

## Welsh Affairs Committee

### Oral evidence: Responsibilities of the Secretary of State for Wales, HC 334

Wednesday 13 December 2023

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Members present: Stephen Crabb (Chair); Virginia Crosbie; Ruth Jones; Ben Lake; Robin Millar; Mr Rob Roberts.

Questions 642-714

#### Witnesses

I: The Right Hon. David T.C. Davies MP, Secretary of State for Wales, and Fay Jones MP, Parliamentary Under-Secretary of State for Wales.

#### Examination of witnesses

Witnesses: David T.C. Davies MP and Fay Jones MP.

Q642 **Chair:** Bore da. Good morning. Welcome to this session of the Welsh Affairs Committee, our last meeting in 2023. I am delighted that we are joined this morning by the Secretary of State for Wales, the right hon. David T.C. Davies—welcome, Secretary of State—and the new Parliamentary Under-Secretary of State for Wales, Fay Jones, MP for Brecon. Welcome, Ministers.

Secretary of State, we are approaching the end of the year. When you look back over the last 12 months, what are the highlights for you? What do you feel that you have achieved as Welsh Secretary over the last year?

**David T. C. Davies:** First of all, diolch yn fawr iawn am y gwahoddiad i fod yma; thank you for the invitation. If I look back over the last 12 months and think about what we have been trying to achieve, clearly we are working very hard to make sure that the four growth deals are successful. We have seen three rounds of levelling-up funding. We have had the two freeport announcements, one of which is very pertinent to your constituency.

We have had the announcement of the electrification of the north Wales rail line—the coast line—and obviously there are discussions around Tata, and the commitment of half a billion pounds to build an electric arc furnace, which will save thousands of jobs both directly and in the wider



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supply chain. That will also hopefully be tied in with the start of a floating offshore wind industry, which can take advantage of freeport status in south Wales. Those are the highlights and priorities: jobs, investment and better infrastructure for Wales.

Q643 **Chair:** Thank you very much. I am sure colleagues will want to pick up on specific issues as the discussion progresses. May I ask you about the Tata announcement? Am I right in thinking that the UK Government is essentially giving Tata £300 million to develop a new type of furnace at Port Talbot that will mean far fewer jobs at the Port Talbot site, and an end to primary steel making?

**David T. C. Davies:** The sum involved from the UK Government is £500 million, because of the contribution towards the electric arc furnace, but Tata will be putting in £750 million. The total capital cost of the arc furnace will be around £1.2 billion. It is not about paying money to see people out of work; it is about paying money to keep people in work and producing steel. The stark alternative was that Tata were looking to pull out from steel making completely in the United Kingdom. That would have cost about 5,000 jobs immediately and around 12,700, we calculate, in the wider supply chain. This was the only plan we could come up with that would maintain jobs, the supply chain and steel making.

You referred to primary steel making. Clearly, it would not be primary steel making. Across much of the world, people are now moving towards electric arc furnaces in order to create a circular economy and recycle steel. The United Kingdom currently produces around 9 million tonnes of scrap steel. The electric arc furnace planned for Port Talbot would take care of around 3 million tonnes of that. Instead of it being exported to countries like Turkey, we would be recycling it in the United Kingdom.

Q644 **Chair:** What is your response to the concern that has been expressed in different quarters that the deal with Tata prevents the development of a hydrogen-based form of steel making?

**David T. C. Davies:** First of all, it does not prevent it. It is up to Tata: if they want to come up with a commercially viable hydrogen-based steel-making process, that is up to them. At the moment, one place in the world produces steel using hydrogen instead of coke as a reductant, and that is Luleå in Sweden. At the moment, that steel is not commercially viable. In a recent podcast—I think it was on the BBC—the chief executive of that company was interviewed, and he was very clear that the steel was significantly more expensive than that produced with coke in a blast furnace. I also read an EU report that suggests that it is 25% to 30% more expensive. I think everyone accepts that, at the moment, this is not very commercial.

The problem that Tata had with Port Talbot was that they were losing £1 million a day. That is why they were looking to pull out. The solution to the problem of a company losing £1 million a day producing steel using one method is not to use another method that is 25% to 30% more expensive. Of course, if Tata had wanted to do that, I am sure the UK Government



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would have been interested in supporting them, but they were not interested, because they would not be able to produce the steel commercially.

Q645 **Chair:** That is very helpful. How would you characterise the relationship between the UK Government and the Welsh Government?

**David T. C. Davies:** It is a professional relationship. Clearly, there are political tensions on a number of issues, but on issues where we agree—it is fair to say that we are in full agreement on bringing jobs and investment into Wales—there is a perfectly good professional working relationship. Of the Welsh Government Ministers I deal with, I suppose the one I tend to deal with most is Vaughan Gething, and our relationship is professional and positive.

Q646 **Chair:** When the First Minister appeared in front of us a few weeks ago, he said he “could not describe intergovernmental relationships as characterised by a great deal of energetic determination to make the system work to its optimum.” Is that a fair remark?

**David T. C. Davies:** It takes two to dance, doesn’t it?

**Chair:** And you are on the dance floor, waiting.

**David T. C. Davies:** I think we are eyeing each other across the dance floor and occasionally getting together for a tango on certain issues.

Q647 **Chair:** I’m not sure we should stretch this analogy too far, but that is helpful—thank you. You appreciate why I asked you about that. Before I start bringing in other colleagues, can I ask about the situation regarding S4C? To be clear, we do not want to go into specifics regarding individuals who are involved in the organisation, or have been in the recent past. Clearly there are deep-seated concerns about the future of S4C.

For my part, I see that at two levels. One is about the overall financial capability of the channel to invest what it needs to invest to survive all the dramatic changes going on in the broadcasting world. This Committee’s recent report on broadcasting in Wales referred to the—I think the phrase we used was “daunting”—financial challenges that face S4C, but we are also concerned about the governance issues that are coming to light at S4C. Secretary of State, do you have confidence that the board of S4C has what is required to take the channel forward in a positive direction?

Q648 **David T. C. Davies:** First of all, Mr Chairman, as it has been reported in the press that Sian Doyle has been in hospital recently, I want to send my deepest sympathies to her and her family, and wish her a speedy recovery.

On how S4C is governed, obviously it is a broadcasting organisation. The UK Government—any Government—have to be very careful in how they deal with broadcasting organisations to ensure that there is absolutely no perception anywhere of conflict of interest, particularly when we are



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responsible for regulating or, in one way or another, financing that organisation.

The governance structure is deliberately designed to ensure that it is arm's length. We appoint a board, but it is down to the board to appoint the senior management, the chief executive and the other senior managers. That is quite deliberate and quite right, in my opinion. I have confidence that that is a good way to manage a broadcasting company, and it is absolutely vital for all of us in Wales that we have a strong Welsh language-based TV channel producing high-quality content, which S4C has always been able to do.

I think all of us in Wales are saddened by the fact that issues around complaints about HR/management have appeared in the national press, and wish this to be sorted out quickly.

**Q649 Chair:** I appreciate everything you have just said, Secretary of State, but I am going to press you on this. You rightly refer to the importance of the Welsh language channel for our national life in Wales. Every single Welsh Member of Parliament—and you more than anybody over the years—has gone out to bat publicly for S4C, and to argue with Ministers for proper funding for S4C. We all want a successful S4C. Are you confident that the board of S4C has what it takes to move the channel forward in a positive direction, put problems regarding governance and what has recently come to light behind it, and address the financial challenges of the future?

**David T. C. Davies:** There are a huge number of talented and experienced people on the board of S4C; I have absolutely no doubt about that. I believe that DCMS is well aware of the importance of ensuring that S4C is properly funded, and I have always made a point of having meetings with DCMS Ministers to underline the absolute importance of S4C in our national and cultural life.

**Q650 Chair:** Can S4C survive in its current form?

**David T. C. Davies:** Yes, I think S4C can. Clearly there is an HR issue, or a perceived HR issue. Let me put this carefully: I do not think it is right that UK Government Ministers get directly involved in complaints about people working in a broadcasting organisation.

**Q651 Chair:** But we are directly involved in appointing the board.

**David T. C. Davies:** We are, and we are directly involved in funding, but we have to be very careful that we do not involve ourselves too much and overstep the mark. Lots of people may well be complaining about certain well paid broadcasters in the BBC and suggesting that they might have created disciplinary—

**Q652 Chair:** Forgive me, Secretary of State; I am going to challenge you here, because you are in danger of sounding as though we are neutral in this. You said that we are saddened by what has happened. If we are saddened by what has happened, we should have a view about what the future should look like.



