new approach has meant that the Committee can hear from witnesses from across Wales and beyond, without the usual constraints of time and travel. An approach that lessens the need to travel long distances is useful, given the climate emergency.

## Engaging with the people of Wales

**5.** During the Fifth Senedd, the Committee has sought to include the voices of individuals with lived experience to inform its scrutiny process.

**6.** The Committee's inquiry into low carbon housing explored the significant challenges Wales faces in meeting its climate change commitments. As part of its scrutiny, the Committee captured the views of individuals across Wales through a

survey and a series of one-to-one interviews which sought to test public attitudes to low carbon housing.

**7.** As part of its Stage 1 scrutiny of the Wild Animals and Circuses (Wales) Bill, the Committee gathered the views of people across Wales via an online discussion forum and during education sessions with schools and youth groups. It also gathered the experiences of people across Wales on fuel poverty, during a series of focus groups.

**8.** One disadvantage arising from the remote working approach is the lack of face to face contact and conversations in the margins of meetings. There have also, inevitably, been fewer opportunities to meet members of the public and stakeholders in their environment, which the Committee considers can be of great value and which was a key part of its approach in the first half of the Senedd term.

## Expert advice

### Academic fellowships and special adviser

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**9.** The Committee utilised the Senedd's academic fellowship scheme to draw on the expertise of several academics in the areas of climate change<sup>1</sup>, Bovine TB<sup>2</sup>, the National Development Framework<sup>3</sup>, and post-Brexit policies, including environmental governance<sup>4</sup> and a successor to the EU emissions trading scheme<sup>5</sup>.

**10.** The Committee engaged the services of an expert adviser, Dr Graeme Purves, for its two pieces of scrutiny work relating to the National Development Framework.

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<sup>1</sup> Dr Filippos Proedrou, a Research Fellow in International Affairs of the University of South Wales prepared research for the Committee on "Addressing the climate policy gap in Wales".

<sup>2</sup> Dr Gareth Enticott, School of Geography and Planning, Cardiff University prepared research for the Committee on "Bovine Tuberculosis: Learning from Social Research. Brexit, Risk-Based Trading and Governance."

<sup>3</sup> Ludi Simpson, Professor of Population Studies, University of Manchester prepared research for the Committee on "Demographic projections and planning: a collaborative partnership".

<sup>4</sup> Dr Victoria Jenkins of the Hillary Rodham Clinton School of Law prepared research for the Committee on "A New Perspective on UK Common Frameworks: the opportunities for the Sustainable Management of Natural Resources in Wales".

<sup>5</sup> Joshua Burke, Grantham Research Institute on Climate Change and the Environment, London School of Economics and Political Science prepared research for the Committee on potential replacements for the EU emissions trading scheme.

## Climate Change Expert Reference Group

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**11.** In October 2016, the Committee agreed to establish a Group to support it in its scrutiny of climate change policies, action and progress. The Group held four meetings between February 2017 and February 2018, which included presentations and discussions of relevant issues with the Office of the Future Generations Commissioner and Baroness Brown, Chair of the Committee on Climate Change Adaptation sub-Committee. This work informed the Committee's first annual report on climate change.

### Joint-working with other legislatures

**12.** As part of its Brexit scrutiny work, the Committee held several meetings with Committees in other parts of the UK. These are set out in more detail in the next Chapter.

**13.** On 4 February 2021, the Committee held an informal joint meeting with the House of Lords EU Environment Sub-committee to consider matters arising from the UK's trade arrangements with the EU and COP26.

**14.** On 15 March 2021, the Committee participated in a joint meeting with representatives from several parliamentary committees from the House of Commons and the devolved legislatures. The purpose of the event was to consider the UK's participation in COP26.

### Matters for the 6<sup>th</sup> Senedd

**Conclusion 1.** Our successor Committee should continue to use technology to meet remotely where it is advantageous, not least because of its environmental benefits.

**Conclusion 2.** Our successor Committee should consider how the opportunities arising from technology can be used to increase the diversity of participants in its work.

**Conclusion 3.** Our successor Committee should make full use of the expertise and advice that is available in Wales and beyond, through the use of Expert Advisers and external academic research.

**Conclusion 4.** Our successor Committee should seek opportunities to work with other Senedd Committees, particularly on cross-cutting issues, where that would strengthen scrutiny.

## Our work during the Fifth Senedd



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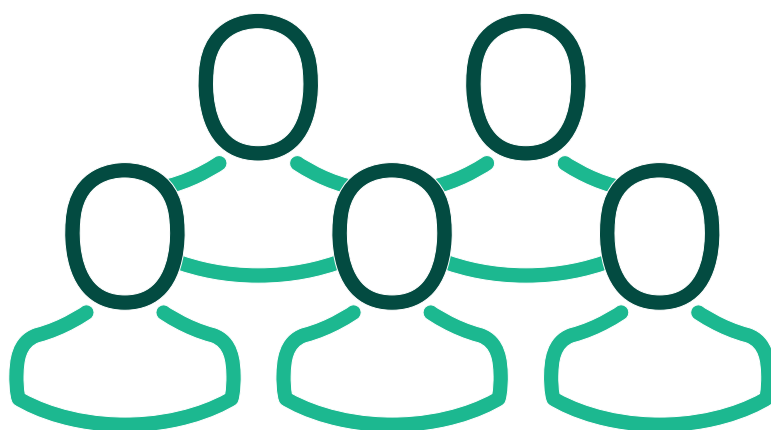
INQUIRIES

1 BILL  
CONSIDERED



316

WITNESS  
APPEARANCES



COMMITTEE  
MEETINGS



131

14

LEGISLATIVE  
CONSENT  
MEMORANDA  
CONSIDERED



## 2. Brexit

Given that the Committee's remit covers agriculture, fisheries and the environment, it was inevitable that Brexit would be the overarching theme of the Committee's work during this Senedd term. Indeed, Brexit impacted almost all subject areas the Committee considered.

### The Committee's approach

**15.** In March 2018, the Committee agreed on a strategic approach to considering matters arising from the UK's departure from the EU. This consisted of three elements: horizon scanning; prioritisation and focus; and building relationships.

#### Horizon scanning

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**16.** The Committee received regular updates from the Senedd Research Service on matters relating to Brexit. Having sufficient information about the latest developments enabled the Committee to prioritise and determine the areas on which it wishes to focus.

**17.** The Committee utilised the services of academics on several Brexit-related matters.

#### Prioritisation and focus

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**18.** The Committee agreed to ensure there was sufficient flexibility within its forward work programme to respond to issues relating to Brexit, particularly legislation. Given that the Committee would not have sufficient time or resources to be able to consider all matters relating to Brexit, it agreed to prioritise post-Brexit legislation and proposed UK frameworks, as these areas were where its input could have the greatest impact.

#### Building relationships

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**19.** The Committee agreed to build relationships with counterpart committees in other legislatures to share information and good practice. During the Fifth Senedd, the Committee has met representatives from the Scottish Parliament's Environment, Climate Change and Land Reform Committee, and Rural Economy and Connectivity Committee; the House of Commons Environmental Audit

Committee; the House of Lords EU Energy and Environment Sub-Committee; and the House of Lords EU Environment Sub-Committee.

**20.** In May 2018, Committee members visited the UK Parliament to meet the then Secretary of State for Environment, Food and Rural Affairs and the Minister of State for Agriculture, Fisheries and Food. The purpose of the visit was to discuss proposed arrangements for environmental governance arrangements after the UK leaves the EU; future funding arrangements for agriculture and access to overseas markets for British food producers.

## Legislation

**21.** The Committee determined to focus on the legislative vehicles that would be used to put in place new arrangements following the UK's departure from the EU. In practice, this constituted scrutiny of proposals in three key areas – agriculture, fisheries and the environment. Further details on each of these subjects are included in the relevant chapter of this report.

## UK common frameworks

**22.** The Committee determined to focus on common frameworks that would be necessary after the UK had left the EU.<sup>6</sup> In 2018, the Committee undertook initial work in this area to develop a clearer picture of the policy areas which would require legislative frameworks or non-legislative frameworks.

**23.** Delays in the development of the frameworks limited the Committee's ability to scrutinise the majority in depth. However, the Committee considered the Hazardous Substances Planning Common Framework and undertook initial work on the UK Emissions Trading Scheme Common Framework.

## Matters for the 6<sup>th</sup> Senedd

**Conclusion 5.** The UK's relationship with the EU will continue to be a key issue during the next Senedd term. Developing new arrangements will demand much of the focus of Ministers and civil servants. Our successor Committee should continue to build relationships with equivalent parliamentary

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<sup>6</sup> The Joint Ministerial Committee (European Negotiation) (JMC EN) agreed that common frameworks would be established where they would be necessary to (amongst other things) enable the functioning of the UK internal market. Where it is decided that a common approach is essential, UK legislative frameworks will be developed. Where commonality is only desirable, Memorandums of Understanding or more informal arrangements, such as information sharing, may be established.

committees across the UK to share intelligence and strengthen scrutiny of the actions of governments under the post-Brexit arrangements.

**Conclusion 6.** Our successor Committee should keep under review trade agreements arising as a result of the UK's exit from the EU. Food and offshoring carbon are areas that will need detailed consideration as they may have a significant impact on Wales and the Welsh Government's policies.

### 3. Agriculture and food

The Committee spent much of this Senedd term considering the implications of Brexit on agriculture and food policy in Wales. The Committee's first report was on this subject and was published in March 2017, the same month that Article 50<sup>7</sup> was triggered by the then Prime Minister.

#### Policy inquiries and legislation

- Inquiry into the future of land management in Wales (March 2017)
- Inquiry into Rethinking Food in Wales: Public Procurement of Food (May 2018)
- The risks and opportunities of an outcomes-based approach to the Welsh Government's proposed Public Goods scheme (November 2018)
- Legislative Consent Memorandum in relation to the UK Agriculture Bill (January 2019)
- Supplementary Legislative Consent Memorandum for the Agriculture Bill (June 2019)
- Inquiry into Rethinking food in Wales: Food: Branding and processing (June 2019)
- Legislative Consent Memorandum for the Direct Payments to Farmers (Legislative Continuity) Bill (January 2020)
- Legislative Consent Memorandum in relation to the UK Agriculture Bill (May 2020)
- Supplementary Legislative Consent Memorandum for the Agriculture Bill (July 2020)

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<sup>7</sup> Article 50 is the mechanism included in the Lisbon treaty for a member state of the European Union (EU) to leave and sets out the steps a country needs to go through to withdraw from its treaty obligations.

## Future agriculture policy

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**24.** For over 40 years, farmers had operated within various iterations of the Common Agriculture Policy ('CAP'). In the immediate post-Brexit period, legislation would be needed to enable financial support to continue to be provided to the sector under the existing CAP schemes. Without legislation, financial support could not continue beyond 2020. Legislation would also be needed to underpin any new agricultural policy for Wales, including any new system of financial support.

**25.** The Welsh Government decided that it would be appropriate to use the UK Government's proposed Agriculture Bill as a legislative vehicle to give effect to these changes. It would seek the Senedd's Legislative Consent at the appropriate time. The Committee believed that ensuring continuity for the sector in the immediate post-Brexit period should be the priority and, as such, agreed that there was a case for using the UK Bill to legislate for this narrow purpose.

**26.** However, the Committee was concerned that the Welsh provisions in the UK Bill extended beyond enabling the continuation of current policy in the immediate post-Brexit period. Instead, they provided extensive executive powers which would enable the Welsh Ministers to introduce a new agricultural policy in Wales with limited Senedd involvement or scrutiny. The Committee concluded that the most appropriate way to legislate on a subject as significant as the long term future of agriculture in Wales would be through a Senedd Bill. The provisions in the UK Bill were subsequently removed.

## Food policy

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**27.** The Committee published two reports concerning food policy during this Senedd term under the banner of 'Rethinking food in Wales'.

**28.** The Welsh Government's approach to food policy during this Senedd term has been set out in 'Towards Sustainable Growth: An Action Plan for the Food and Drink Industry 2014-20'.

**29.** In its first report, Public Procurement of Food (May 2018), the Committee concluded that there was a need for a strategic vision for the Welsh food sector which makes connections between different policy areas, such as health, wellbeing and sustainability, alongside economic growth. This would be particularly important in the light of Brexit.

**30.** At the time of publication of the first Report, the most recent official figures had estimated public sector food and drink procurement spend to be £74.4

million per year in Wales. The Committee concluded that this public funding, which was being used to provide food in Welsh schools and hospitals, should be thought of as an investment in the health and wellbeing of the Welsh people. The Committee concluded that public procurement of food should form a central part of the Welsh Government's post-Brexit food strategy.

**31.** Shortly after the publication of the Committee's report, the Minister announced that the Food and Drink Industry Board was commencing work on a new Action Plan "to provide strategic direction for the industry beyond 2020".<sup>8</sup> A year later, the Welsh Government and the Food and Drink Industry Board consulted on joint proposals for a "strategic plan to further advance the food and drink sector in Wales for the period 2020-2026".<sup>9</sup> However, the final plan has yet to be published.

**32.** In an update to the Committee in January 2021, the Minister said she was committed to the long-term ambitions set out in the strategic plan. She stated the Welsh Government would publish the plan "when the timing is right".<sup>10</sup>

## Matters for the 6<sup>th</sup> Senedd

**Conclusion 7.** The Welsh Government published a White Paper for the anticipated Agriculture (Wales) Bill in December 2020. This Committee decided that scrutiny of the White Paper proposals and the subsequent Bill would be best left to a successor Committee. The Committee's work has highlighted the extent of the challenge for the Welsh Government if it is to develop and implement a scheme based on its timetable. Modelling, impact assessments and the establishment of pilot schemes, will be necessary in the early part of the next Senedd and will be of interest to our successor.

**Conclusion 8.** Our successor Committee will wish to consider the next iteration of the Welsh Government's food policy. We strongly believe there is a need for a holistic food strategy, which takes into account the wellbeing of the people of Wales and environmental concerns alongside economic benefits. This is

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<sup>8</sup> [Welsh Government's response to the Committee's report on Public Procurement of Food, August 2018](#)

<sup>9</sup> [Welsh Government's consultation paper, Our ambition to further develop Wales' food and drink sector, July 2019](#)

<sup>10</sup> [Correspondence from the Minister for Environment, Energy and Rural Affairs, dated 29 January 2021](#)

particularly the case given the impact of the Covid-19 pandemic and Brexit on this policy area.

**Conclusion 9.** Our successor Committee should consider how horticulture features in a future food policy and should consider Welsh Government policies relating to horticulture more broadly.

**Conclusion 10.** We concluded in our report on food procurement that the extent to which EU regulations constrained procurement practice had been exaggerated over many years. However, our successor Committee may wish to consider the approach to food procurement in Wales to ensure that it complements the Welsh Government's food strategy. It may also wish to consider how the Welsh Government's approach can maximise the way that public funds are spent in support of Welsh producers and companies.

## 4. Fisheries

Future fisheries policy will be fundamentally affected by the UK's exit from the EU. During this Senedd term, the Committee focused on seeking to influence the emerging thinking in this policy area.

### Policy inquiries and legislation

- The impact of Brexit on fisheries in Wales (October 2018)
- Legislative Consent Memorandum in relation to the UK Fisheries Bill (February 2019)
- Legislative Consent Memorandum for the UK Fisheries Bill 2019-21 (May 2020)
- Supplementary Legislative Consent Memorandum for the UK Fisheries Bill 2019-21 (September 2020)

### Future fisheries policy

**33.** For decades, fisheries policy in Wales was governed by international agreements including, most notably, the Common Fisheries Policy ('CFP'). The Committee published its first report on fisheries post-Brexit in October 2018. The Committee hosted a stakeholder workshop in Milford Haven to inform this initial work. The Committee concluded that to ensure that future policies can meet the challenges arising from Brexit, three core components need to be in place.

**34.** First, there needs to be a regulatory framework for the UK, to replace current EU agreements. This needs to be underpinned by a new relationship between the constituent nations of the UK, to consider matters of common interest. This will be vital to ensure the fair and effective internal UK management of fisheries matters, such as quota share. Second, the UK needs to build new relationships with the EU and other countries. This is vital to ensure that the Welsh fisheries sector does not lose access to markets and has appropriate access to waters. Finally, there is a need for the Welsh Government to develop a focused and ambitious strategy for the future direction of fisheries in Wales.

**35.** The Welsh Government consulted on post-Brexit marine and fisheries policies ('Brexit and our Seas') between May and August 2019.

**36.** During this Senedd term, the Committee considered LCMs in relation to two UK Fisheries Bills. The primary purpose of the UK Bills (which were largely similar) was to establish a framework for fisheries management in the UK once it had left the CFP. The Minister said that the powers being taken in the UK Bills are “transitional” and that she “fully intended” to introduce a Welsh Fisheries Bill before the end of the Fifth Senedd. Since then, the Welsh Government has changed its position and committed to bringing forward a Welsh Fisheries Bill in the Sixth Senedd.

### Export problems resulting from Brexit

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**37.** Since the end of the Brexit transition period, Welsh seafood businesses have reported exports being delayed due to new border rules, resulting in protests by the wider UK industry. Since 1 January 2021, shellfish known as wild-harvested live bivalve molluscs (LBMs), that are caught in the UK but are not ready for human consumption have been barred from entering the EU.

**38.** On 19 January 2021, the UK Government announced a £23 million support fund for fishing businesses that export to the EU, to be administered by the Marine Management Organisation (MMO) across the UK on behalf of Defra. The UK Government said it is “working with the devolved administrations on [the] eligibility criteria” for the support fund.

**39.** In evidence to this Committee the Minister said that the Welsh Government “had not worked on any part of that exporters scheme”:

“We hadn't seen the text. We just knew nothing about that scheme. So, you must remember, in all this, fisheries is wholly devolved and so any funding that's coming in any scheme should be for—. I should get my share and I can decide how we support our fishers. I think the fishers need support, the aquaculture sector needs support, the processors need support as well as the exporters. So, the scheme that DEFRA brought forward was only for exporters and I think that's wrong.”<sup>11</sup>

**40.** On 21 February 2021, Defra announced that it had “listened to concerns from fishing businesses” and expanded the eligibility criteria to target catching and shellfish aquaculture businesses. Further to this, the Prime Minister committed to a £100 million fund to help modernise fishing fleets, the fish processing industry, and to rejuvenate the UK fishing industry.

