

Agenda – Economy, Trade, and Rural Affairs Committee

Meeting Venue:

Committee room 5 – Tŷ Hywel
and video conference via Zoom

Meeting date: 17 July 2025

Meeting time: 09.30

For further information contact:

Robert Donovan

Committee Clerk

0300 200 6565

SeneddEconomy@senedd.wales

Hybrid

Private pre-meeting

09.15 – 09.30

Public session

09.30 – 12.50

1 Introductions, apologies, substitutions, and declarations of interest

09.30

2 General Ministerial Scrutiny: Rural Affairs

09.30 – 10.30

(Pages 1 – 28)

Huw Irranca-Davies MS, Deputy First Minister and Cabinet Secretary for
Climate Change and Rural Affairs, Welsh Government

Richard Irvine, Chief Veterinary Officer, Welsh Government

Gian Marco Currado, Director – Rural Affairs, Welsh Government



Attached Documents:

Research brief

Evidence paper on Rural Affairs – Welsh Government

Break

10.30 – 10.35

3 General Ministerial Scrutiny: Trade and Borders

10.35 – 11.20

(Pages 29 – 58)

Huw Irranca-Davies MS, Deputy First Minister and Cabinet Secretary for
Climate Change and Rural Affairs, Welsh Government

Rebecca Evans MS, Cabinet Secretary for Economy, Energy and Planning,
Welsh Government

Emily Hole, Head of Trade Policy, Welsh Government

Helen John, Deputy Director – Borders Controls Programme, Welsh
Government

Richard Irvine, Chief Veterinary Officer, Welsh Government

Attached Documents:

Research brief

Evidence paper on International Trade & Border Controls – Welsh Government

Break

11.20 – 11.30

4 General Ministerial Scrutiny: Economy and Skills

11.30 – 12.50

(Pages 59 – 104)

Rebecca Evans MS, Cabinet Secretary for Economy, Energy and Planning,
Welsh Government

Jack Sargeant MS, Minister for Culture, Skills and Social Partnership, Welsh
Government

Jo Salway, Director – Social Partnership, Employability & Fair Work, Welsh
Government

Duncan Hamer, Director of Operations – Business & Regions, Welsh
Government

Liz Lalley, Director – Economic Strategy and Green Growth, Welsh
Government

Attached Documents:

Research brief

Evidence paper on Economy – Welsh Government

Evidence paper on Skills – Welsh Government

5 Papers to note

12.50

5.1 AI and the Welsh Economy

(Pages 105 – 113)

Attached Documents:

Welsh Government's response to the Committee's report 'AI and the Welsh
Economy: Can Welsh androids dream of electric sheep?' – 3 July 2025

5.2 The Welfare of Animals (Transport) (Amendment) Regulations 2025 – Poultry Catching and Handling

(Page 114)

Attached Documents:

Letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs – 4 July 2025

5.3 Inter-Ministerial Group for Environment, Food and Rural Affairs

(Page 115)

Attached Documents:

Letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs to the Chair of Legislation, Justice and Constitution Committee – 7 July 2025

5.4 City and Growth Deals: Business Support Landscape – Follow-up to the committee meeting held on 4 June 2025

(Pages 116 – 117)

Attached Documents:

Letter from the Leaders of Ceredigion and Powys County Councils as Joint Chairs of the Growing Mid Wales Board – 7 July 2025

5.5 Consultation: Reviewing Committee Effectiveness in the Sixth Senedd

(Page 118)

Attached Documents:

Letter from the Chair of the Chairs' Forum to Committee Chairs – 8 July 2025

5.6 Culture and Creative Industries Inter-Ministerial Group (IMG)

(Page 119)

Attached Documents:

Letter from the Minister for Culture, Skills and Social Partnership to the Chair of the Legislation, Justice and Constitution Committee – 9 July 2025

5.7 Follow-up to 15 May Committee meeting – Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021

(Pages 120 – 121)

Attached Documents:

Letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs – 9 July 2025

5.8 Holyhead Port storm damage and closure: Initial findings report

(Page 122)

Attached Documents:

Letter from the Cabinet Secretary for Transport and North Wales – 10 July 2025

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

12.50

Private session

12.50 – 14.05

7 General Ministerial Scrutiny: Consideration of evidence

12.50 – 13.05

8 Trade monitoring report discussion

13.05 – 13.15

(Pages 123 – 129)

Attached Documents:

Trade monitoring report

9 UK–EU implementation review of the Trade and Cooperation Agreement: Consideration of draft report

13.15 – 13.25

(Pages 130 – 239)

Attached Documents:

Draft report

10 Soil Health in Agriculture: Key issues discussion

13.25 – 13.45

(Pages 240 – 251)

Attached Documents:

Key issues paper

11 Legislative Consent: Dogs (Protection of Livestock) (Amendment) Bill (2024 – 2025): Consideration of draft report

13:45–13:50

(Pages 252 – 257)

Attached Documents:

Draft report

12 Forward Work Programme discussion

13:50–14:05

Agenda Item 2

Document is Restricted



Evidence paper for Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs for General Scrutiny at Economy, Trade and Rural Affairs Committee

Information provided to aid the Committee in advance of the Deputy First Minister's attendance for General Scrutiny on 17 July.

Contents

1. Sustainable Farming Scheme including economic analysis and impact assessment, payment rates and budget.....	3
2. Community food strategy	5
3. Blue tongue	6
4. Bovine TB.....	7
5. Outcomes of the licensing of animal welfare establishments, activities and exhibits consultation	8
6. Fisheries	9
7. Review of the agricultural pollution regulations.....	11

1. Sustainable Farming Scheme including economic analysis and impact assessment, payment rates and budget

Farming is crucial to Wales; to our culture and to our economy, and we are determined to ensure a successful and sustainable future for Welsh farming. Farming contributes much more than just the food we eat. A prosperous industry is vital to support farmers to produce food sustainably and provide a wealth of economic, environmental and social benefits.

Our ambition for the Sustainable Farming Scheme (SFS/Scheme) to support a sustainable, productive agricultural industry in Wales has not changed. Our future farm support will deliver multiple outcomes for all of Wales, and we will ensure that farmers are kept at its heart.

The SFS will serve as the primary source of government support for farmers in Wales. The Scheme will reward farmers for actions that align with the Sustainable Land Management (SLM) Objectives set out in The Agriculture (Wales) Act 2023 ('the Agriculture Act').

Those are:

- To produce food in a sustainable manner
- To mitigate and adapt to climate change
- To maintain and enhance the resilience of ecosystems and the benefits they provide
- To conserve and enhance the countryside and cultural resources and promote public access to and engagement with them, and to sustain the Welsh language and promote and facilitate its use.

Since publication of the SFS Scheme Outline on 25 November 2024, we have continued to work closely with the farming unions, environmental bodies and other important stakeholders through the SFS Ministerial Roundtable and its working groups to make sure the Scheme is accessible and practical, providing an opportunity for support to all farms in Wales. This includes the work of the Carbon Sequestration Evidence Panel who's full report was published on 30 April 2025.

In line with original aspirations, the SFS has been designed to support farmers to produce food sustainably, to mitigate and adapt to climate change, and maintain and enhance nature on their farm. The Scheme will support all farmers in Wales through a Universal Payment, based on the completion of a set of Universal Actions and a social value to represent the wider benefits to the environment and society the sustainable production of food provides.

The Universal Payment is intended to provide a level of certainty and stability for farmers with them knowing their anticipated level of income per year. There will be the opportunity for this to be enhanced with payments for Optional and Collaborative Actions, supporting farmers to undertake more ambition and complex actions and reward those already undertaking them. This support will be a combination of capital and revenue grants, alongside effective advice, guidance and knowledge transfer.

The SFS development has progressed well and I will be able to provide Senedd Members with an update on the development of the Scheme in the near future. I deeply appreciate the dedication and hard work shown by everyone involved. The significance of this collaboration, and its effect on the future resilience of our farming industry and the wellbeing of our farmers, is fully recognised.

2. Community food strategy

I was delighted to publish the Wales Community Food Strategy on 29 April 2025 to encourage the production and supply of locally sourced food across Wales.

I would like to extend my thanks, once again, to the many stakeholders and delivery partners connected with community food for their engagement.

Delivery of the Community Food Strategy will be key. The next step is to establish a Ministerial Advisory Group, to draw the key partners together to ensure more people in Wales enjoy locally sourced food. It will guide and monitor the delivery and impact of the Community Food Strategy and provide advice to Welsh Ministers on what will work best in practice. It will ensure our approaches are aligned at national, regional and local level to ensure the strategy remains targeted and relevant.

The Community Food Strategy will help strengthen local food systems, improve healthy eating, and create more sustainable communities across Wales and the Welsh Government is committing over £2 million in 2025-26, to support Local Food Partnerships as part of the delivery.

Since 2022, these partnerships have expanded to cover every local authority in Wales, coordinate local food systems, tackle food poverty, improve public health, and support green growth and education.

Building on over £26 million of funding specifically linked to the tackling poverty agenda, the Community Food Strategy integrates with the Healthy Weight: Healthy Wales and the 2024 Child Poverty Strategy to ensure everyone can access healthy food.

The Community Food Strategy is grounded in the Well-being of Future Generations (Wales) Act and the 'Cymru Can' strategy, supporting government objectives for social, economic, environmental, and cultural wellbeing.

The Welsh Government Cross-Portfolio Food Forum consists of senior internal policy makers connected with the delivery of community food. A wide range of Ministerial portfolios are associated with food and these areas contributed towards the Community Food Strategy. They include Agriculture, the Circular Economy, Education, Food in Schools, Health, the Foundational Economy, Fair Work, Land, Local Government, Skills and Tackling Poverty.

3. Bluetongue

Bluetongue (BTV-3) - A [Written Statement](#) was issued in June on the Bluetongue Virus Control Policy in response to the England-wide Restriction Zone which came into effect from 1 July. The Deputy First Minister also made an [Oral Statement](#) on 17 June. These set out his decision, which is to buy farmers time by attempting to hold back the disease from Wales for as long as possible. This is a dynamic situation and an evolving disease picture across Great Britain. The policy is being kept under regular review subject to evidence on the ground, and in partnership with the livestock and veterinary sectors.