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**David T. C. Davies:** We are not neutral. At the end of the day, as a UK Government Minister, I cannot start making judgments about complaints made about various people working in S4C. I do not think that that is my role, and I have to be mindful of the importance of keeping a separation between my role, which is to support the principle of a Welsh language channel and ensure that it is properly funded, and internal problems revolving around complaints between people.

Q653 **Chair:** I have one more question on this subject, and then I will start bringing in my colleagues. Were any UK officials or UK resources used to support any of the promotional activity during the weekend that coincided with the Wales-Georgia game in Nantes during the rugby world cup in France? You may not have that information to hand, so you might need to go away and ask that question. Were the UK Government involved in any way in ancillary activities around that rugby match? Were they involved in promoting Wales and Welsh organisations?

**David T. C. Davies:** I do not know. I can find out for you. I wasn't there myself.

Q654 **Chair:** Were you invited?

**David T. C. Davies:** I think I was, but unfortunately I have to be very careful with my time. I am also very cautious about accepting too many invitations for things. I don't think that anyone from the Wales Office had any involvement. As to the rest of the UK Government, I will find out and write to you.

Q655 **Chair:** Thank you very much. I promise I will bring in Robin in a moment, but first I will go to Fay Jones. Welcome, and congratulations on your appointment as Parliamentary Under-Secretary. Do you want to briefly summarise, for the benefit of the Committee, your responsibilities at the Wales Office, and what you are hoping to achieve?

**Fay Jones:** Yes, certainly. Thank you very much, Chair; this is a very exciting day for me. I will support the Secretary of State in many of the priorities of the Wales Office that he outlined in answer to your first question, but my specific responsibility is for the four regional growth deals across Wales. I think we have made quite a good start on that over the last few weeks. I have met with almost all four of the teams involved in those.

If I may, I will just add to your point around contact from Welsh Government Ministers. I have not yet had the opportunity to meet with any Welsh Government Ministers, nor have they contacted me. However, I hope to rectify that quite soon. I informally met the Health Minister when we were both at the BBC for an interview, but there has so far been no contact from the Welsh Government. I am very keen to work on that, however, and to continue the good progress that has been shown between both the UK and Welsh Governments on the growth deals.

More widely, I will be supporting the Secretary of State in his work on renewable energy, but I also look forward to having a particular focus on



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agriculture, which is a key concern in Wales, particularly for my constituency. It is something I know quite well. Broadband will be another focus of mine, and I will try to work across Government Departments to drive more progress on broadband roll-out across Wales.

**Chair:** Marvellous. Thank you very much.

Q656 **Robin Millar:** Welcome, Fay, and I thank the Minister for coming along. If I may, I will start with you, Minister. I know that in a previous life, you had a keen interest in farming through working with the NFU. We recently had interim results on the effectiveness of the UK Government's efforts to tackle bovine TB. That is a package of culling, vaccination, etc, and it has shown a very clear reduction in the number of positive tests, and the number of cattle that have had to be killed as a result. In contrast, in Wales, we see the opposite. First of all, we saw a plateauing, but now things are actually worsening. Can you give us any insight into the difference between these measures, and can you tell us what you think we need to do in Wales?

**Fay Jones:** First, may I say how much I welcome that question? The scourge of bovine TB is absolutely destroying the agriculture sector right across the United Kingdom, and particularly in Wales. It is a desperate situation for any farmer to find themselves in when their cattle test positive, and I send my sympathies to all those who find themselves in that situation.

You are right to say that I have experience on the issue. Before coming to this place, I worked for the National Farmers Union, and in 2011, I believe, I was responsible for working on the original pilot cull in the Somerset cull zone, which was quite a difficult piece of work. I pay tribute to the UK Government then for having the bravery to push forward with that policy, and to the NFU for being the delivery body. I am pleased to say that in that cull zone in Somerset, there has been a two-thirds reduction in bovine TB breakdowns.

It is incredibly important to remember that no country has ever been able to get a grip on bovine TB without tackling the disease in wildlife. That is the problem in Wales. I am afraid to say that the Welsh Government's timidity in tackling the disease in the animal population is directly responsible for Welsh farmers' misfortune. Biosecurity does not stop at the Welsh or English border, and bovine TB certainly does not. Unfortunately, until we are much bolder and braver in Wales, and much more willing to prioritise farmers' mental health, we will never get a grip on the disease.

Q657 **Robin Millar:** I would love to ask more about that. Farmers in Aberconwy will be thrilled to hear those sentiments, because the frustration and pain is very real, but time requires me to move on.

Secretary of State, transport in Wales, and rail transport in particular, is having a tough time of it at the moment. The results of UK satisfaction with services across the UK showed that TfW was at the bottom. The Office of Rail and Road has launched an investigation into Network Rail's management of the Wales and Western region network. Have you had



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any conversations with Network Rail or the Welsh Government about the performance of TfW? Is there sufficient funding for things to be improved?

**David T. C. Davies:** I certainly think that there is specific funding. By the way, I have had conversations with all the rail operators over the last 12 months or so. I would have to come back to you on when I last met them—it is probably not for a couple of months—but I am happy to do that. Clearly, the standards at the moment are not good. Some of us use Great Western, and I have found myself standing for the last couple of weeks between London and Bristol—literally twice in the last couple of weeks at times that I would not have expected to be that full.

Although it is always tempting to say that this is a problem that affects only Wales under the Welsh Government, I am not going to do that on this occasion. There seems to be a widespread problem—some of it is down to strike action and some of it is due to other factors—so I welcome the ORR's decision to get involved and examine this.

On rail infrastructure spending, which I presume you might be leading towards, the UK Government have shown a very deep commitment to rail infrastructure spending in Wales. We spent about £350 million directly in the last control period, and there has been another £50 million on Cardiff Crossrail through levelling-up funds. Although it is often left out, we should mention the South Wales Metro, which is part of a growth deal and is therefore 50:50 funded by the UK Government and the Welsh Government. That is going to be about £500 million of investment in total. On top of that, we have announced a commitment to electrify the north Wales coast line.

Q658 **Robin Millar:** I was coming to that. That is absolutely fantastic news—£1 billion of investment into north Wales is welcome, full stop, and it is fantastic that it is going towards something so significant to the regeneration of the area and the connectivity of the UK. I asked the First Minister, when he was here by Zoom, why there has been this tepid response from the Welsh Government and why it wasn't a priority for Wales. Do you see it in the same way?

**David T. C. Davies:** Absolutely not. We should prioritise north Wales and ensure it receives its fair share of funding. I am not convinced that has always happened. The Great Western line has been electrified as far as Cardiff. As we know—we can go into this—it wasn't further electrified to Swansea because of the incredible costs and because it would not have delivered faster journey times for passengers because of the track configuration. Basically, it is too bendy—nobody will put it as bluntly as that, but that is the problem—so trains cannot accelerate as quickly as they would normally be able to. It is high time that we look at north Wales and that it gets its fair share.

Q659 **Robin Millar:** Thank you. You have actually dealt with my next question, which was about prioritisation, so in the few minutes I have left I will turn to a completely different subject.



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The PISA education results—the outcomes for 15-year-olds in OECD countries—were published last week. Sadly, we saw that Wales came bottom in the UK and was well below the OECD average. By contrast, England has seen improvements.

Do you have conversations with Welsh Ministers at all about that? It might seem strange to talk about a devolved issue, but the reason why I ask is that this all feeds through into skills, the workforce and the kinds of careers that youngsters growing up in north Wales—I speak of north Wales, obviously, but it applies across Wales—can imagine for themselves.

**David T. C. Davies:** Speaking as somebody who sent my own three children through the state school system in Wales, I find the figures profoundly disappointing. We now have the worst education standards in the whole United Kingdom. England is scoring the best. This is not down to money. The Welsh Labour Government are getting 20% extra to fund pupils per head of population compared with England, so somebody in the Welsh Government ought to be asking themselves why on earth this is happening.

Around 10 years ago, the Welsh Education Minister apologised—it was a headline on the front page of the *Western Mail* and is still available on Google—to parents and learners for the fact that they got it wrong. That was around 10 years ago. In that time, things have got worse. So I think that Welsh Labour Ministers should be able to offer an explanation as to why education standards in Wales are so poor.

Q660 **Robin Millar:** I have a final question, if I may, and it is quite a pointed one. Wales has just introduced a new education curriculum. It was one that was rejected in Scotland as not having worked, but it was introduced. I accept the intention of being progressive. But last week, when the English Secretary of State answered questions on the guidance that was available on the subject of RSE—relationships and sex education—she made the point that it is a complex area and that it was important that guidance was helpful, useful and legal.