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<sup>11</sup> Record of Proceedings, para 141, 4 February 2021

**41.** On 11 March 2021, the Minister for Environment, Energy and Rural Affairs announced a £2.3m resilience funding for fisheries, aquaculture and coastal communities. This funding was in addition to the UK Government’s Seafood Response Fund, which the Minister said: “only provides partial support for our Welsh fisheries and aquaculture businesses”.

## Matters for the 6<sup>th</sup> Senedd

**Conclusion 11.** Given the early indications that the UK-EU trade agreement has had (and will continue to have) a severe impact on the export of Welsh fish and aquaculture products, we believe our successor Committee should keep this under review in the early part of the next Senedd term.

**Conclusion 12.** Welsh (and UK) fishers were promised an increase in quota as a result of the UK’s exit from the EU. This Committee has argued that a fair increase for Wales will not materialise unless the allocation of quota under the 2012 UK Fisheries Concordat is reformed. Our successor Committee should continue to press for these reforms.

**Conclusion 13.** The Welsh Government has said that a Welsh Fisheries Bill will be brought forward during the next Senedd term, and we anticipate that our successor Committee will scrutinise the Bill. In the meantime, the common framework for fisheries set out in the UK Fisheries Act 2020 will be bedding in. The Joint Fisheries Statement, provided for in the UK Fisheries Act, will need to be published before November 2022. We believe there is merit in keeping the implementation of this legislative common framework and associated provisions under review.

**Conclusion 14.** We believe that the next Welsh Government should bring forward an ambitious strategy for fisheries and aquaculture, which ties in with the overall food strategy. Our successor Committee should consider whether such a strategy should be included as a requirement in a Welsh Fisheries Bill.

## 5. Climate change and energy

### Policy inquiries and legislation

- Annual Report on Climate Change 2018: The Welsh Government's progress on climate change mitigation (May 2018)
- Inquiry into Low Carbon Housing (August 2018)
- The Climate Change (Wales) Regulations 2018 (November 2018)
- Annual report on the Welsh Government's progress on climate change, 2019-20 (December 2019)
- Inquiry into Fuel Poverty in Wales (March 2020)
- UK Emissions Trading Scheme: Common Framework (September 2020)
- Inquiry into Flooding in Wales (December 2020)
- The Climate Change (Wales) Regulations 2021 (March 2021)

### Climate change policy and scrutiny

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**42.** At the start of the Fifth Senedd, climate change was already rising rapidly up the political agenda, both globally and nationally. There was growing momentum and international commitment towards decarbonisation, demonstrated by the adoption of the **Paris Agreement** in December 2015. In Wales, a new statutory framework for tackling climate change was established under the **Environment (Wales) Act 2016** ('the 2016 Act'). This included the introduction of statutory carbon emissions reduction targets and carbon budgeting. In May 2019, the Welsh Government became one of the first nations in the UK to declare a 'climate emergency'.

**43.** It is against this background that the Committee identified climate change as one of its strategic priorities. In December 2016, the Committee agreed its approach to climate change scrutiny, which included:

- annual scrutiny sessions with the Welsh Government to monitor progress in tackling climate change;
- ad hoc scrutiny of sector specific policies that contribute to the decarbonisation agenda; and

- post-legislative scrutiny to coincide with key implementation milestones for Part 2 of the 2016 Act.

**44.** To support the Committee's early work on climate change, it established the Climate Change Expert Reference Group. The Committee also developed a positive working relationship with the Climate Change Committee ('CCC'), the UK's independent adviser on tackling climate change, which our successor Committee should look to continue.

**45.** During this Senedd term, the Committee has concentrated on:

- monitoring progress made by the Welsh Government in setting new carbon targets and budgets, and developing Wales' first low carbon delivery plan ;
- scrutinising climate change regulations;
- scrutinising the extent to which the Welsh Government's budget adequately funds the cross-portfolio issue of decarbonisation; and
- reviewing progress towards targets using the CCC's progress reports as the basis for this work.

**46.** The Committee's work has highlighted several weaknesses within the statutory framework for carbon emissions reduction. In particular:

- there is limited opportunity for scrutiny of climate change regulations;
- there is no dedicated Senedd scrutiny procedure for low carbon delivery plans; and
- there are insufficient reporting requirements in relation to progress towards targets, carbon budgets and implementation of low carbon delivery plans.

**47.** The Committee has sought to address the above in various recommendations to the Welsh Government, for example, by seeking a commitment to consult on draft regulations and delivery plans. The Welsh Government has been unwilling to do this, pointing out that its approach meets the requirements set out in Part 2 of the 2016 Act.

**48.** In its recent [report on the Climate Change Regulations 2021](#), the Committee concluded that a review of the statutory framework is needed to introduce more

rigorous scrutiny procedures, improve transparency and strengthen accountability arrangements.

## Housing

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**49.** Wales cannot achieve its carbon targets without a strong policy in key sectors, including housing. Making Wales' existing and new housing stock energy efficient is essential not only to reduce emissions but to help tackle fuel poverty, which remains at an unacceptably high level.

**50.** In September 2017, the Committee began its inquiry into low carbon housing. The Committee's overarching recommendation was for the Welsh Government to prepare and publish a ten year low carbon housing strategy, which would deliver:

- the retrofit of all houses in fuel poverty in Wales to zero carbon in operation standards;
- all new build houses in Wales to be built to zero carbon in operation standards;
- a complimentary planning and building system with low carbon and energy efficiency at their centres, and supported by rigorous, independent inspection regimes;
- financial incentives to encourage buyers and owners to buy low carbon housing and invest in retrofit measures;
- funding interventions that maximise the impact of Welsh Government investment in low carbon housing; and
- a fully trained workforce, ready to construct and improve homes using the latest technologies.<sup>12</sup>

**51.** In its response to the Committee's report, the Welsh Government said it was already developing "a new programme of action which will decarbonise homes in Wales by 80% by 2050". The programme would be informed by the work of the Decarbonisation of Homes Advisory Group, which was due to report in summer 2020. The Welsh Government told the Committee "the challenge of [delivering

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<sup>12</sup> Climate Change, Environment and Rural Affairs Committee report on Low Carbon Housing: the Challenge, August 2018

low carbon] new homes will be dealt with through Building Regulations”, which were being reviewed.

**52.** Since the Committee's report, there have been several developments within this policy area. In March 2019, the Welsh Government published its first low carbon delivery plan, which includes policies and proposals for reducing emissions in buildings and residential housing. In July 2019, the Decarbonisation of Homes Advisory Group published its report, which included a series of wide-ranging recommendations. In its report, the Group concluded:

“It is vital that the Welsh Government focusses on action to tackle the difficult issues around the decarbonisation of homes, beginning with an immediate 10-year programme. Demanding and ambitious targets are necessary to ensure consistency across tenures and to establish and normalise a standard for 2030-50.”

**53.** The Welsh Government accepted the Group's recommendations in principle but said that further work was required to assess the cost implications.

**54.** In the Minister's January 2021 update, she said “there is considerable activity taking place on low carbon housing to meet the key issues identified by the Committee”. This includes a new fuel poverty strategy; “a roadmap setting out the timeline and milestones in transitioning from traditional build methods to building net-zero carbon affordable homes”; and proposed changes to Part L of the building regulations to improve energy efficiency in new homes.<sup>13</sup>

**55.** In its December 2020 progress report on emissions reduction in Wales, the CCC noted that “despite policy progress in several areas, there is no coherent, long-term strategy for heat and energy efficiency in Wales' homes and other buildings.” It identifies building efficiency and heat as a priority sector moving forward.

### Fuel poverty

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**56.** The Welsh Government had a statutory target to eradicate fuel poverty in Wales by 2018, which it failed to meet. According to 2018 estimates, 155,000 households in Wales, the equivalent to 12% of all households, were still living in

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<sup>13</sup> Correspondence from the Minister for Environment, Energy and Rural Affairs, dated 29 January 2021

fuel poverty. The Committee undertook an inquiry to explore the reasons for this and to shape the Welsh Government's next fuel poverty strategy.

**57.** In its [report](#), the Committee set out lessons to be learnt from the 2010 Fuel Poverty Strategy and called for “a comprehensive new strategy that aligns with other key priorities, including the decarbonisation of Wales’ housing stock”. The report included 21 recommendations. Of these, the Welsh Government accepted 19 in full and 2 in principle.<sup>14</sup>

**58.** The Committee called on the Welsh Government to introduce new statutory fuel poverty targets, including interim targets, that are both challenging and realistic. It also called for the establishment of a robust monitoring framework to oversee progress in delivering the new strategy and targets. The Committee suggested this framework should include: the publication of annual fuel poverty estimates; an Advisory Board on Fuel Poverty; and a commitment to regular reporting by the Welsh Government on progress towards targets.

**59.** The Committee raised concern that Nest and Arbed schemes could not deliver home energy efficiency improvements at the scale and pace required to tackle fuel poverty within an acceptable time frame. It made a series of recommendations to improve the schemes, including changes to Nest’s eligibility criteria and better targeting of Arbed.

**60.** In March 2021, the Welsh Government published a [new fuel poverty plan](#) (‘the Plan’) rather than a strategy. The Plan includes 10 short term actions to be delivered between 2021 and 2023. It gives effect to many of the Committee’s recommendations, either in full or part.

**61.** The Plan includes the Welsh Government’s new fuel poverty targets for 2035<sup>15</sup>. It also sets out the Welsh Government’s intention to consult on the next iteration of the Warm Homes Programme before the end of 2021.

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<sup>14</sup> [Welsh Government’s response to Climate Change, Environment and Rural Affairs Committee’s Report on Fuel Poverty in Wales](#)

<sup>15</sup> The new fuel poverty target is that by 2035: no households are estimated to be living in severe or persistent fuel poverty as far as reasonably practicable; not more than 5% of households are estimated to be living in fuel poverty at any one time as far as reasonably practicable, and the number of all households “at-risk” of falling in to fuel poverty will be more than halved based on the 2018 estimate.

**62.** The Welsh Government has committed to reviewing the Plan's actions as part of its biennial review and report on fuel poverty. The first review will be undertaken in 2023.

## Flooding

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**63.** In February 2000, Wales was hit by the worst flooding in more than 40 years, which had a devastating and long-lasting impact on communities. The Committee agreed to undertake a short inquiry to examine the Welsh Government's response to the flooding.<sup>16</sup> The Committee's report, [Flooding in Wales](#) (December 2020), provides a snapshot of the response and highlights potential areas for improvement. It also touches on wider matters related to flood risk management, including investment levels.

**64.** In its report, the Committee highlighted the on-going threat of flooding to communities across Wales. It concluded a more substantial piece of work is needed to examine the effectiveness of the Welsh Government's new National Strategy on Flood and Coastal Erosion Risk Management ('the new National Strategy').

## Matters for the 6<sup>th</sup> Senedd

**Conclusion 16.** The 2020s is a crucial decade in the fight against climate change. For Wales to achieve net-zero by 2050, the Welsh Government must take bold and decisive action to deliver significant cuts in emissions across all sectors of the Welsh economy. We believe our successor Committee should scrutinise the delivery of climate action across Government and monitor progress towards the new, more ambitious statutory targets, and sector-specific targets. It should seek ways to engage other Senedd committees with this work. Our successor Committee may wish to consider how best to balance its climate change scrutiny with its wider policy and legislative scrutiny work.

**Conclusion 17.** The Committee has made clear to the Welsh Government that its successor Committee must be allowed to consider a draft of the next low carbon delivery plan before it is finalised in November 2021. Given the timelines involved, our successor Committee may wish to pursue this matter with the

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<sup>16</sup> The Committee's inquiry into the February 2020 floods was due to commence in March 2020. The inquiry was postponed until the autumn term following the temporary suspension of Senedd Business due to the Covid-19 coronavirus pandemic.

incoming Welsh Government at the first available opportunity, and prioritise work on the draft delivery plan.

**Conclusion 18.** Our successor Committee may wish to pursue with the Welsh Government the potential for reviewing Part 2 of the 2016 Act, to introduce more rigorous scrutiny procedures, improve transparency and strengthen accountability arrangements. As a starting point, the review could consider whether lessons can be learnt from other legislatures, in particular the Scottish Parliament which has recently amended its comparable legislation. Any such review should be undertaken as a matter of urgency.

**Conclusion 19.** The UK is hosting the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow in November 2021. This Committee has participated in several discussions about how the event can be used to accelerate action on Climate Change and the role that Wales can play in the conference. Our successor Committee will wish to consider how it can play a role in COP26.

**Conclusion 20.** Good quality housing is a policy area that, if delivered effectively, can deliver benefits across multiple other policy areas including wellbeing, decarbonisation and reducing poverty. The Welsh Government has commissioned independent analysis in this area, which has made ambitious recommendations in areas such as retrofit of houses. However, Welsh Government action has not met that ambition yet. Our successor Committee may wish to consider this early in the next Senedd term.

**Conclusion 21.** Our successor Committee may wish to consider scrutinising the progress made by the Welsh Government in delivering the Fuel Poverty Plan's actions and towards the new fuel poverty targets.

**Conclusion 22.** Our successor Committee may wish to consider examine the effectiveness of the Welsh Government's new National Strategy on Flood and Coastal Erosion Risk Management in reducing flood risk in communities. Natural Resources Wales is required to report on the application of the new National Strategy in 2022. Our successor Committee successor may wish to consider this when planning its future programme of work.

## 6. Nature recovery and biodiversity

Alongside the climate emergency, the Committee believes that one of the greatest challenges we currently face is the decline in biodiversity. Arresting and reversing that decline has been a focus for the Committee.

### Policy inquiries and legislation

- One-off session on the State of Natural Resources Report (SoNaRR) (October 2016)
- Branching out: an inquiry into forestry and woodland policies (July 2017)
- Turning the tide? Inquiry into the Welsh Government's approach to Marine Protected Area management (August 2017)
- Feedback on the Welsh Government's draft Welsh National Marine Plan (April 2018)
- Inquiry into environmental governance arrangements and environmental principles post-Brexit (June 2018)
- Common frameworks for the environment after Brexit (July 2018)
- Legislative Consent Memorandum for the Rivers Authorities and Land Drainage Bill (April 2019)
- Inquiry into policies and proposals relating to plastic pollution and packaging waste (June 2019)
- Follow up inquiry into environmental principles and governance post-Brexit (October 2019)
- Inquiry into the Welsh Government's proposed Sustainable Farming Scheme: restoring biodiversity (October 2019)
- Follow-up inquiry into Welsh Government's progress on Marine Protected Area management (November 2019)
- Legislative Consent Memorandums for the UK Environment Bill (July 2020 and February 2021)

- One-off session on Biodiversity and rewilding in Wales (November 2020)

### Forestry and woodland policy

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**65.** In early 2017, the Committee held an inquiry to consider the lack of progress in delivering the Welsh Government’s then 50-year strategy for woodland and trees, Woodlands for Wales (2009). The Committee was concerned that since the launch of the strategy in 2010, Wales had managed to plant just one-tenth of its target of 35,000 ha.

**66.** The Committee recommended urgent action to address this shortfall, starting with a refresh of the Woodland for Wales strategy. This was to be followed by specific actions to address barriers to increasing planting, including by examining the potential for adopting a presumption of approval for applications in areas identified by the Woodland Opportunities Map as having high suitability for woodland.<sup>17</sup>

**67.** In an update in January 2021, the Minister recognised that “tackling the climate change emergency will require woodland creation on a greater scale than at any point in the past 50 years.” She told the Committee that the Welsh Government was “working to improve the process for funding and approving new woodland plans, including extending the period of time allowable to undertake the work.” She explained that these changes would be reflected in the design of the new proposed Sustainable Farming Scheme.

**68.** In that update, the Minister also referred to the Welsh Government’s policy for a National Forest. She told the Committee that work had begun and that in time, the National Forest “will form a connected network running throughout Wales, which will bring social, economic and environmental benefits.” She explained that further areas of the National Forest and a long-term approach to delivering the Forest would be developed during 2021.<sup>18</sup>

### Marine policies

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**69.** The Committee carried out two inquiries into Marine Protected Area (MPA) management. The first inquiry aimed to identify opportunities to maximise the benefits of MPAs and considered the implications of Brexit. The resulting report,

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<sup>17</sup> [Climate Change, Environment and Rural Affairs Committee, Branching out: a new ambition for woodland policies, July 2017](#)

<sup>18</sup> [Correspondence from the Minister for Environment, Energy and Rural Affairs, dated 29 January 2021](#)

Turning the tide?, made the key recommendations that the Welsh Government should provide the necessary political priority, leadership and funding to enable action nationally and locally.

**70.** In September 2018, the Committee undertook follow up work to assess the progress made by the Welsh Government in taking forward the recommendations in the Committee's first report, and in delivering the 2018-19 MPA Network Management Action Plan, which had been published alongside an MPA Network Management Framework for Wales 2018-2023.

**71.** This second report again recommended that the Welsh Government “should bring forward as a matter of urgency an ambitious strategy for MPAs”, and made several recommendations regarding the identification and designation of Marine Conservation Zones (MCZs).

### Environmental governance

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**72.** Following the outcome of the EU referendum, there was widespread concern across the environmental sector about gaps in environmental principles and governance arising from the UK's departure from the EU.<sup>19</sup> The Welsh Government committed to maintain and enhance environmental standards, and “take the first proper legislative opportunity to enshrine environmental principles into law and close the governance gap”.<sup>20</sup>

**73.** The Committee has sought to influence the development of future environmental governance arrangements from an early stage. In June 2018, it published a preliminary report, which included high-level recommendations. The Committee called on the Welsh Government, amongst other things:

- to bring forward legislation to enshrine the EU environmental principles in law;
- to clarify its position on the establishment of a new environmental governance body; and
- to explore the potential for interim governance arrangements if such a body is not established before the UK exits the EU.