A [Press Notice](#) was published on Friday 20 June providing further information on the measures in place in response to the England-wide Bluetongue Restricted Zone (RZ), alongside the related guidance for farmers and vets.

Since 20 June, livestock have been permitted to move from the current Restricted Zone (RZ) in England to live in Wales, subject to obtaining a licence to move and a negative pre-movement test at the keeper's expense. Furthermore, this allows farmers to source business-critical animals such as herd and flock replacements. Moves direct to slaughter can continue and these livestock moves do not require a pre-movement test.

Cattle which have completed the full treatment requirements with Boehringer 'Bultavo-3' vaccine and have no clinical signs of illness are able to move from a Restricted Zone to Wales to live under licence and without a pre-movement test.

Arrangements are also in place to allow livestock to move to and from shows and sales in the RZ, subject to licences and either pre-movement or post-movement testing as appropriate. These policies still apply after 1 July.

There is agreement that vaccination is the best way of protecting flocks and herds against Bluetongue. We will continue working with our partners to encourage farmers to consider vaccination with their vets, and to remain vigilant for the disease and report any suspect cases.

4. Bovine TB

In May, The Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs made an Oral Statement providing an update on the TB Eradication Programme in Wales. The Statement included updates on the disease situation in Wales and the work of the TB Eradication Programme Board and TB Technical Advisory Group (TAG), now the governance arrangements are in full operation.

The Oral Statement also reflected on the changes to on farm slaughter arrangements, which was a recommendation from the TAG. As a result of the changes made, in the first 12-months, 242 fewer cattle needed to be slaughtered on farm. This is a reduction of around 25% animals, from 111 individual herds. Further work is ongoing in partnership with industry to identify ways to further reduce the number of cattle that need to be slaughtered on farm. The Deputy First Minister also announced forthcoming changes to Inconclusive Reactor (IR) policy, to reflect the increased disease risk of standard resolved IRs, which it is anticipated will take effect from Autumn 2025.

The Programme Board and TAG continue to meet regularly. Most recently, the TAG has begun work to consider the role of wildlife in respect of bovine TB. Initial advice will be shared with the Programme Board in the autumn. The Programme Board continues to consider communications and engagement with the farming industry.

The long-term bovine TB statistics from across Wales as a whole show continued progress in tackling TB, with the long-term data showing a clear downward trend in new herd incidents. We recognise the situation varies across the different regions of Wales and this is why we are taking a targeted approach.

While we have seen an increase in the number of cattle slaughtered because of TB in the 12-month period to March 2025, we have also seen an increase of 2% in new TB incidents, although the long-term trend still shows the rate of incidents falling. It is also important to interpret short-term trends with caution. The TB Epidemiology Team's investigations are ongoing and findings will be considered to inform next steps.

The policy of Officially TB Free Withdrawn (OTFW) by default in Wales, coupled with the increased use of more sensitive diagnostic tests in herd breakdowns, provides greater confidence that breakdown herds are free of TB before TB free status is regained and trading resumes. Overall, this reduces the risk of breakdown herds becoming recurrent and selling infected cattle to other herds.

5. Outcomes of the licensing of animal welfare establishments, activities and exhibits consultation

National Model for the regulation of animal welfare, a Programme for Government commitment: The [Summary of Responses](#) to our consultation on the licensing of animal welfare establishments, activities and exhibits was published in December. The Deputy First Minister issued a [Written Statement](#) on the Welsh Government response to the consultation and our next steps on 24 June.

We will take a phased approach to introducing a national model for the regulation of animal welfare, working closely with stakeholders, operational agencies, industry and the third sector. Our focus will be on areas where regulation can deliver the greatest benefit, informed by the evidence and views submitted during the consultation. We will begin by developing proposals for the regulation of animal welfare establishments, including rescues, sanctuaries, rehabilitation and rehoming centres.

We recognise the need for consistent, proportionate, and enforceable standards, to protect animal health and welfare, support the positive work undertaken and prevent wrongdoing and mistreatment.

Greyhound Racing: In February, The Deputy First Minister made an [oral statement](#) announcing an intention to move to ban greyhound racing in Wales as soon as practically possible. In April the Counsel General and Minister for Delivery [announced](#) the legislation will be brought forward in this Senedd term to deliver this commitment. The Implementation Group to support this work is being established. Invitations have been issued to prospective members for the Group to be formally established in the summer.

6. Fisheries

Strategic Approach to Welsh Fisheries and Aquaculture

Following the publication of the **written statement** on a strategic approach to Welsh fisheries and aquaculture in December, Fisheries officials have been embedding the Approach by directing our resources to focus on the key deliverables.

Welsh Government has refocused our finite science and data support to deliver these priorities. The Welsh Marine and Fisheries Scheme will continue to be developed with stakeholders and will support delivery.

Our fisheries and aquaculture priorities have the delivery of sustainable management at their core, with a focus on delivery of Fisheries Management Plans (FMPs) and adaptive management measures. All supported by science, evidence and engagement with our stakeholders. We will continue to deliver in line with our statutory duties and seek opportunities and initiatives to support the industry to develop and grow.

A highlight report is being developed to track delivery.

EU reset

The Welsh Government welcomes the announcements on 19 May made at the UK-EU Summit on trade, energy and security, and we look forward to working with the UK Government as things develop to ensure Wales's interests are fully represented.

As part of the announcement, both parties agreed to work towards a 'Common Sanitary and Phytosanitary (SPS) Area' that will seek to address many of the issues experienced by our producers in respect of the movement of agri-food products.

Given the nature of the fishing industry in Wales, and its focus on shellfish, coupled with over 70% of our fish exported to the EU, it is imperative to ensure the final agreement allows Live Bivalve Molluscs from class B Welsh waters to once again be granted market access to the EU. Welsh Government continues to push for this through engagement with UK Government and welcomes the positive progress on this issue at the EU/UK Summit.

Our seafood industry has suffered greatly as a result on Brexit. We are hopeful that this deal could remove some of the barriers that our seafood industry face to exporting to the EU. A final agreement which allows our Welsh producers to access the EU market once more will be welcomed.

Industry concerns

We appreciate the concerns within industry regarding the 12-year access arrangement, in particular what impact this might have on delivery of FMPs.. It remains our position in Welsh Government that delivery of FMPs remains a top priority.

Fishing and Coastal Growth Fund

We welcome the announcement of a new Fisheries and Coastal Growth Fund. What is key now is to understand the details and to ensure the Welsh industry are supported fully. Our expectation is that this funding should be devolved in the usual way. I know that the industry in Wales is looking for the fund to be guaranteed and strategically focussed to deliver both sustainable fisheries and investment in Welsh fishing communities – which Welsh Government also endorse.

On 16 June, the Deputy First Minister wrote to Minister Zeichner MP setting out these fisheries priorities and Welsh Government expectations following the EU reset announcement.

7. Review of the agricultural pollution regulations

The health of our waterbodies is critical for every person in Wales. From access to water for drinking, recreation and food production, to healthy, thriving ecosystems, the well-being of current and future generations is heavily dependent upon clean water. Water quality in Wales is still being detrimentally impacted by pollution and we must continue to make improvements. Whilst the causes of pollution are not limited to any one sector, agriculture remains one of the main contributors.

The independently chaired review of the Control of Agricultural Pollution Regulations has determined that the general approach we have taken to reduce and prevent agricultural pollution is the right approach. However, the review has also highlighted that there is significant scope to improve the regulations for the benefit of farming and the environment. We will implement the recommendations in full and at pace.

The report identifies that the regulations must remain in place as they currently stand until recommendations are implemented. The recommendations are for short, medium and long-term actions to improve the regulations. This reflects that some changes should be relatively quick and easy to make but taking forward some of the recommendations will require consideration of very complex issues.

It is clear from the engagement which took place with a wide range of farming representatives during the review, including those within the supply chain, that there is wide recognition that agricultural pollution is a risk to the sector itself and there is a clear need for improvements to be made. A key principle behind the recommendations is that they must lead to improved environmental outcomes and better outcomes for farmers.

The implementation of the recommendations will lead to improved environmental outcomes but also improved targeting of the regulations at risk, thereby reducing the burden on farms carrying out low risk activities. We will make changes to the regulations to make them more accessible to farmers. This is key to achieving the outcomes we are seeking whilst reducing the complexity of implementation.

The review has identified key gaps in the regulations which must be addressed, including in relation to soils and phosphorus within nutrient management planning. By addressing these gaps in the right way, we can help farms to minimise the loss of valuable soil whilst protecting the environment and improving nutrient management.

Agenda Item 3

Document is Restricted



International Trade & Border Controls

17/07/2025

Summary

The announcement of reciprocal tariffs on 2 April by the United States has contributed to an increasing level of uncertainty in international trade markets.

Against this backdrop the UK government have concluded several agreements with key international trading nations, such as the free trade agreement agreed with India, the UK-US Economic Prosperity deal and the UK-EU Common Understanding Agreement.

The UK EU Summit also led to several announcements, including further negotiations to agree a Common Sanitary and Phyto-Sanitary Agreement. If concluded, such a deal will have consequences for our border programme.

Contents

1.	Trade - India Free Trade Agreement.....	3
	Trade Data.....	3
2.	Trade - UK-US Economic Prosperity Deal	4
	Trade Data.....	4
3.	Trade - UK-EU Common Understanding Agreement.....	5
	Trade Data.....	6
4.	Trade - Rest of World Negotiations.....	7
5.	Trade - UK Trade strategy	8
6.	Border Controls - Border Target Operating Model	9

1. Trade - India Free Trade Agreement

- 1.1 On the 6 May 2025 the United Kingdom reached an agreement to conclude negotiations for a new Free Trade Agreement with India. The deal is expected to be signed imminently. The signed agreement will then be laid before the UK Parliament later this year as part of the Constitutional Reform and Governance Act 2010¹.
- 1.2 Now that negotiations have been concluded the Welsh Government are analysing the deal and will publish a report setting out our perspective on the agreement and the specific impacts for Wales.