In Wales, in my own constituency I am hearing from parents and teachers about this particular area. It is slightly different in Wales, where it is relationships and sexuality education, but I am finding that there this same concern and confusion about a lack of guidance. Is this something that you know anything of? Is this something that you think needs to be addressed? What conversations might you have had about that?

**David T. C. Davies:** The conversations that I have had have tended to take place at a more local level, but I am concerned at the lack of guidance from Welsh Government. I am concerned about what they are planning. We still have not really seen the LGBTQ+ action plan yet.

I think it is important that we rule out putting children under the age of 18 on to any sort of medical pathway, or doing anything that would encourage that. I think children should be allowed to be themselves. If I may talk bluntly for a minute, it does not matter if children are gay,



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straight, trans or whatever—allow them to be themselves. In my personal opinion, under no circumstances should we encourage, or do anything to accept, children under the age of 18 being put on a medical pathway if they identify as trans, or giving young people puberty blockers or surgery of any sort, which is quite irreversible. That is my personal opinion, and I hope that that will be reflected in guidance that comes out of Welsh Government.

**Q661 Robin Millar:** I have one final point. This overlaps with the UK, because UK equality legislation is applicable in Wales. It is vital that things like single-sex spaces are preserved, and that applies in the school setting as well. Using Welsh Government materials, I have had to produce guidance, which I have put on to my own website, for parents, teachers and governors who have questions about this. Could you pursue the issue of the legal requirement to observe UK equality law in Wales, including in the school setting, for the specific purpose of safeguarding children?

**David T. C. Davies:** You are taking me a bit beyond my remit as Secretary of State for Wales, but I was waiting to hear from the Welsh Government about the LGBTQ+ action plan, because I thought that it may possibly stray into reserved areas. It is interesting that it seems to have been held back.

Again, all I can really say in answer to your question is that my personal view is that single-sex spaces should be preserved. I have concerns about the percentage of mixed-gender toilets, for example, that have been put particularly into new schools that are being built. I think that children and pupils should have the right to single-sex toilets and single-sex spaces. That is something that I very strongly believe in.

**Chair:** Rob, you had a very quick supplementary.

**Q662 Mr Roberts:** In response to what Robin was asking about the north Wales coast line and the £1 billion for electrification, you said that it is right that we prioritised north Wales. When you use words such as “prioritise” that seems to suggest some urgency to me, so when will spades be in the ground and when do we expect the project to be completed for the benefit of the people of north Wales?

**David T. C. Davies:** I thank the hon. Gentleman for drawing my attention to that. “Prioritise” was not quite right. Perhaps what I should say is that we will make sure that north Wales is treated fairly. That commitment to the north Wales coast line electrification is a cast-iron one by the UK Government, and I hope we will start to see—

**Q663 Mr Roberts:** When?

**David T. C. Davies:** I hope very shortly. I cannot give a timetable, but I hope that we will start to see work shortly. I am happy to come back with a clearer timetable in writing, if the hon. Gentleman likes. I will have to talk to the DFT.

**Q664 Mr Roberts:** In this Parliament?



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**David T. C. Davies:** I do not know how long this Parliament will last.

**Mr Roberts:** Fair.

**Fay Jones:** If I may add to that, Welsh Government Ministers were very dismissive of the announcement by the Prime Minister. They said that this project was not a priority; they did not see £1 billion of investment in north Wales as something that was on their list. That is the opposite view from this Government; we are determined to invest that money.

**Mr Roberts:** Infrastructure is nothing to do with them, is it, so we do not really pay too much attention to their opinion. We are just interested in whether—

**Fay Jones:** I am just responding to your point about the difference in priority.

Q665 **Chair:** We are going to move on, and I will bring in Virginia in a moment. On that north Wales project, I would of course love to see the north Wales line electrified, but has it passed a Treasury value-for-money scoring?

**David T. C. Davies:** Not as far as I know. The last detailed work that was carried out was in about 2015. I do not think that we have started a strategic outline business case on it yet.

Q666 **Chair:** My understanding is that when the Government have looked at the project previously, it was not considered value for money.

**David T. C. Davies:** If that is correct, it may well be different now. I would assume that it will have to go through the five-stage Treasury business case model, but that work has not started yet.

Q667 **Chair:** And the electrification to Swansea is not coming back on to the agenda.

**David T. C. Davies:** No, that is not on the agenda at the moment. The priority for me in south Wales is the upgrade to the freight line that runs parallel to the south Wales First Great Western line. That is going through the business case process at the moment—the later stages of the outline business case. As of this moment, the latest figures I saw were of around £50 million to £60 million to upgrade that bit of track, which in rail terms is incredibly cheap. I do not have the figures in front of me, but I believe that it had a cost value number of about 6, which is also very good. I would use my position here today to encourage strongly everyone in DFT to continue to work at pace to bring that one about.

**Chair:** Absolutely. I call Virginia Crosby.

Q668 **Virginia Crosby:** Croeso. On freeports, we have two in Wales, the Celtic freeport and the Anglesey freeport—absolutely delighted about that. In the autumn statement, the Chancellor extended tax relief for freeports in England, which I had been lobbying for. How confident are you that the tax relief will be extended to the freeports in Wales?



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**David T. C. Davies:** I am fairly confident about that, but it is partly down to the Welsh Government to make that commitment, because some of the taxes will be supported by the UK Government and some by Welsh Government. Those conversations are ongoing. I must say that while relationships with the Welsh Government have sometimes been a little tense on some issues, on this issue they have been very good. I sense that the Welsh Government are very supportive of that idea.

Q669 **Virginia Crosbie:** That is good to hear. What about your support for the Wales Office to make a success of the Celtic and Anglesey freeports?

**David T. C. Davies:** Frankly, Ms Crosbie, I have had numerous meetings with all sorts of stakeholders and with a lot of people in different Departments to ensure that this moves forward successfully. I would not even be able to estimate how many meetings I have had, because of the various facets. For example, part of the issue with Celtic freeport is how we use that status to kick-start a floating offshore wind industry.

We may well come on to this afterwards, so I can speak in a bit more detail, but different Government Departments have at times thrown up different challenges, and they have had to be overcome. I have found myself on a number of occasions explaining very firmly just how important this is to the Welsh economy.

Q670 **Virginia Crosbie:** Regarding the post-Brexit checks—the sanitary and phytosanitary checks—and taking into account the Windsor framework, that obviously impacts Pembrokeshire and Anglesey with food coming in from Ireland to the UK. I had a meeting recently with Vaughan Gething about this, and I understand that it is with DEFRA and the Cabinet Office. What conversations have you had regarding those important changes and the support that local councils particularly will get?

**David T. C. Davies:** Again, we have had a number of conversations about this. My understanding is that the date for the introduction of SPS checks on the west coast will be finalised in due course, but from 31 January 2024 pre-notification requirements for EU sanitary and phytosanitary goods that enter Great Britain via the west coast ports will be introduced. I have had meetings about this—not, I must say, in the last couple of months, so I thought that things were progressing reasonably well there.

Q671 **Virginia Crosbie:** We have had some conversations already about investment in north Wales, and I want to talk about the Welsh Government cancelling all major road-building projects and the third crossing. In 2016, the Welsh Government actually said that if there was not investment in a third crossing, it would impact the economy of Anglesey and north Wales. In terms of the third crossing and the commitment to infrastructure resilience, particularly with Anglesey being the second-busiest port in the whole of the UK, what have been your relationships with the Welsh Government in moving forwards the third crossing?

**David T. C. Davies:** In terms of support for the freeport, I have no complaint at all about Welsh Government. As for the decision to block all



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new road building, that is something that I profoundly disagree with. Clearly, if we want to see the full benefit of freeport status for Anglesey, there will be traffic moving backwards and forwards, and there may well be a requirement for new roads and new road infrastructure. That is a part of a growing economy. As far as the third crossing is concerned, I do not know enough about costs and benefits, but in principle I would be completely supportive of it, just as I would be supportive of a new M4 relief road, which is vital to the economy of south Wales, and various other projects around Wales, such as the Llanbedr bypass and, in my own constituency, The Chepstow bypass. If we accept that there is a growing population and economy and that that means we will have to build roads, the decision to block any new road building whatsoever is, in my opinion, a profound mistake and sends out a very negative message to potential investors in Wales.

**Q672 Virginia Crosbie:** In terms of the Welsh language, we have had news from HSBC and Duolingo on their support for the Welsh language and Welsh language provision. Are you concerned?