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<sup>19</sup> The EU develops environmental policies and laws and acts as a watchdog to ensure that Member States comply with them. The EU can take action against governments that fail to comply, which can eventually lead to significant financial penalties. At the end of the Brexit Implementation Period, the EU system of environmental governance ceased to apply in the UK.

<sup>20</sup> Record of Proceedings, para 409, 21 March 2018

**74.** In its response to our report (August 2018), the Welsh Government explained it was undertaking a full analysis of the governance gaps in Wales to inform future proposals. It committed to consulting on those proposals before bringing forward a Welsh Bill.

**75.** A year on, and with proposals having emerged from the Welsh Government and other UK administrations, the Committee agreed to undertake a second inquiry to revisit this issue. During that inquiry, the First Minister reaffirmed the Welsh Government's commitment to legislate on environmental governance. However, there was no Welsh Bill on environmental governance included in the next legislative programme.<sup>21</sup> This prompted stakeholders to say that Wales faces the prospect of having the "weakest environmental governance arrangements of any western European country".<sup>22</sup>

**76.** In October 2019, the Committee published its second report. It concluded there is "a strong case for a new, dedicated, governance body to deliver a robust and effective system of environmental governance in Wales post-Brexit". However, the First Minister's announcement with no immediate plans for a Welsh Bill, the establishment of such a body was potentially years off. The Committee raised concern about the lack of progress made by the Welsh Government in developing proposals for interim governance arrangements to address the governance gap at the end of the Implementation Period.

**77.** Since its October 2019 report, the Committee has continued to bring pressure to bear on the Welsh Government to establish robust interim governance arrangements. It has also continued to seek a commitment from the Welsh Government on the timeline for the future Welsh Bill.

**78.** In February 2021, the Welsh Government appointed an Interim Assessor for Environmental Protection for Wales ('Interim Assessor') to consider concerns raised about the functioning of environmental law. The Interim Assessor will not consider complaints on individual breaches of that law, as originally anticipated. The environmental sector has raised concern that this is a significant step backwards and have called for a Welsh Bill to establish a fully functioning governance body as a matter of priority.

**79.** It will be a matter for our successor Committee to scrutinise any future Welsh Bill on environmental governance. The conclusions and recommendations in our

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<sup>21</sup> Record of Proceedings, para 191-192, 16 July 2019

<sup>22</sup> Correspondence from Wales Environment Link to the Counsel General and Minister for European Transition, dated 12 October 2020

reports in the Fifth Senedd should provide a useful starting point for that work. In the meantime, our successor Committee may wish to consider the effectiveness of the Interim Assessor's role, and matters arising from its work.

### Biodiversity and green recovery

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**80.** The Committee has considered the opportunities for a “green recovery” following the Covid-19 pandemic. In January 2021, the Committee heard from members of the Green Recovery Task and Finish Group, which had been mandated by the Minister to identify priorities for action for the Welsh Government's recovery plan from Covid-19, encompassing climate action, inclusive and fair economic growth, and job creation. The Group published its ‘Green Recovery: Priorities for Action’ report on 3 December alongside an independent report examining the stability and resilience of the environment sector in Wales. The independent report made several recommendations, including that Natural Resources Wales (NRW) should be better resourced to take a more active role in supporting the environmental NGO sector.

**81.** The Committee has raised with the Minister the issue of biodiversity targets on several occasions. The Minister said that she was in favour, in principle, of the introduction of targets for biodiversity restoration.

### Plastic pollution policies

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**82.** Plastic pollution is a serious threat to our planet and the public rightly expects governments to take urgent action to tackle this problem.

**83.** The Welsh Government has been working with the UK government and other devolved administrations to develop Extended Producer Responsibility (EPR) and Deposit Return Schemes (DRS). They consulted in February 2019. The [UK Environment Bill](#) includes powers to introduce regulations for EPR and DRS. More detailed proposals on the design of schemes are expected shortly. The Minister provided an update in [her response](#) to this Committee's 2021-22 draft budget report. Nevertheless, the Welsh Government's progress has been lacking in this policy area.

**84.** In its report on plastic pollution and packaging waste (June 2019), the Committee recommended that the Welsh Government should prepare and publish a 10 year, comprehensive and ambitious strategy aimed at reducing plastic pollution. This strategy should be developed with stakeholders and include targets and milestones. It must make clear linkages with other policy areas, such as waste management and “green” procurement.

**85.** The Committee also recommended that the Welsh Government should explore the potential of introducing Welsh legislation to reduce plastic pollution, based on the model for emissions reduction in the Environment (Wales) Act 2016. The legislation should include an overall target for the eradication of plastic pollution and interim milestones.

## Matters for the 6<sup>th</sup> Senedd

**Conclusion 23.** We believe our successor Committee should keep under review tree planting rates, given the severe lack of progress during this Senedd term. While the National Forest policy is an interesting concept, there has been little demonstrable progress in this area during this Senedd term.

**Conclusion 24.** Our successor Committee will, no doubt, wish to keep a close watch on the development of Extended Producer Responsibility and Deposit Return Schemes in Wales, to ensure they are sufficiently ambitious.

**Conclusion 25.** Our successor Committee may wish to consider the effectiveness of the Interim Assessor for Environmental Protection for Wales' role, and matters arising from the Assessor's work. The Committee may also wish to consider the extent of the Senedd's role in the interim and longer-term environmental governance regimes in Wales.

**Conclusion 26.** This Committee firmly believes that the next Welsh Government should introduce targets to arrest the decline and restore biodiversity. We believe our successor Committee should ensure the Welsh Government prioritises this matter during the first year of the next Senedd term.

**Conclusion 27.** Our successor Committee should keep under review the next Welsh Government's progress in delivering a "green recovery" and the implementation of the recommendations of the Green Recovery Task and Finish Group. The Welsh Government will need to ensure that its approach to green recovery retains a focus on nature restoration.

## 7. Animal health and welfare

This was another key theme of the Committee's work. The only Welsh Bill scrutiny undertaken by the Committee during this Senedd term was in this policy area.

### Policy inquiries and legislation

- Legislative Consent Memorandum for the Farriers (Registration) Bill (March 2017)
- Inquiry into the Welsh Government's Refreshed TB Eradication programme (May 2017)
- Inquiry into the use of snares in Wales (June 2017)
- Legislative Consent Memorandum for the Animal Welfare (Service Animals) Bill (February 2019)
- Wild Animals and Circuses (Wales) Bill (December 2019)
- Scrutiny sessions on animal health and disease prevention (January 2021)
- Legislative Consent Memorandum for the Animal Welfare (Sentencing) Bill (March 2021)

### The Welsh Government's TB Eradication programme

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**86.** Bovine TB continues to have a presence in Wales which the Committee has considered regularly throughout this Senedd term.

**87.** In its initial report, the Committee recommended that the Welsh Government should set a national target date for Wales to be officially TB free and provide clarity on the process for achieving this. The Committee recommended that the Welsh Government should set interim targets for the eradication of the disease in each of the three TB regions.

**88.** The Welsh Government provided an update on this matter in January 2021. The Minister told the Committee that Welsh Government targets aims "to see

Wales become officially TB free by 2041. Interim targets, covering consecutive six-year periods, have been set for each of the TB Areas”.<sup>23</sup>

**89.** The end of the first six-year period is at the end of 2023. Our successor Committee may wish to consider progress against the first interim target.

### The use of snares in Wales

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**90.** On 25 September 2015, the Welsh Government published a ‘Code of best practice on the use of snares in fox control’. It is a statutory code issued under Section 14 of the Animal Welfare Act 2006 and summarises the current legal obligations on those using snares and sets out best practice guidelines that should be followed. The Committee considered several aspects of the Code, including its uptake, compliance and monitoring, since its introduction.

**91.** The Committee’s key recommendation was that the implementation of the Code should be monitored and that a formal review process should be introduced. That review process should, henceforth, take place annually and a report of the review, including its outcomes, should be published. Further, the Committee recommended that, should the review demonstrate that the implementation of the Code was not working effectively, the Welsh Government should bring forward legislation to regulate or ban the sale and use of snares in Wales.<sup>24</sup>

**92.** The Welsh Government provided an update on the Code of Practice in relation to the use of snares in January 2021. The Minister told the Committee that the Welsh Government’s Agriculture White Paper, published in December 2020, includes proposals to include order making powers related to the sale and use of snares through the introduction of an Agriculture (Wales) Bill during the sixth Senedd term. The Minister said that how Welsh Government decide to use this power will be determined in discussion with stakeholders. Our successor Committee should consider these matters at the appropriate time.<sup>25</sup>

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<sup>23</sup> Correspondence from the Minister for Environment, Energy and Rural Affairs, dated 29 January 2021

<sup>24</sup> Climate Change, Environment and Rural Affairs Committee, Report on the use of snares in Wales, June 2017

<sup>25</sup> Correspondence from the Minister for Environment, Energy and Rural Affairs, dated 29 January 2021

## Matters for the 6<sup>th</sup> Senedd

**Conclusion 28.** Our successor Committee will want to keep under review the Bovine TB situation in Wales. In particular, the Committee may wish to consider progress against the first interim target for TB, which is due at the end of 2023.

**Conclusion 29.** Our successor Committee may wish to consider the outcome of the latest review of the Code of Practice in relation to the use of snares. The Committee will wish to consider whether provisions relating to the use and sale of snares in the forthcoming Agriculture Bill are appropriate and proportionate.

**Conclusion 30.** At the end of the Fifth Senedd, the Committee undertook a short piece of work to explore key issues in relation to animal health and disease prevention, including antimicrobial resistance. Our successor Committee may wish to keep these issues under review and undertake a more substantive piece of work in this policy area in due course.

## 8. Planning

- Inquiry into the draft National Development Framework (December 2019)
- Report on “Future Wales: The National Plan 2040” (November 2020)

### Policy inquiries and legislation

#### Scrutiny of the 2019 draft NDF

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**93.** The Committee scrutinised the 2019 draft NDF in late 2019. The CCERA Committee’s report contained 50 conclusions in several policy areas. The Welsh Government was generally receptive to the views of the Committee. 22 of the conclusions were accepted in full and 25 were accepted “in principle”. As a result of the Committee’s work, gaps in policy coverage were addressed, improvements were made to the national and regional strategic diagrams, additional maps and diagrams were added to illustrate key policy issues, and the graphic presentation of the document was improved.

#### Scrutiny of Future Wales: The National Plan 2040

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**94.** The Committee’s report included 26 further recommendations. All but two were fully accepted by the Welsh Government. The overarching challenge the Welsh Government faces is to ensure that this 40-year planning framework is resilient enough to be able to respond to the three biggest challenges we currently face – Covid-19, Brexit, and the effects of Climate Change.

**95.** One of our key concerns was around Strategic Development Plans or SDPs. Future Wales will be the highest level of strategic plan, providing a national planning framework. Strategic Development Plans will fit between the national development framework and the local development plan. The mechanism set out in the Local Government and Elections (Wales) Act 2021 for the development of SDPs is the establishment of a “corporate joint committee” consisting of representatives of more than one local authority. The development of SDPs should be progressed at pace, and we support in principle increased cooperation between local authorities to achieve this. However, this must not result in an unintended reduction in accountability to local communities.

## Matters for the 6<sup>th</sup> Senedd

**Conclusion 31.** The Planning (Wales) Act 2015 is a significant piece of Welsh legislation. It includes provisions for matters including Strategic Development Plans, Developments of National Significance, and planning policy on the Welsh language. It would be timely for our successor committee to undertake post-legislative scrutiny of the Act.

**Conclusion 32.** Our successor Committee may wish to keep the implementation of the first National Development Framework under review and will wish to consider the second iteration of the Framework in due course.

## 9. Other work

### Future Generations Commissioner

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**96.** On 10 January 2019, the Committee held a general scrutiny session with the Commissioner. The Committee subsequently wrote to the Commissioner about several matters that were raised during the session.

**97.** The implementation of the Wellbeing of Future Generations (Wales) Act 2015 and its impact has been of particular interest to the Committee during this Senedd term. The way that the wellbeing goals are incorporated into the Welsh Government's budget prioritising has been an area of focus. This has improved over recent years, but we continue to believe that more needs to be done to ensure that the goals are embedded in ways of working and that the outcomes are demonstrable.

### Natural Resources Wales

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**98.** The Committee held regular scrutiny sessions with Natural Resources Wales (NRW) during this Senedd term. The Committee has repeatedly expressed concern during draft Budget scrutiny that NRW is being asked to do more without a commensurate increase in funding. In fact, the trend has been towards a reduction in funding.

**99.** For the first time in recent years, NRW's funding was not reduced in 2020-21, it will have a "flat-line" budget. Again, the Welsh Government will expect NRW to deliver more, in the form of the new national forest policy, and the restoration of peatlands and some Natura 2000 sites. NRW has repeatedly told the Committee that a decreasing budget is impacting its ability to deliver services and take on new duties.

### Public appointments

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**100.** On 26 September 2019, the Committee held a pre-appointment hearing with Sir David Henshaw, the Welsh Government's preferred candidate for the position of Chair of Natural Resources Wales.

## Matters for the 6<sup>th</sup> Senedd

**Conclusion 33.** The Committee remains concerned about the sustained reduction in NRW's funding even though the Welsh Government continues to place more duties upon it. The Minister herself has accepted that this is not

sustainable. We believe that our successor Committee should scrutinise the performance of NRW on an annual basis and should keep its funding under review.

# External Affairs: Scrutiny in the Sixth Senedd

March 2021



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# **External Affairs: Scrutiny in the Sixth Senedd**

March 2021



# About the Committee

The Committee was established on 28 June 2016. its remit was agreed on 15 September 2016 and can be found at: [www.senedd.wales/SeneddEAAL](http://www.senedd.wales/SeneddEAAL)

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## Committee Chair:



**David Rees MS**  
Welsh Labour

## Current Committee membership:



**Alun Davies MS**  
Welsh Labour



**Huw Irranca-Davies MS**  
Welsh Labour



**Dai Lloyd MS**  
Plaid Cymru



**David J Rowlands MS**  
Independent Alliance for Reform  
Group

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## Chair's foreword

As we end the Fifth Senedd, Wales' place in the world and Welsh devolution have fundamentally changed since we began our work in the summer of 2016.

Wales, as part of the UK, is no-longer a member of the European Union, and the basic terms of a new relationship have been agreed.

The ongoing fractiousness evident in the UK-EU relationship is a cause for concern. It is creating a degree of uncertainty at a time when businesses and the people of Wales need confidence in the terms of the new relationship.

Relationships between the devolved governments and legislatures and the UK Government and Parliament are at a low ebb as consequence of decisions on the part of the UK Government and Parliament to legislate against the will of the devolved legislatures on key decisions about the future of the UK outside the European Union.

Policy decisions have been taken by the UK Government to place new restrictions on devolution. Funding that once came from European Union that was controlled by the Welsh Government and the Senedd will now come from the UK Government and be controlled by the UK Government, even in devolved areas of policy. It is as yet unclear whether the amount of funding to be distributed to Wales will match that once provided by the EU.

Scrutiny and engagement with European affairs has been a central part of the Senedd's work since its establishment, due to the number of areas of devolved competence that fell within European policy frameworks.

The Senedd had a formal scrutiny function, relating to the EU principle of subsidiarity, provided in the Senedd's Standing Orders.

Whilst the need to consider European affairs in these ways is no-longer necessary, the process of leaving and establishing a new relationship with the EU has created a significant range of new scrutiny challenges.

During the course of the Fifth Senedd, a range of scrutiny tasks have also emerged as a consequence of the Brexit process. Prominent examples include the UK-wide common policy frameworks, UK international agreements, and the UK internal market.

This report aims to capture the scrutiny functions that this committee has become responsible for during the course of the Fifth Senedd and that we believe

need to be incorporated into the design of scrutiny approaches and the establishment of committees at the start of the Sixth Senedd.

Given the scale and importance of the scrutiny tasks we identify in this report, we might have been tempted to recommend that the Sixth Senedd establishes an External Affairs Committee.

We stop short of making any recommendation about how these scrutiny functions should be undertaken by the Sixth Senedd, recognising the complex range of considerations that need to be balanced when establishing committees and approaches to scrutiny.

We ask that these scrutiny tasks are considered seriously by the incoming Business Committee when it turns its attention to the establishment of committees for the Sixth Senedd.

## Introduction

- 1.** This report is not a record of our work, but rather a relatively succinct list of scrutiny tasks that we believe need to be carried forward into the Sixth Senedd in one form or another.
- 2.** If we had the benefit of more time ahead of us, we would be continuing to develop and deliver the tasks identified here. Whilst we are content that we have done as much as we can during the course of this Senedd, there's much more to be done.
- 3.** To help prepare us for this report, we drew on our experience of the past five years and the work of the many contributors to our work during that time.
- 4.** Additionally, we held two roundtable sessions with expert contributors. One session was loosely titled "Wales in the World" and the other "Wales in the UK". These sessions were designed to help us take stock of where Wales now sits in the World and in the UK at the end of the Fifth Senedd.<sup>1</sup>
- 5.** The insight from those that participated has been invaluable in assisting us to extract the scrutiny tasks that we believe need to be continued in the next Senedd. However, we cannot yet draw conclusions on where Wales sits in terms of the wider world or what its place in the United Kingdom will be in the context of devolution.
- 6.** This uncertainty further demonstrates the need for our work to be continued in some form in the Sixth Senedd, a Senedd within which it will be possible to start drawing these conclusions.

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<sup>1</sup> See the transcripts of our meetings held on 25 January 2021 and 1 February 2021.