Trade Data

- 1.3 Wales and India have a strong trading relationship, with around 256 Welsh businesses exporting goods to India, and 389 businesses importing goods from India in 2024. This represents around 8.0% of 3,188 Welsh businesses that exported in 2024 and 3.3% of the 11,693 Welsh businesses that imported.
- 1.4 Goods trade between India and Wales was valued at £795.1m in the year ending March 2025 of which imports and exports were valued at £596.8m and £198.3m respectively. This makes India our 13th largest export market and 10th largest import market.

¹ [Constitutional Reform and Governance Act 2010](#)

2. Trade - UK-US Economic Prosperity Deal

- 2.1 On 2 April, the United States administration announced a series of 'reciprocal' tariffs on all countries. Whilst higher level tariffs were subsequently paused for 90 days, a 10% baseline tariff on all imports into the US, including from the UK, was put in place.
- 2.2 The 'reciprocal' tariffs are separate to the series of tariffs that the US have also imposed on goods such as steel, aluminum, and automotive.
- 2.3 On 8 May, the UK and US announced the general terms for a UK-US Economic Prosperity Deal² (EPD). This agreement sets out the intentions for a future trade agreement and is not legally binding. Some elements of the deal have now been implemented. For example, the EPD included commitments to apply a tariff rate quota on the first 100,000 automobiles exported from the UK to the US. Other elements of the deal require further negotiation to formalize the specific details set out in the EPD. For example, the implementation of the UKs steel quotas.
- 2.4 Welsh Government officials are working closely with the UK government to understand the remaining details of how the arrangements set out in the EPD will be applied to any final agreement.

Trade Data

- 2.5 The latest data available from the year ending March 2025 shows that the US was Wales's second largest goods export partner, with 13.0% of total Welsh goods exports heading to the US, and Wales's top import partner, accounting for around 19.4% of all Welsh goods.
- 2.6 Goods trade between the United States and Wales was valued at £5.9bn in the year ending March 2025, with imports and exports contributing £3.9bn and £2.0bn respectively. Latest services trade data for 2022 estimate the value of services trade with the US to be around £3.2bn.

² [UK-US Economic Prosperity deal](#)

3. Trade - UK-EU Common Understanding Agreement

- 3.1 On the 19 May, at the UK-EU summit, the UK announced that they had reached a UK-EU Common Understanding Agreement with the EU on trade, energy and security,³.
- 3.2 The agreement is primarily a framework agreement, setting out key areas for further negotiation and cooperation in key areas such as Sanitary and Phytosanitary (SPS), Youth Mobility, agri-food exports and energy.
- 3.3 The UK and the EU will begin negotiations over the detail of the agreement shortly and Welsh Government officials are working with the UK government to ensure that Wales' interests are represented.
- 3.4 Both parties are committed to negotiating a Common Sanitary and Phytosanitary Area to remove many of the certification and checks on agri-food products which were introduced after the UK left the EU and created significant trade barriers for Welsh producers exporting to the EU.
- 3.5 Parties agreed that the United Kingdom should be able to take targeted action to protect its biosecurity and public health, in the same way as Member States under European Union law.
- 3.6 In addition, the SPS Agreement should include a short list of limited exceptions to dynamic alignment, these exceptions will cover areas where UK / Devolved Government rules and regulations diverge from the EU.
- 3.7 The practicalities of the negotiations, including timescales are currently being determined by both sides. Welsh Government Ministers and officials are in regular engagement with UK Government on these details to ensure Welsh Government is given every opportunity to inform how the UK will approach the negotiations and that we are meaningfully involved in the negotiations themselves.
- 3.8 There are regular Inter-Ministerial Group Meetings where these issues are discussed, the IMG-Rural Affairs last met on 23 June 2025, IMG - Trade last met on Monday 2 June 2025 and IMG - EU last met on Monday 12 May 2025. In addition to this there

³ [UK-EU Summit - Common Understanding \(HTML\) - GOV.UK](#)

have been several quadrilateral Interministerial meetings covering Border controls, the most recent of which was on 9 June 2025.

- 3.9 The inclusion in the scope of the negotiations of live bivalve molluscs from Welsh waters to once again be granted market access to the EU is an example of how the interests of Welsh producers can be represented to benefit from the final agreement.

Trade Data

- 3.10 The EU is Wales's most significant trading partner, with the value of total trade with the EU totalling £17.2bn in the year ending March 2025. The EU is also the largest market for inward investment to Wales.
- 3.11 Wales is more reliant on the EU for goods trade than the UK as a whole. In the year ending March 2025, around 62.4% of Welsh goods exports went to the EU, this differs from the UK as a whole where 48.9% of goods exports were sent to the EU. (HMRC)

4. Trade - Rest of World Negotiations

- 4.1 In addition to the recent agreements reached with India, the US and the EU, there are a number of trade negotiations currently taking place. These include negotiations with Switzerland, South Korea and the Gulf Co-operation Council. The UK government has also announced that negotiations between the UK and Turkey will resume.
- 4.2 On 20 May, UK government informed Parliament that the UK was formally pausing FTA negotiations with Israel.

5. Trade - UK Trade strategy

- 5.1 The UK Government published its UK Trade Strategy⁴ on 26 June 2025. This outlines how the UK Government will pursue its approach to international trade and trade policy.
- 5.2 Welsh Government will consider the contents of the strategy.

⁴ [The UK's Trade Strategy](#)

6. Border Controls - Border Target Operating Model

- 6.1 When the UK left the EU a new system of post-Brexit requirements needed to be established for border controls on imports from the EU, including that live animals and goods such as foodstuffs could only be imported through a point of entry with a border control post (BCP).
- 6.2 The Border Target Operating Model, including arrangements agreed by the UK, Scottish and Welsh governments to protect our biosecurity and food safety, was published in August 2023. These arrangements apply to imports from the EU and rest of the world.
- 6.3 In line with those arrangements, the Welsh Government commissioned construction of a BCP on our land at Parc Cybi in March 2024 to ensure that Holyhead - the busiest ferry port on the Irish Sea, with over three quarters of imports to Great Britain from Ireland - would be able to continue to operate.
- 6.4 Physical and identity checks on SPS imports from the EU began on April 2024 after a number of delays. However, no start date was ever announced for such checks on imports from Ireland. The announcement on 19 May 2025 that the UK and EU are to pursue negotiations for a 'Common Sanitary and Phytosanitary Area' could exempt many imports of live animals and goods from sanitary and phytosanitary checks at the border.
- 6.5 On 24 June 2025 the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs issued a written statement announcing his decision to not proceed with the final commissioning and staffing of the Holyhead BCP, and not to progress construction of BCPs at Fishguard and Pembroke Dock.
- 6.6 This decision will be kept under review until the final details of the agreement with the EU are known. Wales has a strong interest in upholding high sanitary and phytosanitary standards, both for public health and trade continuity. Welsh Government will continue to work with the UK Government on the implications for border controls whilst the SPS provisions in the Common Understanding are negotiated.
- 6.7 As timescales for SPS negotiations and subsequent implementation become clearer, Welsh Government will be able to determine appropriate biosecurity and food safety arrangements for the interim.

- 6.8 Welsh Government support the removal of barriers to trade but must continue to guard against disease and ensure measures are in place which provide an acceptable level of biosecurity protection.

Agenda Item 4

Document is Restricted



Welsh Government Evidence Paper - Economy

03/07/2025

The Economy, Trade and Rural Affairs Committee has invited the Cabinet Secretary for Economy, Energy and Planning to attend a general scrutiny session on the Economy on 17 July 2025. This paper is intended to inform the discussion, providing an update on policy developments in this area, and actions the Welsh Government has taken to grow the economy of Wales.

Contents

1. Introduction	3
2. The Welsh Economy	4
Current Economic Position.....	4
UKG Industrial Strategy.....	4
National Wealth Fund (NWF)	6
Steel	6
Domestic Activity	7
Circular Economy.....	8
Comprehensive Spending Review.....	9
International Activity.....	10
Conclusion.....	11

1. Introduction

1. The Welsh Government continues to be focused upon the delivery of the First Minister's priorities, including in relation to jobs and green growth. This aligns with work across the four national priority areas set out within our Economic Mission delivered over this term of Government, with the aim of creating a prosperous and well-being economy that builds on Welsh strengths and opportunities, reduces inequalities, and spreads wealth.

2. We use a range of policy and operational levers connected to skills, finance, advice, research and development, energy and planning to support sustainable job creation, productivity and growth. Whilst there continues to be a focus upon delivery and support to specific geographic areas such as Port Talbot - as well as wider work in areas including Freeports and Investment Zones - Welsh Ministers have been in significant discussions with the UK Government relating to the economic growth agenda in Wales.

3. These discussions include how the Welsh Government can support a focus across a suite of strategies, plans and legislation, and to identify where we see the collective strengths for Wales. On 23 June, the UK Government published its Industrial Strategy. This has been developed working with the Welsh Government, where we have provided evidence, which has helped to shape the priorities for Wales. These align with our Economic Mission, confirming a common approach and one where my portfolio will play an integral part.

2. The Welsh Economy

Current Economic Position

4. The latest annual growth estimate of labour productivity in Wales between 2022 and 2023 was 1.3%, the second highest of any UK country or region. UK labour productivity decreased by 0.2% in 2023.
5. Whilst we welcome the relative improvement in labour productivity in Wales in 2023, overall these latest figures highlight deep-rooted imbalances in the UK economy. London and the Southeast of England continue to have by far the highest rates of productivity of the UK country and regions.
6. While it is clear labour market conditions are challenging in parts of the private sector, it is encouraging that earnings growth continues to outstrip inflation which is helping many households throughout Wales cope with cost-of-living pressures.
7. In the year ending December 2024, the unemployment rate for people aged 16 and over in Wales was 3.2%, down 0.5 percentage points compared with the previous year. The UK rate was 3.8%, up 0.1 percentage points over the year.
8. In 2023 there were 1.3 million employee jobs in Wales, 1.8% higher than in 2022 and higher than the 1.4% increase in Great Britain as a whole.
9. Total gross disposable household income (GDHI) in Wales in 2022 was £58 billion, an increase of 4.4% compared to 2021.

