

Welsh Affairs Committee

Oral evidence: [Responsibilities of the Secretary of State for Wales](#), HC 96

Thursday 14 January 2021

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Members present: Stephen Crabb (Chair); Tonia Antoniazzi; Simon Baynes; Virginia Crosbie; Geraint Davies; Ruth Jones; Ben Lake; Rob Roberts; Dr Jamie Wallis; Beth Winter.

Questions 183 - 245

Witnesses

I: Rt Hon Simon Hart MP, Secretary of State for Wales; and David T C Davies MP, Parliamentary Under-Secretary of State for Wales.

Examination of Witnesses

Witnesses: Rt Hon Simon Hart MP and David T C Davies MP.

Q183 **Chair:** Good afternoon. Welcome to this meeting of the Welsh Affairs Committee. It is a virtual meeting. I am delighted that we are joined this afternoon by the Secretary of State for Wales, the right hon. Simon Hart MP, and the Parliamentary Under-Secretary of State for Wales, David T C Davies MP, who will be with us for the next couple of hours answering a range of questions from Committee members about current issues of concern and interest in Wales. Could I make a plea to my fellow Committee members to be as brief as you can in your questions, and to the Secretary of State and the Minister to be as brief as you can in your answers? If we could be as concise as possible, we will keep moving as quickly as we can through the material.

I will start, Secretary of State, by asking about the vaccination rollout. Can you very briefly, for the Committee's benefit, describe your understanding of what responsibilities the UK Government have in the vaccination delivery chain and what Welsh Government are responsible for?

Simon Hart: I will do it as best I can. Thank you very much, by the way, for the invitation. It is always good for us to appear before the Committee and hear what the concerns are, so we are always very grateful for the opportunities that you give us.

As far as the vaccine rollout is concerned—and I am sure David will correct me if I get this wrong—the process is that the bids for the necessary amounts of vaccine to cover the first four cohorts at this stage go to Public Health Wales, Welsh Government and then to Public Health England, who fulfil the order. The actual numbers of that are a matter of fact, so there is nothing particularly unusual about the numbers. We know what the first four cohorts are. We know it is a UK-wide approach, so we know how many people there are, actual physical numbers of people, in each of those four cohorts.

The GP surgeries have to register, then they have to put in their bids. That goes through Welsh Government to PHE and then it is fulfilled. It is slightly laborious compared, perhaps, with the straightforward GP surgery to PHE in England, but it is, none the less, the system that they are using to get to the same place, hopefully in roughly the same timescale.

Q184 **Chair:** Public Health England is responsible for getting the vaccines to us in Wales, is that correct?

Simon Hart: Correct.

Q185 **Chair:** With Welsh Government acting as the gatekeeper in that supply relationship?

Simon Hart: Correct, as I understand it. If somebody can correct me, feel free, but that is as I understand it as of this morning, yes.



Q186 **Chair:** Okay, that is very helpful. Are you satisfied with the pace of rollout in Wales currently?

Simon Hart: It is always dangerous. The moment I say yes, it sounds like I am being complacent and I wouldn't be. I think it can always be better; it can always be faster; it can always be more thorough. You and I have a similar interest in Pembrokeshire where there does not seem to be quite the level of vaccination centre plans as elsewhere in Wales, which I know is a huge concern to our constituents.

I qualify my concerns by saying that this is a phenomenal logistical challenge for everybody involved, including Welsh Government. I think it is, at the end of the day, a success story. I think the UK is third in pretty well the world in our vaccination progress so far. This is a good news story. It is a remarkable effort by many thousands of people. Could it be better or quicker? Yes, of course. I know there is a huge amount of pressure to go to 24/7 vaccination as soon as it is physically possible to do so. We are confident that those first four cohorts across the whole of the UK, but in Wales especially, can be met in the timescale.

Q187 **Chair:** On what could be improved, the over-80s age group is considered by JCVI as probably one of the most vulnerable categories of people due to receive the vaccination. Are you satisfied that Wales is in a similar place to the rest of the UK, and particularly with respect to England, in rolling out vaccinations to over-80-year-olds?

Simon Hart: I will give you a statistic that came to me this morning. This is first dose vaccines per 100,000. In Wales it is 3,215, compared with England at 4,005, Northern Ireland at 4,828 and Scotland at 3,514. We are, at the moment, looking at the slowest rollout of vaccines, and that will automatically apply to that over-80 cohort. I think the over-70s, if you take everybody including the clinically vulnerable over the age of 70, make up 88% of hospitalisations and, sadly, deaths. That figure of 3,215 does not compare particularly well with 4,828, 4,005 and 3,514. Is there room for improvement? Am I satisfied? Of course, there is room for improvement and, of course, no, we will never be satisfied until we have everybody done in the shortest possible timescale. That question needs to be levelled also at Public Health Wales and Welsh Government to get the absolutely comprehensive answer that you seek.

Q188 **Chair:** We hear anecdotes that are coming to us from around Wales of pensioners who have been contacted for an appointment to get their vaccination—and I had one in my constituency yesterday—and they go to the vaccination place, the surgery, and they are then told, "Sorry, the supply of vaccines didn't arrive." Given what you said about the role of Public Health England, is that a Public Health England supply problem?

Simon Hart: The answer is that I don't know the specifics, but what I do know, courtesy of the BBC, is that there have been roughly 300,000 vaccines delivered to Wales at the last count, of which about 115,000 had been administered. Somewhere in the system in Wales there is a



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significant balance, even as we speak, of vaccines that have been delivered and have not been issued to either GP surgeries or other clinical settings where they might be administered. I do not know why that is the case. All I know is that the 300,000 vaccines have been delivered, yet only roughly a third have been administered. I am not in a position to answer why that might be.

Q189 Chair: I will move on to the financial response to Covid. We have talked about that in these kinds of sessions before. Last week there seemed to be, if I can be polite, a slightly confused message from HM Treasury about the level and nature of the additional financial support being given to Welsh Government. Can you describe briefly for the Committee what your understanding is of the additional finance that the UK Government have provided to Welsh Government?

Simon Hart: Yes. I think there was some confusion, if my memory serves me right, about a £227 million figure, which was initially almost reported as being new money but, in fact, was not new money. I tried, through my own channels, to reassure people that that was part of the original £5.5 billion Covid recovery funding but did not constitute new money on top of that. I accept, with a suitable degree of humility I hope, that these messages are not always perfect first time. I realise that that caused some confusion, but I am hoping that, taken in the context of the overall financial contribution made across the whole of the UK to try to help people through this crisis, everybody understands that there is no malice intended in that.

We are trying to channel as much cash into the right places at speed. If the messaging of that was not as clear as it should have been, we have to hold our hands up and say that that could have been done a little more clearly. It is important to stress that that was not new money, and I am sorry if anybody got the impression that it was new money.

Q190 Chair: What would you say to the Committee is the running tally of additional finances being provided to Welsh Government at the moment?

Simon Hart: The last figure I had was £5.5 billion. I would need to double check whether all of that has been paid up front and come back to you. David may be able to assist me in that, but what we are trying to do, as I think you will have known from the last Committee, is to make sure that instead of Barnett being deployed in the normal way—which is the UK Government spend that is Barnettised and then filters into the devolved Administrations—we do that the other way round and up front that payment. Otherwise there is a danger that the devolved nations will be waiting for an undue period when the urgency is just the same as it is across the whole of the UK. That has been a welcome development to make sure that money is getting into Welsh Government as soon as possible so that they can spend it on the support measures as they see fit.



David T C Davies: The figure quoted by the Secretary of State is even higher than the one I had, which is £5.2 billion, but there was that £200 million around Christmastime as well. There appears to be some money that has been given to the Welsh Government that I understand is not yet spent. As with the vaccines, I do not think there is a problem with getting deliveries from UKG over to Welsh Government. It is not for me to point fingers at anyone, but certainly UKG can only supply the money and can only supply the vaccine. We cannot be responsible for how that money and vaccine is distributed.

Q191 **Chair:** I will let other Committee members come back on vaccines if they want to. On the money question, the issue that you have just highlighted, Minister, about money with Welsh Government that has not yet been allocated, are you indicating that that is money that UK Government would expect to have been used by now for Covid support, or is this not part of the normal way of Welsh Government managing their finances over a period of time? What is the thinking in UK Government about the unallocated money you have just described?

David T C Davies: My personal thinking is that there is nothing normal about what we are going through at the moment and that we need to be distributing money and support as quickly as possible to all those who are impacted. I don't wish to point any fingers of criticism at Welsh Government over this, but I want to make it clear that, as far as I am concerned, we have delivered that money. Our thinking is probably that we would like to see it go to the relevant people and businesses in need of support as quickly as possible. I look to the Secretary of State for guidance, but I think that is pretty much our thinking on this.

Simon Hart: I absolutely endorse that. Of course time is of the essence. As we have all experienced as constituency MPs, our inboxes are full of businesses and individuals who are clinging on by their fingertips, wondering when their support may become available. I try to speak to Ken Skates most weeks. He understands the pressure everybody is on. We keep saying, "Get this money out the door as fast as you possibly can, please."

Q192 **Chair:** Can I move on slightly? This will be my final question before I bring in fellow Committee members.

On Brexit, we have gone past the end of the transition period. Brexit has been fully delivered. This Committee produced a report shortly before Christmas, and one of the concerns we flagged was the potential for freight to be rerouted away from the Welsh ports through the services that operate directly between the Republic of Ireland and continental Europe. What we have seen since the end of the year is really significant drops, I understand, in freight moving through the Welsh ports and a big surge in freight traffic between the Republic and continental Europe. Stena put out another statement last night about the additional capacity they are adding. Secretary of State and Minister, how concerned are you about that trend? Do you see that as a short-term fluctuation? How



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worried are you that that becomes a permanent structural loss to the Welsh economy?