**David T. C. Davies:** Yes. I think the Minister would like to answer that, if that is okay.

**Fay Jones:** I am sure we are all concerned. It is a very backwards step. It is obviously a commercial decision from HSBC. Forgive me, but I think you also mentioned Duolingo not updating its app any further, and that is a very backwards step. I appreciate that it is not the large volume of people who wish to discuss their banking with HSBC in Wales, but for a bank that once called itself "the world's local bank", this is very disappointing. I do not think that any customer who wishes to converse in Welsh should have to be forced to wait three days. That is putting different customers at a disadvantage, and it should be reconsidered. I am pretty sure that the Secretary of State, as a Welsh speaker, would agree.

**David T. C. Davies:** Yes, I agree.

**Q673 Virginia Crosbie:** In August, the then Secretary of State for Health wrote to his counterparts with a letter offering to set up a ministerial working group to share data and requesting that patients on long waiting lists could use treatment in England. Have you heard back regarding the letter that was sent in August?

**David T. C. Davies:** We have heard back, and we had a very negative response suggesting that really the Welsh Government are not interested in this at all. It was a completely open offer to say that the UK Government are aware that many people are waiting a very long time for treatment in Wales—there are thousands of people waiting over two years at the moment—and were willing to support Welsh patients by enabling them to take advantage of hospitals in England. That offer has not really been taken up, which is disappointing, because we know what the problems are.

We know thousands of people are waiting two years or more, but we also see long waits in A&E units. From my own experience, I called 999 for my



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father-in-law, waited around 15 hours for an ambulance, and then the ambulance waited another six or seven hours outside in a hospital bay. That has become the norm now. So much so, in fact, that the Aneurin Bevan University Health Board have had to pay for great big commercial fans to blow away the diesel fumes from all the ambulances parked up in the bays outside the Grange hospital. I believe that in north Wales, it has become so commonplace for ambulances to simply sit and wait and be used as extra beds, that they have provided electric hook-ups. This is a failure. If the UK Government are willing to help, which I am glad to say they are, the Welsh Government need to take advantage of that.

**Q674 Virginia Crosbie:** For my last question, it would be remiss of me if I did not mention Wylfa. Wylfa is clearly the best site for new nuclear in the UK, and probably Europe. It will be transformational not only for Anglesey but the whole of north Wales and the UK. We should have news from Great British Nuclear over the next few weeks regarding the road map. What have been your conversations with DESNZ and the Treasury regarding Wylfa?

**David T. C. Davies:** It might have been remiss, but it would also have been very unusual if you had not mentioned Wylfa. I have had many conversations with many stakeholders about this. I think Wylfa would be the perfect site for a full reactor, but also for SMRs and possibly for both. The issue at the moment is that Hitachi owns the land. The conversations you might be referring to involve what will happen with that land. Ultimately, if that land came in under different ownership, that might open a way to bring forward a proposal for nuclear on that site. It is, without doubt, one of the best potential sites in the whole of the UK, and possibly Europe, for a nuclear reactor. It has political buy-in from all the four major political parties, both at the local, Welsh level and the national level. It is the perfect place for it. I am aware that conversations are ongoing at the moment, and there may be some commercial sensitivities around that. We are moving in the right direction, albeit not as quickly as we would like.

**Q675 Virginia Crosbie:** Do the Welsh Government share the UK Government's commitment to develop the site?

**David T. C. Davies:** Yes, as far as I am aware, they do. In fact, this is another one of those issues where I am pleased to say that there is no tension between the UK and Welsh Governments. The Welsh Government are very supportive of it.

**Q676 Chair:** Can I just quickly pick up on the points around freeports? By the way, thank you very much for the support that you have given to the Celtic Freeport. You rightly draw the link between the freeport and the new industry of floating offshore wind that we hope to see in Wales. We have had some positive announcements over the course of the last year. You will be aware that there is a UK fund called FLOWMIS to help with improving port infrastructure to get ready for floating offshore wind, which both Milford Haven and Port Talbot have bid in to. Do you know when we might hear back on the success of these bids?



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**David T. C. Davies:** I know that the bids are in, and they are being assessed at the moment. I recently checked that. I do not know exactly when an announcement will be made, but I expect it will be quite soon.

Q677 **Chair:** Our understanding is that the Government have said there is a pot of around £160 million, which will be shared between Scotland and the rest of the country. What kind of share should be coming to Wales?

**David T. C. Davies:** As Secretary of State for Wales, I would like to see the whole lot coming to Wales. That would be my wish and ambition, but I do not know how much will come to Wales. I do not think it will be calculated in a kind of Barnett formula style. It will be based on the bids that are put in. I feel confident that the bids from Wales will be strong ones.

Q678 **Chair:** Do you agree that this pot of money should not just be used for lots of little schemes? If it is going to be strategic, it needs to be used in a very lumpy way. That means that other bids will be disappointed, but you will have to pick a couple of winners, really. Shouldn't that be Milford Haven and Port Talbot?

**David T. C. Davies:** That would make sense to me, but of course the problem with that approach is that it could mean that Milford Haven isn't a winner. We very much hope it is. It would tie in perfectly with the vision that we have, which is for floating offshore wind turbines to be constructed in some fashion in Port Talbot, floated out to the Celtic sea and then serviced from the port of Milford Haven, or possibly even partially constructed in Milford Haven. So I think I would concur with the point you make.

**Chair:** Thank you very much. Ruth Jones, please.

**Ruth Jones:** Thank you both for your time this morning. It is good to see you; and congratulations, Minister, on your new post.

**Fay Jones:** Thank you very much.

Q679 **Ruth Jones:** Secretary of State, you mentioned something just now about the population growing in Wales. You may be interested to know that we are currently undertaking an inquiry to look at the decrease in population in Wales—just to flag it up for your future reference.

If I may, I will go back to Robin Millar's point about rail electrification and the promise to north Wales. As a south Walian MP, I am fascinated by this promise, because obviously we were promised many times the electrification of the south Wales line. You have explained why it hasn't happened, but the promise was that it was going to be south Wales and not just to Cardiff, so I just wonder about that. You mentioned the four-track upgrade, which obviously we welcome because, in terms of the new stations coming along, it is really important. How much progress has been made on the four-track upgrade, and when will you ever look at the south Wales electrification again?



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**David T. C. Davies:** I will take those two general points one after another. The south Wales electrification came down as far as Cardiff, but there was, I seem to recall, a Welsh Affairs Committee inquiry into the electrification of the south Wales line some years ago—in fact, I was chairing the Committee, unless I have completely imagined this—and we found that the costs overrun on the south Wales line had been quite extraordinary. I believe there was a National Audit Office report that suggested that in the first instance some basic mistakes had been made. People hadn't counted the tunnels, for example, or the bridges—I see some nodding of heads. It was all quite extraordinary stuff, and the cost overrun was enormous. I have a figure in my mind, which I had better not use, but it would be easy enough to look up. So when it got as far as Cardiff, people were starting to take a proper interest in it and they realised that the journey times for passengers were not going to get any quicker if the electrification was taken as far as Swansea, because the configuration of the track—the bends, if you like—meant that the decrease in journey times through acceleration just wasn't going to happen.

That is why it stopped where it did. Had it carried on, we would have been spending a lot of money, but nobody would have had a better journey as a result. In the case of north Wales, I have absolutely no doubt that the decision to electrify the north Wales line is going to lead to a huge improvement in passenger journey time and reliability for rail users. I am confident that it's going to go through the business case a lot more easily than a proposal to go from Cardiff to Swansea would.

Of course, you and I have a particular personal interest in the second part of your question. In addition to the upgrade of the freight lines, which is going through its business case—it is proceeding well through its business case and I have been checking its progress—there is, as you know, a proposal to build extra stations along that stretch of line to make it easier for people to use public transport not just from Bristol to Cardiff, but from areas in between such as Caldicot and that area. I believe that funding is being announced to put together plans for that to happen, but I think—to be honest with you—that we are further away from those stations than we are from the upgrade to the line.

**Ruth Jones:** That is useful information; thank you.

**David T. C. Davies:** But the upgrade to the line really is going through the business case, stage by stage, very well at the moment and has already come out with a good value-for-money ratio.

Q680 **Ruth Jones:** But those stations are an integral part of the south Wales metro.

**David T. C. Davies:** They are an important part of it. I have heard bandied around figures that suggest that that is going to be a significantly larger investment than the actual upgrade to the freight lines. I have questioned the cost of the freight line upgrade with experts, because it appears so cheap. It is almost, in rail terms, loose change—don't take that out of context, but a figure of £50 million to £60 million is relatively small



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in rail terms, so one would hope that that is going to be dealt with quickly. The figure that I have heard bandied around for the stations is much more of an estimate, but it is significantly more than that.