## Scrutiny task for the Sixth Senedd

7. We make one broad recommendation in this report:

**Recommendation 1.** We recommend that the Sixth Senedd's Business Committee incorporates the following scrutiny tasks when preparing proposals for the establishment of committees for the Sixth Senedd:

	<b>Task</b>	<b>Brief description (see the body of the report for a fuller account)</b>
<b>A</b>	<b>International Agreements</b>	
<b>A1</b>	Relationship with the EU	<p>There is an on-going need to <b>scrutinise the implications for Wales arising from the implementation and future development of both the Withdrawal Agreement and the Trade and Cooperation Agreement.</b></p> <p>This covers issues as diverse as citizens' rights, level playing-field commitments under the TCA, to the impact on sectors of the Welsh economy.</p> <p><b>Maintaining and developing relationships with the EU institutions and other European legislatures</b> will be essential to efforts to foresee potential issues for Wales that might emerge from the implementation and/or development of the relationship, for knowledge exchange, and for holding the Welsh Government to account in this arena.</p>
<b>A2</b>	Existing UK international agreements and obligations	<p>There is an on-going need to <b>scrutinise the implications for Wales arising from the implementation and future development of UK international agreements and the obligations arising from them.</b></p> <p>The Senedd can potentially enhance the value of trade agreements to Welsh stakeholder by proactively giving a voice to Welsh interests in circumstances where development of an agreement is possible and barriers to trade have been identified.</p>

<b>Task</b>		<b>Brief description (see the body of the report for a fuller account)</b>
<b>A3</b>	New UK international agreements	<p>The approach to scrutinising international agreements that we developed during the Fifth Senedd should continue in the Sixth Senedd.</p> <p>We believe that the Senedd can play a more significant role in the development of new international agreements. We have proposed an approach for doing this that could be pursued by a committee in the Sixth Senedd.</p>
<b>B</b>	<b>Intra-UK relations and policy</b>	
<b>B1</b>	UK Internal Market Act 2020	<p>There is a need to continue developing an understanding of the UK Internal Market Act and how it affects devolution, how the UK internal market concept is being implemented and regulated, and how to represent Welsh stakeholders affected.</p> <p>There are a range of reporting duties and delegated powers that will require on-going scrutiny.</p>
<b>B2</b>	Common Frameworks	<p><b>Scrutiny has barely begun on the frameworks</b> and they are undergoing significant revision. <b>Substantial work is needed to scrutinise these in late 2021 and early 2022.</b> Ongoing monitoring will be required throughout the next Senedd.</p>
<b>B3</b>	Intergovernmental Relations	<p><b>Scrutiny of Intergovernmental Relations within our current remit should be continued in the Sixth Senedd.</b></p>
<b>B4</b>	Interparliamentary Relations	<p><b>There should be continued and increased engagement with the other legislatures of the UK</b> at both a political and official level, building on the experience of the Interparliamentary Forum on Brexit.</p>
<b>B5</b>	Replacement EU funding	<p>As details of the UK Government's approach to replacing EU funding emerge, Senedd scrutiny will be essential.</p>

<b>Task</b>		<b>Brief description (see the body of the report for a fuller account)</b>
<b>C</b>	<b>Welsh Government and the Senedd Commission</b>	
<b>C1</b>	International Strategy	Scrutiny of the Welsh Government's international strategy will need to continue in the Sixth Senedd.
<b>C2</b>	International Strategy	The Senedd will have an important part to play in establishing Wales' new place in the world and there is a critical role for Senedd Committees in terms of scrutiny, representation, and knowledge exchange.

**8.** The remainder of this report provides some further explanation of each of these tasks.

**9.** Many of these scrutiny tasks are cross-cutting in policy terms and interconnected in a complex way.

**10.** If the Sixth Senedd's Business Committee believes that the scrutiny task identified in this report should continue, it will need to consider the merits, or otherwise, of mainstreaming functions across multiple committees versus concentrating them in one committee.

## 1. International agreements

- 11.** The international agreements that we have most prominently considered have been those between the UK and the EU, to facilitate the UK's exit from the EU and to establish a future relationship.
- 12.** In addressing the implications arising from the UK's decision to leave the European Union, it became apparent that we needed to pay close attention to the international agreements made by the UK with other nations and organisations. This included the agreements to "roll over" existing EU agreements into the UK context, new trade agreements, and new non-trade agreements.
- 13.** UK international agreements have the potential to significantly affect devolved areas of policy, laws passed by the Senedd, and the devolution settlement. There is a risk that these implications are not explicitly recognised or understood at the point at which an agreement is made, unless the Senedd has a scrutiny process in place.
- 14.** International agreements may also present opportunities and, in some cases, the prospect of further development. The Senedd has a role in identifying Welsh interests and, through scrutiny and representation, ensuring that agreements are implemented and developed in a way that maximise their benefits to Wales.

### 1.1. Relationship with the European Union

- 15.** Whilst we had an opportunity to scrutinise the development of the Withdrawal Agreement at some length, the approach that the UK Government took to negotiating the UK-EU Trade and Cooperation Agreement ("the TCA") has meant that we have only been able to start assessing the terms of the UK-EU future relationship at the start of 2021.
- 16.** There is much more to be done in terms of assessing the implications for Wales arising from this agreement. Not least because whilst the structure for the future relationship is set out in the TCA, much of the work on how the agreement will work in practice is yet to be done.
- 17.** The agreement is not just one about trade but one that covers other large areas of devolved policy such as health, public services, agriculture and environmental standards. The decisions taken about how the agreement will operate in practice, be revised, and disputes resolved, will have a significant impact on Welsh businesses, citizens and public services.

- 18.** Further, the TCA provides that discussions should continue between the parties on cooperation of areas important to Wales such as protected food names and recognition of professional qualifications.
- 19.** Senedd Committees will need to ensure that they have the capacity to continue scrutinising the implications for Wales arising from the implementation and future development of both the Withdrawal Agreement and the TCA.
- 20.** These agreements cover issues as diverse as citizens' rights, to the TCA's level-playing commitments, to the impact on sectors of the Welsh economy as a consequence of the new (and developing) relationship.
- 21.** The Senedd will need to continue monitoring the rights of EU citizens in Wales and the vital contribution that they make across areas of devolved policy. In addition to scrutinising Welsh Government actions, and understanding the UK Government's approach, the Sixth Senedd will need to continue building good relationships with the numerous communities of EU citizens across Wales.
- 22.** The terms of the Northern Ireland Protocol, and the Scottish Continuity Act, mean that monitoring developments in EU law remains relevant in the context of scrutinising intra-UK matters such as the Common Frameworks and associated legislation.

## **1.2. Relationships with the European Union's institutions**

- 23.** We recently wrote to senior members of both Houses of Parliament to request that Members of the Senedd be represented on the UK's delegation to the UK-EU Parliamentary Partnership Assembly established by the TCA.<sup>2</sup>
- 24.** It is unlikely that this request will be resolved before the end of the Fifth Senedd. Given the breadth of coverage of devolved areas by the TCA it is important that committees and Members in the Sixth Senedd continue to pursue this issue.
- 25.** We believe there is merit in a Senedd Business locus to maintaining and developing European relations, with membership of any inter-institutional bodies drawn from relevant Senedd committees. This would ensure that the benefits of the relationships are realised in a business context i.e. that they contribute directly

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<sup>2</sup> Letter from the Chair of the External Affairs and Additional Legislation Committee to the Chair of the House of Commons Liaison Committee and the Chair of the House of Lords European Union Committee, 21 February 2021

to the work of relevant committees and, through committee reporting and Chair's statements, plenary business.

### 1.3. Existing UK international agreements and obligations

**26.** There is an on-going need to scrutinise the implications for Wales arising from the implementation and future revision of UK international agreements and the obligations arising from them.

**27.** This includes proactively giving a voice to Welsh interests in circumstances where development of an agreement is possible. For example, in circumstances where barriers to trade are identified by a Welsh business or organisation or where disputes arise that affect Welsh businesses.

### 1.4. New UK international agreements

**28.** We have developed a scrutiny process for assessing UK international agreements for their potential implications for Wales and the devolution settlement. This is illustrated in the diagram on page 12.

**29.** In our 2019 report, *UK international agreements after Brexit: A role for the Assembly [Senedd]*, we proposed a more developed role for the Senedd in upstream engagement with, and scrutiny of, international agreements.<sup>3</sup>

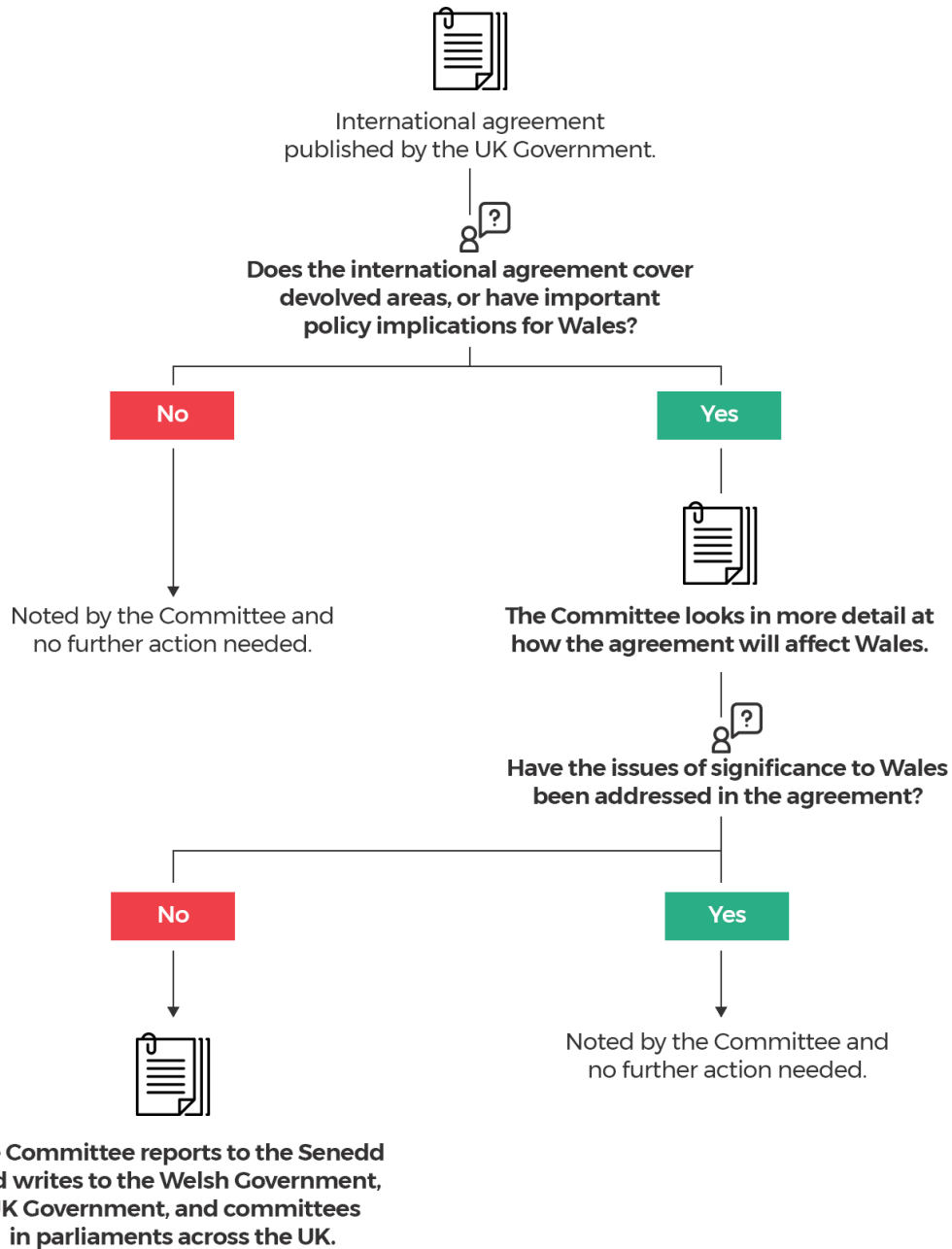
**30.** This has been recognised by committees in the UK Parliament.<sup>4</sup> Further work is needed to develop this approach at the start of the Sixth Senedd, particularly as significant UK agreements are expected during the Sixth Senedd e.g. with the USA, Australia, New Zealand, and the possibility of joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

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<sup>3</sup> External Affairs and Additional Legislation Committee, *UK international agreements after Brexit: A role for the Assembly [Senedd]*, December 2019.

<sup>4</sup> For example, the House of Lords International Agreements Sub-Committee's report on *Treaty scrutiny: working practices*, July 2020.

# The process of scrutinising International Agreements



Welsh Parliament  
External Affairs and Additional Legislation Committee

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## 2. Intra-UK relations and policy

### 2.1. The UK Internal Market Act 2020

**31.** The UK Internal Market Act 2020 has significant consequences for devolution in Wales. It reduced the Senedd's legislative competence and it has created a situation where the practical effect of future laws passed by the Senedd, in a range of areas, is uncertain.

**32.** See our report *The UK Internal Market Bill: Legislative Consent* for a fuller explanation of our position on this legislation.<sup>5</sup>

**33.** There are significant scrutiny tasks ahead for the Senedd. How fundamentally will this legislation affect the ability of the Senedd's laws to make a meaningful difference to lives of the people of Wales? How does it interact with other limits on the devolution settlement, such as the common frameworks programme and international agreements?

**34.** There are also various reporting duties and delegated powers that will require on-going scrutiny. This includes the need to develop a relationship with the Competition and Markets Authority's Office for the Internal Market.

### 2.2. Common Frameworks

**35.** Scrutiny of common frameworks has barely begun and they are currently undergoing significant revision to take account of the UK Internal Market Act 2020, the TCA, and whatever outcome there is to the Welsh Government's legal challenge.<sup>6</sup>

**36.** The Common Frameworks will form the basis for a significant proportion of intra-UK intergovernmental relations. They require scrutiny before they are finally agreed by the governments of the four nations of the UK, as well as on-going monitoring and scrutiny once fully operational.

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<sup>5</sup> External Affairs and Additional Legislation Committees, *The UK Internal Market Bill: Legislative Consent*, December 2020.

<sup>6</sup> On 18 January 2021, The Counsel General issued formal proceedings in the Administrative Court seeking permission for a judicial review to seek declarations as to the scope of provisions of the United Kingdom Internal Market Act 2020.

- 37.** Currently, there is an end of 2021 target for all Frameworks to have completed scrutiny and reached full intergovernmental agreement. In the meantime, provisional common frameworks remain operational.
- 38.** Our experience of monitoring the development of Common Frameworks suggests that this deadline may need to be extended into 2022.
- 39.** There is a need to scrutinise both the detail of individual Common Frameworks and the aggregate effect of the Common Frameworks programme as a whole. This includes its interactions with other cross-cutting scrutiny tasks such as on-going scrutiny of the UK Internal Market and international agreements.
- 40.** This work is important not only because of the Frameworks' potential impact on the practical effect on the Senedd's competence but because they directly affect citizens and business in Wales. For example the process for food businesses to register new nutrition-related food products.
- 41.** Early scrutiny of Frameworks has shown that they may also offer an insight into how EU law has been retained and where the power lies in these areas of policy. Again, there is much more work needed to understand the implications of this for Wales and how the process of retaining EU law has affected the devolution settlement.

### 2.3. Intergovernmental relations within areas of the EAAL Committee's remit

- 42.** In a letter to the First Minister, 17 March 2021, we have concluded that the poor (and worsening) state of intra-UK intergovernmental relations has prevented the Welsh Government from performing a meaningful role in the Brexit process and has led to unnecessarily confrontational policy choices on the part of the UK Government.
- 43.** We are aware of the on-going review of intergovernmental relations that was first announced in March 2018.<sup>7</sup> It is clear that significant change is needed to reflect the strains placed upon current structures by Brexit and wider constitutional changes.
- 44.** Our main focus has been on the JMC European Negotiations and the Ministerial Forum on International Trade.

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<sup>7</sup> This review was agreed at the JMC Plenary meeting on 14 March 2018.

**45.** Intergovernmental relations will remain an important area for scrutiny in the Sixth Senedd.

**46.** Moreover, the type of relationship afforded to the Welsh Government in relation to matters such as the governance and development of the TCA, and, the development and negotiation of new international agreements, will have a direct bearing on the scrutiny arrangements that the Sixth Senedd will need to consider.

## 2.4. Interparliamentary relations

**47.** The Chair of the EAAL Committee has been a member of the European Committees of the UK Forum (“EC-UK”) and the Interparliamentary Forum on Brexit (“the IFB”).

**48.** These Forums have been underpinned by informal official-level networks for the sharing of information and, where possible, coordination of work.

**49.** Building relationships with committees in the other legislatures of the UK has helped us find areas of common purpose and new avenues of possible influence.

**50.** Continued and enhanced engagement with the other legislatures of the UK at both a political and official level will be essential if the Sixth Senedd is to effectively scrutinise the many areas of policy that now intersect with policy decisions taken in the other nations of the UK.

**51.** Within our current remit, we see the potential to develop interparliamentary relations in relation to the scrutiny of the Common Frameworks, the UK internal market, international agreements including the TCA, and intergovernmental relations more generally.

**52.** Without detracting from the need for the direct accountability of each administration to its own legislature, a coordinated interparliamentary approach offers at least the prospect of occasional scrutiny outcomes that are greater than the sum of their individual parts.

## 2.5. Replacing EU funding

**53.** As we end the Fifth Senedd, the precise means by which EU funding will be replaced has not been announced by the UK Government.

**54.** The Welsh Government has made constructive proposals for how this might be managed, but these proposals do not appear to have been adopted by the UK Government.<sup>8</sup>

**55.** The UK Government has taken new powers to spend in devolved areas of policy, through the UKIM Act, and has stated that it will control post-Brexit regional funding through the UK Shared Prosperity Fund.

**56.** This removes a role previously performed by the Welsh Government and takes it into the control of the UK Government. By extension, it removes a scrutiny role from the Senedd to an extent too.

**57.** The total value of any future funding is unknown, making a comparison with levels of investment from the European Union impossible at this time.

**58.** There is a need for continued scrutiny of these developing policies and their implications for Wales. Additionally, the effect on devolution associated with direct UK Government financial intervention in devolved areas of policy will need to be monitored.

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<sup>8</sup> Welsh Government, *Regional investment in Wales after Brexit: policy paper*, first published in December 2017 and updated in October 2020.