Simon Hart: I think the same question—you may have even asked it, Chairman—was asked of the PM yesterday, and I saw his response to that. There is a bit of context to this. There were a number of companies in the supply chain that had made sure that as much of what would normally have been their January-February deliveries and orders were fulfilled in December so as to avoid any potential hiccups arising out of the end of the transition period. I think we probably saw an increase in activity in those last few weeks running up to the end of the transition period, which has been compensated by a reduced amount of traffic in a period of time when there is reduced traffic anyway because of the holiday and New Year period and, layered on top of that, the impacts of Covid. There has unquestionably been a significant downturn in what would normally be standard traffic at this time of year.

It is probably too early, if I am honest, to say that this is a permanent trend. The indications are that it is picking up again. I don't know whether it will pick up, or at what speed, to its pre-Covid and pre-Brexit levels, but there is some evidence that things are not looking necessarily permanently bleak. I think it is a very good question. It is one of those areas that we need to keep a very wary eye on, but I think and hope that it is a temporary dip in the graph rather than anything that has a permanent displacement effect.

David T C Davies: May I come in with a slightly anecdotal point here? I used to work in the haulage industry, and I stay in touch with some of my old colleagues. They have suggested to me that there have been what they call teething problems that are rapidly being sorted out. If one also looks at the news in the Republic of Ireland newspapers, they were reporting, I think yesterday, that there had been problems right at the start of the year that were now rapidly being overcome. One of the German companies has reported that there have been problems with paperwork on deliveries going from Germany to the UK, but very few from the UK going back towards the continent. All of the anecdotal evidence, from talking to hauliers and from what the papers are saying in Europe, is that there have been teething problems that are being dealt with.

The direct route from the Republic of Ireland to France was long planned. That was in the pipeline well before Brexit and, frankly, most hauliers are concerned at the length of time that takes. It is not a regular sailing. Hauliers like to be able to pitch up somewhere like Dover or Folkestone and get on to the next ferry available. At Dover they are going out every half hour or so, and the same with the trains. That is not the case with that particular service at all. The way the haulage industry is set up, and most companies are, with just-in-time deliveries, that was always going to be of some use to someone but it is never ever going to be a replacement for goods travelling via the United Kingdom over to the



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continent from the Republic of Ireland, and nobody has ever suggested that.

Chair: That is very helpful. Thank you very much. I am going to bring in Rob Roberts in a moment, but Geraint Davies wanted to ask one very quick supplementary question on finance.

Q193 **Geraint Davies:** Secretary of State, you said it is important that Wales does not sit on money, and we have something like £1 billion in reserves. My understanding is that the UK has £25 billion in reserves for Covid. Wales does not have the facility to borrow and is unable to spend this money in the knowledge that it is covered in case of unforeseen changes. Won't you press Government now to allow Welsh Government to borrow so that they can spend the money that has been given without the risk of running out of money?

Simon Hart: It is an interesting point, and not one that I have heard put. The issue with the £5.2 billion Covid recovery money, sort of advanced Barnett, is that it falls outside the normal funding regime and, therefore, does not fall foul of the scenario that you suggest. That money is there to be spent in the way that normal Barnett consequentials would be. If the point you make is correct, I am slightly surprised that Welsh Government have not made that point themselves. I have not heard that point being made. When the question of the unspent £1 billion has been highlighted in the media, I have not received and I am not aware—but I would not necessarily know—of Treasury colleagues receiving a similar response, saying, "We need additional arrangements put in place because otherwise we cannot spend the money that has been made available." I am a little sceptical about that without knowing a little bit more, but it is an interesting question.

Geraint Davies: I think the—

Chair: Sorry, Geraint, one supplementary. We will keep moving.

Q194 **Rob Roberts:** My question is very brief. I apologise, first of all, to the panel. It is nothing personal at all; I will need to drop off the call to virtually attend a family funeral shortly, which is one of the quirks of our time, sadly. There is no slight on your answers at all; it is prearranged. I shall be back towards the end.

I wanted to ask very specifically about the vaccine situation. I appreciate the Secretary of State mentioned earlier that 300,000 have been sent to Welsh Government. In conversation with colleagues, we are all—and I am sure you are as well—inundated with this as the main feature of our inboxes currently, and people are very concerned in Wales, particularly in north Wales.

Obviously holding the UK Government to account, rather than the Welsh Government, is our function. My very specific question, to which there should be a very short answer, is: will the UK Government guarantee that there will be sufficient delivery of vaccines to Wales to meet those targets of vaccinating the first four groups by mid-February? It is a UK



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Government target. It has now been adopted, thankfully, by the Welsh Government, but obviously they can only do it if the supply exists. Can we get a guarantee that that will definitely be the case?

Simon Hart: As you were asking that question, I was looking at the latest message I had from Nadhim Zahawi on that very point. I am just going to see if I can read, which I probably can't, so I had better not waste too much time because I cannot find it here.

The short answer to your question is yes, very much caveated that in Covid making guarantees of any sort is a hostage to fortune because, if we miss anything even by a day, we will be reprimanded for that. Nadhim's view is that we should be able to hit that first four cohort target by the middle of February as planned. He could see no reason at all why that shouldn't be met. I do not know if that is a guarantee, but it is probably the closest to one that I can provide.

Rob Roberts: I suspect it is probably as good as I could have hoped for, yes. I am sure I will have other questions later but, for now, thank you very much.

Q195 **Dr Jamie Wallis:** Thanks very much to the witnesses for attending today. I have some questions about military aid to the vaccination and immunisation programme that we have going in the UK, and specifically in Wales. Is the military aid request, which has enabled military personnel to assist in vaccine distribution in Wales, able to be extended past 28 February if necessary?

Simon Hart: The short answer is yes. We have never turned down what is called a MACA request for military assistance, and I presume that would include an extension of military assistance if required. Sometimes we inevitably need to get a bit more additional information to meet the MoD criteria, but by and large it is one of those things that we literally try to turn round on the day to make sure that what is asked for by Welsh Government is delivered pronto.

David T C Davies: There has been a problem—not I think with anyone on this Committee—with some politicians in Wales suggesting that the armed forces should not recruit in schools in Wales. My late father was helped by a paramedic, in the middle of this crisis, who was serving army personnel. I hope that all of us—and I suspect all of us on this Committee—agree that the armed forces have made a magnificent contribution towards this crisis and we should be grateful for them. I very much hope, and I am sure it does not apply to anyone on this Committee, that we could send out a message that, yes, it would be wonderful if, as a result of this, the armed forces' contribution is recognised and they are able to go into every school in Wales to encourage people to take up an honourable career as a member of the armed services.

Q196 **Dr Jamie Wallis:** Thank you very much for that response, Minister. I wholeheartedly agree, and I am sure everyone on this Committee is



grateful for the tremendous efforts that our military personnel are making to assist in the vaccine rollout. So that people watching and looking back at this can get more of an idea about the specifics of what this means, could you briefly summarise the role of the military in Wales and exactly how this military aid is expected to help increase the vaccine distribution?

Simon Hart: I can trot out some numbers that should be useful: 92 armed forces personnel deployed in support of the Welsh vaccination programme, including 14 vaccinators. That includes 70 general duties personnel, 14 vaccinators, six planners in support of Welsh Government, one medical SME and one times logistical support. For the Welsh Ambulance Service, 115 personnel made up of 14 medics and drivers, 30 chain of command oversight—I am afraid I don't know what that means but it is what it says here—and the remainder are category C1 drivers mobilised as a whole unit for personnel to roll in and out as required, and one times medical SME.

To answer the second part of your question, the value that they bring, particularly in logistical planning, I know is hugely respected by Welsh Government and by the health boards where they have had embedded personnel. Even relatively small numbers—and it feels like quite small numbers—make a very big difference.

It is worth imparting a comment that the Defence Secretary, Ben Wallace, made the other day on a call I was on. He said the big issue they have at the MoD at the moment is the clamour of personnel who want to be part of this UK-wide effort, who really feel that this is something they want to be doing. It may not be quite what they signed up for, but who knows what you sign up for when you go into a life in the armed forces? He said there is a real feeling that this is something meaningful and something in which they can make a huge contribution to the national recovery. He said the morale element has a very positive influence on the people they are working with, just being able to bolster people who have been noses to the grindstone for a very long time and feeling the effects of that. Having some of these guys come in and help out has been a real boost.

Q197 **Dr Jamie Wallis:** Thank you very much. I have one final question following on from some of the figures that you just gave us, Secretary of State. It feels as though this is one of the most important challenges that we are embarking on, the immunisation of an entire population against a deadly virus. We do not need to rehearse the impact that the Covid-19 restrictions are having not just on our economy but on our society with the restrictions on freedoms that run contrary to some of our instincts and values. Bearing that in mind, with a population of 3.15 million people, are 92 military personnel enough to make an effective impact on the vaccine distribution in Wales?

Simon Hart: It is an interesting question. As I said, it does not feel like many. It is the number that was asked for by Welsh Government and I think that the contribution they have made, from everything I have



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heard, has been phenomenally effective. We could make more available if Welsh Government require it.

Q198 **Dr Jamie Wallis:** Sorry, just to clarify, if Welsh Government ask for more military personnel, the UK Government will provide them?

Simon Hart: Yes. I think they have to meet certain criteria, but we have never turned one down yet. The military are really keen to help, so if that is the request coming from Welsh Government, we will do everything we possibly can to make sure we deliver what they need when they need it and where they need it.

Dr Jamie Wallis: Thank you, Secretary of State, and thank you, Minister.