**Q681 Ruth Jones:** I respectfully suggest, in terms of the electrification and the framework around the analysis, that now, because of the net zero targets, you may well need to—

**David T. C. Davies:** I appreciate the point you are making; it's a fair one. I think what you are saying is that if we take account of the carbon emission savings, we might be able to look at it in a slightly different way and see better value-for-money savings. I take your point on that one. But then, one might also argue that you could make the same argument in north Wales, for example.

**Q682 Ruth Jones:** We will watch with interest the promise of the north Wales line. Okay. On steel, obviously Tata Steel is in south Wales. What conversations have the Government had with Tata Steel about the multi-union plan, because obviously that was a credible alternative plan? How much discussion have you had with Tata on that?

**David T. C. Davies:** The UK Government are not going to discuss the union plan with Tata; it is up to the unions to talk to Tata and get Tata's support for an alternative proposal. Our conversation was with Tata, because Tata basically came to us and said they were going to pull out of the United Kingdom; they were going to stop all steelmaking in Wales. We had to come up with something that would save as many jobs as possible and ensure that steel continues to be made, and that is what we've done.

Tata are obviously going to look at this in a commercial way; there's no doubt about that. They are losing £1 million a day at the moment and we can't cover those sorts of losses for them. Any proposal that the unions come up with will have to be credible, but it's Tata that they need to sell it to and not the UK Government. The UK Government have already demonstrated a willingness to support steelmaking in Wales and to support anyone who loses their jobs as a result of changes that are made. That's all we can do.

**Q683 Ruth Jones:** You can't deny that there has been a lot of uncertainty and a lot of anxiety for the workers—the steelworkers. Is there any way that the UK Government could have helped in that situation?

**David T. C. Davies:** Well, we have. First of all, I absolutely do accept that; of course, there's anxiety, disappointment, sadness and worry. I mean, I really do acknowledge all of that. So, we've done two things.

First, we have said, "There is a plan." Tata have said to us, "If we could build an electric arc furnace, we can save 3,000 jobs and a supply chain." So we've said, "Here's half a billion pounds." That is a huge commitment: half a billion pounds as a one-off to one company is an absolutely massive commitment.

But it does not finish there. We also acknowledge that it's going to lead to job losses. We haven't shied away from that. It is difficult for me to give a



figure, because there is a legal process that has to be gone through, consultation, and so on and so forth. But I've never shied away from the figure that's been quoted in the press. I hope it is less than that, but let us say that that is a worst-case scenario. Of course, there is massive anxiety for everyone involved.

So, on top of the half a billion pounds, we've come up with another £100 million to be distributed to ensure that people and communities that are affected by this—the community of Port Talbot primarily—are supported through it. I chair the transition board, with Vaughan Gething as a deputy chairman and Michael Gove. We have said that we will look to ensure that anyone who loses their job is given access to training, so that they can get a well-paid job elsewhere. Also, there will be money for wider infrastructure improvements in the area to ensure that people see Port Talbot as a place to go and invest.

**Ruth Jones:** Thank you. We look forward to seeing those plans put in place, so the workers are reassured.

**David T. C. Davies:** We've already agreed to spend the first tranche of money on an economic development plan with Neath Port Talbot Council, so the money will flow out. I absolutely promise you: if the worst happens and people lose jobs, my commitment to the area and to those who lose their jobs is absolute, and I will expect to see that money spent.

I am having conversations with companies all the time to ask them, "What are your future requirements for training or for jobs? And if you require a large number of people and they require training, can we have another conversation, so that we can support you and enable you to take people on who may lose their jobs in Tata?"

Q684 **Ruth Jones:** Thank you. Okay. We've talked a lot about money. In terms of the devolved Welsh Government budget, there has been a lot of talk about the underfunding of Welsh Government lately. The Finance Minister said very recently that if the Welsh Government budget had grown in line with the economy since 2010, they would have £3 billion more in their budget to deal with. Obviously, that could come in very handy at the moment, given the cost of living crisis. I just wondered whether you had any thoughts about those figures.

**David T. C. Davies:** That is an interesting one, because I hadn't heard that comment. If he is saying that the economy has grown, and grown enormously across the United Kingdom—

**Ruth Jones:** Since 2010.

**David T. C. Davies:** That is really good. Obviously, the economy in the United Kingdom has grown since 2010, but I've heard Labour politicians saying that it hasn't grown at all since 2010. I welcome the fact that someone is suddenly saying, "Yes, it has grown since 2010, so we want more money."



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First, yes, it has definitely grown, so we will bank that statement from the Labour party in Wales. The economy has grown since 2010. Let's all take note of that and record it. Secondly, the funding for the Welsh Government has grown since 2010 as well. In fact, they received a record amount at the last spending review. They currently receive around £1.20 to spend on public services for every pound that is spent in England, and they receive significantly more than Holtham said was required under a needs-based formula.

There is absolutely no doubt that the Welsh Government are being properly funded. The real question has to be: considering the fact that 20% more is being spent on devolved services, why are we getting the lowest PISA results in the whole United Kingdom and why are they going backwards, and why is the health service failing to deliver to the same standard that we see in England under a Conservative Government?

**Q685 Ruth Jones:** I think you'll find that all PISA results went down across the UK—not by as much, I agree, but they did go down, so there wasn't an improvement in other places.

**David T. C. Davies:** But they're the worst in the UK. That is a really bad thing, isn't it?

**Q686 Ruth Jones:** In terms of where we're going with the budget for the Welsh Government, there is a discrepancy between what is said in this room and what is said in the Senedd. In terms of the funding gap, which is either perceived or real, certainly the local councils across Wales are feeling the pinch. They believe that that money is not coming from the UK Government, so that is an issue.

**David T. C. Davies:** The local authorities in Wales are funded primarily by the Welsh Government using a formula. That formula was changed by the Labour Government in about 2000 in a way that was very detrimental to rural areas. To go into a certain amount of detail, they don't take account of rurality properly and they give a lower weighting to the age of the population, and obviously the older we get, the more likely we are to require social services provided by local authorities. So actually, I think the Senedd needs to look at the local government funding formula and reassess it in a way that is much fairer to rural areas and areas that—coincidentally or not—are not run by Labour local authorities.

**Q687 Ruth Jones:** I think you'll find it is not just rural areas that are struggling. Every local authority across Wales is struggling because of the lack of funding, which is perceived to come from the UK Government.

**David T. C. Davies:** It is interesting how many local authorities have significant reserves at the moment.

**Q688 Ruth Jones:** Mostly earmarked for projects that have already been committed to, so that's one thing.

Let's move on. Obviously, semiconductors are a big issue in in our area. I know you were in Newport West on Monday, as was Minister Bhatti, which was great. We are still waiting for the national security decision on



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the Newport Wafer Fab. How are you going to help us to get that decision made as quickly as possible, so that the new company can take over and get on with expanding and investing in the plant, and no further jobs are lost?

**David T. C. Davies:** First, I have had conversations about that. There are some legal and security issues that make it a bit difficult to be as candid as I'd like to be with you, but I can assure you that I have taken a very strong interest. I have met with the staff association. I am obviously very aware of the potential purchase, and I would like to see the Cabinet Office deal with this as quickly as possible.

It is only fair to point out that the original inquiry took place as a result of calls from yourself—from the Labour party—and from Prospect, the trade union. In fact, the UK Government at the time were criticised for not acting quickly enough. We did as we were asked by yourselves. The result was a report that was drawn up not by Ministers but by UK Government officials, and we have acted on their findings. I am well aware of the importance of the plant and the semiconductor cluster in south Wales. I have visited a number of different companies. I haven't been able to go and visit Wafer Fab for obvious reasons, but I look forward to doing that as soon as this is resolved.

Q689 **Ruth Jones:** So you will be pushing the Cabinet Office?

**David T. C. Davies:** Yes, I definitely will. I understand the importance of this issue, and I will definitely be pushing to get it sorted. There may be another issue that might mean it takes a few weeks to sort it out, but I am certainly well aware of the importance of pushing this.

**Ruth Jones:** Thank you. I look forward to working with you on that. I will hand you back to the Chair.

Q690 **Chair:** On Newport Wafer Fab, are there any discussions going on about whether a potential new owner would need financial support from Government to keep the workforce in its current form?

**David T. C. Davies:** I am not aware of any call from Wafer Fab for Government support.

Q691 **Mr Roberts:** I have a lot to get through in my short time. Secretary of State, when you first came before the Committee in your current role, just over a year ago, you said your priority was to "ensure that Wales has a very strong voice around the Cabinet table and that the rest of the Government are fully aware of the needs of Wales." Can you give me some firm examples of how you have delivered on that in the past 12 months?