## 3. Welsh Government and the Senedd

### 3.1. Welsh Government's international strategy

**59.** During the course of the past Senedd, the current Welsh Government has developed an international strategy, and a range of supporting policies. We have scrutinised the development of the strategy and its early implementation.<sup>9</sup>

**60.** The Sixth Senedd will need to consider how the external activities of the incoming Welsh Government are scrutinised, including any international strategy it adopts or develops, to ensure that the future Welsh Government is doing all it can to efficiently and effectively promote the interests of Wales in the wider world.

### 3.2. The Senedd and international activity

**61.** We have considered the Senedd's future relationship with the European Union's institutions and have been engaged in work to maintain links with the EU through membership of the Committee of the Regions UK Contact Group and seeking representation on the UK-EU Parliamentary Partnership Assembly.

**62.** We welcome the Senedd Commission's continued link through the Contact Group.

**63.** Over the past five years, we have developed relationships with the EU institutions, national governments and legislatures, regional governments and legislatures, cities, municipalities and international stakeholder organisations. This experience has led us to conclude that these relationships work well when there is a clear and purposeful link with Senedd business through a committee.

**64.** Being a respected international actor is an important part of being a national legislature, contributing to and benefiting from knowledge exchanges, finding allies and enhancing the influence that the Senedd can have through scrutiny and representation.

**65.** The existence of an external affairs committee has provided a natural locus for some of this activity and enabled international activity to link with Senedd business.

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<sup>9</sup> See our website for details of this work, including our December 2019 report on the Welsh Government's (then) draft international strategy.

**66.** We believe there is merit in considering how Senedd committees can continue to contribute to the Senedd's standing in the world during the Sixth Senedd, and how this activity makes a meaningful contribution to Senedd business.

# Agenda Item 3.5



Llywodraeth Cymru  
Welsh Government

Rob Donovan  
Committee Clerk  
Economy, Infrastructure and Skills Committee

7 June 2021

Dear Rob,

Please find attached our response to the Committee's report on The Long Term Recovery of COVID-19.

We are grateful to the Committee for its report and hard work over the past 5 years, particularly during the COVID-19 pandemic, in what has been a challenging time for us all.

Please find attached the Welsh Government's response.

Yours sincerely,

A handwritten signature in black ink that reads "Vaughan Gething". The signature is written in a cursive style.

**Vaughan Gething AS/MS**  
Gweinidog yr Economi  
Minister for Economy

A handwritten signature in black ink that reads "Lee". The signature is written in a cursive style.

**Lee Waters AS/MS**  
Dirprwy Weinidog Newid Hinsawdd  
Deputy Minister for Climate Change

## Recommendation 1

The Committee recommends that:

***The Welsh Government must take advantage of the upswing in entrepreneurial activity and encourage business start-ups as a way to drive the economic recovery. In order to do take maximum advantage of the positive momentum. It should review the support available, and look at examples of best practice across the UK and internationally***

### Response: Accept

Subject to the preferences of a new Government, a review is planned on business support provision.

**Financial Implications** – provision is currently partly ERDF funding therefore securing funding to deliver the services after EU funding ceases is required.

The Business Wales Service is matched by ERDF funding so £10m is EU funding we will therefore need to consider how we reprioritise resources in 2022 to continue a service that we have at the same level or above.

## Recommendation 2

The Committee recommends that

***The Welsh Government should examine how academia can best support small business leadership to contribute to Welsh economic recovery by developing their potential for future growth and supporting productivity, and what further measures can be taken to support this. One example of this that it should consider in developing its approach is the Small Business Leadership Programme.***

### Response: Accept

Subject to the preferences of a new Government, a review is planned on business support provision.

**Financial Implications** - No financial implications to examine what provision is required.

Financial implications if recommended actions is to introduce new provision.

We are currently working on the future operating model which is implemented would require additional funding to deliver. Any additional costs would need to be

prioritised from within the relevant resources available to us in the relevant financial years.

### **Recommendation 3**

**The Committee recommends that**

***As it is likely economic turbulence will lead to more regular economic shocks the Welsh Government must focus on building economically resilient communities. This should include a focus on adaptability to key foreseeable future shocks like climate change***

**Response: Accept**

The Economic Resilience and Reconstruction Mission, published 23 February, acknowledges the importance of building resilience into the economy. Supporting adaptation to mitigate the impacts and realise the opportunities of future shocks one of the five beacon areas of focus.

**Financial Implications** - No additional financial implications.

### **Recommendation 4**

**The Committee recommends that**

***The Welsh Government should ensure Business Wales and the Development Bank of Wales (DBW) are given sufficient resources to continue their key roles in the recovery and reconstruction efforts***

**Response: Accept**

Ministers have agreed a loan of £270m capital to DBW in Q4 of 2020-21 to underpin business lending and equity investments via the Wales Flexible Investment Fund through the recovery and to 2030.

Another £200m in additional support for business has already been earmarked in the Final Budget 2021-22 – final decisions on this will be for the next Government.

**Financial Implications** - Cost of £270m met from BEL 3758 Business Finance Funds in FY2020-21. This type of loan under accounting standards (IFRS 9) must be assessed for potential impairment 'Expected Credit Loss' (ECL) annually.

## **Recommendation 5**

**The Committee recommends that**

***The Welsh Government must factor in monitoring and evaluation from the start of all recovery investment or new project. To do this they should build on the approach used in the Economic Intelligence Wales (EIW) report on its Covid-19 interventions and undertake detailed monitoring and evaluation from the start of new projects and investments to support recovery. This should include published aims, objectives and targets of investments, and publication of data disaggregated by regions, sectors and equality characteristics where appropriate.***

### **Response: Accept in Principle**

The Welsh Government will continue to embed monitoring and evaluation on new project and investment to support recovery. The approach in each instance will be determined from advice and discussion with the Welsh Government analysts, as was the approach to the EIW evaluation of the ERF funds.

**Financial Implications** - Financial implication to ensure that funds for each of any new activities will include sufficient monies for evaluation and sufficient analytical staff are in place to design and manage evaluation activity

## **Recommendation 6**

**The Committee recommends that**

***The Welsh Government should work with the Office for National Statistics and Welsh universities to build on the work undertaken during the pandemic to improve the timeliness and breadth of economic data collection for Wales***

### **Response: Accept**

Welsh Government analysts will continue to maintain regular discussions with ONS to ensure that developments with economic data (including the new Business Insights and Conditions Survey and Faster Indicators) continue to monitor the effects of the pandemic and economic recovery in Wales. Officials are also engaged on an ongoing basis with Economic Intelligence Wales (EIW). EIW collates and analyses data to create independent, robust and reliable insight to help better understand the Welsh economy. EIW is a collaboration between the Development Bank of Wales, Cardiff Business School and the Office for National Statistics (ONS).

**Financial Implications - None**

#### **Recommendation 7**

**The Committee recommends that**

***The next Programme for Government must have skills at its heart, recognising its link to productivity and prosperity, in order to drive the recovery.***

**Response: Accept in Principle**

Currently, the Economic Resilience and Reconstruction Mission, published on 23 March 2021, sets out skills and employment as one of five beacons for delivering the medium and longer term economic recovery.

**Financial Implications - None**

#### **Recommendation 8**

**The Committee recommends that**

***The Welsh Government must map out Wales' skills provision at a systems level to develop a truly integrated and joined up approach to skills in Wales. This joined up, system approach must also create a formal, easy to understand and transparent system for industry, awarding bodies and providers to approach one another and work together to develop and refresh skills qualifications. It should also address:***

- ***How the different economic regions, and regional investments like city deals, link together for skills provision;***
- ***How reconstruction funding will support skills development and vice versa.***

**Response: Accept**

The Welsh Government has supported a strategic, regional approach to skills, through Regional Skills Partnerships (RSPs) to provide a strategic, partnership-led regional view of skills. The RSPs identify skills priorities based upon labour market intelligence, informed by employer need and their three year strategic plans work closely with City Region and Growth Deal structures to identify skills needs.

**Financial Implications - None**

## **Recommendation 9**

***The Committee recommends that***

***Welsh Government should support Regional Skills Partnerships (RSPs) to revisit their skills plans in light of the pandemic and invest in a labour market intelligence tool to ensure the partnerships are better able to undertake their Welsh Government funded task. Welsh Government should also set out a clear role for Regional Skills Partnerships in the joined up approach outlined under Recommendation 8***

**Response: Accept**

In 2019, the Economy Infrastructure and Skills Committee published its report following its inquiry into RSPs. The Welsh Government published its response to the recommendations and actions in December 2019 and committed to setting a new strategic direction and remit going forward. Welsh Government has agreed a refocused role for 2020-21 to reflect the changing economic landscape and prioritised work around the response to the pandemic and the impact on skills and the labour market. The Minister for Economy, Transport and North Wales has also agreed that Welsh Government should begin a procurement exercise for Analysis Tools to aid planning of provision in financial year 2021-22

**Financial Implications - None**

## **Recommendation 10**

**The Committee recommends that**

***The Welsh Government must support small businesses to invest in innovation in order to catch up to where they would have been if there had been no pandemic***

**Response: Accept**

**Financial Implications –** The Welsh Government's main source of funding to support small businesses to invest in innovation is our SMART suite of programmes. These are EU funded 2015-20+ 3 years = £68m. As the Committee will be aware, sourcing replacement funding is challenging and options are being explored.

## Recommendation 11

The Committee recommends that

***Considering the fundamental importance of research and innovation to Welsh prosperity, the Welsh Government should provide the funding to fully implement the remaining recommendations of the Reid and Diamond Reviews, including creating the Future of Wales and St David's Funds, in full, as a matter of urgency***

### **Response: Accept in Principle**

We commissioned an OECD report that underlines the link between investment in R&D, economic performance and well-being inequalities. This informed our Regional Investment Framework, which “recognises the transformational impact of research and development and innovation”.

The UK Government has not invested in our framework and its full plans for the Shared Prosperity Fund remain unknown. The UK Government’s community renewal and levelling-up funds do not address R&I to our satisfaction and bypass devolved government at a time when experts are calling for more devolution in order to level-up (Blavatnik Seminar November 2020).

We continue to fund universities and businesses with European funding until 2023. This includes projects that have targets to bring in competitive funding, in the spirit of the Future of Wales Fund. In recognition of the need to soften the UK’s cliff-edge, WEFO has moved funding into R&I whenever possible.

HEFCW is working with Universities Wales on a further coordination initiative to aid capture of competitive funding.

**Financial Implications** - Yes – to be confirmed – subject to ongoing considerations and discussions with the UK Government

## Recommendation 12

The Committee recommends that

***The Welsh Government must invest in an ambitious and transformational green recovery, prioritising investment in green infrastructure, natural infrastructure and decarbonising the Welsh economy. Given the Welsh Government's declaration of a climate emergency, it should set out cross-cutting plans of sufficient scale to meet this challenge***

### Response: Accept

For the recovery from the Coronavirus pandemic to be green, it must address the overarching environmental challenges of:

- **the Climate Emergency:** by decarbonising and increasing resilience to the impacts of climate change;
- **the decline in biodiversity:** by reversing the decline in Wales and reducing our impact on biodiversity outside of Wales; and,
- **Unsustainable production and consumption:** by improving resource efficiency, sustainably using natural resources and moving to a more circular economy.

Significant action has already been set out to prioritise investment in these areas, including green and natural infrastructure and to decarbonise the Welsh economy. This includes action being taken across Government, with key investments made to support and promote active travel, NHS decarbonisation and energy efficiency in schools and homes.

In 2021/22, we will also invest a further £12m to bring renewable energy and public sector energy efficiency projects to fruition. This investment will be supported by the Welsh Government Energy Service and will be a combination of grants, low interest loans, energy pilot activities and in depth Local Area Energy Planning, which will identify a pathway for decarbonising the energy system at a local level for local benefit.

In 2021/22 we are investing over £30m in our natural infrastructure including the National Forest, peatlands, protected sites networks, National Parks and Areas of Outstanding Natural Beauty.

In addition, to tackle unsustainable production and consumption the Welsh Government recently published *Beyond Recycling*, the circular economy strategy to keep resources in use and avoid waste.

**Financial Implications** - In 2021/22, we will also invest a further £12m to bring renewable energy and public sector energy efficiency projects to fruition.

In 2021/22 we are investing over £30m in our natural infrastructure including the National Forest, peatlands, protected sites networks, National Parks and Areas of Outstanding Natural Beauty

### **Recommendation 13**

**The Committee recommends that**

***The Welsh Government should prioritise accelerating ‘shovel-ready’ green infrastructure projects to boost job creation at the start of the recovery***

**Response: Accept**

A significant amount of funding has been allocated to green infrastructure projects as part of the work to support a green recovery from the coronavirus pandemic.

As set out in *Beyond Recycling*, there is a critical link between the circular economy and our ability to improve resilience whilst delivering improved environmental, economic and social outcomes. The Welsh Government has already supported 180 innovative projects in every part of Wales through the Circular Economy Fund, bringing communities together, protecting and creating jobs and improving the environment. In the next financial year, further support has been made available, meaning over £80m will have been made available to businesses, social enterprises and public bodies in Wales to support the transition to a circular economy.

Last year, the Minister for Environment, Energy and Rural Affairs invited Sir David Henshaw, Chair of Natural Resources Wales, to lead a Green Recovery Task and Finish Group. One of their objectives was to identify priorities for action for the Welsh Government’s Recovery Plan from Covid-19. The Group held a call for proposals during the summer of 2020, publishing the *Green Recovery: Priorities for Action Report* on the 3rd December 2020. The Welsh Government worked with NRW to identify proposals in the *Priorities for Action* report which could be accelerated this year. The Welsh Government has committed £1.1m to finance a package of projects to support biodiversity with a further £4.3m committed to the Welsh Local Government Association for onward distribution to Local Authorities for projects that delivered against the *Priorities for Action* report’s five priorities.

In addition, the Welsh Government’s long standing Natural Resources Policy, includes the commitment to ensure investment in infrastructure projects maximise wider benefits such as the creation of local jobs, training opportunities and support the move to a low carbon, resource efficient economy.

**Financial Implications – As above**

## **Recommendation 14**

**The Committee recommends that**

***The Welsh Government should prioritise using skills funding to support green jobs, and take robust action to analyse and address the disparities between current and future needs and existing skills provision***

### **Response: Accept in Principle**

The Welsh Government has supported RSPs to continue in their role to identify skills priorities based upon labour market intelligence, informed by employer need, and will continue to provide intelligence to Welsh Government on all skills areas, including skills to support green jobs. In “Beyond Recycling”, our strategy is to make the circular economy in Wales a reality, we state we will need to:

- “Invest in green skills such as eco-design, re-use, repair, remanufacture and reprocessing to support the development of Wales’ workforce. Work with relevant professional bodies to secure their accreditation of circular economy related training and qualifications offered by training providers in Wales, especially our universities and colleges. Seek to address any gaps in circular economy training, skills development and qualifications. Aligning apprenticeships with the needs of the Welsh economy is at the centre of our skills policy, and we will continue to look at the role apprenticeships have in closing any of those gaps. In doing so, we recognise that safety is a key consideration, especially for the re-use and repair of electronic equipment.”
- “Support the development of green skills in our workforce, including in the digital economy, resource efficiency, circular economy business models, forestry and timber, repair, remanufacture and in the use of composite materials.”
- “Work to provide support for educational and skills development that embed core circular skills such as resource efficiency and design at all levels including schools, training, qualifications and apprenticeships.”

In the Economic Resilience and Reconstruction Mission, published on 23 March 2021, recognises the key role of employability and skills in underpinning Wales’ decarbonisation ambitions.

**Financial Implications - None**

## **Recommendation 15**

**The Committee recommends that**

***As part of any investment in infrastructure the Welsh Government should consider if this infrastructure could be “green” – using an environmental solution to the issue the infrastructure is addressing***

### **Response: Accept**

In December 2020, the Minister for Finance and Trefnydd set out the work which is currently being undertaken in respect of the Welsh Government’s longer-term planning, through the development of a successor to the Wales Infrastructure Investment Plan (WIIP).

The new strategy will be built around the four well-being principles, with a commitment that at its heart will be our response to the climate emergency, including our commitment to Net Zero and tackling the decline in biodiversity.

This recommendation also links to key elements of the existing primary legislative framework, including section 6 of the Environment (Wales) Act 2016, which requires public authorities to maintain and enhance biodiversity and the resilience of ecosystems in the exercise of their functions. It is also consistent with the Welsh Government’s Natural Resources Policy, which commits to looking to natural or “green” infrastructure solutions to reduce climate risk and provide wider ecosystem services whilst safeguarding biological diversity and ecosystem health.

**Financial Implications - None**

## **Recommendation 16**

**The Committee recommends that**

***The Welsh Government should support payment of the Real Living Wage though any recovery funding it issues, and should support a campaign to increase payment of the Real Living Wage.***

### **Response: Accept**

We encourage every employer who can afford to pay the Real Living Wage to do so. Payment of the Real Living Wage is the best way of ensuring workers are able to meet their costs of living and there is benefit to employers from improved staff motivation, retention and corporate reputation.

However, we recognise the challenges of affordability for some employers – and where possible we would like to see them work towards paying the real living wage. The work that Cynnal Cymru do as the accreditation body for the Real Living Wage in Wales to promote understanding and take-up of the Real Living Wage is hugely valuable.

We have made an offer of financial support to Cynnal Cymru to assist them in this work and in particular to support the creation of a dedicated website to act as a hub for their work to promote Real Living Wage accreditation.

**Financial Implications - None**

### **Recommendation 17**

**The Committee recommends that**

***Before the end of this Senedd, the Welsh Government should outline publicly what progress has been made in implementing the recommendations in the Fair Work Commission's report***

**Response: Accept**

The Deputy Minister for Housing and Local Government delivered an Oral Statement on 9 February 2021 which provided Senedd Members with an update on progress in delivering a fair work Wales <https://record.assembly.wales/Plenary/11178#A64457> .