Q199 **Beth Winter:** Thank you, Secretary of State, for coming. Before I begin, I have to beg to differ with the comment regarding the armed forces. Cynon Valley, my constituency, is very deprived and there is a concern here, which I share, about schools being targeted potentially for recruitment. Yes, the armed forces make a vital contribution, but any recruitment of young people must be managed carefully and it must be an informed choice for young people. There are very limited employment opportunities here in the valleys, and a lot of young people enter the armed forces not through choice but because of a lack of other opportunities in the community. I do beg to differ, sorry, on that point, and I felt strongly that I had to make that comment.

My first question relates to Covid. Covid has exposed the inequities and extreme levels of poverty. The Joseph Rowntree Foundation estimates that there are 700,000 people in poverty in Wales. I would like some reassurances, please, Secretary of State, about the forthcoming removal of the £20 uplift in universal credit. Will you argue for maintenance of that and an extension of it to legacy benefits? Do you agree that statutory sick pay should be at the living wage level?

Simon Hart: On the question of recruitment—I know it is not the main substance of your question—I am not aware of any MoD recruitment anywhere in the UK in any circumstances, Covid or otherwise, where it has not been made absolutely clear to potential recruits what life in the armed forces might include. By way of a respectful pushback, I would say the idea that anybody could join the MoD without that being an informed choice is, frankly, impossible. I also think that that kind of lifestyle has been a hugely popular choice made by many thousands of people living in every part of Wales for some generations. Wales produces, on average, a higher per capita recruitment return than the rest of the UK, so we do very well with our recruitment. Some of the Welsh regiments are world famous for good reason, and long may that continue.

On the other questions about hardship, I absolutely sympathise with the comments you made. There would not be anybody on this call, let alone an MP in Wales, who has not had a constituency example of people and



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families who have been particularly hard hit. *[Interruption.]* Sorry, that is my dog barking in the background; I apologise for that.

On the £20 uplift, I might pass the ball to David in a minute while I check my figures. As far as SSP is concerned, we have a Budget coming up in March, as you know. I think all those support measures that have been rolled out by Thérèse Coffey and her team at DWP are currently being crawled all over and looked at to make sure we are in exactly the right place. I worry sometimes, when we talk about removing the £20 uplift, that if you look at it just in that context it never seems to make sense. What we need to look at is what other measures may be being made available that would render that uplift as perhaps superfluous and replaced by something more generous or more practical. I just want to be double sure, before we say we are definitely keeping it or definitely removing it, that we are not evolving it to be, as I say, replaced by something that is arguably more generous or certainly more practical. The hole we always fall into as politicians is trying to do it on a far too simplistic basis. David may have more of a view on that, but that would be my take at the moment.

David T C Davies: I will probably not risk my job by trying to take over the Chancellor's job. I cannot really say what will happen, obviously. What we have demonstrated throughout this is that we will put in every measure of support that we possibly can for people. We have not been afraid to spend a lot of money throughout this crisis, and I have no doubt we will continue to do whatever we can within the bounds of what is possible. I think we have already demonstrated that.

On practical help, one of the things that interested me was that, in England, the test and trace system allows £500 for those on low pay who are picked up by the app. As far as I am aware, that does not apply in Wales, which is a bit surprising, so perhaps that is something Ms Winter might want to take up with her colleagues in Welsh Government. I can only say that we have demonstrated throughout this that we want to help all those. We particularly want to target help at the smallest businesses and those who are on the lowest pay, and we will continue to do so.

Q200 **Beth Winter:** The next question is regarding the Dunlop review. The Government promised to publish the review by the end of 2020, but this has been pushed back. Can you please clarify when that review will be published?

Simon Hart: Yes, I think I can. It is when the IGR, the intergovernmental review, is complete, which is coming up quite soon. The idea is to try to coincide the publication of Dunlop in and around that period, which should be in weeks rather than months. Having read an early version of Dunlop—and I don't wish to sound disparaging in any way—I do not think it will be a particularly exciting or revelatory moment. I may be doing him and all of the other people who have helped him a massive disservice by saying that, but unless it has changed drastically since I last saw it, it is pretty well predictable, exactly what you would



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expect it to be and nothing that I think will particularly spook anybody. The actual publication of it was going to coincide with IGR, which is getting towards its final stages now.

Q201 **Beth Winter:** Why has the publication been held up by the separate review of intergovernmental relations? Why is that, please?

Simon Hart: It just seemed sensible, if you are publishing a constitutional document, to run it alongside the constitutional arrangements around IGR. The two things fit very comfortably together, so I don't think it is a particular problem. Is it? Is there a concern I have missed arising out of trying to run those two things in parallel?

Q202 **Beth Winter:** I was merely interested in your intentions. I am just trying to understand why that would be the case now. There has been a lot of—

Simon Hart: Sorry to interrupt you. I also think that in a period when there has been, unsurprisingly, universal focus between Welsh Government and UK Government on Covid-related activities, possibly this was not at the top of the in-tray as much as it might have been in normal circumstances. If it had not been for Covid, I suspect this thing and the IGR would probably have been completed by now. I suspect our constituents would think that it is not the greatest priority facing all of us now, important though it is. I think we are getting to the point now where it will be weeks, not months, before this sees daylight.

Q203 **Beth Winter:** The other supplementary is on devolution and concerns particularly in recent months, which have been highlighted by Covid, over the lack of consultation and communication with devolved Governments and the increase in centralisation of power. I refer to the UK Internal Market Bill and the concerns in Wales. Riding roughshod over the devolution settlement, a smash and grab of the devolved settlement, the Brexit Bill and the lack of time and ability for the Senedd to give proper consideration to the content of that are real concerns for people in Wales and throughout the country. Can you give some reassurance now, Secretary of State, that that is not your intention—I think this is directly related to what may come out in the Dunlop review—and that you are not looking to recentralise and ride roughshod over the—

Simon Hart: Absolutely, and I am glad you raised the question. It is almost in disbelief that I have read some of the claims that have been made and it is almost as if there is a sort of confected row around this.

The reality of the devolution settlement, as far as I am concerned, is it is completely unimpeded by anything that has been done. It seems very odd to me that one Government would want to resist the attempts of another Government to enhance and increase their power base and their spending capacity. The fact is that we are trying to get more money into Wales, into the areas that need it most. That is what a lot of this is about, and UKIM, now an Act, is a very good example of that. The idea that the UK Government, whether it is Labour, Conservative or anybody else, could not assist in key areas of, for example, infrastructure investment in



devolved nations is absurd. I suspect that we would not be having this argument if it was a Labour Government in London and a Labour Government in Cardiff; this would not be an issue. It is only an issue because the two Governments are of a different colour.

It has never been raised by any of the businesses, charities and universities I speak to. Frankly, my constituency inbox has never, not once, received an email from somebody who is complaining about power grabs or smash and grab or all those other expressions, not once. That is really important because Welsh Government, don't forget, have 60 more powers at least as a result of this process. If it is a smash and grab raid, it is not a very effective one.

Q204 **Beth Winter:** Sorry, I will beg to differ. I know we are coming on to the shared prosperity fund. We interviewed a cross-section of stakeholders who are of a very different opinion to you, as is Welsh Government, so we will have to agree to disagree on this. I look forward to continuing the debate with you in the future.

Simon Hart: Welsh Government would disagree, wouldn't they, because they, unsurprisingly I suppose, want to see everything relating to devolution go through Cardiff? I want to see everything, as far as devolution is concerned, going to the decision-making process on the most localised basis that we can have it. I want to see local authorities take a more active role in spending decisions and prioritisation, and I want to see stakeholders, charities and others do the same thing.

It speaks volumes to me that Welsh Government always talk about power, whereas all these other organisations always talk about jobs and livelihoods. The Welsh Government seem to be obsessed with the minutiae of the power arrangements around this and not around what I think we should be focused on, which is how we make Wales more prosperous and more equal in the distribution of funds. That is where I am coming from, and it seems very odd that there are politicians in Cardiff who seem spooked by that ambition.

Q205 **Beth Winter:** The Welsh Government are the elected Government in Wales, and they should have the decision-making power to decide where that information—

Simon Hart: And local authorities aren't?

Beth Winter: Welsh Government consult and work very closely with local authorities and are best placed to make those decisions. Thank you very much.

Chair: Secretary of State, Beth, I am going to intervene here. I am going to bring in Virginia Crosbie in a moment. Can I just repeat my plea for short questions and short answers? We started really well. I think we have slipped in the last few minutes.

Simon Hart: I was goaded.



Q206 **Chair:** Before I bring in Virginia, can I return to the answer you gave to Beth's question about universal credit? I want to be clear that I heard this correctly. You appeared to be suggesting that the UK Government are looking at the option of keeping or withdrawing the £20 uplift against other alternatives for using that money to do different things that could be more financially beneficial for people who need that assistance. Is that what you were saying?

Simon Hart: I don't think I was probably being quite so precise as that, but I know from discussions with Treasury Ministers and colleagues over the whole of the Covid period that they are constantly looking at ways of making the intervention arrangements more equitable, fairer and as generous as possible. What I was trying to say is that it is probably dangerous to say we are definitely going to remove the £20 uplift and just fold our arms and say, "Tough, that's it, that's Rishi's decision, end of story," without looking at the broader context of what DWP and the Treasury might have in store around universal credit and other support measures. I do not necessarily know what the answer is to that. My answer was much woollier than your question, and I am just saying that I think it is dangerous to be quite so specific about one single element of all this, important though it is, without knowing what the wider picture might look like when those decisions are made. That is all I was trying to say.

Chair: That is very helpful. Thank you, Secretary of State.