**David T. C. Davies:** Two freeports, three rounds of levelling-up funding, an electric arc furnace and a £100 million transition fund for anyone who might lose their jobs. We have made sure that we got beyond the 4 GW promise in floating offshore wind, which required numerous meetings between various Government Departments that presented certain challenges around that. Obviously, the North Wales Coast line



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commitment is a great one for north Wales, and I am ensuring—along with my colleague here—that the four growth deals continue to deliver projects for Wales.

**Mr Roberts:** Thank you. Minister, welcome to your new role.

**Fay Jones:** Thank you.

**Mr Roberts:** I was neglectful in not doing that during our debate yesterday; I do apologise for not welcoming you to your new role.

**Fay Jones:** Not at all.

Q692 **Mr Roberts:** What do you think you bring to the role that is different to previous holders of your office?

**Fay Jones:** That is a very interesting question. First, I would like to pay tribute to my predecessor in this role. I thought Dr James Davies was an absolutely fantastic Minister and I know he worked very well with this Committee. I look forward to doing that, and I hope he is back in Government before too long.

I do not intend to bring anything different; I intend to carry on in the vein that he started which was being a very loud champion for Wales right across all Government Departments. I think this role is for someone who makes of it whatever they will, and I think my predecessors have certainly done that. I fully intend to poke my nose into as many different Government Departments as possible to make sure that Wales gets the best out of all of them.

If I may respond to your previous question to the Secretary of State, when you have a Chief Whip who represents Carmarthen West and South Pembrokeshire, and the Prime Minister's PPS represents Montgomeryshire, I think that Wales's voice is very loudly heard around the Cabinet table.

Q693 **Mr Roberts:** That is an excellent segue into my next question: north Wales has historically felt a little bit unloved by both Governments, and some people have expressed a little bit of dismay that your predecessor from Prestatyn has been replaced by a Minister from Brecon. What can you say to reassure the people of north Wales that their voices will still be relevant in the Wales Office?

**Fay Jones:** When you are elected to Parliament, of course you are elected to represent your constituency, but you are elected thinking about your country. I think that means thinking about Wales and the wider United Kingdom. I think all of us discharge that responsibility and it is certainly something that I feel extremely keenly having now been appointed to this role.

I have been to north Wales already; I made it a priority to get there as early as possible. I have a very close relationship with the north Wales regional growth deal and have made that a priority to focus on in my current role. I think it is incumbent on whoever is in this job to make sure



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that they work for all of Wales. I would also point out that Montgomeryshire is quite far north.

Q694 **Mr Roberts:** Thank you. Secretary of State, can you give me three ways that the lives of people in Wales have been enhanced and improved through devolution?

**David T. C. Davies:** Through devolution? Well, it is sometimes easier to get hold of a Senedd Member than a Member of Parliament, by dint of the fact that they are more likely to go back to their constituencies. People's lives have been enhanced by the fact that they voted in two referenda for a Senedd, and then subsequently for a Senedd with law-making powers. The UK Government have delivered exactly what people voted for in a referendum, which I always think is a good thing.

I suppose when it comes to inward investment, it is always helpful to have a second voice at the table demonstrating commitment to companies across the world that Wales is a good place to come and live, work, and invest.

**Mr Roberts:** It seems to have been a little bit of a struggle to find some benefits of devolution, I must admit.

**David T. C. Davies:** Not at all. I just like to speak slowly, that's all.

Q695 **Mr Roberts:** When you say it is easier to get hold of an MS because they spend more time in their constituency, is that in reference to them only sitting two days a week?

**David T. C. Davies:** I think it is more likely that the people living in Wales are going to travel back home at the end of the week—or mid-week perhaps—then people living in London. I probably base that more on my own experience, having been a Senedd Member. I found that as a Senedd Member I was more available to do things in the constituency than I have been since I became a Member of Parliament. I suppose that will vary from person to person, and perhaps for those in north Wales it might be a bit harder.

Q696 **Mr Roberts:** One of your predecessors way back in the distant past—Ron Davies—famously wrote that devolution is “a process, not an event”. Further down that paragraph, he said, “We test our constitution with experience and we do that in a pragmatic and not an ideologically driven way.” Where is the test, why doesn't anyone do it and why do we devolve powers and then forget about it and say, “It's nothing to do with us; it's devolved”?

**Fay Jones:** To pick up on that last point, there is a very good example of not “devolve and forget” that we have already talked about in this Committee, where the Secretary of State for Health wrote to his counterpart in the Welsh Parliament to offer support for patients across Wales. I do think that attitude of “devolve and forget” has gone.



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There are a number of ways—certainly, from my own constituency, I am incredibly proud that we are the home of the army in Wales, and I think the Ministry of Defence works extremely well with the Welsh Government on Wales's role in the armed forces, and this is part of an inquiry that this Committee is currently looking at. I do not agree with your assessment that “devolve and forget” is part of this Government's approach.

**David T. C. Davies:** If I may add, though, Ron Davies made an interesting point when he said devolution is “a process, not an event”. I think he is right about that. It is not necessarily a process that I am enthusiastic about, but what we have seen ever since 1999 is a cycle of the Senedd Members accepting—the Labour Government accepting— what they have, and then suggesting that any failures are down to the fact that they need some extra powers. They then set up an allegedly independent committee of the great and the good to go around Wales—usually at great expense—to hear from people telling them that they need more powers. They come back saying, “We need more powers,” and then get more powers, and then the whole thing starts all over again.

We are in one stage of that process at the moment where we are about to have a committee reporting back to us in a few weeks. It will tell us—I will make my prediction now—that if we hand over justice, policing and a few other things to the Senedd, everything will be fine and a much better job will be done. I suppose that is what is going to happen. We could have saved two years of work just by writing the report out for them because we all know what it is going to contain.

Q697 **Mr Roberts:** Will you confirm at this point that there are no plans from the UK Government to do that?

**David T. C. Davies:** Correct. There are no plans whatsoever to devolve justice to the Senedd. What the Senedd should do is concentrate on using the significant powers it has in devolved areas, such as health and education, to bring about improvements and not spend—as it is about to do—over £100 million on creating extra Senedd Members and demanding extra powers on things they do not currently control.

Q698 **Mr Roberts:** Do you trust the people of Wales to make decisions about how their country is run?

**David T. C. Davies:** I trust the people of Wales and the United Kingdom to make the right decisions, yes, of course. That is democracy. Although sometimes we may find ourselves in a different place, we respect the fact that a majority voted in a certain way. That is why it was so disappointing for me, having accepted the result of two referenda on the Senedd, that the Senedd was not willing to take the same positive view when the people of Wales voted to leave the European Union.

Q699 **Mr Roberts:** Given that you trust the people, I will be presenting a private Member's Bill later on to establish a referendum to let the people of Wales decide whether they want to keep it or not. Will you back that if you trust the people of Wales to make a decision?



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**David T. C. Davies:** No, I wouldn't. I would vote in such a referendum, of course, but I do not think we need to necessarily reopen that constitutional question. People have voted twice for a Senedd, and just as I would not welcome a second referendum on Brexit, because people have made that decision, I do not think we should be doing the same thing with the Senedd. I did vote against it, but I fully accept that a majority voted in favour of it. I have a democratic duty to accept that—to rejoice in the fact that we sometimes have to accept that being on the wrong, or perhaps losing, side, of a referendum or election is the price we pay for living in a democracy. It is a really good price to pay; I would much rather occasionally be on the losing side of a referendum or an election than be living in a dictatorship where you never get a say. Let's just accept that sometimes we are not going to win.

Q700 **Mr Roberts:** As you brought up Brexit, 2016 was confirmation that having had the EU for the last 40 years, the people got to decide whether we wanted to keep it. Now having had the Senedd for 25 years, surely the people should be allowed to decide on the same basis and exactly the same principle, whether we get to keep it or not.

**David T. C. Davies:** Except that we had a second referendum in, I think, 2008—

**Ben Lake:** 2011.

**David T. C. Davies:** Sorry, 2011—even more recently. Well done, you put me right—14 years ago. Mr Lake will probably have a better grasp of the figure than me, but in that second referendum people voted overwhelmingly—

**Mr Roberts:** That was on a very different question.

**David T. C. Davies:** Yes, but to me it was fairly clear that people had accepted a Senedd by then. For me, the issue is not whether we should have a Senedd or not. I will question the Government. I would much rather go back to people. Mr Roberts, you are obviously not very impressed with the Senedd Government, and neither am I. But the answer is a change of the Government, and talking to people and saying, in a democratic way, "We've had the argument about whether we have a Senedd or not. Let's park that one. Let's have an argument about what sort of Government we have. Let's have a democratic debate about that." That is what I think we should be doing.