UKG Industrial Strategy

10. On 23 June, the UK Government published the Industrial Strategy, which is a 10-year plan to significantly increase business investment in eight growth-driving sectors (IS-8) (The UK's Modern Industrial Strategy 2025 - GOV.UK).
11. Its focus and intention is about making it quicker and easier for businesses to invest and to provide the certainty and stability needed for long-term investment decisions.
12. The sectors identified are those with the greatest growth potential over the next decade and which have a critical role to play in supporting economic security and resilience, net zero and regional growth. Each has a bespoke Sector

Plan, developed with industry, setting out a vision of the sector's transformation by 2035.

13. In Wales, we have several high growth sectors, such as Advanced Manufacturing, Clean Energies, Digital and Technologies, Creative, Life Sciences and Financial Services. However, we know that there are a range of sub-sectors which can be scaled in parallel. For example, the First Minister's priorities continue to be focussed on green jobs and skills, where Wales is making great strides to realise multiple opportunities. This includes across offshore wind, onshore wind, nuclear, carbon capture, tidal stream and hydrogen. But we know there are barriers relating to issues such as grid capacity, planning and finance which are prohibiting the pace and scale we can move at. We want to work with the UK Government at pace to unlock this potential.

14. Cluster Sectors identified above are already aligned to four potential place-based clusters, which includes the Celtic Sea with a focus on Port Talbot and Milford Haven, the South-East Corridor, the North-East Corridor and Anglesey. The good news is that these areas already have a strong foundation for growth. We are already delivering joint Welsh and UK programmes including across City and Growth deals, Freeports and the ongoing development of Investment Zones. But there are also several Welsh Government programmes across skills and business support which can continue to drive an innovative eco-system. Our position remains strong on the commitment to green steel, its link to renewables and, in particular, offshore wind. We also have a significant presence in construction and specifically concrete and timber, which are both critical for infrastructure projects. We will need to push hard on access to sites with grid and energy, which is hampering efforts around growth, particularly clean energy and digital delivery.

15. Five of the eight Sector Plans have been published so far, with Life Sciences, Defence and Financial Services to follow. I have asked for implementation to proceed at pace so over the coming weeks we will be working with the UK Government to consider the specific details of the strategy and to understand next steps in relation to delivery and continued collaboration. Delivery must be anchored in our regional partnerships, and we will work alongside Local Authorities and other partners to continue to drive economic growth through Corporate Joint Committees.

National Wealth Fund (NWF)

16. One serious lever for delivering the UK Government's clean growth mission is the National Wealth Fund (NWF). It reflects a clear, credible ambition to drive economic growth, support the creation of skilled jobs in renewables, and accelerate the transition to a low-carbon economy.

17. Recently the NWF published a new statement of intent (Financing the Future a statement of intent by the National Wealth Fund) which sets out how the NWF is responding to the Statement of Strategic Priorities (<https://www.gov.uk/government/publications/statement-of-strategic-priorities-to-the-national-wealth-fund>) to support the Government's Industrial Strategy and 10-year Infrastructure Strategy, and its Clean Power Action Plan 2030.

18. Published on 17 June, it outlines their broader role and mandate to include:

- A triple bottom line - delivering the growth and clean energy missions, crowd in significant private capital and generate a return for the taxpayer.
- Allow investment in nascent markets and earlier stage technologies.
- Local Authority Advisory Services continue to be provided at no charge.
- Local Authority Lending of £4bn to help deliver capital-intensive projects.
- Early-stage Project Development support with the NWF's 4 Strategic Partnerships.

19. I have met with the Chair of the NWF and found him fully engaged in Wales, its strengths and its potential. I understand that ahead of developing their strategic plan, they will be testing the approach with devolved governments and stakeholders to understand how and where they can best support sectors. There has been positive engagement with the Development Bank of Wales, where there are opportunities to consider investments which are aligned and strategic.

Steel

20. In order to compete on a level playing field internationally the steel sector in Wales and the UK wants to see a truly competitive electricity pricing structure, greater leverage for using UK steel through public procurement, and robust trade remedies.

- 21.** Inclusion in the UK Government's Industrial Strategy of an increase to the Network Charging Compensation from 60% to 90% in 2026, was welcomed by the steel sector. The scheme compensates the steel industry for the carbon taxes paid via electricity bills.
- 22.** The Welsh Government attends the UK Government's UK Steel Council, which was re-established to advise the Secretary of State for Business and Trade and Minister for Industry on a range of matters relating to the development and delivery of the UK Steel Strategy, due to be published later in the summer. The Steel Strategy is an important piece of work investigating the policy issues our domestic steel sector continues to face, as well as researching the best opportunities for capital investment. We need to understand future steel markets such as floating offshore wind, and future steel demand. We would like the strategy to also strengthen the role of RD&I through our well-established steel universities.
- 23.** On 26 June, the UK Government announced a new Public Procurement Notice for public sector procurers to consult the UK Steel's digital catalogue and to consider if the national security exemptions in the Procurement Act 2023 are relevant to the procurement being undertaken. As a devolved matter, officials are exploring whether this can be adopted or adapted to apply to Welsh public sector procurement.
- 24.** Also on 26 June the UK Government published the UK's Trade Strategy which states the UK Government will seek to introduce legislation to adjust the Trade Remedies Authority's policy guidance and operating framework, enabling it to adopt a more assertive approach on issues like imports from countries with unfair market distortions. The strategy has been welcomed by the UK steel sector recognising it will provide robust trade protections for the sector.

Domestic Activity

- 25.** Here in Wales, we have a number of initiatives designed to provide support for businesses, such as:
- Business Wales - provides businesses and entrepreneurs with a single point of contact for business information, advice and support from the public, private and voluntary sectors.

- Development Bank of Wales - provides SMEs with access to finance, from loans to equity investment.

26. To provide some context, since the beginning of this Senedd term, Business Wales has dealt with 185,000 enquiries, demonstrating the scale of need, and our commitment to meeting it. This has translated into direct support for 28,000 businesses and entrepreneurs. Evidence shows businesses who engage with Business Wales have stronger survival rates.

27. The Development Bank of Wales continues to play an increasingly important role in our economic strategy. This Senedd term it has supported more than 18,800 jobs through over £512 million of investment. This is critical in ensuring businesses have the tools they need to succeed and remain rooted in their local communities.

28. Recognising the importance of place-based economic development, our regional economy teams (North, Mid & South West, South East) work with a range of indigenous and overseas investors to support their ambitions for growth. Each region has a published Regional Economic Framework (<https://www.gov.wales/regional-economic-frameworks>) that sets out high-level regional priorities, strengths and challenges and was co-produced with partners and stakeholders. Business Wales, works closely with our innovation and regional economy teams and in partnership with local authorities and the wider ecosystem.

Circular Economy

29. The Welsh Government is committed to moving to a circular economy in Wales, where waste is avoided, and resources are kept in use for as long as possible.

30. Our circular economy strategy, Beyond Recycling was published in 2021 and sets out key actions to accelerate our transition to a circular economy - our target is to be a zero waste, net zero carbon nation by 2050, which uses a fair share of our planet's resources.

31. To date, we have transformed from a nation which recycled less than 5% of its municipal waste and landfilled over 95% in 1999 to now reaching over 66% recycling and landfilling only 1.6%. Recycling is now simply a part of who we are as a nation.

32. We intend to build on these strong foundations by accelerating the move towards a circular economy in Wales and going Beyond Recycling.

Economic opportunities

33. We are second best in the world in terms of recycling. This is something everyone in every community in Wales should be proud of because it has happened due to the efforts of households across Wales. This puts us in a great position to reap the economic benefits from moving to a circular economy as well as making our supply chains more resilient to global volatility and climate impacts.

34. The transition to a circular economy presents significant opportunities for Wales to unlock greater economic value from the materials we are world class in collecting. The Circular Economy Fund for Business provides funding for businesses to take important steps like adapting their processes to use recycled material and reduce the materials they need to use. 42 businesses have benefited from this funding so far.

35. Our supply of high-quality recycled materials is also helping to attract inward investment and create jobs in Wales. In Deeside, the redevelopment of Shotton Mill has attracted investment of over £1 billion and safeguarded 147 jobs. The site will become one of the UK's largest recycled packaging centres, creating a further 220 jobs. Businesses like this know that in coming to Wales they can access good quality recycling thanks to the efforts of people in Wales. Other examples include the establishment of a new facility to extract precious metals and reusable components from electronic waste (Royal Mint), the production of containers from recycled glass (Ciner) and the processing of plastic for recycling (Jayplas).

Comprehensive Spending Review

36. The Welsh and UK governments are united in the mission to achieve economic growth. Over the Spending Review period (2025-26 to 2028-29) we have an additional £6bn compared to what we would have had under the previous UK Government. All this means significantly more funding for the Welsh Government to support public services and investment in infrastructure than the

previous UK Government had committed to over the previous spending review period.

37. The extra funding for the Welsh Government builds on the £1.6bn in 2025-26 from the UK Autumn Budget and helps us to better respond to Welsh priorities and deliver improvements across our public services.

38. The Spending Review also confirmed:

- £80m for the port of Port Talbot, recognising the significance of ports in Wales to support the delivery of offshore wind projects. As a key port, Port Talbot will provide the infrastructure required to support the delivery of floating offshore wind.
- The final stage of sign-off of the Celtic Freeport business case by HM Treasury - a key step in releasing up to £25m of seed capital. The Celtic Freeport is focused on supporting emerging floating offshore wind and advanced materials and manufacturing opportunities for the South-West Region.

International Activity

39. Through the Export Action Plan for Wales, the Welsh Government is supporting businesses across Wales to develop existing and new export markets for their products and services, to drive growth in Welsh exports. The focus is on inspiring businesses to take up exporting; building export capability; helping businesses to identify new overseas customers; and supporting businesses to get to overseas markets. Since the publication of the Export Action Plan, businesses in Wales have secured more than £370m of new export business as a direct result of Welsh Government export support.