Q207 **Virginia Crosbie:** I am very cognisant of the time. Welcome, Secretary of State and Minister. We really appreciate your time. I am going to concentrate on three areas: first, Brexit and the customs infrastructure here in Holyhead, then freeports, and finish off with Wylfa Newydd, the nuclear power station.

On the customs infrastructure, in Holyhead here we have the second busiest roll-on/roll-off port of the UK. I understand that we have plot 7 at Parc Cybi, which will be designated for DEFRA and the sanitary and phytosanitary checks from July, and plot 9 will be HMRC for customs checks. Where are we with these locations being signed off?

Simon Hart: It is very frustrating. I had hoped that, by the time I was in front of this Committee, I would have had the meeting with Jeremy Miles, Michael Gove and Lord Agnew, which was scheduled for yesterday. Then there was a UQ that took Michael Gove out of the picture, so that meeting is going to happen either tomorrow or early next week.

The reason this meeting is taking place is that it is a source of some frustration that we have been going from pillar to post as to whether it will be RoadKing or other adjacent sites. It started with RoadKing, RoadKing was on, then it was off, then it was on again. The clock ticks quite quickly. It seems we are now back to identifying a second, if not a third, site as you have just mentioned. Hopefully, with a following wind, that will now be confirmed and the process can begin.



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However, it will not be a surprise to anybody on this Committee that the timescale is getting very tight now and they need to get this thing resolved. The reason for the meeting we had hoped to have yesterday was to hold everybody's feet to the nearest fire and say, "We need to make a decision now for this to have a reasonable chance of being in place by July."

Q208 Virginia Crosbie: Could you report back when you have additional details, please?

Simon Hart: Yes, and I really regret that I couldn't. Part of the reason for timing it yesterday was so that I could tell you today, but events overtook us yesterday, sadly.

Q209 Virginia Crosbie: I understand that there will be around 120 new jobs associated with the customs facilities from the HMRC end. Do you have an understanding of how many new jobs will come as a result of the Welsh Government and DEFRA situation?

Simon Hart: No, I do not know the answer to that. All I know is that inevitably in the construction phase, supply chain phase and, indeed, in the final operation there will be increased personnel requirements. Beyond that, I hesitate to put a figure on it.

Q210 Virginia Crosbie: Are you confident that work will be completed on time for the implementation of the border operating model in July?

Simon Hart: I will probably want to answer that question on Monday, but I am not able to answer it today.

Q211 Virginia Crosbie: All right, thank you. Moving on to freeports, it has been confirmed that we will have at least one freeport here in Wales. The bidding prospectus for the freeports for England was launched on 16 November last year, and it closes on 5 February this year. I understand from the Chief Secretary to the Treasury, Steve Barclay, that he has written to Welsh Government regarding the freeport process here in Wales. Could we have an update on the process, please? We are almost two months behind England already.

Simon Hart: Yes, I will tell you what I know and then David T C Davies can tell you what he knows, which might be more.

When we made the announcement at the back end of last year, around the time that the English equivalent was announced to that timescale, it was agreed that we would attempt to make an announcement by the end of January 2021—in the next two weeks—as far as progress in Wales is concerned. It has been necessary to keep the pressure on Welsh Government to be part of that process. They wanted to put a meeting off until February. We have said that is not good enough, we want the meeting to be in January to launch this thing. We hope to get it in the diary in the next two weeks, followed by an announcement by the end of



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the month on what the bidding process will be. That is what I know. David may know more.

David T C Davies: I don't know more than that. We have one freeport guaranteed for Wales, but I also understand that the relevant authorities could apply for a cross-border freeport. I think they are an excellent idea, so I would encourage the ports and the Welsh Government to think about, as well as where we might have a Welsh-only freeport, where we might be able to add value by applying for parts of Wales to come into an English freeport area. I am obviously thinking about north-east Wales in that regard.

Q212 **Virginia Crosbie:** Thank you, Minister. Wylfa Newydd nuclear project here on Anglesey will be transformational for jobs in north Wales. At the end of last year, we saw the BEIS Secretary of State extend the Wylfa Newydd DCO until the end of April. It was reported this weekend in *The Sunday Times* that Hitachi was going to shut its Horizon subsidiary here on Anglesey. That will have significant ramifications for the future site, and I understand there is a Horizon board meeting tomorrow. There has been a lot of talk between some of the investors. Bechtel, Southern, Westinghouse, the US embassy, BEIS and Treasury have all been meeting up. Do you have an update on the progress of the talks? How confident are you that a new developer will be found before April?

Simon Hart: The DCO has been extended again, so the original three-month extension has been extended by a further three months. I think that is an indication of where we are on this, trying to see if we can land some alternative to Hitachi/Horizon. As you will understand, starting discussions of this magnitude from a standing start when Hitachi pulled out is not an overnight operation. All I know is that I think the American interest in this is genuine. The UK interest in it is unquestionably genuine, and I am referring to the Government's last utterances on this when we talked to negotiate at least one large nuclear project up to the point of the final investment decision. When Sizewell was announced, that "at least one" should be a clue as we are very keen to see if we can make this work. Can we say now that it will be landed safely? Probably not, but the extension of the DCO and the ongoing dialogue with the American interests is, for me, a great deal better than the alternative.

Q213 **Virginia Crosbie:** You mentioned the energy White Paper in which nuclear was referenced over 70 times, and that reiterates the UK Government's commitment to levelling up and achieving net zero by 2050. How significant do you believe that Wylfa Newydd is to achieving the Government's agenda of levelling up and net zero?

Simon Hart: In the context of the 10-point plan, for example, announced three weeks back now, the levelling-up element that something like Wylfa would deliver is phenomenal. You were absolutely right in your earlier comments about it being a transformational project.



The thing that is always worth repeating about that proposal is that in everybody's estimation the site remains, in global terms, one of the best on the planet. Part of that is down to the fact that you have a community that has, in a way, already bought into the benefits, the concept and all the upsides that it would produce. I would not want to say that it is the only element to a successful levelling-up ambition, but it certainly would be, subject to all the usual caveats we will put in place, transformational and a major step in that direction if it was able to be landed in a cost-effective way for taxpayers.

Virginia Crosbie: Thank you. That is very helpful, Secretary of State.

Q214 **Chair:** I will follow up very quickly on that discussion about Wylfa. With these new expressions of interest from the American interests, are you aware that there is any new thinking within the Treasury, within UK Government, about potential financial support for the project? Is thinking evolving? Are you aware of any developments, or is it still having the same kind of financial discussion but now with a different set of actors?

Simon Hart: I can only speak from my own personal position on that, because I don't know the answer. I have not had that exact conversation with the Treasury. All I am conscious of is that, at the time that Hitachi pulled out and there was a discussion about whether the DCO should be extended, the discussion was whether the DCO that applied to Hitachi would just roll over and apply comfortably to whoever else might come on to the field of play. The answer to that is probably not, because undoubtedly a new player will want to look at different technology, probably over a different timescale, even though the footprint might be the same as far as the location is concerned. It is probably not going to be an identical like-for-like offer. Therefore, I would anticipate that the financial arrangements will be different as well.

The other thing to point out is that, with the regime change in the US, the fact that you have a completely different regime with a rather different attitude to renewables and nuclear and that is likely to forge a different sort of relationship with the UK, in a political context that probably changes the landscape, too. It will not be the same and, therefore, I would guess that the Treasury's involvement will not be the same either.

David T C Davies: May I risk everything by chucking in a slightly off the wall comment? This goes back to when I chaired the Select Committee and we looked into Wylfa. One of the things that I recall at the time was that Hinkley was getting a strike price of £92.50 per megawatt hour, if I recall correctly. At the time a lot of people were saying they were really pleased about the Hinkley investment and all the rest of it, but a lot of MPs from different sides were saying that £92.50 is far too high. While it is wonderful that there is this cross-party support—even the most anti-nuclear party of the lot, Plaid Cymru, is quite in favour of a nuclear power station when it is being built in an area where they have support, which is good to know—I suppose one of the things that might concern the



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Treasury is if they get some sort of agreement and a relatively high strike price, although I don't suppose it would ever go over £92.50, they probably will not want a whole load of people who have been calling for it suddenly changing their minds because they do not like it.

It would be useful to have that kind of acceptance that, if this is to go ahead, it will require a guaranteed fairly high strike price and all sides who have called for it will have to stand by that and be willing to support that if it goes ahead. I think the Government have already offered to take a one-third equity stake, provide the required debt finance and so on for Hitachi. It is not for me to say, as it is way above my pay grade, but I presume they would be happy to consider something similar for another developer. We have done everything we possibly can, and we need all sides to be supportive of any deal that takes place.

Q215 Simon Baynes: Thank you, Secretary of State and Minister, for joining us this afternoon. I want to move on to the shared prosperity fund. We have already had a short but lively discussion on this with Beth Winter, my colleague. Secretary of State, before making the announcements about the shared prosperity fund in the spending review, what engagement did the UK Government have with Welsh Government, local authorities and the voluntary sectors in looking at how the shared prosperity fund should be structured and progressed for the future?

Simon Hart: We had contact with all those interest groups, not with an awful lot of detail because there wasn't an awful lot of detail on either amount or the terms of reference, but to set out the general timescale that we hoped to be working to, taking into account that the spending review was a one-year spending review rather than a three-year spending review. The Treasury did not want to be drawn on entering into a multi-year SPF commitment in a one-year spending review. It was relatively late in the day, I suppose—whenever they announced the one-year spending review—SPF immediately had to fit in with that timescale.

We discussed at some length, I seem to remember, with Jeremy Miles the mechanics, the corporate governance, if that is the right expression, that might be associated with SPF, with a view to further details being published in the first quarter of this year, this being a pilot year followed by a proper rollout of SPF in the autumn spending review of this year, if I have my years right. That is pretty well where we are.