We are also currently consulting on our Social Partnership and Public Procurement Bill which amongst other things seeks to place a duty upon Welsh Ministers to set fair work objectives, take actions to meet those objectives and to report annually on progress

**Financial Implications - None**

### **Recommendation 18**

**The Committee recommends that**

***The next Welsh Government should give an initial indication of how it will address fair work issues that have come to the fore during the course of the pandemic.***

**Response: Accept**

The Oral Statement delivered by the Deputy Minister for Housing and Local Government on 9 February 2021 highlighted how the impact of coronavirus has exacerbated existing inequalities in workplaces and given even greater prominence to specific issues including working conditions in social care, ensuring workplaces are coronavirus secure and preventing an erosion of statutory workers' rights.

These issues have provided an increased focus to our work and an operational imperative to prioritise particular aspects of the agenda set out in the Fair Work Wales report. That is why we moved quickly to establish the Social Care Fair Work Forum, the national Health and Safety Forum and deliver our work alongside

employers and trade unions to raise awareness of workers rights' and avenues of support.

**Financial Implications - None**

### **Recommendation 19**

**The Committee recommends that**

***The Welsh Government should work with business representative organisations to promote fair work amongst businesses, as something that can work alongside growing their business. As part of this campaign, it should implement the Fair Work Commission's recommendation to enlist employers to "increase the visibility and desirability of fair work"***

### **Response: Accept**

We have already partnered with Wales CBI, FSB Wales, the Wales TUC and others to deliver the workers rights' and responsibilities campaign.

This campaign has seen the establishment of a central webpage with sources of information to assist workers and employers along with promotional activity from Welsh Government, the main employer representative bodies and the trade unions.

We are determined to use our social partnership approach to deliver more of this. To seize the opportunity to create the sense of a national movement for fair work with employers and trade unions at the forefront.

The challenges of the past year has inevitably stretched the capacity of social partners – and placed a focus on the urgent and immediate issues of the pandemic. But as we collectively focus on recovery we are absolutely committed to working with employers, trade unions and others to promote, advocate and champion the mutual benefits of fair work for employers and workers and to diffuse best practice.

**Financial Implications - None**

## **Recommendation 20**

**The Committee recommends that**

***The Welsh Government should provide the Committee with a copy of an example economic contract to aid scrutiny of it, this could either be a blank or redacted version to ensure that no business can be identified from the information provided.***

**Response: Accept**

A blank copy of the refreshed contract can be provided to the Committee when it is introduced in May

**Financial Implications - None**

## **Recommendation 21**

**The Committee recommends that**

***The Welsh Government should ensure that the refresh of the economic contract is used to strengthen and expand its reach, including the introduction of equality considerations.***

**Response: Accept**

The refreshed contract will use the Fair Work Commission's definition of Fair Work, which has equality at the heart of each of its characteristics. The purpose of the refresh was to strengthen and expand the reach

**Financial Implications - None**

## **Recommendation 22**

**The Committee recommends that**

***The Welsh Government should work with social partners and sectoral groups to develop a formal mechanism for monitoring compliance with the economic contract and the outcomes it delivers***

**Response: Accept in Principle**

The Economic Contract is not a compliance tool. However we are working with social partners to introduce mechanisms to review sample contracts and to develop clear standard indicators. Relationship Managers will be responsible for monitoring individual contracts in line with agreed standards.

**Financial Implications - None**

### **Recommendation 23**

***The Committee recommends that***

***The Welsh Government must continue to learn lessons from uptake of previous rounds of business support and look again at people not helped by previous rounds, addressing the barriers to accessing support***

#### **Response: Accept in Principle**

Officials continue to review the support provided to businesses in response to Covid-19 and where there is a recognised gap over and above the UK Government and Welsh Government offer it will be considered.

**Financial Implications** - Financial implications if identified gap in provision and that the Welsh Government advises to support.

### **Recommendation 24**

**The Committee recommends that**

***The Welsh Government must prioritise ongoing sector-specific support for hard hit sectors such as non-essential retail, hair and beauty, tourism and hospitality, arts and culture. It should set out its proposals for doing this in 2021-22, making clear where additional funding from the UK Government will be needed***

#### **Response: Accept**

Policy development and advice relating to Covid support to businesses will continue to focus on the sectors hit by the restrictions introduced by the Government.

**Financial Implications** - £200m business support ring-fenced for 2021/22 however anything over and above would have financial implications

### **Recommendation 25**

**The Committee recommends that**

***The Welsh Government should, as a matter of urgency, set out the financial support available for organisations and individuals working in the arts and creative industries after March 2021***

#### **Response: Accept**

**Financial Implications** - We have launched a second round of culture recovery fund. The fund will provide up to £30m to continue support Wales' diverse culture sector through the ongoing pandemic has been announced by the Welsh

Government. The eligibility checker went live at 12 noon on Wednesday 24<sup>th</sup> March with the application process starting on April 6<sup>th</sup> and finishing on April 20<sup>th</sup>.

## **Recommendation 26**

**The Committee recommends that**

***Welsh Government should work with the tourism and hospitality sectors on a destination management strategy, including the development of campaigns to attract people to Wales for the 2021 season in a sustainable way for businesses and communities***

**Response: Accept**

A new recovery plan for the tourism, hospitality and events sector was published on 22 March. *Let's Shape the Future: working in partnership to reconstruct a resilient future for the visitor economy in Wales:*

[https://gov.wales/sites/default/files/publications/2021-03/lets-shape-the-future\\_0.pdf](https://gov.wales/sites/default/files/publications/2021-03/lets-shape-the-future_0.pdf)

Developed in consultation with the Tourism Taskforce and informed by wide-ranging conversation with other important groups, stakeholders and businesses across the sector, the plan includes a shared partnership framework of essential themes around which interventions will be built to support businesses through short to medium-term recovery. The 8 essential themes include:

1. Supporting business.
2. Valuing people.
3. Reopening safely.
4. Rebuilding consumer confidence.
5. Stimulating and managing demand.
6. Developing local visitor economies.
7. Transforming the sector to be more resilient.
8. Developing tailored recovery plans.

Given the uncertain path to recovery for the industry, the intention is for this plan to evolve, providing an important bridge back to the Strategic Plan for the sector "*Welcome to Wales: Priorities for the Visitor Economy 2020-2025*".

The plan recommends a Task & Finish Group is formed to drive forward a more tactical action plan including more detail behind the interventions and agreed delivery leads. Further consideration will be given towards how this group will be formed and the associated Terms of Reference.

**Financial Implications** - Financial Implications: Costs will be managed within BEL 6250 Tourism and Marketing

## **Recommendation 27**

**The Committee recommends that**

***Welsh Government should continue to focus effort on maximising the opportunities presented by research and development in the aerospace and steel sectors, communicating the detail of its approach in its recovery mission and plans.***

### **Response: Accept**

We will continue to support our key industrial sectors such as Aerospace and Steel and our new Manufacturing Action Plan contains a number of actions to future proof manufacturing in Wales, taking a whole Government approach.

We will continue to work with the established Welsh manufacturing base to ensure, as they adapt to decarbonisation targets and aspirations that they remain as competitive as possible on the global stage.

We will continue to provide support for the trade programme for overseas events including those for aerospace.

We will continue our work with the UK Government's MOD for the development of an Advanced Technical Research Centre in North Wales

We will continue to support industry body Aerospace Wales to highlight opportunities for future growth and for R&D.

We will continue to support the steel sector and academic institutions to increase the level of support for steel R&D in Wales. There are a number of initiatives in place including the Steel and Metals Institute (SaMI), SUSTAIN and the FLEXIS.

**Financial Implications - None**

## **Recommendation 28**

**The Committee recommends that**

***Welsh Government should set out an update on its ongoing work to increase economic benefits to Wales from public procurement, both at a local level in the foundational economy, and winning a fair share for Welsh businesses in large UK infrastructure investments***

### **Response: Accept**

This will form part of the Foundational Economy progressive procurement programme.

Separately, we will explore with the UK Government to establish if it is possible to identify the proportion of large UK infrastructure investments won by Welsh businesses

**Financial Implications** - Within current budgeted programme activity.

### **Recommendation 29**

**The Committee recommends that**

***The Committee welcomes the Welsh Government commitment to ensure no one is left behind by the Recovery. This commitment must be maintained by future Governments.***

**Response: Accept in Principle**

The Economic Resilience and Reconstruction Mission sets out this as a priority for this Government. We cannot respond on behalf of a future administration.

**Financial Implications - None**

### **Recommendation 30**

**The Committee recommends that**

***The Welsh Government should set out how it is mainstreaming equality into its recovery policies and investments from the start of the process, and make this information publicly available.***

**Response: Accept**

The Economic Resilience and Reconstruction Mission has set a course for a well-being economy which is prosperous, green and equal. Action to address inequalities in opportunity and outcome due to race, gender or other protected characteristic is critical to the delivery of a well-being economy.

For Transport, this forms part of Llwybyr Newydd and resulting equality pathway which will flow from the longer term strategy.

**Financial Implications – None**

### **Recommendation 31**

**The Committee recommends that**

***The Welsh Government must ensure representation and diversity on bodies making recovery- related decisions***

#### **Response:**

Work is progressing to implement the Diversity and Inclusion Strategy for Public Appointments in Wales. The main aim of the strategy is to increase the diversity of appointees to the boards of regulated public bodies in Wales.

In order to help achieve this aim, the Welsh Government has recruited 13 Senior Independent Panel Members from a range of backgrounds to sit on public appointment recruitment panels. The hope is that more diverse panels will lead to more diverse appointments being made.

In addition, we are currently developing a specification to procure a suite of diversity and inclusion training and development. This will include a 'Near Ready Leadership Programme' for disabled and Black, Asian, Minority Ethnic individuals with some leadership experience, who are interested in obtaining a public appointment. It will also include training on Fair Recruitment practices and general Diversity & Inclusion Training for all Board members of regulated public bodies in Wales.

Once the new Government has been formed, we will work with external partners to develop a mentoring and shadowing scheme for people from under-represented groups with Board members of public bodies.

We will also work to ensure Chairs and Board members of public bodies have a diversity and inclusion objective as part of their performance management system.

All these actions should contribute to increasing the diversity of board members on regulated public bodies in Wales.

**Financial Implications** – No additional implications

### **Recommendation 32**

**The Committee recommends that**

***In evaluating its recovery support, the Welsh Government should continue to ensure that data on business support broken down by gender and ethnicity is***

***published and evaluated, as with the Economic Intelligence Wales report on its Covid-19 interventions. It should also expand on this work by publishing data on support provided to businesses broken down by further groups with protected characteristics***

**Response: Accept in Principle**

We will explore all options available.

**Financial Implications - None**

**Recommendation 33**

**The Committee recommends that**

***The Welsh Government should work in partnership to develop specific communications campaigns to engage with people from Black, Asian and Minority Ethnic communities on COVID support and recovery programmes***

**Response: Accept**

The Welsh Government remains committed to engaging with people of all communities – especially those disproportionately disadvantaged by impacts of COVID 19. We will continue to work towards engaging all groups to fully involve them in the continued support program during and after the pandemic.

**Financial Implications – None** as these would be met by the normal budgetary allocations

**Recommendation 34**

**The Committee recommends that**

***A Black, Asian and Minority Ethnic advisory group, along the lines of the group established by the First Minister to respond to COVID-19, should work closely with the Welsh Government on long term economic, skills and transport recovery***

**Response: Accept**

The Economic Resilience and Reconstruction Mission explains we will work with ethnic minority communities to address employment issues related to both the disproportionate impact of the pandemic alongside the inherent disadvantage caused by structural and systemic racism.

The Race Equality Action Plan for Wales, out for consultation until 17 June, notes the goal of improving engagement with the ethnic minority community, particularly for entrepreneurs

We will review our marketing and engagement activities to extend our reach to Black, Asian and Minority Ethnic groups and individuals and that Black, Asian and Minority Ethnic entrepreneurs are well reflected in our publicity.

In relation to Transport, there will a transport accessibility panel developed by TfW on behalf of the WG which will expand the current group to include all those who share protected characteristics.

**Financial Implications – None**

### **Recommendation 35**

**The Committee recommends that**

***The Black, Asian and Minority Ethnic advisory group's recommendation to establish a Race Disparity Unit within Welsh Government should be met as a priority***

### **Response: Accept**

The Welsh Government has accepted the recommendation from the Black Asian and Minority Ethnic Covid-19 Sub-group's Socio Economic report to scope the feasibility of establishing a Race Disparity Unit.

Research is underway to scope and explore the stakeholder needs for distinct a Race inequalities evidence Unit, an Equalities evidence Unit and a Disability evidence Unit in Wales. The fieldwork for the scoping has been completed, which involved a series of interviews, focus groups and workshops.

An options paper will be produced following the scoping work that outlines initial structure and resourcing options and functions to inform implementation of the Unit(s). Once the new government has formed, the options paper will be presented to the Cabinet as a priority.

**Financial Implications** - Budget has been agreed for 21/22 Financial Year for scoping and the establishment Equality Data and Evidence Unit & Race Disparity Unit (up to £809,000)

This allocation will support the establishment of the unit/s in 2021-22 following the outcome of the scoping exercise which will take place in early 2021.

### **Recommendation 36**

**The Committee recommends that**

***The Welsh Government should include commitments to accessibility (both in the built environment and through organisation's policy and procedures) as a criteria for receiving recovery funding, and monitoring businesses' compliance with these.***

**Response: Reject**

Accessibility is a statutory provision which businesses would need to comply with.

**Financial Implications** - None

### **Recommendation 37**

**The Committee recommends that**

***The Welsh Government should respond publicly to the recommendations in Engage to Change's briefing "Jobs for people with a learning disability or autism - The role of the NHS" and should develop a learning disability and autism employment plan for the Welsh public sector in line with the plan for the NHS set out in the briefing.***

**Response: Accept**

Officials are currently working with stakeholders on the scoping of a pilot project to improve employability provision for people with a learning impairment and/ or autism and this is linked to a 'proof of concept' pilot to assess the effect of increasing job coach resources available for a small group of apprenticeship providers

**Financial Implications** - None

### **Recommendation 38**

**The Committee recommends that**

***Welsh Government needs to lock in gains for disabled people around home working. However they must ensure remote working supports disabled people and does not further exclude them***

### **Response: Accept**

This work is already underway and these considerations form part of our Integrated Impact Assessment. We are also publishing guidance documents on Business Wales.

As a new policy area, developments will need to be closely monitored for all impacts and changes in trends.

The Welsh Government is due to return to EIS Committee in the new administrative term to provide progress updates.

**Financial Implications - None**

### **Recommendation 39**

***The Committee recommends that***

***The Welsh Government must carefully consider gender when creating recovery plans and allocating recovery funding in order to avoid any unconscious bias towards male-dominated sectors. As part of this the Welsh Government should use reconstruction funding to:***

- encourage women to take up more roles in the construction sector, particularly those jobs created by investments in green infrastructure and***
- create new jobs in sectors where the majority of the workforce is currently made up of women such as in care and childcare***

### **Response: Accept**

Our goal is to create resilient individuals who have the skills, enthusiasm, drive and creativity to fulfil their potential in a fast changing world, where ability, background, gender, or ethnicity is not a barrier to securing fair employment.

We remain firmly committed to supporting people to access jobs, training, higher and further education in order to gain and retain fair employment or self-employment, securing learner continuity and progression in the labour market at this critical time.

We will focus on tackling economic inequality and supporting those who have been most adversely affected by the COVID-19 crisis - especially women, young people, those in low paid and insecure employment, ethnic minority communities and disabled people.

### **Financial Implications - None**

#### **Recommendation 40**

**The Committee recommends that**

***Given the record rates of women being made redundant across the UK during the pandemic, and that this rate is much higher than in the 2008 recession, the Welsh Government should review its redundancy support and careers advice programmes to ensure that they are fully resourced and equipped to deliver an increased level of tailored support to women.***

#### **Response: Accept**

The Welsh Government has established Working Wales, which is designed and implemented to support people across Wales. This national free service, delivered by Careers Wales, offers a rapid response to large-scale redundancies in collaboration with DWP, deploying staff on-site as soon as notified, to support people under notice of redundancy. This support includes presentations to the workforce on site and at a time that suits them, one-to-one interviews and guidance clinics, support with applications for ReAct and other sources of funding, and further support via telephone, video or face to face when restrictions permit. Working Wales already works closely with agencies such as Chwarae Teg and ensures that all of their marketing is gender neutral.

Careers Wales upskills its advisers regularly on developing and evolving labour markets and produces in-house LMI bulletins quarterly to upskill its staff

**Financial Implications - None**

#### **Recommendation 41**

**The Committee recommends that**

***The Welsh Government must set out publicly how it will encourage people to take up training opportunities which will lead them to jobs in sectors where people like them are under-represented***

#### **Response: Accept**

Careers Wales and the Working Wales service offers a range of activities to support people find and progress in work, including:

- Online Jobs Fairs targeting priority sectors in line with individual RSP Plans;
- Weekly Job Vacancy Bulletins;
- Group sessions in schools and interviews which focus on opportunity awareness and choice at 16;
- Working Wales specific marketing materials, including live discussions and Q&A on diversity and inclusion, and a panel of young people from Black Asian and Minority Ethnic communities discussing their experiences.

**Financial Implications - None**

#### **Recommendation 42**

**The Committee recommends that**

***Preventing a scarred 'Covid generation' must be one of Welsh Government's top priorities for recovery, with robust plans to guarantee high-quality training and work experience for young people***

#### **Response: Accept**

Currently the delivery of work experience, for under 16's, is the responsibility of schools. Careers Wales also has a bank of digital resources used as an alternative to Work Experience e.g. 'go pro' tours of employer premises which are offered to schools for use with pupils.

Careers Wales offers Tailored Work Experience to young people who are at risk of disengaging or becoming NET through three regional ESF-funded programmes

(Cynnydd, I2A and TRAC). To note these are due to end in 2022/3 with no expectation of further funding at this time.

Also, Education Business Exchange is a database of employers who are willing and able to offer a range of employability enrichment activities to school pupils – eg mock interviews, masterclasses, visits to employer premises etc. These are made available to schools so that they can build a package of support for their pupils when work experience is not available.