Q701 **Mr Roberts:** Do I have one more minute? On a different topic entirely, in the autumn statement, the Chancellor announced an investment zone—a joint bid between Wrexham and Flintshire—which was wonderful news. Can you confirm that that investment zone will have all the same benefits as the ones in England? When do you anticipate that it will be in force? What benefit do you think it will bring to the economy of north-east Wales?

**David T. C. Davies:** I cannot confirm that it will have exactly the same benefits as England, because that would be partly dependent on the



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Senedd. However, I have every reason to feel positive about it, because I have had discussions about it with the relevant Minister and I believe that he is positive about and supportive of the idea. I think he may have pushed for two investment zones in the Senedd cabinet, and I think he went out of his way to persuade people of the case for it. So I am pretty positive about it, but I cannot say 100%, because it is down to the Senedd Government.

Q702 **Mr Roberts:** Do we know when it might be likely to be established?

**David T. C. Davies:** I had probably better write to you rather than tell you what I think the answer is. I think the answer is early next year, but I will come back to you, if I may—unless somebody wants to give me any inspiration on that?

**Mr Roberts:** I suspect the Chair is about to—

**David T. C. Davies:** It will be partly dependent on the Senedd anyway, but from our point of view, we want to move forward as quickly as possible.

**Mr Roberts:** No problem.

Q703 **Chair:** There is quite a lot of chatter on Welsh social media that the First Minister might be about to announce that he is standing down. Were you given warning that this might happen, Secretary of State?

**David T. C. Davies:** No, none at all.

**Chair:** Okay. We will see what might unfold.

Q704 **Ben Lake:** Thank you, Secretary of State, and welcome to your new role, Minister. I would like to begin by asking you some questions about abandoned metal mines in Wales and the pollution of many of the waterways with zinc, lead and cadmium. This is an age-old problem, and some of these mines are thousands of years old. It has come to some notice recently that serious work needs to be undertaken to reduce some of this pollution. I understand that the Coal Authority is working with Natural Resources Wales to try and undertake some of the remediation work. Has the Coal Authority approached you, as the Wales Office, about this problem? I understand that it is particularly concentrated in parts of Wales that are, by today's standards, quite rural and not easy to access.

**David T. C. Davies:** Natural Resources Wales has published a document on metal mines. I think if you google "NRW metal mines", it comes up as the top result. On the first page, it says that the pollution from metal mines is the primary cause of Welsh rivers failing to meet environmental standards. In other words, from what I read in this report, metal leaching into rivers is more serious than sewage, chicken manure, or anything else that is going into the rivers, and yet we have heard very little indeed about it.

The report says that there are 1,500 abandoned mines in Wales, of which around 50 are leaking significant amounts of metal into rivers, some of



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which could even be finding its way into the food chain, if that water is being drunk by animals. There has been some remediation work at Frongoch, which may be in the hon. Gentleman's constituency. But I am not sure to what extent that remediation work has actually taken place, or what the Welsh Government define as remediation work.

I have written to Ministers in the Welsh Government. I may publish the letter later on today, because I have not yet had a response. I am surprised, because it is portrayed by the Welsh Government's own enforcement and monitoring agency as the most serious pollution threat to the rivers in the whole of Wales. It does not seem to be taken very seriously at the moment. I would very much welcome a response from Welsh Government Ministers on this issue.

**Q705 Ben Lake:** Thank you, Secretary of State, for that answer. I would also welcome a response and some reassurance because, as I understand it, the strategy that is seemingly in place was first drawn up in 2002. Many of the mines were identified in 2002, so there are concerns about the amount of pollution and the metals that have been deposited in the years since. I would welcome sight of any reassurances that you receive from the Welsh Government on that matter.

The other point is that, if I understand it correctly, the remediation for many of these mines will incur quite significant upfront capital costs, but that the maintenance of some of these solutions need not necessarily be too expensive. We could well find ourselves in a scenario where there will be a need for significant upfront capital cost. I anticipate your answer, but have you received any undertaking from the Welsh Government that they might be asking for your support in lobbying the Treasury for funds to cover that cost?

**David T. C. Davies:** Not on this issue. There has been complete silence from Welsh Government on this particular issue, which surprises me. One of the things that concerns me here is that there does not seem to be a public realisation that the Welsh Labour Government are responsible for river quality in Wales. I have even had the strange situation where prominent Welsh Labour activists have put my black and white photograph up over rivers and said, "This person is responsible for sewage going into the water." First of all, I voted for restrictions on that happening. Secondly, as surely this particular person would know, it is the Welsh Labour Government that are responsible for this. It is they who are responsible for Natural Resources Wales. They fund it, they pay and NRW answers to the Welsh Labour Government, not to anybody in the UK Government. Welsh Water sets its plan in conjunction with Ofwat, but basically based on guidance from the Welsh Labour Government and nothing to do with UK Government. There is absolutely no realisation of that at all.

As for metal mines and metal leaking into the river system, there has been complete and utter silence on the issue and no response whatsoever to the letters I have written, which I will publish online later today.



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**Ben Lake:** Thank you, Secretary of State.

**Fay Jones:** If I may just build on that, I was quite disappointed to see the evidence that was given by Natural Resources Wales to this Committee just a few weeks ago, where I believe the chief executive said that prosecuting water companies would not actually lead to a betterment.

I can hear phones buzzing around the room, which I think is the confirmation. I will let the Chair talk about it afterwards.

I would just reflect that I think that lack of ambition from Natural Resources Wales is harming river quality in Wales. Again, I think it speaks to the wider attitude from the Welsh Government that water quality is purely the responsibility or the problem of farmers across Wales. I know that you and your party have done an awful lot of work on this. Whatever we could do as a Government—perhaps we could offer help again to the Welsh Government, particularly in terms of the rivers that flow cross-border—that would be a very valuable exercise. I worry that the Welsh Government may not take us up on that offer.

**David T. C. Davies:** May I add something else as well to that, Chair? The UK Government have been very clear that they want to see all sewage outflows monitored on rivers in England. Those monitors will tell us how much sewage is going into rivers and how often it is happening. It is very clear; there will be no escaping the figures. The figures will be clear and we hope to see a year-on-year improvement.

In Wales, it is much more subjective. It is all about how serious that pollution is and who decides whether it is serious or not. Presumably, Ministers will ultimately decide whether they think it is serious enough to bother reporting it. We the public will not really know because we will not have figures for it. That is why I think the approach is wrong. It is far too relaxed, and it is deeply concerning that while Welsh Labour activists continue to criticise the UK Government for its policy on rivers when we are working extremely hard to reduce pollution and all forms of pollution going into rivers, nothing is happening in Wales. Nobody seems to even acknowledge that the Welsh Labour Government are in charge of this.

As for metal mines, as I say, complete and absolute silence, despite the fact that NRW's report, which could be seen in a matter of seconds online, says that this is one of the most serious causes—actually, the most serious cause—of pollution in Welsh rivers.

Q706 **Ben Lake:** Thank you for that. Mention was made this morning of an inquiry that the Committee is undertaking on demographic and population changes in Wales. One of the clearer things that we have evidence for is that Wales is an ageing country. It looks as though the mean age in Wales will increase by 2038 to 45 years from the current 42.6 years. Concomitant with that is the drop in the percentage of the population who are children. That will bring challenges for the provision of public services in Wales, and the demand on those public services.

I listened with interest when the Home Secretary detailed changes to visa



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policy. Has the Home Office been in touch with the Wales Office to seek your views about the needs of Wales when it comes to immigration, and about the fact the median salary is different across the nations and regions of the UK? I do not know whether that has been or could be a conversation, when it comes to padding out the policy.

**David T. C. Davies:** Obviously, the policy has been designed to ensure that people who live in the United Kingdom are not undercut, and that, effectively, employers cannot bring people in from other countries and pay them lower salaries, which I assume we all agree is correct. I note with interest the Committee's inquiry into depopulation, and I agree that it is a problem. The UK Government are aware of this, and that is why we are trying to come forward with schemes that will allow people in Wales to stay in Wales.

We want this to be about creating not jobs but careers, so that people can stay. If we look at what the civil service has done, for example, we had the announcement the other day of around 500 jobs going to a hub in Wrexham. These will be good, well paid jobs that will allow people in the civil service to develop careers without having to come to London. We have something similar with a hub in south Wales where the Wales Office is based. The growth deals are about developing careers.