Q216 Simon Baynes: I have asked the question about before the spending review, and I also ask the question about what the discussions have been since the spending review and to delve a bit more into this issue of whether it should be centralised to the Welsh Government or whether it should be devolved more within Wales, for which I think there is a great deal of support particularly among the local authorities and the voluntary sector. What sort of reaction have you had from those discussions with organisations other than Welsh Government? Could you update us as to where we are on any future announcements on the SPF, which I obviously look forward to with great interest?



Simon Hart: It is probably worth stressing right at the start of this that I very much want Welsh Government to play a significant role in this process as a partner, not as a competitor. That is why we got slightly distracted, to the Chairman's annoyance, in my responses to Beth Winter's questions. It is not an either/or with this. As far as I am concerned, a significant sum of money is likely to be coming into Wales replacing EU structural funding. It is only right that politicians in Wales, in both the Senedd and Westminster, are potentially accountable for the manner in which that is spent.

If we are honest with ourselves about the true meaning of devolution, it is also right that we should involve local authorities and others with intimate knowledge of the challenges and hardships there are to be part of that. The idea that Cardiff knows best is as absurd as saying that Westminster knows best. In many of the situations that we all encounter as constituency MPs, local communities know best. That is why I want them to be involved in being able to have more input than they have had in the past in this decision-making process.

That is what we will try to get resolved by way of the corporate governance element of this. We will try to have a few pilot schemes running this year with some of the £220 million that has been made available in year 1 across the UK for this purpose. We will be publishing the sort of prospectus around this. As I say, it does not take effect until the 2021-22 financial year, so between now and April we will be publishing the necessary background information and governance proposal.

Q217 **Ruth Jones:** Carrying on with the shared prosperity fund, I am interested in the role that you see for the devolved Administrations, because obviously, as you say, the UK has made the announcement. With the European structural funds, we have a clear chain of command at the moment. How do you see the relationship between the UK and Welsh Governments panning out in the administration of this new fund?

Simon Hart: It should not—I emphasise “should not”—be a problem. We have a shared ambition, which is getting large sums of money to the areas of Wales that require it the most, whether that is areas of deprivation or areas of potential investment, or whether it is infrastructure projects. It could be in numerous ways in which we already know that structural funding is spent, which could be done to even greater effect. But because the EU is no longer part of this picture and the operation of these funds has returned to the UK Government, the partnership, instead of being EU-Welsh Government, will be UK Government and Welsh Government.

That should not be a cause of panic or fear. That should be a cause for some excitement because, for the first time for 40-plus years, that process will be directly accountable to voters in Wales, absolutely directly accountable, either through the vote they cast in a Westminster election or the vote they cast in a Senedd election. We have not been anywhere



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close to that kind of democratic accountability since this process began. I keep wanting to reassure colleagues in Cardiff that this is not an area where we should feel that there is a threat to our authority arising out of it.

I want to bring in much more involvement of local authorities and others. If anybody believes in devolution rather than power, they should welcome the prospect of bringing in more expertise and more voices from more corners of Wales than we have ever had before. I do not feel threatened by that. I do not think the authority of the UK Government or the Wales Office is threatened by that, which is why I am constantly surprised that the Welsh Government seem to feel so threatened by it. It does not make sense to me.

Q218 Ruth Jones: To follow up on that, you talk about the unaccountability of the EU. Obviously our MEPs were elected, so that is another structural way that we made decisions.

Simon Hart: But did anybody know who they really were?

Ruth Jones: Yes, certainly I did, and anyone else who was interested in the situation knew, so that was fine. We can argue devolution, but it is gone, that situation has gone completely. I am interested in the relationship between UK and Welsh Government. Is it going to be a paternalistic one? Is it going to be an equal one? How is it going to work?

Simon Hart: I think that depends on Welsh Government, frankly. I wanted it to be a partnership approach. There will have to be some kind of dispute resolution arrangements contained within that. I do not know what they will be yet because we have not published the initial proposals, but the only bit of this that I want Welsh Government to accept—and this is an offer, rather than a threat—is that, because this is now directly accountable, it is UK taxpayers' money directly accountable to UK Government, then UK Government will have a much more prominent role in the prioritisation and deployment of the UK shared prosperity fund. It seems to me a very odd subject to be having a disagreement about, because it is a positive development.

Ruth Jones: Thank you, and I look forward to seeing the details of it.

Simon Hart: Yes, of course.

David T C Davies: Can I suggest that the growth deal model is one that we could look at in this case? There you have a situation where UK Government and Welsh Government are taking a managerial approach but allowing the local authority regions to come forward with projects and develop them. I think the relationships work very well there, and there does not seem to be any of the disputes that you are predicting. We have shown that we can work well with the Welsh Government in delivering projects and devolving powers downward. I am not suggesting that SPF would work in exactly the same way, that is all to be decided, but I do



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suggest strongly that we have already shown that that kind of model can work and work well.

Simon Hart: When I spoke to 22 local authorities about this just before Christmas, or whenever it was, I did not pick up any concerns about the potential rearrangement. They seemed very keen to become involved, and I did not pick up any resistance.

Chair: Thank you, Secretary of State. Before I bring in Geraint Davies, as a Committee—and guests—I think we should just acknowledge the extremely deft and skilful way that Ruth Jones handled the cat walking right in front of her as she was asking her question. Ruth, that was absolutely flawless, immaculate.

Q219 **Geraint Davies:** Thank you, Chair. Secretary of State, you and others gave a guarantee that this year Wales would get the same amount of money we got from the EU, which was £375 million. My understanding is that it is only going to be £220 million for the UK. Can you guarantee today that Wales will get its £375 million? When will it get it?

Simon Hart: I can probably answer the first question. I am not quite sure on the when, but others may help on that. The proposed tail-off, based on the average of £375 million per annum: 2021-22 is £391.7 million; 2022-23 is £402.1 million; 2023-24 is £258.5 million; 2024-25 is £67.9 million. That is the tail-off, to be equalled if not exceeded by UKG contributions retaining it at that five-year average. If you take £375 million as the five-year average, that is the not-a-penny-less guarantee that UK Government have made in one, if not two, manifestos.

On top of that, the £220 million is an additional figure for year 1, the distribution of which between the four nations is yet to be agreed. The £391.7 million is different, separate—please, as I say, anybody shout if I have this wrong—from the £220 million. I don't know yet, because it has not been agreed, what proportion of that £220 million will be coming to Wales in the financial year 2021-22 other than that many tens of millions of that will be destined for Wales. But the £391 million, £402 million, £258 million, £67 million is tail-off of the EU, to be balanced to an average of £375 million by UK taxpayers.

Q220 **Geraint Davies:** Wales will get its £375 million per year, and that will consist of a tailing-off of EU money propped up by UK money as we move forward?

Simon Hart: Correct.

Geraint Davies: Is that correct, so we have it right?

Simon Hart: Yes. It is definitely going to get more in years 1 and 2 because we go to £391 million and £402 million because those are already assigned. It gets less in years 3 and 4, but it will be topped up at that stage.

Q221 **Geraint Davies:** That sounds good. You do not know when we will get



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the £391 million, do you?

Simon Hart: I do not know the timescale and whether it is drawn down by scheme or by month. I do not know the answer to that. We can easily find the answer, I suspect, and get that to you.

Q222 **Geraint Davies:** That is helpful. Can I move on? There is an England-only levelling-up fund, isn't there, of £4 billion? Why aren't we getting 5% of that, which would be £200 million?

Simon Hart: Good question. I think the £220 million, which is divided between the four nations, is the equivalent sum.

Q223 **Geraint Davies:** Yes, but we are not getting that. That is the pilot scheme money. The levelling-up money is different from the shared prosperity fund. I am sort of slightly—

Simon Hart: Yes, but the £220 million isn't SPF per se.

Geraint Davies: I am just wondering whether we are going to get a share. Why don't we get a share of the England-only levelling-up fund?

Simon Hart: The clue is in the name, but the £220 million figure is not SPF per se. It is acting as a sort of pump prime of SPF. SPF, in its purest form, starts after the autumn financial statement.

Q224 **Geraint Davies:** What I guess I am asking is, as Secretary of State for Wales, are you bidding that we should get an equivalent share of the so-called levelling-up fund of £4 billion, which would give us £200 million? Similarly, will you bid for our share of HS2? Recently it has been changed to being England and Wales. Of course it doesn't run through Wales, does it?

Simon Hart: I was probably being too cautious when I answered your first question, but we do get a share, a Barnett consequential, from the England-only levelling-up fund. I will confirm it to the Committee, but I will stake quite a lot on it that I think we get £800 million between the three devolved nations as a Barnett consequential.

Geraint Davies: Perhaps you can write to us. That would be very kind of you.

Simon Hart: But that is different from the £220 million. I am sorry, we are jumbling up numbers here.

Q225 **Geraint Davies:** On the £375 million, the money from the EU was historically given to Wales on the basis that we have only 70% of the UK average wages, gross value added. The poverty that Beth Winter mentioned, the 700,000 people in poverty in Wales, tends to be concentrated in west Wales and the valleys. That is why that money tended to be focused there for business innovation, infrastructure and so on. You said a moment ago that, instead, the money we get will now be distributed across Wales as required, as opposed to according to poverty and need. Have you any idea how much of the £375 million will still be in



the most impoverished areas, in west Wales and the valleys?

Simon Hart: Again, I hope I did not give a false impression. It is not going to be divided equally among 22 local authorities or anything as crude as that. Absolutely, I completely agree that it should be focused on areas of deprivation or joblessness, or where by incentivising inward investment we could tackle both joblessness and deprivation. I completely agree with that. As I say, this is not a fund that will be distributed evenly because that is the easiest way to do that. That would not make any logical sense at all.