40. Since the publication of the International Strategy (April 2020), there have been 280 investments by foreign-owned companies which have created and safeguarded more than 24,000 jobs. In the last financial year (2024-25), 65 foreign direct investment projects were recorded, an increase of 23% on the previous financial year, the second highest increase of any nation / region of the UK. This saw 2,470 new jobs created in Wales, a 30% increase compared to 2023-24, again, the second highest percentage increase of any nation / region of the UK; and safeguarding 1,652 jobs - the highest number of all nations and regions in the UK. Our Investment Summit later this year will further showcase Wales as an outstanding investment destination.

41. Working with our Wales-based teams and the UK government overseas network, our Welsh Government overseas offices in key markets across the world (USA, Canada, India, China, Japan, France, Germany, Belgium, Ireland, Dubai) also support Wales's global ambitions, including supporting Welsh businesses to export and promoting Wales as an excellent place to establish a business.

Conclusion

42. I recently set out Wales' record on the creation of quality jobs in an Oral Statement to the Senedd on 24 June.

43. This demonstrated what we have achieved, in significant headwinds, and how we are supporting businesses and are now working with a UK Government that listens to and acts on Welsh economic needs. This government, however, remains focused on long-term impact and ensuring that we engage in the sectors of future such as AI, life sciences and creative industries. Our ambition is clear - to build a resilient, inclusive, and sustainable economy. We remain committed to a Wales where quality jobs, strong businesses, and thriving communities.



Llywodraeth Cymru
Welsh Government

Welsh Government Evidence Paper - Skills

03/07/2025

The Economy, Trade and Rural Affairs Committee has invited the Minister for Culture, Skills and Social Partnership to attend a general scrutiny session on Skills on 17 July 2025. This paper is intended to inform the discussion, providing an update on policy developments in this area, and actions the Welsh Government has taken to improve skills across Wales.

Contents

1. Introduction	3
2. Skills Policies	4
Net Zero Skills.....	4
Regional Skills Partnerships.....	5
Apprenticeships.....	6
Flexible Skills Programme (FSP)	7
Digital Skills	7
Medr.....	7
Careers.....	8
National Occupational Standards.....	9
Employer data in Wales.....	11

1. Introduction

- 1.** Skills policies aim to address situations where the skills of the workforce do not align with the needs of employers. In Welsh Government, the Skills Division focuses on post-16 skills development, working closely with Medr, the new Commission for Tertiary Education in Wales, which was established last year.
- 2.** The components of the Welsh skills system covered in this paper include Net Zero Skills, Regional Skills Partnerships, Apprenticeship skills policy, Flexible Skills Programme, Digital skills, Medr, Careers, National Occupational Standards and employer data.
- 3.** There is a UK-wide dimension to skills policy and the paper will cover the interface with UK Government and other devolved nations. The Welsh Government's alignment to "The UK's Modern Industrial Strategy, published on 23rd June 2025, will also be included.

2. Skills Policies

Net Zero Skills

- 4.** A significant amount of work has been undertaken to deliver on our commitment to Net Zero Skills. We have worked with our partners and stakeholders to continue to map the skills needs of key sectors and help us understand the pace and scale of change needed to support a Green Welsh economy. This year, we are using the Regional Skills Partnerships to gain ‘on the ground’ understanding of the challenges and green opportunities across Wales.
- 5.** We are working across Government to develop clear net zero career pathways, from expanding STEM learning in schools to reviewing and refining net zero qualification frameworks in Tertiary education and supporting Welsh businesses to upskill their current workforce to evolve towards a just transition.
- 6.** We are also working with Medr to explore opportunities to make the qualifications and skills system more flexible and agile to respond to the dynamic challenges of supporting net zero industries as part of that just transition.
- 7.** Medr has published its strategic plan with clear commitments to ensuring delivery of the skills people require for the future, improve post-16 outcomes as well as advancing equity and equality of opportunity. Medr is currently finalising its operational plan which will provide more detail on their initial actions.
- 8.** We have been undertaking a Green Skills review with stakeholders to consider what improvements could be made to the way the green skills system operates in Wales. The outcomes of a Ministerial roundtable on Built Environment Skills Forum, earlier in the year, have also been incorporated and a final report with actionable recommendations on Green Skills will be provided to the Cabinet Secretary and Minister before the end of the summer term.
- 9.** Work has continued to develop our Journey to Competence pathways for identified key professions, we aim to have a suite of them ready to be published over the summer. These pathways are being developed in partnership with industry and will provide a clear guide to greener skills and professional requirements for both businesses and employees.
- 10.** Looking forward, we are developing networks of stakeholders to inform the size and shape of a Welsh Green Skills Ecosystem including employers, training providers, workers, young people and representatives of protected characteristics groups. We will be working with our Regional Skills Partnerships to deliver

targeted employer engagement and cross sector activity to support the Welsh Government's priority of Jobs and Green Growth.

11. We will be providing an update on progress against the Net Zero Skills Action Plan before the end of the Senedd term and will also look to quickly implement the identified specific actionable recommendations on Green Skills which come out of the Green Skills Short Term Review work led by the Minister for Culture, Skills and Social Partnership.

Regional Skills Partnerships

12. Regional Skills Partnerships (RSPs) were established eleven years ago and provide a strategic overview of all matters relating to employment and skills across the four regions of Wales. There is a Programme for Government commitment to strengthen RSPs.

13. RSPs work with their employer-led boards and employer networks to set priorities for skills which are captured in employment and skills plans. These plans are published on their websites and utilised by Welsh Government and regional partners to assist their planning processes.

14. Over recent years RSPs have worked closely with Welsh Government, identifying regional priorities which inform the deployment of skills funding. In addition, RSPs act as regional skills structures to support the implementation of Growth Deals and City Deals covering skills matters including cross-border issues where skills systems differ.

15. The budget for RSPs has been maintained at the same level as previous years for 2025-26 at £290k per RSP, per year. The Regional Skills Partnership work will focus more on green skills during 2025-26, to align with the Cabinet's priority of 'Green Jobs and Skills'. They will work with their employer networks to identify regional and national green skills needs, guided by labour market information. They will also work in partnership with Medr to set green skills priorities for the provision of further education and apprenticeships.

16. Fortnightly monitoring meetings are in place to monitor the delivery of new green skills plans for this financial year to deliver on the Government priority Jobs and Green Skills. RSPs' employment and skills plans are also being refreshed for 2025. The data underpinning regional skills recommendations is being updated.

Apprenticeships

17. Apprenticeships are a vital tool in building a stronger, fairer and more just Wales which promises economic success for all. Apprenticeships support our drive to raise skills levels, drive productivity and create more resilient communities. They operate in all sectors, whether that is in digital innovation or the foundational economy, in areas such as health and social care, childcare and housing. They are available from Level 2 (equivalent to GCSE level) and are underpinned by robust qualifications that provide a learner pathway to degree level.

18. The Welsh Government funds 100% of training costs for apprentices of any age with businesses of any size. Recipients follow an approved Welsh Apprenticeship Framework such as in Energy, Engineering or Construction and must be working in Wales for 51% or more of their time. There is an employer incentive to recruit disabled apprentices as well as Supported Shared Apprenticeships.

19. As the Committee has previously explored, the UK government's Apprenticeship Levy applies to relevant businesses in Wales based on the number of employees, but does not operate as a separate, identifiable funding stream for the Welsh Government. We will need to consider how arrangements for the new Growth and Skills Levy may work best with the requirements of Welsh employers.

20. The Welsh Government is committed to supporting apprenticeships across Wales, through our tertiary education and skills policies. For 2025/26 Welsh Government has maintained the apprenticeship budget at £144m.

21. There is a Programme for Government commitment to expand degree apprenticeships. We have developed new provision for the rail industry, and from September 2024 construction degree apprenticeship pathways have been available in construction management, civil engineering, quantity surveying and surveying. The number of digital pathways has also been expanded. Any broader expansion has been curtailed by budgetary pressures. In Wales, we have focused degree apprenticeships on growth sectors such as digital, engineering and manufacturing where advances in innovation are likely to have a profound and long-term impact on Wales' economic growth.

22. Medr recently published its three-year apprenticeship framework review cycle. The Commission is currently reviewing frameworks in the creative, construction and engineering sectors, working with relevant stakeholders, including Qualifications Wales, to ensure that qualifications within apprenticeship pathways meet the needs of learners, employers and the Welsh economy.

Flexible Skills Programme (FSP)

- 23.** The final quarter of Financial Year 2024/2025 saw the full allocation of the FSP budget to Welsh Businesses (£1.3m). The Minister for Culture, Skills, and Social Partnership formally launched the Flexible Skills Programme for 2025/2026 in May with an increased budget of £7.531m.
- 24.** A FSP dedicated marketing campaign launched in June 2025. A Stakeholder Toolkit has been drafted for training providers, training bodies and employers to increase understanding of the FSP and how to access it. We are also currently compiling a plan to utilise ‘no cost communications options’ to amplify our messaging.
- 25.** From the 1st April to 11th June, the Welsh Government approved 67 applications for Flexible Skills Programme funding and committed £1,330,722, supporting 4,284 training interventions.
- 26.** Marketing, communications and engagement plans are well advanced to support full deployment of the increased FSP budget for 2025/2026. Targeted Employer Engagement and Relationship Management activity will underpin our approach, and we are ensuring we are plugged into cross-government, business facing, activity including involvement in major events such as the Investment Summit in the winter.

Digital Skills

- 27.** We have been working closely with colleagues across Welsh Government to ensure Digital Skills play a key role in delivering both the Digital Strategy for Wales and Cyber Action Plan for Wales.
- 28.** We will continue proactively to explore what role the enhanced FSP can play in supporting the upskilling of our Cyber and AI industry and will have substantial involvement in Wales Tech Week in November. We are currently exploring a joint communications campaign on Digital Skills with the Cyber Innovation Hub.