We are promoting new industries, such as the semiconductor industry and the floating offshore wind industry, when that gets going. There is a good fintech cluster in south Wales, and a medtech cluster. These will hopefully allow people to have not low-paid jobs, but really meaningful, productive careers, and to be able to stay in Wales. We do not want what has been happening: young people get to about 18 and then go off to university somewhere and do not come back. As somebody who recently got married—by the way, *llongyfarchiadau am hynny*—I am sure that you want any future Lakes to be able to remain in Wales, and to enjoy a well paid, meaningful career there, rather than having to come to London, as you and I have done for our careers.

Q707 **Ben Lake:** Thank you, Secretary of State. On that point, I understand that the Home Office will exempt certain health and social care roles from the new threshold, which I very much welcome. In some parts of Wales—mid-Wales and Ceredigion specifically—the universities offer quite important opportunities, not just for careers but to help with local productivity. My plea is this: when the policy is reviewed and there are discussions with the Home Office, I ask that the point be made that there is quite the difference in the average starting salary for postdoctoral research roles across the UK's higher education sector. We would not want universities in Wales to disproportionately lose out because of these changes.

**David T. C. Davies:** That is a fair comment, and correct. Ideally, I would like starting salaries levelled out across the whole United Kingdom, so there is no incentive to leave Wales. I am sure you and I would agree on that. We have, slightly tangentially, pushed very hard to ensure that UKRI funding comes in fair quantities to Welsh universities, because that has



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not been happening in the past. There has been too much of an emphasis on universities in the south-east, and we want to see that money coming out.

**Fay Jones:** Can I make a brief point about your inquiry on depopulation, which I warmly welcome? You mentioned mid-Wales. The industries that drive the rural economy are things like tourism and farming, in which I would say older people are probably over-represented. If only as a point to bear in mind as you carry out your inquiry, I would say that older populations have huge value to offer the economy. I am thinking particularly of farming, although there does need to be more thought in the sector on how we get more younger people on to the ladder in agriculture. However, there is still a huge amount that the older generation can offer that industry, and other industries such as tourism and hospitality. It is absolutely something we need to address and put all our efforts into, but I wouldn't throw the baby out with the bathwater. I would just urge colleagues to think of the value of the silver contribution to the UK economy.

**Ben Lake:** That is a very important point.

**David T. C. Davies:** I declare an interest in that one, I think.

**Fay Jones:** As someone else who got married recently, can I say a massive congratulations to my friend?

**Ben Lake:** Likewise to you, Minister.

Q708 **Chair:** We are drawing towards the end, although we are not quite finished. While you have been answering Ben Lake's questions so ably, I understand the BBC has confirmed that First Minister Mark Drakeford has announced that he is stepping down, which will trigger a leadership contest in the Welsh Labour party. Secretary of State, do you want to give an immediate reaction to Mark Drakeford stepping down?

**David T. C. Davies:** I would like to wish the First Minister—as he still is, I assume—all the very best. Our relationship has always been very courteous, and I praise him for the very hard work he has undertaken over the past few years. We have had our differences—that will not be a surprise to anyone—but I genuinely wish him all the best, and hope he is able to enjoy some well deserved time with his family after he steps down.

Q709 **Chair:** Thank you. Thinking of all the interactions you have had with other Welsh Government Ministers, have you got a favourite in mind that you would like to succeed him?

**David T. C. Davies:** Mr Chairman, I'm just going to tell you straight: I am not going to get involved in the Labour leadership contest. I will sit back and watch it with great interest.

**Fay Jones:** Enjoy, Ruth.

**Chair:** Very wise. Rob Roberts, you had a quick supplementary.



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**Q710 Mr Roberts:** I have a very quick question in response to something that you said to Ben about water in rivers and sewage. I got: Welsh Government not doing enough; Natural Resources Wales not doing enough; and everyone should be doing more. Earlier on, in response to my questions, you were at pains to say that “devolve and forget” doesn’t exist, but here, all you have is a critique of the Welsh Government’s efforts, and “It’s nothing to do with us.” This is why people will think the UK Government do not get involved in things in Wales.

**Fay Jones:** I massively disagree with that example. I represent the River Wye, and the quality of the water in that river has been one of the key issues in my inbox for the past four years. I have lobbied both the Welsh and UK Governments to come to the table—even to come to a roundtable conference—to discuss that issue. The UK Government Minister has come to Builth Wells to talk about it; the Welsh Government Minister has declined. That is not a fault of the system, but a policy decision from the Welsh Labour Government. I don’t think your argument is with devolution; it is with the Welsh Labour party.

**Q711 Chair:** Unless there are any final questions from my colleagues, there is one issue I would like to flag with you. We are undertaking an inquiry on the defence industry in Wales, the contribution of the defence sector to the Welsh economy and the overall UK defence capability. We have had some interesting sessions already, and a very interesting visit to QinetiQ sites in west Wales. Secretary of State or Minister, what work are you are doing from the Wales Office to encourage further investment in the Welsh defence sector, and are there any projects you are championing?

**David T. C. Davies:** I certainly support the defence industry in Wales. I think it is one of our specialisms. I have obviously visited a number of those stakeholders: General Dynamics, BAE in my constituency, Airbus and others. The MOD will quite rightly say that it has to make judgments on defence spending based on the product that is offered, not on where it is located, but I think that Wales is already doing very well out of defence spending. I can assure you that I will do everything I can to champion Welsh companies—both the main providers and those further down the supply chain.

**Q712 Chair:** Our understanding—in fact, we heard evidence on this—is that the MOD does take into account, or is supposed to take into account, the regional value of where projects might be located. Obviously, we want to see Welsh projects scored appropriately.

**David T. C. Davies:** I think it will give some weighting to that. Ultimately, the quality of the product is very important, but I am pleased that the quality of the products produced in Wales is very high indeed, and we have really good specialisms with defence, aerospace and automotive.

**Q713 Chair:** Absolutely. We heard a compelling pitch from Airbus on the bid that they are putting together for siting the build of the new medium-range military helicopter in Broughton in north Wales. Obviously, there are other sites around the UK and other companies that would have an interest in that competition, but are you in a position to champion the



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Airbus bid?

**David T. C. Davies:** Well, I will say that I am aware of that bid and of one other bid, but I can honestly say that I have met Airbus on a number of occasions, and I think that they are one of the best companies that we have in Wales. I would consider myself a champion for Airbus. What they are doing with apprenticeships is absolutely outstanding, as is their engagement with Ministers and local authority leaders in all Governments. There is also the fact that they have important locations in north Wales and south Wales. We all think about the wings, of course, which are flying across the world now, but they also have the cyber-security side in south Wales, which is doing vital work on behalf of the nation. I really think that they are one of the most outstanding companies that I have ever had cause to deal with, but obviously I cannot really take a view regarding this particular project, other than to say that I very much hope it comes to Wales. Obviously the decision will have to be made on the quality of the bid, but I cannot think of a finer company than Airbus.

Q714 **Robin Millar:** Secretary of State, in this session there have been a number of references to the amount of money that is going into Wales above and beyond the Barnett block grant—the levelling-up fund, the shared prosperity fund and significant infrastructure investment. This is really a simple question: do you feel that you have enough insight into the delivery of those projects and the effectiveness of that money? Do you need more input? I am talking about within the UK Government.

**David T. C. Davies:** Sorry, which particular projects? Which specific ones?

**Robin Millar:** For example, the £1 billion on the electrification of the north Wales main line, and then, presumably through DLUHC, the levelling-up fund projects and the shared prosperity fund. I am just concerned. That is a lot of money coming into Wales. I can speak of my own constituency, Aberconwy. Are you confident, as the Secretary of State for Wales, that you have good visibility on that? Are you able to put pressure on, to ensure the effectiveness of that money going into Wales?

**David T. C. Davies:** Well, I certainly feel that I am properly sighted on those. Obviously, specific projects under the LUF and the shared prosperity fund have to go through a rigorous process conducted not by Ministers but by officials to ensure that those projects are likely to be effective. We deliberately remove Ministers from that process so that there cannot be any question of people directing money into one place or another; it is done on the on the quality of the bid. However, yes, I am quite confident that the process is the correct one.

**Chair:** Thank you very much. That brings us to the end of our session. This has been a very helpful and wide-ranging discussion. We appreciate how frank and open you have been in your answers. I think that the only slightly objectionable moment—you probably got this from the gasps and the splutters from around the table—was when you dared to suggest that Members of the Senedd might be easier to get hold of than Welsh Members of Parliament, but—



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**David T. C. Davies:** That is one of those things that could easily get taken out of context. It was not meant as an insult, either to Cardiff or Westminster.

**Chair:** But thank you very much. We wish you all the very best in your new role, Parliamentary Under-Secretary of State, and you, Secretary of State, as you continue your work. To everyone here, I wish you a nadolig llawen a blwyddyn newydd dda.