Traineeships are available for young people aged 16-18 in Wales not engaged in post-16 education or employment. The primary objective of the programme is to equip people with the skills, qualifications and work experience to enable them to progress to learning at a higher level or to employment, including an Apprenticeship.

The Welsh Government is also currently procuring a new youth employability programme, Jobs Growth Wales +, which will be instrumental in helping young people into the world of work. The programme will offer young people a holistic approach to employability support, and will be key, not only in helping to rebuild the economy at this difficult time by supporting employers to take on young people, but also in making sure that those young people continue to have vital opportunities to train and experience the world of work.

**Financial Implications - None**

### **Recommendation 43**

**The Committee recommends that**

***Welsh Government should urgently assess the introduction of a Youth Opportunity Guarantee for 16-24 year olds in Wales as part of its strategy and support programmes to tackle youth unemployment***

**Response: Accept**

**Financial Implications -** This government has put in place additional funding and support through the COVID Commitment to address the urgent need to bolster frontline support, advice, and training and employability support for young people through the pandemic. Going forward, we recognise we will need a relentless focus on supporting young people transitioning into further learning, employment or entrepreneurship, and finding new ways to reach those most impacted to improve their employability.

#### **Recommendation 44**

*The Committee recommends that*

*Welsh Government should improve its strategic work with Welsh civic society and young people themselves when developing its policy approach and strategy for addressing youth unemployment*

#### **Response: Accept in Principle**

The Youth Engagement and Progression Framework (YEPF), published in 2013, aims to reduce the number of young people not in education, employment or training. Representatives from schools, FEIs, the voluntary youth work sector and other third sector organisations were amongst those who were invited, in February 2021, to participate in consultation workshops, on the YEPF. A consultation aimed at young people will take place after 6 May. Feedback from the consultation will be used to inform a refresh of the YEPF

**Financial Implications - None**

#### **Recommendation 45**

*The Committee recommends that*

*To meet the priority of preventing a scarred ‘covid generation’ the Welsh Government must create a strategy which:*

- *Includes targeted interventions aimed at supporting the employability of the cohorts of people leaving education during the pandemic and shortly after.*
- *Takes an approach that goes beyond employability measures to build young people’s confidence & resilience and address the underlying structural issues.*
- *Ensures new schemes designed to tackle youth unemployment stop the churn of young people simply moving in and out of various support schemes, including by ensuring courses and placements are of adequate length, and that they fully support progression.*

- ***must be co-designed with young people aged 16-25, including those furthest from the labour market, and must include clearly measurable indicators and outcomes, with young people also involved in the accountability mechanisms.***
- ***Draws on best practice from the UK and further afield.***

**Response: Accept**

The Welsh Government has engaged with stakeholders during the course of the pandemic to help us understand the effectiveness of interventions, and has incorporated evidence, research and lessons learnt from evaluations of previous programmes to help inform the design of employability support interventions, most recently in the design of the new Jobs Growth Wales + programme.

Careers Wales and Working Wales supports young people with their employability and facilitates positive transition from education to Employment Education and Training. School and college-based careers advisers are able to refer potential school leavers for online Employability Coaching sessions delivered by Working Wales. This support may include mock interviews, job-search skills and job applications skills.

School and college-based careers advisers are able to make referrals to work-based learning or apprenticeships during the summer term (and before students leave school). This ensures that they are able to move from one provision to the next without becoming disengaged in the interim period.

**Financial Implications - None**

**Recommendation 46**

**The Committee recommends that**

***Welsh Government must work closely with Department for Work and Pensions and Job Centre Plus to ensure the Kickstart scheme offers as many good quality opportunities as possible for young people in Wales***

**Response: Accept**

The Welsh Government has worked closely with the Department for Work and Pensions (DWP) to ensure the Kickstart scheme integrates with and complements existing programmes of employability support for young people, including Traineeships and Apprenticeships, to maximise the opportunities that a paid work experience place can offer. We will continue to work with DWP and support a Wales Strategic Kickstart Network.

**Financial Implications - None**

**Recommendation 47**

The Committee recommends that

***Welsh Government should take steps to ensure it has, and publishes, a clear picture of youth unemployment that also can directly compared to other UK and European nations.***

**Response: Accept**

The Welsh Government has a clear picture of youth unemployment, compared to the UK, derived from quarterly data from the Annual Population Survey which is routinely published within Welsh Government's [Labour market overview](#) and underlying data on [StatsWales](#)

**Financial Implications - None**

**Recommendation 48**

The Committee recommends that

***Welsh Government and Careers Wales should improve promotion of training courses to young people from ethnic minorities. To do this they must work with young people from those communities***

**Response: Accept**

The services of Careers Wales is a universal offer. In schools (from September 2021) Careers Wales will be offering a targeted and differentiated service to young people who are in danger of not making positive transitions at 16. This service focuses on those young people who are likely to appear disproportionately in the NEETs figures. This will include some ethnic minority groups, young carers, Looked After children, young people on free school means, those educated other than at school and young people with Additional Learning Needs.

The Working Wales service also has a universal offer and is a demand-led service. Working Wales gathers information about ethnic minority groups as a protected characteristic so that they can check they are reaching this section of the community. The service prioritised black, Asian, ethnic minority and Disability sectors for additional

marketing and attention for 2021-22, has already made connections with a range of ethnic minority agencies and will continue to expand this over the year ahead, including:- Ethnic Youth Support team, the Oasis Centre (support for refugees and asylum seekers), Diverse Cymru and Welsh Refugee Council.

Community employer liaison support is available via Communities for Work and Communities for Work Plus to assist with matching participants with local labour market opportunities, promote self-employment and new ways of working. I also provides more intensive, tailored 1-2-1 mentoring and support, working in partnership with local authorities and the 3rd sector.

**Financial Implications - None**

#### **Recommendation 49**

***The Committee recommends that***

***The Welsh Government should work with colleagues and employers to support people with protected characteristics to make the transition between training and work in order to ensure they can fully use their qualifications.***

**Response: Accept**

We are continuing to maintain the Credit and Qualifications Framework for Wales (CQFW) – an all-inclusive framework which allows for the recognition of qualifications across all sectors and levels of the education system, irrespective of where learning is undertaken and by whom. The CQFW maintains links with the qualification frameworks of the other UK administrations and is referenced to the European Qualifications Framework (EQF). This ensures that qualifications can be recognised and broadly compared, offering portability and transferability for learners and workers.

**Financial Implications - None**

#### **Recommendation 50**

**The Committee recommends that**

***Welsh Government should publish a recovery plan for bus and rail which includes:***

- ***the work needed to understand and respond to passengers' travel needs post pandemic; prioritised plans for new services, fares and ticketing structures; and supporting promotional and marketing activity***

**Response: Accept**

Through the Covid-19 pandemic, the Welsh Government has supported the bus industry to keep essential services running. We will continue this support as we take

the first steps out of the lockdown and demand for public transport returns. Our 'Bus Emergency Scheme (BES) 2' is a key part of our support as we move forward. It is an agreement between bus operators, local authorities, Transport for Wales and the Welsh Government and provides the basis of partnership working to deliver better services. Work is underway on developing a bus strategy for consultation later this year, which will set out how the Welsh Government will work with our key stakeholders and partners to secure a long-term, sustained improvement in bus services in Wales, focussed on the needs of passengers. In respect of rail TfW will be rolling out a customer return plan over the next 12-18 months to ensure that passengers feel safe and welcome on the trains.

**Financial Implications** - None. Costs for planning the recovery for rail and bus will be covered from existing budgets

#### **Recommendation 51**

*The Committee recommends that*

*Welsh Government should publish an evaluation of the effectiveness of short-term active travel interventions implemented in response to Covid-19. The evaluation should outline lessons learned, case studies and best practice to be shared across local authorities*

#### **Response: Accept**

**Financial Implications** - Once Welsh Government has received final claims for the grant funding in April 2021, an evaluation will be undertaken on the basis of quantitative and qualitative evidence from local authorities and other stakeholders. This will include the preparation of case studies which will be shared with all local authorities.

#### **Recommendation 52**

*The Committee recommends that*

*Welsh Government should consider the scope of options to give more long-term funding certainty to local authorities for transport investment, similar to that offered to Transport for Wales in the Wales Transport Strategy. The need*

***for both revenue and capital funding must be taken into account. If this longer-term funding is not possible the Welsh Government must clearly set out why the approach for local government differs from that for Transport for Wales and the National Transport Delivery Plan***

**Response: Accept**

**Financial Implications** - The benefits of security around long term funding is recognised. Due to the Welsh Government annual budget settlement, an absolute 5-year commitment for revenue and capital for transport is unachievable. Our intention with regard to Transport for Wales is to issue a Statement of Funds Available (SoFA) setting out how much can be spent on transport services, maintenance and projects during the 5-year period of the first delivery plan (or WCP1).

The SoFA will be a rolling financial planning window, rather than a guaranteed funding commitment. We will investigate with other service areas within Welsh Government that provide grants to local authorities, whether a similar approach to SoFA could be applied re local authority grants or whether an alternative methodology is possible.

### **Recommendation 53**

**The Committee recommends that**

***Welsh Government should identify the mechanisms it will use to achieve cross-party consensus on priorities for the 'big ticket' investments in transport infrastructure and operations that are necessary for recovery***

**Response: Accept**

Subject to the preferences of a new Government.

**Financial Implications** - The National Transport Delivery Plan will set out the “big ticket” investments in Transport. The intention is to seek Senedd’s approval to the Plan

# Agenda Item 3.6

## **Welsh Government's written response to the recommendations of the Economy, Infrastructure and Skills Committee's inquiry – Remote Working: Implications for Wales.**

### **Recommendation 1.**

Welsh Government should publish a strategic document setting out its approach to implementing remote working policy, and outline the key actions it will take to deliver this. This should include mapping of how the different parts of the policy ambition will be co-ordinated across the Welsh Government, such as delivering the Wales Transport Strategy, policy on spatial planning and infrastructure, childcare, community cohesion, and partnership working with local government and other partners.

### **Response: Accept**

Publication of a strategy for increasing levels of remote working in Wales is currently set for autumn of this year. It will detail the steps we need to take to achieve our aim of 30% of the workforce working at or near to home on a regular basis.

Additionally it will draw on the conclusions of the Integrated Impact Assessment to ensure decisions take account of unintended consequences and maximise the opportunities available as a result of the policy.

As the Committee has recommended, it will also explain the links with other policy areas and how the work needs to be coordinated across government and with other parts of the public, private and third sectors.

**Financial Implications** While there are no financial implications arising from the production of a strategy document in and of itself, there will be actions in the strategy that will have financial implications. As a developing piece of work, these are not yet fully scoped and identified, but will be the subject of separate advice to Ministers.

**Recommendation 2.** Welsh Government should show leadership by prioritising achievement of the long-term ambition that a significant proportion of Welsh Government staff regularly work remotely, and setting out plans to achieve this.

### **Response: Accept**

Throughout the pandemic, Welsh Government staff have successfully worked at home. The Welsh Government will be an exemplar for smart working and is pursuing an ambitious programme to retain the benefits of remote working and, when it is safe to return to the office, has committed to no more than 50% of the workforce working from an office at any one time. The Welsh Government is shaping its approach to develop our people, design our places and invest in tools and new ways of working

that will support our workforce all as we transition through the months and years ahead to enable us to collaborate, stay connected and deliver.

**Financial Implications** – None.

**Recommendation 3.** Welsh Government should clearly set out its definition of “remote working” and working “at or near to home” to enable precise measurement of progress in achieving the Welsh Government’s ambition of 30% of people working remotely on a regular basis.

**Response: Accept**

Remote working is defined as working outside of a traditional office or ‘central’ place of work. It includes working at home and close to home in your local community. This is how we will advise it is defined for inclusion in national surveys and data collection. The 30% aim is not a target, but an aspiration and we are not mandating changes in work patterns. We hope to encourage more flexibility for workers and agility for businesses and organisations.

**Financial Implications** – None.

**Recommendation 4.** Welsh Government should develop strong statistical measures based on its clearly stated definition(s) for remote working (including at home or “near to” home). This must be done in order to monitor and evaluate outcomes against its remote working policy ambition, and to understand the impacts on the workforce and individual employers.

**Response: Accept**

Both the devolved administrations and the UK Government are interested in measuring these more flexible patterns of working. We are working to ensure inclusion and measurement in national surveys. These include – amongst others - the Labour force Survey, the Annual Population Survey and the Wales Transport Survey.

Collecting robust data is essential to track trends and impacts over time. At employer level, the data is less robust than that for employee opinion. We will identify and/ or develop appropriate mechanisms to fill gaps in data.

**Financial Implications:** Possible in relation to the development of data in this area. If costs do arise they will be subject to further advice. These costs are not expected to exceed £50,000 in this financial year

**Recommendation 5.** Welsh Government must mainstream equality in the development of its remote working policy, and set out clearly how it is doing this. As part of this work, the Welsh Government should publish the integrated impact assessment for the remote working policy proposals as soon as possible, but also

assess the breadth of that assessment against the full range of equality impacts and issues raised in the Senedd Economy, Infrastructure and Skills Committee's inquiry report

**Response: Accept**

We intend to publish the Integrated Impact Assessment by autumn 2021 – a full Health Impact Assessment and Equality Impact Assessment is part of this process and will outline the health and well-being impacts. Once we have understood the impacts of remote working we shall be considering next steps that may include other levers and policy areas.

Additionally, the consultation on our Social Partnership Bill has been launched. The Bill will require public bodies to engage in social partnership and consult with recognised trade unions. The draft Bill is intended to strengthen and promote consistency in the Welsh system of social partnership, to deliver fair work outcomes and to achieve socially responsible procurement. We will use our social partnership way of working to support opportunities for workers to work remotely and in ways which improve well-being and work-life balance.

We will give consideration to developing 'national principles' for remote working – drawn up with our social partners so that we have a shared and common framework for operationalising remote working fairly, safely and effectively.

**Financial Implications: None**

**Recommendation 6.** Welsh Government should set out how it is impact assessing the wider socio-economic impacts of the remote working policy and how it will comply with the requirements of the Socio-Economic Duty, in light of emerging evidence that economic inequalities could result from a policy favouring more highly skilled and affluent workers.

**Response: Accept**

The Socio-economic Duty requires specified public bodies, when making strategic decisions such as 'deciding priorities and setting objectives', to consider how their decisions might help to reduce the inequalities associated with socio-economic disadvantage.

Although Welsh Government itself will not be captured by the Duty, only Welsh Ministers, we want to lead by example and act in the spirit intended by the legislation. This will ensure better decision making and more equal outcomes for all in society.

A preliminary study on the economic impacts of the policy has already been completed by the Wales Centre for Public Policy. This will be supplemented by the Integrated Impact Assessment, which will consider impacts on low-income households.

**Financial Implications: None**

**Recommendation 7.** Welsh Government should gather evidence beyond the pilot hubs to inform its strategy and approach to developing and supporting co-working hubs, as it is clear that there are a number of gaps in the evidence for co-working spaces. This should include an understanding of the economic and social impacts of existing co-working provision; analysis of the gaps that exist in current provision; and an understanding of international best practice.

**Response: Accept**

Remote working encompasses a number of strands of evidence and analysis and we agree evidence beyond the pilot hubs is required. We have a dedicated resource in Welsh Government to manage research activities in this policy area and it is crucial that we monitor this over a period of time to ensure the policy remains a good fit for Wales as the evidence starts to emerge and become clearer.

We will continue developing the policy and necessary actions with input from stakeholders, and undertaking an ongoing programme of research. This includes consideration of models elsewhere (such as the Netherlands) to understand the levers that have made these changes work.

**Financial Implications:** Possible in relation to the development of research and analysis in this area. If costs do arise they will be subject to further advice. These costs are not expected to exceed £50,000 in this financial year.

**Recommendation 8.** Beyond the current Welsh Government ‘Town Centres First’ principle and ‘Transforming Towns’ programme, Welsh Government should bring forward a Retail Strategy and Plan that can adapt and respond to remote working trends and set a clear path for that sector in Wales, and the businesses and workers’ livelihoods it supports.

**Response: Accept**

The retail sector remains a fundamental part of the Welsh economy, from the local high street through to our city centres. We have developed strong stakeholder relationships with the retail sector during the Covid pandemic. It is clear the retail sector in Wales has been severely impacted, more so than any other part of the UK.

Whilst we have Transforming Towns and Town Centre First programmes, what we lack is an overarching strategy which highlights priorities and issues that will inform future policy direction. This accounts for the decision to embark on the development of a Retail Strategy.

This is a move widely greeted by the sector and retailer representative bodies. The strategy will respect changes in the retail environment, including online retailing and the impact of remote working on our retail centres.

The Wales Centre for Public Policy recently published a report on the Economic Impacts of increased remote working. That report indicates that there may be a shift in footfall from city centres to the suburbs as people spend more time at home or in their local area, but that cities will survive through adapting design and use of urban space.

**Financial Implications: None**

**Recommendation 9.** Welsh Government should set out its plans for providing financial and other support to the existing co-working hub network in Wales.

**Response: Accept**

Our aim is to make sure our existing coworking network in Wales is able to make the most of the opportunities presented by a shift to a hybrid workplace model.

Support and guidance mechanisms are under development and will be outlined in more detail as part of the remote working strategy document.

**Financial Implications:** Possible in relation to the development of financial and non-financial incentives in this area. If costs do arise they will be subject to further advice, whether being met from the Economic Infrastructure or another budget. These costs are not expected to exceed £150,000 in this financial year.

**Recommendation 10.** Welsh Government should set out how it will communicate the remote working policy to, and engage with the public, as well as key stakeholders and community bodies, and how it will measure and report on the outcomes of that engagement.

**Response: Accept**

This policy has been developed with significant input from stakeholders in the public, private and third sectors. A public engagement exercise to map demand for local work hubs has also just been completed (end March 2021).

We intend to continue working and communicating openly as the policy matures and the landscape changes.

Plans for engagement and monitoring stakeholder input will be outlined in the remote working strategy.