Medr

- 29.** Officials from the Skills Division work closely with Medr, across areas such as Apprenticeships, Regional Skills Partnership, Digital Skills, Net Zero Skills, National Occupational Standards and Labour Market Intelligence. Regular meetings are in

place with Medr to ensure policy direction is provided, particularly around the Government priority “Jobs and Green Growth”.

30. Wales’s Further Education sector plays a vital role in delivering skills to learners of all ages. Colleges and independent training providers offer a range of courses and qualifications that cover various aspects of an individual’s career, from post-16 education, to upskilling and career change reskilling. Many of the courses are fully funded and free as part of the Welsh Government’s funding arrangement with colleges.

31. Courses containing sustainability aspects or which intrinsically contribute to net zero related careers are increasingly being offered, from technical skills in engineering, construction, to cross-cutting skills in leadership, digital literacy and sustainability in the workplace.

Careers

32. Careers Wales is the national all-age professional and impartial careers advice, guidance and coaching service.

33. Careers Wales works with all secondary schools, special schools, Pupil Referral Units and colleges across Wales supporting young people to become more effective at planning and managing their careers in an ever changing and complex job market. They provide careers information, advice and guidance tailored to each individual young person’s needs and group sessions to help learners learn more about their career options, understand how their choices can impact their future career and how to take their next steps.

34. Since September 2024, Careers Wales has offered a careers guidance interview to all young people before they leave year 11. This provides young people with the opportunity to be aware of their future pathway options, enabling them to make an informed future choice. By the end of May 2025, Careers Wales had provided this support to over 85% of the current Year 11 cohort.

35. Careers Wales also provides support and resources to education professionals and teachers, supporting them to embed careers and work-related experiences (CWRE) across the Curriculum for Wales. Careers Wales works with thousands of businesses across Wales to facilitate bringing schools and employers together with the aim of informing, inspiring and motivating young people about their career opportunities. Activities include, employer presentations, role models, site visits, ‘World of Work’ days, mock interviews and careers fayres.

36. Since 2022/23, through the Welsh Government's renew and reform project, Careers Wales has offered schools and colleges support to establish and manage their own alumni community, as well as tailored work experience (TWE) placements to key stage 4 learners who were disengaging from their studies and at risk of becoming NEET.

37. Working Wales, launched in May 2019, is delivered by Careers Wales. Working Wales is the Welsh Government's approach to delivering personalised, impartial careers and employability advice, guidance and coaching services for those aged 16+ living in Wales, including those within the secure prison estate and seeking sanctuary. Working Wales refers individuals on to appropriate employability programmes including Jobs Growth Wales+, ReAct+, Communities for Work+ and Traineeships; the service also supports individuals into work, self-employment and apprenticeships. Since its inception, Working Wales has supported 200,000 customers.

38. The Careers Wales website includes

- a range of information relating to jobs
- a Careers City resource helps learners in primary settings begin to explore the world of work and careers.
- a future jobs page which explores Wales' regions and industries, so people can learn what jobs they could do, now and in the future (<https://careerswales.gov.wales/future-jobs-wales/jobs-in-agriculture-and-land>).
- geographic intelligence for young people, so that they can see, for example, where particular types of apprenticeships are offered around Wales.

39. The Working Wales website also includes a job bulletin to which people can subscribe which gives access to current live vacancies across Wales.

National Occupational Standards

40. National Occupational Standards (NOS) set out the knowledge, skills and competencies that are required for an occupation and underpin a range of apprenticeship qualifications and adult vocational qualifications across the UK and overseas. The NOS Strategy for 2022 and beyond supports the concept of

lifelong learning by enabling individuals to gain the transferable skills most critical to the economy of the future. NOS act as a common currency to support the portability of skills and the ongoing mobility of the workforce across sectors, regions, and nations.

41. NOS are responsive to occupational and societal changes; through the analysis of Labour Market Intelligence (LMI) the NOS system identifies occupations which are emerging, in demand and in decline, and occupational changes occurring due to new working practices, technologies and legislation. NOS ensure that employers from across all four UK nations are consulted to ensure that the skills and competencies required for a particular job are consistent and transferable, regardless of where it is carried out. NOS do not focus solely on large business; they address the skills needs of the foundational economy, as well as small, rural, and bilingual businesses. The three-nation NOS Governance Group is commissioning work to establish sectoral occupational priorities, which will include roles undertaken within rural locations.

42. NOS are freely available to support training and education solutions for key rural sectors such as tourism and hospitality, agriculture, energy and food and drink. NOS also outline the occupational competencies required for both skilled and unskilled roles within the foundational economy and other essential services accessed in rural areas.

43. To ensure learners are undertaking industry standard learning as much as possible, the National Occupational Standards commissioned by Governments in Wales, Northern Ireland and Scotland are widely used to develop qualifications and underpin workforce planning. A report on the Thematic study on Green/Net Zero National Occupational Standards has also recently been published and is now under consideration by officials.

NOS review, development and translation

44. Demand for revised and new NOS is prioritised annually. Reviews ensure standards remain fit for purpose and adapt to meet current and future needs of employers and industry across the UK.

Employer data in Wales

45. Evidence shows the majority of employers in Wales can access the skills they need. The Employer Skills Survey (ESS) 2022 showed that one in ten (10 per cent) employers in Wales had vacancies they had difficulty filling due to a lack of applicants with the required skills, qualifications or experience (skill shortage vacancies). Overall, 35 per cent of vacancies in Wales were skill shortage vacancies.

46. Figures on vacancies and skill shortage vacancies showed increases from previous years, although that should be viewed in the context of the increase in vacancies that occurred during the Covid-19 pandemic, which coincided with the fieldwork for ESS 2022 (June 2022 to March 2023). More than eight in ten employers with SSVs (84 per cent) stated they had taken action to address them. The most common response to skill shortage vacancies was to increase advertising and recruitment spend (34 per cent).

47. With regard to internal skills challenges, 14 per cent of employers felt at least one staff member was not fully proficient at their job (a skills gap). This was consistent with 2019 (13 per cent). The proportion of employees considered not fully proficient (skills gap density) in 2022 was also similar to 2019 (4.1 per cent in 2022 and 4.0 per cent in 2019). Skill gaps were most often caused by staff being new to the role (70 per cent), and by training only being partially completed (61 per cent). Eight in ten (80 per cent) employers had taken steps to improve the proficiency or skills of staff with skills gaps. The most common responses to skills gaps were increasing training activity or spend (60 per cent) and increasing the supervision of staff with skills gaps (53 per cent).

48. Six in ten (60 per cent) employers in Wales had funded or arranged training for their staff over the 12 months prior to interview, a decrease from the 62 to 63 per cent seen in the 2015 to 2019 period. This decrease was driven by a lower proportion of employers providing off-the-job training (36 per cent in 2022 versus 45 per cent in 2019). The proportion of staff trained also decreased from 65 per cent in 2019 to 63 per cent in 2022.

Rebecca Evans AS/MS
Cabinet Secretary for Economy, Energy and Planning
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio

Agenda Item 5.1



Llywodraeth Cymru
Welsh Government

Andrew RT Davies,
Chair
Economy, Trade and Rural Affairs Committee

3 July 2025

Dear Andrew,

On 20 May 2025 the Economy, Trade and Rural Affairs Committee laid a report into AI and the Welsh Economy entitled 'Can Welsh Androids Dream of Electric Sheep?' containing 8 recommendations.

Please find attached the Welsh Government's response to those recommendations.

Yours sincerely,

Rebecca Evans AS/MS
Cabinet Secretary for Economy, Energy and Planning
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Correspondence.Rebecca.Evans@gov.wales
Gohebiaeth.Rebecca.Evans@llyw.cymru

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.



Response to the Economy, Trade and Rural Affairs Committee Report – AI and the Welsh Economy

June 2025

In May 2025, the Economy, Trade and Rural Affairs Committee submitted its report on AI and the Welsh Economy – Can Welsh Androids Dream of Electric Sheep? The report includes 8 recommendations with zero conclusions. This is the Welsh Government's response to those recommendations.

Contents

1. Introduction.....	3
2. Recommendations	4

Introduction

The Digital Strategy for Wales sets out a national ambition for adopting a digital approach across Wales. Its high-level and stretching vision is to improve the lives of everyone in Wales through collaboration, innovation and better public services. The strategy comprises 6 missions: digital services, digital inclusion, digital skills, digital economy, digital connectivity and finally, data and collaboration. Largely technology agnostic, various thematic activities seek to address a broad range of digital agendas, Artificial Intelligence being just one, but one that spans several of the missions.

Innovative and effective use of data, including Artificial Intelligence, is a core component of the Digital Strategy for Wales and is helping us improve our public services as well as growing the Welsh economy. We want to inspire businesses to adopt and embrace digital and data-driven innovations to drive economic prosperity, resilience and sustainability.

The Welsh Government recognises the risks around AI use including the potential for bias in the data used to deliver AI services, disruption and impact on the labour market and concerns around misinformation. That is why ensuring AI technologies are used in responsible, ethical, inclusive, and safe ways is vital.

This government, in the delivery of the Digital Strategy for Wales, is working in collaboration with multiple stakeholders including, but not limited to, the UK Government, partners across various elements of the digital & technology private sector and academic institutions to strong effect.

A critical influence on the Artificial Intelligence agenda in the UK has been the publication of the UK Government AI Opportunities Action Plan as announced by the Prime Minister on 13 January 2025. This post-dated the ETRA committee consultation and subsequent day of oral evidence sessions but is recognised within the report.

I thank the members of the Economy, Trade and Rural Affairs Committee for their report on AI and the Economy. I have set out my response to the Report's individual recommendations below.

Response to the 8 Recommendations

Recommendation 1.

Adoption of AI: implications for the economy and businesses.

The Committee recommends that

The Welsh Government should develop an action plan setting out the approach it will take to maximising the potential benefits of AI, including specific actions relating to supporting businesses and the workforce, and development of AI infrastructure.