When I say I want it to go to the places of greatest need and I want to involve local authorities in that process, local authorities will be very well placed to advise and to bid. It may be a bidding process, by the way. It will not necessarily be any other complicated formula. I imagine that it will be very similar to the system that is currently in place, but structurally and democratically it will be a rather different arrangement.

Q226 **Geraint Davies:** How much of the £375 million will still be in the poorer areas of west Wales and the valleys? Is it, say, 70% of it, and the rest of it will go elsewhere?

Simon Hart: The exact proportions are a matter for discussion down the way, but when I have had conversations on this with Jeremy Miles and Huw Irranca-Davies, even the First Minister from time to time, this isn't one of the many things that we disagree about. The fact that this money should be focused very laser-like on areas of need and opportunity is absolutely agreed between all of us. None of us demurs from that position. It is too early to say whether that ends up with 70%, 75% or 65% going to a specific area, but I can absolutely reassure you.

It raises an interesting point, in a way, because when we were having discussions earlier this year or at the end of last year about Pillar II funding, agricultural funding, there was a bit of hoo-ha about that. If we are all honest with ourselves, we can all find examples of where the prioritisation and distribution of some of the EU structural funds or Pillar II funding has not met the criteria that you rightly point out now as being necessary and that large sums of money appear to have found their way into some quite quirky sorts of concepts, which have not resulted in jobs or livelihoods being enhanced in any way. I hope this new process will overcome that.

Geraint Davies: Just so we are clear on this, if I may, Secretary of State, you would accept that—

Chair: Let's move on now.

Q227 **Geraint Davies:** Finally then, would you accept on this particular point that the OECD found very high levels of governance of European funding in Wales compared to the National Audit Office, which found low levels of governance in the city deals? Moving the governance from the way it is done now to just doling it out to local authorities may end up with



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inefficiencies as well as less focus on need.

Simon Hart: In the same way as Audit Wales came to the conclusion that Welsh Government awarded £53 million of rural development funds without ensuring the grants would deliver value for money, I would like to see all of these things improved. I do not think anybody is beyond improvement.

Chair: We are moving on.

Geraint Davies: Thank you for that.

Q228 **Tonia Antoniazzi:** Nice to see you, Secretary of State and Minister. I have a bit of a standalone question. You will have seen in the news about the shellfish lorries going overseas with a 30-hour delay. In Gower we have a very large shellfish issue, and businesses that rely on their income coming in. Obviously this is because the deal was sealed on Christmas Eve and measures have not been in place fast enough, but what measures are being put in place to deal with it? It is unsustainable, and my businesses are losing money.

Simon Hart: I don't know the specifics of your case, as in the case of Loch Fyne seafood, which had queues of lorries—very time sensitive—stuck at Dover in the run-up to Christmas, and that was causing a potentially massive financial hit. You are saying that you have Gower-based businesses in exactly the same predicament?

Tonia Antoniazzi: Yes, and apparently some—

Simon Hart: Sorry, I just need a bit more information. Which port are they going out of?

Tonia Antoniazzi: I am not sure which port, but they are not getting out. You can see in the newspaper that there was a 30-hour delay for one of the lorries to get to Spain. It is going off and they are losing a lot of money, and we are in a very similar situation. Is that being dealt with? How is it being—

Simon Hart: As far as I know, it is being dealt with. As far as I know, the shellfish issue, particularly going out of Dover, had been partially resolved. If the Chairman will forgive me, I am very happy to deal with the specifics offline because it is the first one I have heard of in Wales. I would hate to think that we were suffering from a disadvantage, but I will definitely, if you do not mind, take that offline.

Tonia Antoniazzi: Okay, I will get in touch. Thank you, Chair.

Simon Hart: Yes, brilliant. We will deal with that.

Q229 **Chair:** Secretary of State, that would be very helpful because I, too, have a constituent whose business was in the news last night having experiencing very significant delays with shellfish. I think the issue is around export certificates. I do not know exactly what the detailed problem is, but if you could go away. I have arranged for the DEFRA



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Minister—

Simon Hart: Yes, sure, we will. I know DEFRA has had a lot of incoming on this, so we will add to its burden.

Chair: Great. Thank you, Secretary of State.

Q230 **Simon Baynes:** I want to move on to the subject of renewable energy. Of the 250,000 jobs pledged to be created in the Prime Minister's 10-point plan for a green industrial revolution, how many are expected to be based in Wales? Also linked into this is digital connectivity. This is an issue that has been preoccupying a lot of people, not only in Wales but across the UK, and is absolutely vital for linking particularly new innovative green jobs into the whole workplace and network in Wales. Could you comment at the same time on the UK Government's efforts to improve digital connectivity for broadband and mobile across Wales?

Simon Hart: If I can deal with the first bit and, if it is permissible, I will ask David, who has a greater knowledge, to answer the second bit. I think between us we might be able to give you and the Committee the answer you need.

The 10-point plan is in its relatively early stages, and to say there will be a precise number of jobs in Wales will, again, leave me as a hostage to fortune if we fall short. I will say, though, that the 10-point plan has a very clear focus on areas of energy production that are particularly evident in Wales. Offshore wind is a case in point, and there is an expectation that at least 60,000 of the 250,000 jobs will be in the offshore wind sector by 2030. We know there are significant and quite well advanced proposals for the west Wales coast in particular on that and investment into Pembroke Dock on various renewable proposals in my patch, which have been handled by David. Virginia Crosbie mentioned the potential transformation for her area around Wylfa Newydd. We did not talk about it, but there is also Trawsfynydd.

Underpinning all this is the ongoing commitment to levelling up. I can reassure you that, in all the conversations we have had with BEIS, the Treasury and No. 10, there is an increasing awareness that the 10-point plan needs to be as focused on strengthening the Union and levelling up as it is on delivering the overall energy requirement of the United Kingdom. I am quite optimistic. Yes, I would say I am very optimistic, I would go one click further on the meter and say I am very optimistic that almost a disproportionate number of the jobs that will be available in the next five to 10 years will be in various different parts of Wales, particularly coastal areas, which may be able to deliver on the actual projects that are specified.

On the connectivity point, if you will forgive me, David may have more up-to-date expertise than me.

David T C Davies: Thank you, Secretary of State. On the west Wales point, the Pembrokeshire marine development is something that both the



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Secretary of State and the Chairman of the Select Committee have a direct interest in, but I am pleased to be able to tell them both how enthused I am by offshore floating wind. I think it has the potential to be enormously successful if it replicates the sort of success of onshore wind in pricing support. It is something that we have signed off on; we have already signed off several million for that. It will be part of the growth deal, and I am told it could potentially be worth 1,800 jobs over a long period of time, which is fantastic if true.

Connectivity features in all three of the growth deals that are up and running, and I would imagine that it will also be part of the fourth in the mid and west Wales region. The Government, as you know, Mr Baynes, have committed to £5 billion of subsidy to support deployment of gigabit-capable broadband in the hardest-to-reach areas. We have the local full fibre networks programme investing in projects in Cardiff, north Wales and Pembrokeshire. They are looking to upgrade public sites, councils, education, emergency services and so on, and from those we hope that smaller premises can get access to fast broadband. We have a target that, by about 2026, 4G will be available across 95% of Wales. It is work in progress and it is work that we are fully supporting at the moment.

Q231 **Chair:** Minister, further to your answer on offshore wind, we have previously talked about the role of the Crown Estate. You talked about price support and how the Crown Estate plays an important role in issuing licences. Do you feel that the Crown Estate is in a good place right now to help to support these developments? Is it a helpful team player in this?

David T C Davies: Following our meeting in west Wales, Mr Chairman, I met the Crown Estate on two occasions because a concern had been raised, I think, by some of your constituents, that perhaps things were not moving as quickly as they would have liked. I can absolutely assure you, from the two meetings that I had with Crown Estate, that it is absolutely enthused and completely behind this. There were some legal issues that it had to deal with, but you asked me directly what is its attitude. It is hugely positive about floating offshore wind, and it wants to make this happen.

Chair: Great, Minister. Thank you very much.

Q232 **Ruth Jones:** Following on, you have highlighted the importance of onshore and offshore wind and solar. We have the ability in Wales to be a net exporter of energy. We also have this large coastline, which obviously has tidal lagoons, and wave power is very important as well. How do you see that important area developing, and how quickly? What sort of timescales are you looking at? Swansea Bay tidal lagoon is part and parcel of that. Where are you with that in your thinking?

David T C Davies: To kick off, I looked into and chaired an inquiry into the Swansea Bay tidal lagoon when I had Mr Crabb's role. I was personally deeply unsatisfied with that proposal, with the way it was presented, the accuracy of the presentation and the costs, which would



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have been far higher than the £92.50 strike price we have seen at Hinkley, which is already very high. In my view it was not accurately presented to the Committee.

Since then I have met, and the Secretary of State has also met, Swansea Council to discuss an alternative proposal. Personally—this is a personal view—I think it is a much more promising proposal, and it is one that I would like to see fully explored. It is in its early days at the moment, but in general terms I am, and I am sure the Secretary of State is, very pro the idea of tidal energy in principle. As with all these things, it comes down to looking at a proposal that can deliver at a reasonable cost, but of course we would also—I would, anyway—take into account what the potential is over the longer term.

£92.50 is seen as a high-water price mark for an established technology like nuclear, but that is not to say that, for newer technologies that have the potential to develop, BEIS would necessarily oppose a slightly higher strike price. Of course a lot depends on the sorts of proposals that come forward. I suppose all I can say is that I look at all these things with an open mind, but I would personally love to see that kind of technology being delivered in Wales if it can be done by the right developers for the right sort of price.