**Financial Implications:** Possible in relation to the development of engagement tools, events and surveys in this area. If costs do arise they will be subject to further advice, whether being met from the Economic Infrastructure or another budget. These costs are not expected to exceed £150,000 in this financial year.

**Recommendation 11.** Welsh Government should supplement the work it plans, to map existing co-working spaces and the public sector estate, by collating information on community and commercial assets that could be re-purposed to support the development of remote working hubs.

**Response: Accept**

This is being developed as part of the programme of work.

Additionally, as part of our Transforming Towns programme, we continue to work with local authority partners to identify and review available buildings and land within or closely aligned to town and city centres. Assets purchased through the Transforming Towns programme will deliver meanwhile or temporary uses, local hubs for business, third sector or public uses and further opportunities for Town Centre First – to lever in investment from wider Welsh Government portfolio areas.

**Financial Implications: None**

**Recommendation 12.** Welsh Government should set out how it is engaging with UK Government on the Employment Bill and any related UK legislative proposals to protect employee wellbeing post-pandemic. It should also set out what it wants to see from UK-wide legislation in respect of remote workers' employment rights.

**Response: Accept**

Despite the UK Government announcing, more than a year ago, its intentions to bring forward an Employment Bill, indications are that it will be late 2021 or even early 2022 before we see progress on this issue. We are continuing to engage with the UK Government on reserved employment law and workers' rights. We have made our position clear, we expect no weakening of employment rights and we believe there is room for improvement, particularly in order to keep pace with the future of work and to ensure that workers have sufficient protections. We are continuing to make strong representations to the UK Government on these issues.

**Financial Implications: None**

**Recommendation 13.** Welsh Government should set out how it intends to use devolved levers to protect and promote workers' rights when remote working, and to achieve the necessary culture change among employers, such as through the economic contracts; potential legislation on social partnership; implementing the Fair Work Commission's recommendations. and by providing support and official guidance on good management working practices.

**Response: Accept**

We have been clear in explaining our commitment to using every power and every lever available to us to deliver fair work outcomes, including improving access to

trade unions and using our social partnership approach and the power of the public purse to improve working practices.

The draft Social Partnership and Public Procurement Bill, Economic Contract and implementation of Fair Work Wales recommendations are key examples of how we are delivering on that agenda. We will use our social partnership way of working to support opportunities for workers to work remotely and in ways which improve their well-being and work-life balance. Our existing social partnership arrangements – including the Social Partnership Council, Workforce Partnership Council and Council for Economic Development provide us with the opportunity to build consensus on the support and advice employers and workers may need to effectively and safely operationalise remote working in line with our broader fair work ambitions.

**Financial Implications:** None

**Recommendation 14.** Welsh Government should update the relevant sixth Senedd Committee on its plans and priorities for closing the digital divide on broadband connectivity in Wales, and how it will work with the third sector and other partners to address the inequalities in digital access and inclusion.

**Response:** Accept

It is important to point out that the responsibility for telecommunications rests with the UK Government. However, the Welsh Government have stepped into this non-devolved area to ensure that homes and businesses across Wales can access fast and reliable broadband.

Most notably the Superfast Cymru project provided more than 733,000 premises across Wales with access to fast fibre broadband. It has transformed the digital landscape.

However, there remain around 79,000 premises in Wales without access to superfast broadband and that are not in the commercial roll-outs of telecommunications companies or public sector bodies to do so.

The Welsh Government is again stepping through a suite of interventions. A grant agreement is in place between BT and Welsh Government which is being delivered by Openreach to provide access to fast broadband to around 39,000 premises by June 2022, at a cost of nearly £56m. This is made up predominantly from Welsh Government and EU funds with some additional funding from the UK Government. At the end of December 2020 a total of 15,649 premises had been given access to full fibre connectivity since the start of the project.

For those premises which fall outside of a fibre roll out, we have a range of interventions in place to help premises achieve fast broadband speeds regardless of the technology. These include the Access Broadband Cymru scheme which provides grants to fund (or part-fund) the installation costs of new broadband connections for homes and businesses in Wales. Since the scheme began in 2016 more than 5,000

grants have been approved.

The Local Broadband Fund is a £10million fund that supports local authorities and social enterprises to deliver broadband projects locally, helping communities without access.

The UK Government Rural Gigabit Connectivity voucher connected rural homes and businesses to gigabit capable broadband. We stepped in to provide additional Welsh Government resources to give Wales a generous package of measures not bettered anywhere in the UK. The voucher scheme came to an end on 31 March 2021. However, the UK Government have now introduced a new scheme called the UK Gigabit Voucher and the Welsh Government will again look to top-up this voucher to reflect the higher costs of delivery of broadband infrastructure in Wales.

Digital inclusion is a key social justice and equalities issue and it is about ensuring people benefit from the rapid pace of technological change taking place in society. Digital Communities Wales: Digital Confidence, Health and Well-being (DCW) is our £2million per annum (funded jointly by digital inclusion and health) procured programme. It works with organisations from all sectors that can help reach digitally excluded people and is designed to provide training and support to front line staff, volunteers and organisations to engage with and develop the digital skills of citizens and front line staff. The contract commenced on 1 July 2019 and is due to run until 30 June 2022, with an option to extend for a further three years pending funding.

**Financial Implications:** None

**Recommendation 15.** Welsh Government should report to the relevant Sixth Senedd Committee on the progress and status of:

- a) ▪ the co-working hub pilot programme;
- b) ▪ The Transforming Towns programme;
- c) ▪ its review of the public sector estate and use of assets;
- d) ▪ its multi-location working strategy for Welsh Government staff; and
- e) ▪ developing partnerships with the private sector, local government partners, academic and other anchor institutions and the third sector, to find workable solutions to sharing co-working hubs and promoting their use.

**Response:** Accept

- a) **The co-working hub pilot programme;**

We will be happy to update the Committee on the pilot hubs, and well as those being undertaken by Local Authorities where we have agreed to work together to trial different ways of working.

**b) The Transforming Towns programme;**

Increased allocations for town/city centres have taken the value of the Transforming Towns investment announced in January 2021 to £136 million (including levered-in funding). This is funding key regeneration projects which are helping towns and cities across Wales adapt to change by focussing on leisure, learning, living and working in order to complement their traditional retail offer. Through Transforming Towns we have been able to introduce a range of innovative interventions which will contribute to securing a better and greener future for our towns/cities. Examples include a new place making grant, support for town centre businesses, flexible loan funding, support for enforcement and green infrastructure improvements. We will be happy to report on progress with these initiatives and others to the relevant Committee of the 6th Senedd.

**c) Its review of the public sector estate and use of assets;**

The Welsh Government has already engaged with public sector bodies to establish the approach being adopted to increase remote working.

A large proportion of organisations' workforces have continued to work remotely and anticipate that when staff can return safely to the workplace significant numbers will continue to work remotely for at least part of the working week. Throughout lockdown safe access to offices has continued to allow critical staff to work from when needed.

Reviews are already being undertaken by public sector organisations to understand the most appropriate staff working patterns post COVID-19 to help drive better use of existing space, future accommodation need and digital technology capacity to facilitate a more agile workforce in the short to medium term. A strategic analysis of staff health and wellbeing is seen as a key driver for patterns of working and associated accommodation changes.

Most organisations do not anticipate any surplus office accommodation becoming available over the next 12 months. Others suggest it is too early to say with any certainty how much office accommodation will become available. With staff likely to move to a more agile way of working floor space is likely to become available, particularly at larger offices.

The on-going monitoring and review of the public sector estate will be led through the work of Ystadau Cymru, which reports directly to the Minister for Finance & Trefnydd. Ystadau Cymru seeks to support and facilitate opportunities to take a more strategic approach to property and property management across geographical and organisational boundaries.

There is a recognition that public sector assets will be used differently post Covid-19 and have significant potential to support economic recovery and the well-being of communities through collaboration with public sector partners.

**d) Its multi-location working strategy for Welsh Government staff;**

Welsh Government is re-evaluating its operating model and long-term strategy for its future ways of working through the development of three new organisation strategies (workforce; workplace and digital) which include our ambitions for multi-location flexible working. The safety and well-being of our staff remain at the heart of our current planning. While the majority of Welsh Government staff are continuing to work from home, we are consulting staff about greater levels of remote working being part of a step change in the way we will work with ambitions of up to 50% of our staff working remotely at any one time long term, which is part of Welsh Government's wider efforts to encourage more remote working across all sectors in Wales. In considering our future working model and predicted higher take up of remote working and fewer staff attending our offices on a regular basis and resultant decreased demand for space we will explore all feasible options for full utilisation of our buildings as well as all collaborative opportunities for sharing space with other public sector in Wales.

**e) Developing partnerships with the private sector, local government partners, academic and other anchor institutions and the third sector, to find workable solutions to sharing co-working hubs and promoting their use.**

This work has been underway for a short time now, and will be supplemented by a full consideration of the delivery and business model options available for sharing spaces and local work hubs.

We will be pleased to provide an update to the Committee as required.

**Financial Implications:** None

# Agenda Item 3.7

Ken Skates AS/MS

Gweinidog yr Economi, Trafnidiaeth a Gogledd Cymru  
Minister for Economy, Transport and North Wales



Llywodraeth Cymru  
Welsh Government

Eich cyf/Your ref  
Ein cyf/Our ref MA-KS-1481-21

Russell George MS  
Chair  
Committee for Economy, Infrastructure and Skills

24 March 2021

Dear Russell,

I would like to update the EIS Committee on the development of Regional Economic Frameworks (REFs) across Wales. You may recall that this was a topic that was discussed during my attendance at the committee meeting held on the 25<sup>th</sup> of November 2020.

The Welsh Government's Economic Action Plan (EAP) outlines the basis for a regional approach to economic development across Wales. The development of new REFs is an essential part of this - developing the distinctive strengths of our regions, supporting inclusive and sustainable economic growth and maximising opportunities to address regional and local inequalities, contributing to the Well-being Goals for Wales.

REFs are intended as a vehicle to help promote collaborative regional planning and delivery amongst public, private and third sector partners, working to a shared vision and a set of common economic development objectives. In taking forward the development of the REFs we have been acutely aware of the immediate reset and recovery required in the wake of the Coronavirus pandemic, but also the need to set out the longer term aspirations for the regions, aligned to the Welsh Government's Economic Recovery and Resilience Mission.

In taking forward the development of the REFs, officials have undertaken a period of targeted engagement with a range of key stakeholders at national and regional levels in each of the regions of Wales, with closer working relationships fostered with Local Authorities to co-design a placed based approach to economic development.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Underpinning this will be the principle that regions are not subordinate to the national level in respect of their own priorities agreed under shared principles, and we must make paramount the importance to respect subsidiarity and democratic accountability at different national, regional and local levels.

REFs can enable greater alignment and integration across government, bringing benefits including joined up economic development and strategic planning on a range of issues from land use to skills as well as supporting cross border collaboration - working with the new and existing governance structures across local authority boundaries on issues such as regeneration, strategic transport and infrastructure for example. REFs will not duplicate the plethora of plans that already exist, but draw together the key elements to address regional inequalities and will aim to directly influence how Welsh Government delivers in regions and places. These frameworks will be agile to ensure they remain relevant and responsive to changing economic circumstances.

The development of REFs across the 4 regions of Wales can have an important role in facilitating collaborative regional economic development and be key in informing and influencing the delivery of Welsh Government and UK Government funding priorities, set in the context of emerging Corporate Joint Committees as well as taking into account the recommendations of the OECD work. Continued stakeholder engagement and co-production with key regional partners will continue towards the development of the REFs to underpin a place based approach to regional economic development aligned to EAP and the Welsh Government's aspirations for a well-being economy which drives prosperity, is environmentally sound, and helps everyone realise their potential.

Officials will be continuing the detailed development work with partners through the spring and summer for consideration by the next administration ahead of the establishment of the CJs.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ken Skates', with a long horizontal flourish extending to the right.

**Ken Skates AS/MS**

Gweinidog yr Economi, Trafnidiaeth a Gogledd Cymru  
Minister for Economy, Transport and North Wales

## **Lesley Griffiths MS**

Minister for Environment, Energy and Rural Affairs

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23 March 2021

Dear Minister

Thank you for attending the Climate Change, Environment and Rural Affairs Committee's final meeting of this Senedd term.

You will be aware that the Committee has been considering matters relating to the UK-EU Trade and Cooperation Agreement (TCA). We have become increasingly concerned about problems with the export of fish from the UK to the EU and, in particular, the export of wild harvested live bivalve molluscs (LBMs).

Since 1 January 2021, LBMs that are caught in UK but are not ready for human consumption have been barred from entering the EU. LBMs that are not from 'Class A' waters must now undergo treatment, such as depuration or processing, before being exported to the EU. Classification of LBM production areas is undertaken by the Food Standards Agency (FSA) applying retained EU law. We understand that certain Welsh waters have been reclassified from 'Class A' to 'Class B' by the FSA.

Given the potential importance of this issue to the viability of the sector, the Committee has agreed I should write to you to follow up the issues set out below:

1. What is your understanding of the effect the reclassification has had on the LBM sector in Wales?
2. You told us that officials are "in ongoing dialogue" with the FSA about the reclassification of Welsh waters. Can you outline the nature of discussions and clarify what outcome you are seeking to achieve?
3. What is your understanding of the status of the reclassification? Is this a provisional classification and what is the FSA's intention regarding this status?



**Senedd Cymru**

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**Pack Page 158**

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4. What steps are you taking to improve the quality of Welsh waters to ensure that, in future, they will be classified as Class A?
5. Can you update the Committee on the outcome of your discussions with the UK Government on the continued trade with the EU of Live Bivalve Molluscs from Class B waters?
6. In the event that trade of Live Bivalve Molluscs from Class B waters cannot be resumed, what options are you exploring to ensure the economic viability of the aquaculture and shellfish sector in the medium term?
7. You told us that, unless trade of Live Bivalve Molluscs can be resumed, aquaculture and shellfish producers would need "to look at their business models". You also referred to the need for a "complete reconstruction of the sector". What steps have you taken, or are you planning to take, to support the sector in this regard?

Once again, I would like to thank you for the constructive way you have engaged with the Committee during this Senedd term and particularly during the last year, when you have appeared before the Committee on a monthly basis.

I would be grateful if you could respond as soon as possible, so this vital information can be shared with the sector before dissolution.

Given that the Committee has held its final meeting of this Senedd term, I would be grateful if you would provide a copy of your response directly to James Wilson, Director of Bangor Mussel Producers Ltd, and Jon Parker, Chair of Seafish Wales and Development Lead for Aquaculture Industry Wales Ltd.

Kind regards,



Mike Hedges MS  
Chair of Climate Change, Environment and Rural Affairs Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg

We welcome correspondence in Welsh or English.





Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: MA/LG/2120/21

Paul Davies MS  
Chair  
Economy, Trade, and Rural Affairs Committee.

7 July 2021

Dear Paul,

## **The Official Controls (Extension of Transitional Periods) Regulations 2021**

The Secretary of State proposes to make the above named Statutory Instrument (SI) under powers conferred by:

- Article 144(6) of, and paragraph 2 of Annex 6 to, Regulation (EU) 2017/625 of the European Parliament and of the Council on official controls and other official activities performed to ensure the application of food and feed law, rules on animal health and welfare, plant health and plant protection products;
- Regulation 71(1) of the Import of, and Trade in, Animals and Animal Products (Miscellaneous Amendments) (EU Exit) Regulations 2020; and
- Regulation 33(2) of the Official Controls (Animals, Feed and Food, Plant Health etc.) (Amendment) (EU Exit) (No. 2) Regulations 2020.

In order to support trade by ensuring the continued delivery of functioning sanitary and phytosanitary (SPS) controls between Great Britain (GB) and the European Union (EU) following the end of the Transition Period.

Statutory instruments made by the UKG (with the consent of the Welsh Ministers) and brought into force in late 2020 / early 2021, under the European Union (Withdrawal) Act 2018, made provision for to the UK Government's decision a transitionary period, during which, to introduce checks on EU SPS imports would be introduced in phases, to start following the end of the Transition Period.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The 2021 Regulations amends the following legislation and will now extend the transitional staging period from 31 July 2021 to 28 February 2022:

- Regulation (EU) 2017/625 of the European Parliament and of the Council on official controls and other official activities performed to ensure the application of food and feed law, rules on animal health and welfare, plant health and plant protection products;
- The Trade in Animals and Related Products Regulations 2011 (applies to England only);
- the Import of, and Trade in, Animals and Animal Products (Miscellaneous Amendments) (EU Exit) Regulations 2020; and
- The Official Controls (Animals, Feed and Food, Plant Health etc.) (Amendment) (EU Exit) (No. 2) Regulations 2020.

Without these amendments, from the end of July 2021, import and exports businesses in GB and EU respectively will be obliged to comply with the SPS control requirements as currently set out in legislation.

The extension will allow businesses in Wales affected by the pandemic to familiarise themselves with the new SPS compliance requirements and IT systems and ensure that necessary infrastructure and processes are in place at Border Control Points, further minimising the risk of any disruption.

I am writing to let you know I give my consent to the Secretary of State to make this SI in relation to Wales. I understand the SI will be laid before the Houses of Parliament on 8 July and will be subject to the negative procedure.

In these exceptional circumstances when we are required to consider and correct an unprecedented volume of legislation within a tight timeframe and with finite resources, the Welsh Government's general principal is that, if appropriate, we permit the UK Government to legislate on our behalf. Should consent be withheld, these corrections will need to be made through legislation made by the Welsh Government. There is insufficient time and resources to be able to draft and lay such regulations to come into force. If consent is not given, then the risk of the Welsh statute book becoming inoperable increases.

I am copying this letter to the Counsel General and Minister for the Constitution, Minister for Climate Change, Deputy Minister for Mental Health and Wellbeing and the Chair of the Legislation, Justice and Constitution Committee.

Yours sincerely,



**Lesley Griffiths AS/MS**  
**Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd**  
**Minister for Rural Affairs and North Wales, and Trefnydd**

# Agenda Item 5

By virtue of paragraph(s) ix of Standing Order 17.42

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# Agenda Item 7

By virtue of paragraph(s) ix of Standing Order 17.42

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