Response: Accept

The Welsh Government has been undertaking a coordinated review into the benefits, opportunities and areas of impact of AI and the Economy. This has explored several priorities including supporting businesses, skills and infrastructure demands. The recommendations for action resulting from this review will be presented to the Cabinet Secretary for Economy, Energy & Planning in the coming weeks for consideration.

The Welsh Government is working hand-in-glove with global brands who are investing billions of pounds in Wales in the development and growth of AI infrastructure in the form of increased Data Center capacity.

Financial Implications – None.

Recommendation 2.

Adoption of AI: implications for the economy and businesses.

The Committee recommends that

The Welsh Government should set out which areas of AI it considers Wales has a competitive advantage in, and how it will support Wales based businesses in these areas of specialisation to develop and grow.

Response: Accept in principle

As part of the aforementioned review and complimentary work in developing the concept and bid for an AI Growth Zone, recommendations for fostering and developing emerging and growing businesses with specialist AI products will be presented to the Cabinet Secretary for Economy, Energy & Planning for consideration.

Financial Implications – Yet to be identified.

Recommendation 3.

Adoption of AI: implications for the economy and businesses.

The Committee recommends that

The Welsh Government should review what support is available to support businesses to adopt and benefit from AI and identify where gaps exist. Resulting from this review, the Welsh Government should work with partners to address these gaps.

Response: Accept in principle

Welsh Government officials leading on activities associated with AI and the economy have been working cross portfolio to support the work of a review into SME productivity. This will result in recommendations for mechanisms to support the broader education, training and adoption of AI where gaps exist.

The Welsh Government acknowledges the need and appetite from businesses to be better informed of the opportunities and challenges of AI adoption and is working towards the development of appropriate solutions with partners to fill this gap.

The Welsh Government is already working in partnership with initiatives such as the STFC funded Hartree Hub, delivered by Cardiff University. Strategic extension and pathfinder activity seeking to extend the reach of the Hartree hub's activities are already underway.

Financial Implications – Yet to be identified.

Recommendation 4.

AI Infrastructure

The Committee recommends that

The Welsh Government should set out how it intends to support any AI growth zones that are developed in Wales, including how it will help to address potential consequences around higher energy and water use

Response: Accept

Since the time of the launch of the AI Opportunities Action plan by the Prime Minister (13 January 2025), Welsh Government officials have been working closely with Department for Science, Innovation and Technology (DSIT) officials running the AI Growth Zone (AIGZ) bid process and have authored a WG led submission whilst supporting and advising external parties with additional bids from Wales.

The Welsh Government has partnered with a cohort of world-class international and domestic digital private sector organisations and academic partners in the development and submission of its AIGZ bid.

Implications relating to both energy and water use are entirely subjective to the individual designs of data centers. It should be noted that water use differs significantly dependent upon individual design of data centers and the design as relates to new developments in Wales utilise 'closed loop' water cooling systems formally known as adiabatic cooling systems.

Whilst data centers do require significant energy provision, the upgrades and investment associated with supplying necessary new-power provision is realising

additional power infrastructure for Wales from the national grid that would not, without these data center investments, be attained for many years if at all.

Financial Implications – None.

Recommendation 5.

Procurement

The Committee recommends that

The Welsh Government should consider how procurement of AI can be incorporated into its forthcoming guidance on the socially responsible procurement elements of the Social Partnership and Public Procurement Act 2023

Response: Accept

As per response to recommendation 1 above; The Welsh Government review into AI and the Economy has included in its scope the need to review AI procurement activity. This will include recommendations for consideration for inclusion into the forthcoming guidance on the socially responsible procurement elements of the Social Partnership and Public Procurement Act 2023.

Financial Implications – None.

Recommendation 6.

Skills and workforce

The Committee recommends that

The Welsh Government should analyse which areas, sectors and demographic groups are most likely to be negatively affected by job displacement due to AI. Based on its findings, it should work with partners to develop and target tailored support for these groups

Response: Accept in principle

The Welsh Government is analysing several reports and publications that directly analyse and provide insight into the sectors and demographic groups which may be most likely to be negatively affected by job displacement due to AI. This analysis will support the recommendations and proposed partnership activities put forward to the Cabinet Secretary for Economy, Energy & Planning as part of the broader AI and Economy review activities.

Financial Implications – Yet to be identified.

Recommendation 7.

Skills and workforce

The Committee recommends that

The Welsh Government should assess which skills the workforce requires to enable Wales to maximise potential benefits from AI and review the extent to which the workforce and future workforce have these skills. Where gaps are identified, it should prioritise working with partners to develop the necessary education and skills interventions to address them

Response: Accept in principle

As per response to recommendation 1 above; The Welsh Government review into AI and the Economy has included in its scope the need for recommendations for action as they relate to the skills agenda pertaining to AI. Whilst activities are already underway in partnership with academia in Wales, recommendations for action resulting from this review will be presented to the Cabinet Secretary for Economy, Energy & Planning for consideration.

The Welsh Government is aware of the future demands for data scientists and data science skill sets required to satisfy the future demands to realise the potential benefits of AI and will be working with partners to identify appropriate interventions.

Financial Implications – Yet to be identified.

Recommendation 8.

Skills and workforce

The Committee recommends that

The Welsh Government should build on its existing guidance in relation to AI and the workplace by:

- Working with partners to identify what further guidance is needed in the devolved public sector in relation to job quality and equality issues regarding AI and the workplace and developing this.
- Considering what guidance on AI and the workplace is needed to support businesses and private sector workers, and working with partners to develop this

Response: Accept

The Welsh Government welcomed guidance published by the Workforce Partnership Council for Wales on the ethical and responsible use of artificial intelligence across public sector workplaces, reinforcing our unique ‘Welsh Way’ of social partnership. The principles are taking a social partnership approach, preserving human oversight and interaction, ensuring Fair Work for all, building capability to manage AI systems, and, protecting jobs

The Social Partnership Council is also considering the demand and supply for AI skills across the public and private sectors in Wales.

There is a cross-public sector AI leadership group which is driving forward transformation using AI in our public services across Wales. Alongside this, the Centre for Digital Public Services convenes a Community of Practice on Automation and Artificial Intelligence to enable public service workers to share experiences, as well as discuss challenges and opportunities, on the use of AI in the public sector in Wales.

More widely on skills, we are refocusing our skills programmes with increased funding and flexibility to address skills gaps and support priority areas like digital, AI and cyber skills.

Financial Implications – Yet to be identified.

Agenda Item 5.2

Huw Irranca-Davies AS/MS

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros
Newid Hinsawdd a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate
Change and Rural Affairs



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA/HIDCC/1009/25

Andrew RT Davies MS
Chair
Economy, Trade and Rural Affairs Committee
AndrewRT.Davies@senedd.wales

4 July 2025

Dear Andrew,

Poultry Catching and Handling

I am writing further to my letter of 23 June where I informed you of my intention to consent to the UK Government making regulations to provide the poultry industry, and their associated catching companies, with clarity on the legal requirements that apply to the catching of poultry during transport operations.

I have now given my consent to the UK Government to make The Welfare of Animals (Transport) (Amendment) Regulations 2025 ("the Regulations"). I have issued a Written Statement which can be found at: <https://laiddocuments.senedd.wales/ws-ld17280-en.pdf>

The Regulations amend assimilated Regulation (EC) No. 1/2005 on the protection of animals during transport and related operations to exempt chickens, and turkeys weighing 5 kg and less, from the prohibition on the lifting of animals by their legs. When chickens, and turkeys weighing 5 kg and less, are caught by the legs, they must be caught, lifted and carried by two legs (not by one leg). For turkeys weighing more than 5 kg it is prohibited to lift or carry them in an inverted position, whether by holding the legs or otherwise. The Regulations were laid before the UK Parliament, using the negative procedure, on 1 July and are scheduled to come into force on 22 July 2025.

I am copying this letter to Mike Hedges MS, Chair of the Legislation, Justice and Constitution Committee.

Yours sincerely

Huw Irranca-Davies AS/MS

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd
a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Huw.Irranca-Davies@llyw.cymru
Correspondence.Huw.Irranca-Davies@gov.wales

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.

Huw Irranca-Davies AS/MS
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros
Newid Hinsawdd a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate
Change and Rural Affairs

Our Ref: PO HID 331 25

Mike Hedges MS
Chair
Legislation, Justice and Constitution Committee

SeneddLJC@senedd.wales

7 July 2024

Dear Mike,

In accordance with the inter-institutional relations agreement, I wanted to report on the latest meeting of the Inter-Ministerial Group for Environment, Food and Rural Affairs on 23 June 2025.

The meeting was chaired by Jim Fairlie MSP, Minister for Agriculture and Connectivity of the Scottish Government, who was accompanied by Mairi Gougeon MSP, Cabinet Secretary for Rural Affairs, Land Reform and Islands and Gillian Martin MSP, Cabinet Secretary for Climate Action and Energy also for the Scottish Government.

Andrew Muir MLA, Minister of Agriculture, Environment and Rural Affairs and Caoimhe Archibald MLA, Minister for the Economy attended for the Northern Ireland Executive. The UK Government was represented by Steve Reed MP, Secretary of State for Environment Food and Rural Affairs, Mary Creagh MP, Parliamentary Under-Secretary of State for Nature, Baroness Sue Hayman, Parliamentary Under-Secretary of State at the Department for Environment, Food and Rural Affairs, and Daniel Zeichner MP, Minister of State for Food Security and Rural Affairs.

I have issued a Written Ministerial Statement summarising the discussions. The next meeting is currently scheduled for 8 September.

I have also copied this letter to the Climate Change, Environment and Infrastructure Committee and the Economy, Trade and Rural Affairs committee.

Yours sincerely,



Huw Irranca-Davies AS/MS

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd
a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Huw.Irranca-Davies@llyw.cymru
Correspondence.Huw.Irranca-Davies@gov.wales

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.



Neuadd y Sir / County Hall
Llandrindod Wells
Powys
LD1 5LG

Neuadd Cyngor Ceredigion
Penmorfa
Aberaeron
Ceredigion
SA46 0PA

Andrew R T Davies MS,
Chair: Economy, Trade and Rural Affairs Committee,
Welsh Parliament,
Cardiff Bay.

