

Ken Skates MS: Minister for Economy, Transport
and North Wales

Lee Waters MS: Deputy Minister for Economy and
Transport

01 December 2020

Dear Ken and Lee,

Thank you for attending the Economy, Infrastructure and Skills Committee meeting on 25 November. The Committee very much appreciates you and your officials giving two hours of your time on this occasion, which allowed us to cover the significant number of issues arising since our last general ministerial scrutiny session in February. It was an extremely useful session, and I'm writing to follow up on a few matters.

Commercial Property Delivery Plan

The Committee was told that the SQW Report 'Market Analysis and Potential Interventions' dated March 2020 and published in August, supercedes the Property Development Plan and "is now the property development plan". The Committee did have some concerns about the assertion that the impact of the pandemic since that report was prepared has not had a significant effect on the assumptions made. As was noted in the meeting, the situation regarding surplus and shortage of different types of commercial property varies greatly in different parts of Wales, and Welsh Government's remote working proposals also need to be factored into future plans. The Committee also appreciates that the situation with regard to private sector demand is still volatile and uncertain, and an update on this in 2021 will be useful to the successor committee. In the meantime the Committee would welcome receiving further detail on the costs now attached to the property development plan, with a view to pursuing this further during budget scrutiny, and also welcomes the



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Minister providing an update on developments with the Asset-backed Development Vehicle proposal.

The Committee also welcomes the Minister undertaking to ask Finance officials to send more information on the effect on Land Transaction Tax take and changes in rateable value as a result of the pandemic.

Regional Development – Governance and Lines of Accountability

We discussed the role and function of various bodies and agents involved in regional development planning and delivery – the Chief Regional Officers (CROs), local authorities, City and Growth Deal boards, Public Service Boards, the new Corporate Joint Committees (CJCs), Transport for Wales, Welsh Government. We were also told that the need for Regional Economic Frameworks has now been “left behind”, and that there is “huge movement” with the development of CJCs. The Committee looks forward to hearing from the Minister with an update on his decision regarding the status of the Regional Economic Frameworks following consultation with the CROs and regional stakeholders.

With all these multiple layers of decision-making and delivery of activities with limited resources, it will be important for this Committee, and its successor, to have assurances about both the robustness of monitoring and evaluation of outcomes, and that there are clear lines of accountability and transparent scrutiny mechanisms to hold those responsible for delivery to account. The Committee will be discussing the recent OECD report on Regional Investment with its author on 2 December, and will welcome that opportunity to hear her views on these governance issues.

Tata Steel

The Committee was grateful for the Minister’s update on the situation but concerned to hear that while the relationship between officials in Welsh Government and the Department for Business Energy and Industrial Strategy (BEIS) was strong and constructive, and that there had been good and regular contact with the Under-Parliamentary Secretary of State for BEIS Nadhim Zahawi and the Secretary of State for Wales, there is currently not a strong relationship with the Business Secretary himself. The Committee hopes that this relationship and dialogue will improve given the urgency needed to respond to Tata’s recent announcement and the implications for the Welsh economy and communities.

A Community Bank for Wales



The Committee welcomes the Minister undertaking to ask the body responsible for setting up the bank, Cambria Cydfuddiannol Ltd (CCL), to provide the Committee with a full briefing note on the status of the regulatory licensing process to set up the bank, the timeframes to which they are now operating, and their view on the original ambition of opening 50 branches across Wales. The Minister also said he would let the Committee know if he could provide the minutes of meetings that he and the First Minister have held with CCL, subject to any redaction of commercially confidential information that might be needed.

Apprenticeship Programme

The Committee welcomes the Minister writing back with a full update on the state of play with the shared apprenticeship model. The Committee was disappointed with the pace of progress with the Apprenticeship Framework Review, noting that it has been a year since the consultation closed, and that it will take many years to review and recruit significant numbers of new apprentices to reviewed frameworks. It would be helpful for the Committee to receive further details of how Welsh Government plan to approach and resource the review of frameworks, which experience tells us will be a considerable and knowledge intensive task. There is a need for urgency in bringing in frameworks that will give young people the best change of access to the labour market. The Committee was pleased to hear that the procurement exercise for the new programme was on track for March 2021.

Ports and Airports: Brexit and Covid-19

The Committee looks forward to receiving the promised briefing note on all the proposed solutions for ports in Wales, particularly in relation to traffic management, at the end of the EU transition period on 31 December 2020.

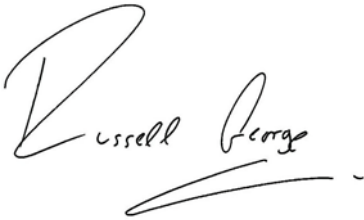
Bus Emergency Scheme

The Deputy Minister also agreed to share the letter to bus operators setting out the agreement entered into, and the Committee also looks forward to receiving this information.

Many thanks again for your time in Committee and your full and frank responses to our questions.



Kind Regards,

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

Russell George MS

Chair: Economy, Infrastructure and Skills Committee