Simon Hart: By the way, just on Dragon Energy Island, the proposal that you are talking about, I also like the fact that it is a combination of proposals; it is a bit of tidal, a bit of hydrogen production and a bit of solar. The energy mix part of that proposal makes it potentially very attractive.

Q233 **Ruth Jones:** The last time you came to talk to us, very helpfully, we talked about the previous Swansea Bay bid. I think we have all moved on from that point, but it is important to state that this sort of tidal lagoon energy is very important but it will need pump priming. As with everything else, when it started off, the cost per unit was more expensive. That will come down as the research and technology allows, but we need to stipulate that it is very important that we put the money in at the beginning to make sure we get the net gains at the end.

David T C Davies: I think we accept that, absolutely. It would require a reasonably generous strike price but, providing the proposal was good and there was confidence in the developers, all the Secretary of State and I can do is make a case to BEIS. We are very open minded and, in fact, very positive about the principle of tidal energy.

Chair: Thank you very much. Geraint Davies has a super-quick supplementary before I bring in Ben Lake.

Q234 **Geraint Davies:** Very quickly, I will ask the Minister and the Secretary of State about the strike price. Given you have already said that, on the Wylfa nuclear power station, the Government offered a third equity, debt finance and a generous price, will you ensure that there is a level playing



field when assessing the new proposals for the Swansea Bay lagoon so that we can go forward on the same basis, and agree it or disagree it on that basis?

Simon Hart: It is difficult to create a level playing field when you are looking at two such fundamentally different technologies. I understand your basic point about trying to treat each proposal in an equitable way, and I absolutely agree with you on that. Whether we can absolutely make it an equitable position in the funding models is a different question. I hesitate a bit on that, but I think your overall point is perfectly sound. We do not want to disadvantage DEI just because it is a different—

Geraint Davies: Yes, 100 years long versus 30 for the other.

Simon Hart: Yes, exactly. I take your point. It is not an unreasonable point.

Q235 **Ben Lake:** Happy new year, Secretary of State and Minister. I want to ask a couple of questions on rail infrastructure. The first one is to ask about your response to the claim that the Wales route, which represents about 11% of the rail network, has received just over 1% of rail enhancements in recent years.

David T C Davies: I read the Mark Barry report, which makes it quite clear that that 1% figure only applies to improvements to the line. You can look at the figures in a slightly different way—and I am rapidly trying to find them now—and calculate it at 4.37% if you look at maintenance, operation, renewals and enhancements. Further on in the Mark Barry report, it makes it quite clear that Wales is more generously funded in the passenger per kilometre subsidy. I don't think that 1% figure is entirely fair, and it is not a complete reflection of what is in the report. It is the one stat that was taken out of the Mark Barry report.

Overall, of course, the Secretary of State and I are very supportive of improvements to rail infrastructure in Wales, and we have been pushing very hard on certain lines, certainly on the south Wales relief line and the north Wales coast line. We are hopeful that we will reach the full business case quite shortly and see those improvements going ahead.

Q236 **Ben Lake:** I fully acknowledge the point you make about the expenditure on maintenance. Of course, there is still a serious issue about improvement and enhancements that I do not think can be explained away just by pointing to the maintenance costs, although they are very expensive. Of course, maintenance also increases when the age of infrastructure increases.

I am interested to learn a bit about what you think about the changes the Chief Secretary to the Treasury made to the Green Book and, in particular, some of the ways they will be deliberating on strategic cases for new projects. My understanding is that the new Green Book—or the revised Green Book, rather—has looked to reduce the dependence on BCR as a primary investment criterion. Have there been any discussions



yet, or might there be some discussions, about how this could help some of the proposals that we have had in recent years for rail enhancements in Wales?

Simon Hart: The answer is that there have not been discussions. If you had asked, "Are there going to be?" I would have said yes, this side of the Budget. Beyond that, the discussions have only really been at two levels. The first is: what does levelling up mean when you look at rail infrastructure? The informal conversation I have had with the CST has been around, for example, the £2.8 billion that has been spent on modernising the Great Western main line. If you apportion that between the element of that line in England and the element in Wales, how do you calculate the benefit to Wales from spending £100 million on improving the line between Reading and Bristol? Do you get my drift? There have been some conversations about looking at infrastructure in a UK context rather than simply what is spent by UK Government in Wales on a particular stretch of track or a particular new station or whatever it might be. There have been some broader conversations.

I did not answer the question earlier—we ran out of time—from Geraint Davies, just in case you are thinking about it, on Barnett consequential and HS2 and that ongoing argument about how does Wales benefit, does it benefit, should it benefit either financially or in infrastructure terms from a major piece of UK rail infrastructure that is situated between London and Leeds, or whatever the route might be. There are quite a lot of conversations going on around that.

Q237 **Ben Lake:** My final question and perhaps a point as well: in your discussions with Treasury, and perhaps with the Department for Transport, what sort of role does the Welsh Government or Transport for Wales play in all this?

My plea is that when there are discussions about how best to spend £100 million on the Great Western line. I might point out I know the Chair, and perhaps the Secretary of State, will be well aware of the varying speed times along the line and, as you get further west from Swansea, the speeds drop quite dramatically. If they are looking to spend £100 million, maybe they could start on the outside first and—

Simon Hart: As you know, I am quite keen on the Swansea Parkway station proposal. I am not sure members of the Committee from Swansea are probably as keen, unless it is integrated with a Swansea metro so that Swansea does not get cut off in that process, but I am very conscious that those last few miles can be quite a deterrent sometimes. I do not mean just commuter traffic but others who have a commercial reason for using rail. I take your point on that.

On your initial question about TfW and projects—they are small in comparison, I accept—like the new stations fund, which was a very collaborative approach between UK Government, Welsh Government and TfW, the upshot of which is that three or four stations are getting either a



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reopening or a refreshment in some sense. That worked quite well. I am not sure whether that is necessarily a model for the big infrastructure issues, but I think the relationship has been fine on that score.

Q238 Rob Roberts: I thank the Minister and the Secretary of State for the answers so far. I am interested in the Union connectivity review. I do not think it will come as a surprise to anybody listening that north Wales, especially, is much more interdependent with the north-west of England than it necessarily is with the rest of Wales for economic development. I am sure lots of people here have been interviewed by Sir Peter Hendy, who is in charge of that review, and given our evidence to him. I am interested in when you think the Union connectivity review will be completed and published. Following on from that, when do you expect the recommendations to be implemented? Whose responsibility will that implementation be?

Simon Hart: The last question is by far the most loaded, I think, literally. I will read you the exact comments on the connectivity review, "The review's call for evidence and next steps will be published this month ahead of final publication expected in the summer." You can probably aim at August-ish as being the end of the summer. That is the current expectation.

I think your first comment about areas of economic activity is a very valid observation. In a lot of the conversations we have had around a number of the subjects we have discussed this afternoon, I constantly get reminded by stakeholders and local authorities that economic regions are not restricted to national boundaries. The Mersey Dee Alliance is a case in point. The oft-repeated comment to David and me, when we are looking at economic issues and investment proposals in north Wales, is that we should bear in mind that the economic region also encompasses Merseyside and associated areas, likewise in south-east Wales, stretching over the bridge to Gloucester, Swindon and Avonmouth. They are economic powerhouses in their own right, and they just happen to have a national boundary going through the middle of them.

Responsibility? Good question. I do not think it is me.

Q239 Rob Roberts: Would you consider, though, that it would be more of a UK Government responsibility area or a Welsh Government responsibility area?

Simon Hart: I think it is important—despite the flippant comments we sometimes get when we get into a debate—that the devolution settlement is respected, for legal and political reasons. I do not have any problem with that. I think the problem always comes where there is some crossover between devolved and non-devolved activity. For example, I think the idea of an economic area encompassing geographical regions outside Wales poses a very interesting constitutional issue.



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If the Mersey Dee Alliance is something that is enshrined in law and is, for example, a sort of city and growth deal in its own right, somebody might come up with that idea or they might, for example, come up with the idea of a cross-border freeport. Ports are a largely devolved matter in Wales, but there clearly would then be a conflict as to how you make constitutional arrangements for a freeport that encompasses an area that is the responsibility of UKG and an area that is the responsibility of Welsh Government.

The only way I think you could resolve that is by a sensible, grown-up contractual approach that recognises the devolved settlement but also applies particular attention to the thing that we should be concerned about the most. That is not whether we are able to look the constitutional academics in the eye in Cardiff and tell them we have done the right thing. It is being able to look families and businesses in the eye in your area and say, "We have done the right thing by your business and by your family." That is the priority for me.

Q240 Ben Lake: Fabulous, I appreciate that. Thank you. I have a final question about the Union connectivity. We heard mention earlier from another Committee member about HS2. I am keen to make sure that UK Government are fully exploring and fully utilising the availability of the whole project so that it benefits Wales as much as it possibly can. It currently skirts around Crewe and disappears off up towards Warrington, but it is very important. Can you weigh in on how the new infrastructure will go that way as well as going that way?

Simon Hart: There are two elements of how we benefit from HS2. There is the obvious element, which is how we can tap into that main artery up the centre of the UK. Then there is what benefit we can extract from the supply chain, particularly in the construction period. Dealing with the first, I absolutely agree that we constantly need to explore ways in which we can connect into that fantastic new infrastructure. I cannot remember who the Transport Secretary was at the time who said that, for an infrastructure project to be effective, you need to build the foundations first, you have to have the spine off which everything else goes. You can't do the "off which" bits if you do not have the central bit. It is like building a series of motorway service stations before you have built the motorway. It doesn't work that way around; you have to do the motorway first and then build the service stations. That is the way HS2 works; you build this big substantial footprint from London to the north-east and north-west, off which you can then plan your arterial connections. That is one point.