7 July, 2025

Sent by e-mail only:
SeneddEconomy@senedd.wales

Dear Chair,

Business Support Landscape

Thank you for your letter dated 11th June, 2025 in relation to the above. Please find below the responses to the questions contained in your letter.

- *How do the activities of the Growth Deal fit within the wider business support landscape?*
 - The Growth Deal is a capital fund that supports large scale economic infrastructure. Business support is a suite of support provided primarily via Welsh Government via its Business Wales service.
 - The Growth Deal supports capital economic projects in key sectors and whilst draws in private sector investment and engagement with businesses – it is wholly complementary to the Business Wales offer.
 - Officer teams regularly engage on these aspects and ensure continual awareness of provision and plans.
- *How do you ensure you develop projects or funding schemes that add to rather than duplicate existing business support provision? For example, how does the scope of the Mid Wales Commercial Property Investment Fund differ from the commercial property loans offered via the Development Bank of Wales?*
 - Conversations were had between officials as proposals were designed. The Mid Wales Commercial Property Investment Fund was developed on the basis of evidenced demand and need. The Offer by Development Bank is a loan, whilst the product we have is a grant.

- *What involvement you expect to have in the Welsh Government's review of business support, including any potential improvements you would wish to see being taken forward as a result of the review?*
 - We expect that we will be engaged in this review and have the opportunity to input.
 - We would like to see more thought given to the tailoring of provision to meet the needs and demands of the Mid Wales economy. The example of the Commercial Property Investment Fund underlines that whilst national programmes and policy have taken a certain approach – there are gaps and challenges in Mid Wales that need to be addressed.
 - We have a significant amount of micro/small businesses, as well as a mix of larger businesses – but not a lot in the middle.
 - Cuts in recent years to the budget of Business Wales (due to loss of EU funds) has seen a diminishing of resource on the ground, and anecdotally, we feel this is an area that we should be collectively focusing on moving forward with Government.
 - We would also like to be considered a key strategic partner in the design of future programmes – if we are governing regional partnerships in Welsh regions in conjunction with cross-sector partners – then it would be amiss not to ensure that the intelligence from all of that efforts do not directly feed into the design of things moving forward. Examples here being the Regional Skills Partnership and its cluster groups – significant effort is being made by the private sector to identify and tackle skills barriers and gaps – that have a bearing on business support needs.

Yours sincerely,



Councillor Bryan Davies
Leader of Ceredigion County Council
Joint Chair of the
Growing Mid Wales Board



Councillor Jake Berriman
Leader of Powys County Council
Joint Chair of the
Growing Mid Wales Board

Senedd Committees

Via e-mail

8 July 2025

Consultation: Reviewing Committee Effectiveness in the Sixth Senedd

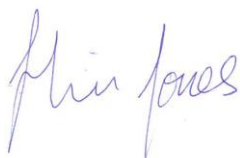
Dear Chair,

You will be aware that the Chairs' Forum is currently considering how committees have operated during the Sixth Senedd. The aim of this work is to identify whether committee procedures and practices can be improved to ensure the scrutiny function is as effective as possible, and to use this information to inform the Seventh Senedd. The Forum is keen to consider wider cultural issues around the operation of Senedd committees, as well as practical matters such as size and function.

The Future Senedd Committee has also made a [number of recommendations](#) to the Forum about the committee system and considerations for the Seventh Senedd, and these have been factored into our work on this matter.

The Forum has launched a [consultation](#), and we would be grateful for the views of individual Committees on the questions in the [consultation document](#), and any reflections that you may consider relevant by **12 September 2025**.

Yours sincerely,





Elin Jones MS/AS

Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg / We welcome correspondence in Welsh or English





Senedd Cymru
Bae Caerdydd, Caerdydd, CF99 1SN

 llywydd@senedd.cymru
 0300 200 7403

Pack Page 118

Welsh Parliament
Cardiff Bay, Cardiff, CF99 1SN

 llywydd@senedd.wales
 0300 200 7403

Jack Sargeant AS/MS
Y Gweinidog Diwylliant, Sgiliau a Phartneriaeth Gymdeithasol
Minister for Culture, Skills and Social Partnership



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref DC/JS/00471/25

Mike Hedges MS
Chair
Legislation, Justice and Constitution Committee

SeneddLJC@senedd.wales

9 July 2025

Dear Mike,

I am writing in accordance with the inter-institutional relations agreement to notify you that the Culture and Creative Industries Inter-Ministerial Group (IMG) will meet on 16 July 2025.

This will be chaired by the UK Government Secretary of State for Culture, Media and Sport, the Rt Hon Lisa Nandy MP. I will be representing the Welsh Government at this virtual meeting.

I anticipate the meeting will provide an opportunity to discuss recent creative industries developments, including the publication of the Creative Industry Sector Plan, international activity, and ongoing engagement.

I have copied this letter to the Chairs of the Economy, Trade and Rural Affairs Committee, and the Culture, Communications, Welsh Language, Sport, and International Relations Committee.

Yours sincerely,

Jack Sargeant AS/MS
Minister for Culture, Skills and Social Partnership
Y Gweinidog Diwylliant, Sgiliau a Phartneriaeth Gymdeithasol

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Jack.Sargeant@llyw.cymru
Correspondence.Jack.Sargeant@gov.wales

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.



Ein cyf/Our ref: PO/HIDCC/0274/25

Andrew RT Davies MS
Chair: Economy, Trade and Rural Affairs Committee

SeneddEconomy@senedd.wales

9 July 2025

Dear Andrew,

Thank you for your letter following the Committee meeting of 15 May.

The Welsh Government has been exploring the potential for alternatives to closed periods for some time, including the application of technological solutions. As part of this work, I have also visited Gelli Aur, to hear directly about the technology being explored there. This matter was considered as part of the 4-year review of the Control of Agricultural Pollution Regulations.

I reiterate my commitment to working in working in co-operation with stakeholders as we consider these issues further.

In accordance with Recommendations 5, 8 and 9 resulting from the review, further work will be carried out to further consider alternative approaches to the closed periods and the 170 limit. I am keen to explore every avenue, to ensure the regulations are as practical as possible. As part of this work, we will give consideration to the relationship between the Regulations and the use of processed organic manures as an alternative to manufactured fertilisers.

The 4-year review highlighted a number of significant concerns regarding an alternative to the closed periods. These include the potential for increased losses of nutrients, particularly nitrogen and phosphorus, where livestock manures are applied at a time of increased rainfall and reduced crop growth. The review concluded there is currently insufficient evidence that demonstrates crop need for additional nutrients is sufficient to justify applications during the current closed periods, relative to the pollution risks and the actions which could be taken to mitigate those risks.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Huw.Irranca-Davies@llyw.cymru
Correspondence.Huw.Irranca-Davies@gov.wales

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 review highlighted soil and weather conditions are not the only relevant factors which should be taken into account when determining if it is appropriate to apply fertilising materials. The crop need for those nutrients and the pollution risks must also be considered. Whilst there may be minimal crop growth during the closed periods, the supply of nutrients available to the crop from manure applications made during the growing season must also be considered.

As with any alternative to the 170kg limit, which was highlighted as a concern during my attendance, a regulatory alternative to the closed periods is likely to require additional complexity, to determine the crop need for nutrients and assess any risks of pollution from the application. However, regulatory complexity was raised as a significant concern by many farmers and agricultural representatives throughout the review process.

In response to concerns raised during the Committee Meeting in respect of the 170kg limit, I would like to take the opportunity to clarify that whilst the crop need for nitrogen may be significantly greater than 170kg, nutrient management planning should always consider the other nutrients provided by the manure, in particular phosphorus. The ratio of phosphorus to nitrogen within livestock manures means that meeting the crop need for nitrogen from livestock manures alone may significantly exceed the crop need for phosphorus. The impact of legacy soil phosphorus, from the overapplication of manures, is a significant barrier to the recovery of our SAC rivers. The 170kg limit is aligned to these risks and those related to the losses of nitrogen released from the manure over time.

The matters raised above highlight some of the challenges of developing alternative approaches that provide improved flexibility for farmers while also protecting our environment.

I would also like to inform you that the Welsh Government has committed £1.58m for NRW's enforcement of the Regulations in the 2025-26 financial year.

I hope you find this information helpful.

Yours sincerely,



Huw Irranca-Davies AS/MS

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd
a Materion Gwledig

Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

Agenda Item 5.8

Ken Skates AS/MS
Ysgrifennydd y Cabinet dros Drafnidiaeth a Gogledd Cymru
Cabinet Secretary for Transport and North Wales



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref: KS/PO/340/2025

Andrew RT Davies MS
Chair: Economy, Trade and Rural Affairs Committee

10 July 2025

Dear Andrew

Thank you for your letter of 3 July regarding Holyhead Port storm damage and closure: Initial findings report.

We are in regular contact with Stena Line Ports regarding the Port of Holyhead re-opening date. Holyhead Port is a commercial entity and we are bound by the information that they share regarding the re-opening date. We have spoken with Stena about the berth re-opening delay and understand why it could not reopen on July 1st. Whilst this news will have disappointed some, we must recognise that services have been able to run at normal levels throughout this period and the delay is for a two-week period.

I look forward to the full reopening of the port.

In relation to Hannah Blythyn MS's question regarding protections for the maritime and seafarer workforce, I'm aware that the Minister for Culture, Skills and Social Partnership wrote to the Committee on the 25 June, confirming that the Welsh Government is working closely with the UK Government on the Employment Rights Bill, which paves the way for a legally binding Seafarers' Charter.

Yours sincerely

Ken Skates AS/MS

Ysgrifennydd y Cabinet dros Drafnidiaeth a Gogledd Cymru
Cabinet Secretary for Transport and North Wales

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Ken.Skates@llyw.cymru
Correspondence.Ken.Skates@gov.wales

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.

Agenda Item 8

Document is Restricted

Agenda Item 9

Document is Restricted

Agenda Item 10

Document is Restricted

Agenda Item 11

Document is Restricted