The second point is on supply chain. Crossrail produced a very interesting map showing a range of supply chain opportunities across the UK, and indeed Europe, that benefit from supplying major infrastructure projects. It is interesting on HS2 that there are some quite considerable possibilities. It might be about the provision of steel or, in one case, the provision of trains from a Wales-based train maker, which could be



absolutely transformational for the companies in question. Nobody will necessarily go anywhere near the railway line itself, but what they are providing to the process is worth many thousands of jobs in Wales. I might try to see if we can produce an up-to-date map of supply chain benefit.

Chair: Great, that would be very helpful.

Q241 **Ruth Jones:** We have four lines running into south-east Wales, and two of those are virtually unused at the moment. With the South Wales Metro line and developments beyond that, how do you suggest that we look at freeing up those lines and getting them incorporated into the mainframe, bearing in mind that these are under the UK Government's remit?

Simon Hart: Yes, there has been significant money spent on them. That is, in maintenance terms, £450 million on resignalling in south Wales and £125 million on the South Wales Metro. They are in our sights certainly for maintenance, let alone improvement. I do not know if you have read the Burns report on transport infrastructure in and around Newport and Cardiff.

Ruth Jones: Yes.

Simon Hart: It was fascinating. It is a pity that he was not asked to opine on the M4 relief road—but maybe we should leave that for another day—because I am sure he would have had views on that. But the views he had on integration of road, rail, foot, cycle and how no particular transport infrastructure works if the others are not integrated as part of it make absolute sense. What I learned from that is not to fixate only on rail but to look at the way in which we can enhance and make more cost-effective the usage and the investment.

When we look at an area that has particular transport problems, let's look at how we improve each of those four categories of travel in an integrated fashion, because otherwise we overfocus on one particular system at the expense of the others. Ultimately we need to make sure that there is a seamless connection with the main lines, but we must also make sure that the road and cycle infrastructure there connects to a decent road and cycle network, because otherwise we are not going to crack the nut, which Terry Burns rightly highlighted.

Q242 **Ruth Jones:** That is why these two lines are so important, because obviously you cannot have the high speed trains and the commuter trains on the same two lines. Do you have any idea of how to go about releasing those?

Simon Hart: No, I have not, to be honest, for the actual physicality of that. In a sense, I regret that I do not think there is an imminent proposal around that, certainly until we have seen the next spending review and what that means for rail infrastructure. Then I think we will be in a better position to assess whether that is doable. I do not dispute the principle of it.



Chair: Minister Davies, did you want to come in on that briefly?

David T C Davies: Only to echo the Secretary of State, but to say that you have two freight lines running there. If they can be upgraded in some technical way that I do not fully understand, it would be possible to run passenger rail services on them. The Department for Transport is well aware of this. As the Secretary of State says, we have to await spending reviews, but I think it is now looking at accelerating the business case for that with Railtrack, so hopefully a costed proposal will come forward at some point. I want to reassure Ms Jones that we are totally aware of the fact that, if those two freight lines could be upgraded, it would be possible to run a lot more trains between Bristol and Cardiff in a way that will benefit the rest of Wales.

Chair: Brilliant. Geraint has one final very quick question on rail, and then I want to ask about free trade arrangements.

Q243 **Geraint Davies:** HS2 will reduce the travel time from London to Manchester from two hours and 10 minutes to one hour and 10 minutes, but it will still be nearly three hours to get to Swansea, so KPMG thinks that tens of thousands of jobs will be lost. Don't you think there is a strong case that we get our fair share of the £100 billion, which would be £5 billion for Wales, to provide better connectivity to Bristol from Cardiff and Swansea, and over with the Swansea metro? Are you aware that, post-Covid and as we build back greener, HS2 is now expected to take 100 years to pay back the carbon cost of the concrete it will use? Wouldn't it be better just to invest in some regional infrastructure for Wales connected to Bristol?

Simon Hart: In a sense, you are making an argument for never really doing any serious rail infrastructure at all. If we are just going to patch up the system and do small bits of it, I do not think that is necessarily the way forward. The argument you use, with respect, is the same argument that was used for the Channel tunnel and others—it was probably made about the Severn tunnel back in the day as well—that, “It is impossible, it is not going to save much time, blah blah blah.” I do not buy all that.

I think we have to be adventurous and bold. We have to think outside the box, to use that expression, when it comes to infrastructure proposals, otherwise we are never going to keep abreast of the physical requirements that we are putting on these systems. I also think it is not an either/or. I don't see why we should look at these as a trade-off. I think it is perfectly possible, interestingly, to do both ultimately. I like the idea of your regional improvements. That is why I like the idea of the Swansea metro and those kinds of more nuanced but, in many ways, much more instantly doable projects.

But I don't think we should look at it as one or the other, nor do I think we should just think that the only way we can get our fair share of the proceeds of HS2 is through the Barnett formula. I think we get our share



of HS2 through an absolutely undiminishing obsession with levelling up and strengthening the Union. That is how we do it.

I do not want the Treasury to have the excuse on major infrastructure projects to simply say, "There is a Barnett formula, therefore all we have to do is Barnettise our UK spend," and Scotland, Northern Ireland and Wales then have the problem. When it comes to decision-making in the Treasury, we need the default position to be how to make this work across the whole UK so that it is equitable and even, rather than press the button marked "Barnett" and forget about the problem. The only bit of what you said with which I disagree is about arguing for just a sort of Barnettised version of HS2. I think we can do it slightly differently.

Geraint Davies: It needs more money, though.

Q244 **Chair:** Secretary of State, when we had the Welsh Government Minister, Jeremy Miles, giving evidence to us, one of the positive things he talked about was the good interaction that he felt there had been between UK Government and Welsh Government ahead of the signing of the UK-Japan trade agreement. He was particularly complimentary about the posture of the Department for International Trade. What are your thoughts on how we build on that kind of collaboration with respect to future trade agreements?

There is one specific point I want to press you on. You may have seen in the report that we published before Christmas a call for more Wales-specific economic impact assessments of free trade agreements. Is that something that UK Government can press forward with so that we can understand the specific benefits to Wales when we sign these future trade agreements? But if you could speak to the point about collaboration first, that would be great.

Simon Hart: Yes, and I am very pleased to hear Jeremy Miles saying that. As I have often said in front of this Committee, there is often much more collaboration and agreement between the two Governments than sometimes the press and politicians—and I am as guilty as anybody—will have you believe. I am delighted by that. The fact that we were able to achieve that in the Japan FTA is a very strong example of why it should be possible with some of the others, which are in a holding pattern at the moment, waiting to be landed. I have quite a lot of confidence from the fact that we have been able to reach quite a good position and officials and Ministers have developed a healthy degree of trust.

I am quite keen on the impact assessment process or the margins. I raised this with Liz Truss earlier this week when we were discussing various elements of ensuring that Wales gets its fair share of recognition and impact when it comes to FTAs. There was absolutely no resistance from Liz in that regard. Also—and this should be a source of encouragement—as of either this week or next, the civil service hub opens next to Cardiff Central station and will be housing 4,000 civil servants from various different Government Departments, led mainly by



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HMRC. Everybody is hopefully going to be represented in that building as well, including a DIT contingent led by an as yet to be recruited senior director.

In Cardiff, yards from our Welsh Government colleagues, we will have a DIT presence for the first time ever in Wales. The purpose of that is to achieve exactly what you have set out, which is making sure that Wales punches either at or above its weight in FTAs. I have been very pleased about that. Combined with what Jeremy Miles has told the Committee, and when we get this person in position—they have not been recruited yet, but they will be—the physical presence of a DIT unit in Cardiff is a big step forward.

Q245 **Chair:** That is great, very encouraging. The UK Government hub in Cardiff is similar, I guess, to some of the issues that BBC Wales has in its HQ in the middle of Cardiff. There is a huge seismic shift happening in the labour market as a result of Covid, and that is the proportion of people who want to carry on working from home, even when the pandemic is hopefully long behind us. From surveys that have appeared in the press, it appears that quite a significant proportion of UK Government civil servants want to carry on with the flexibility of working from home. Are you concerned at all that that could render the large investment in that Cardiff city centre site somewhat obsolete or superfluous?

Simon Hart: No, I do not think so. I am well aware of that. I agree with you, and I don't have a particular problem with the changes in working practices that are anticipated. I think one of the good things about the hub—and I had a look around it when it was some way off completion—although it was designed pre-Covid, is that it will work quite well post-Covid. It particularly lends itself, and I think the IT will lend itself, to people being able to be much more flexible with their hours and their transport arrangements.

While it might not have 4,000 people sat there rigidly from 9 to 5, I think there will still be a very valid reason for it being there. The office layout is not rows and rows of mini-offices, as in the old days. It is much more open plan, much more environmentally friendly and, hopefully, will still be a valid place to work even if it is for three days a week rather than five, or whatever the new arrangements might be.

Chair: Great. Secretary of State, Minister David Davies, we have pretty much exhausted the two hours that you have kindly given us. A huge thank you from myself and everyone else on the Committee for being generous with your time and being very open and frank in your answers. I thought it helped make this a very useful session. Thank you to my colleagues on the Committee for their excellent lines of questioning as well. We will wrap up. We look forward to seeing you again in the not too distant future. There is so much going on, Secretary of State, that we find these sessions very valuable and I hope that you will agree to another one, not in the next few days or weeks but not far afterwards.



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Simon Hart: Thank you very much. We appreciate it, too.