

Welsh Affairs Committee

Oral evidence: The work of the Secretary of State for Wales, HC 597

Wednesday 11 February 2026

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Watch the meeting

Members present: Ruth Jones (Chair); David Chadwick; Ann Davies; Simon Hoare; Gerald Jones; Ben Lake; Andrew Ranger; Henry Tufnell; Steve Witherden.

Questions 37 - 78

Witnesses

[I](#): Rt Hon Jo Stevens MP, Secretary of State for Wales, Wales Office; Anna McMorris MP, Parliamentary Under-Secretary of State, Wales Office; and Ciarán Hayes, Director, Wales Office.

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]

Examination of witnesses

Witnesses: Jo Stevens, Anna McMorrin and Ciarán Hayes.

Q37 Chair: Good afternoon, everyone, and welcome to this oral evidence session of the Welsh Affairs Committee. My name is Ruth Jones, and I am the Chair of the Committee. Let me begin by apologising for the lack of visuals this afternoon. We were unable to get the TV cameras working in the room this afternoon. We have very clear audio, but this is not a good look, so my apologies to the witnesses and to those attempting to watch or listen in. It is not a good look.

Today, we are hearing from the Wales Office Ministers as part of our regular scrutiny work. I thank you all for coming back. It is lovely to see Jo Stevens, Secretary of State for Wales, back again. Of course, we want to welcome Minister McMorrin and also Ciarán Hayes as the new Director of the Wales Office. Welcome to you all.

We know we have 90 minutes with you, so we want to split the time between updates from the last time we saw you in July and then focus on our two inquiries looking at promoting Wales for inward investment and the environmental and economic legacy of Wales's industrial past. I know there will be a range of areas that we will not be able to cover today because of time limits, so we are going to follow up on those areas in writing if that is okay. Thank you very much.

No Members have declarations of interests today, so I am going to start. Secretary of State, it is good to see you. Thank you for coming. Can you update the Committee on the progress you have made on your three priority areas since we saw you in July, looking at economic growth, protecting steel and restoring the relationship with the Welsh Government?

Jo Stevens: Thank you very much, Chair. Thanks for the invitation to come back before you today, and for the welcome for our new team. I would like to mention the Wales Office Minister Claire Hughes, who is unable to be here today, but she is specifically supporting our work in north Wales and speaking for my Department on Welsh language media. Also, if I may, I will say on the record a big thank you to Glynne Jones, who was the Wales Office Director for 13 years. Glynne served 13 Cabinet Ministers during his time in public service with the UK civil service, so he is enjoying his well-deserved retirement.

We have had a very busy period delivering on the priorities I set out for you last year, and providing the Welsh Government with the largest settlement in the history of devolution has been the foundation for the progress we have made. Ending austerity has helped public services in Wales to recover. We have had an unrelenting focus on tackling the cost of living. We have seen wage increases in real terms. Six interest rate cuts have meant significant savings in mortgage payments for Welsh households.



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Inactivity is down on the year. Wages are up on the year. Unemployment is down on the year. All those measures are moving in the right direction. The scrapping of the two-child limit at the Budget will benefit 69,000 children in Wales, and other measures we have announced to tackle child poverty will see well over 250,000 families—in fact, 320,000 families—in Wales benefit from the first ever sustained, real-terms increase in the universal credit standard allowance, which I am very pleased to say passed through the Commons last night.

Though many of those households are working families, there is £150 to come off energy bills, and the increases to the national minimum wage and the national living wage mean that, since we came into government, if you are working full-time on the national minimum wage, in April your pay will have gone up by £2,300 a year and, for 18 to 20-year-olds on the national living wage, that rise is £4,000 a year, which will make a significant difference.

Since we last met, I have delivered my top priority for 2025. We spent a long time at the last session talking about rail. There has been historic funding of at least £445 million into Welsh rail, and that is going to help Wales's economic potential materialise with new stations, more and faster trains on the key lines across north and south Wales, connecting people with the new, well-paid jobs that we are creating.

You mentioned inward investment. We have seen nearly 2,500 new jobs created last year through foreign direct investment. That is an increase of 30% on the previous financial year, and I will be ramping up that work following the spending review settlement, which is providing funding to the Wales Office to promote Welsh investment opportunities and exports from April.

In November, I delivered on my commitment to bring new nuclear to Wylfa. That announcement with the Prime Minister was that Wylfa will host the UK's first fleet of small modular reactors, supplying power to the grid by the mid-2030s and clean power for around 3 million homes. Most importantly, from my perspective, there will be 3,000 direct jobs coming from this, with thousands more in the supply chain. It is one of the biggest public investments in Welsh history.

I am sure we will talk about many aspects of the industrial strategy, but I particularly wanted to mention the defence growth deal. That is going to build on Wales's unique strengths in autonomy and aerospace, creating really high-skilled jobs that are positioning Wales at the forefront of next-generation defence capabilities to keep the United Kingdom secure.

On steel, I want to put on record my thanks to the Wales Office team for everything they have done to deliver £102 million of transition board funding to steelworkers, their families and local businesses in Port Talbot and the surrounding region. The Committee knows that, when we came into government, that was a day one, critical, urgent priority because of the potentially catastrophic legacy we inherited. Our work is not finished



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by any means. We still have people to come out of the steelworks, but I am really pleased to say that we have not seen any spike in unemployment claims in the area. I am continuing our efforts to secure a steel strategy that delivers for Wales.

None of that has been easy. I have just rattled through what has happened on the priorities, but we all know that real achievement is never easy. I just wanted to end on this point. I want to make it very clear that none of that is achievable without partnership delivery with the Welsh Labour Government. That has been critical to supporting the success of my priorities for the Department and UK Government priorities. We are all here to work for the people of Wales, to improve the economy and their living standards and opportunities, because people in Wales deserve nothing less.

Q38 Chair: Thank you. Following up on that, on your relationship with the Welsh Government, you talked last time about resetting the UK Government's relationship with the Welsh Government, establishing a relationship based on mutual trust and respect. Do you want to update us on that?

Jo Stevens: On intergovernmental relations, we have had really close working across the two Governments. This is across all strands: me with the First Minister, the Prime Minister with the First Minister, Ministers in the Wales Office with Ministers in the Welsh Government, and officials talking to each other every day, not just in the Wales Office but across all UK Government Departments. We have a range of shared priorities—the NHS in Wales, growth funds, rail, the economy—and, very helpfully, our missions are aligned with the First Minister's missions in Wales.

That really meaningful and impactful collaboration has meant that we have been able to deliver the results I talked about in my first answer. These are things like inward investment, steel, rail and reforming our approach to the regulation of water, for example, which I know you have a particular interest in. We are taking forward recommendations from the Cunliffe report, which was jointly commissioned and will make a big difference in Wales.

One thing that does not get talked about much, but is indicative of the good relationship, is that for every single piece of legislation where we have needed a legislative consent motion from the Senedd, we have secured one. That is an illustration of how well the relationship is working.

Q39 Simon Hoare: Clearly, one of your priorities is to see the Welsh economy grow, and nobody is going to argue the merits of that, but we all appreciate that Wales is a part of the UK economy and the UK is part of the global economy. Taking a bit of a stocktake as of now and casting forward, what have you done or, indeed, what could be done to ensure that the Welsh economy can prepare as best it can to be able to respond to either global shocks in economic activity or unforeseen Treasury-



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authored shocks?

I am thinking about, for example, national insurance contributions, which businesses were not necessarily prepared for and had to accommodate. What can you and your Department do to help Wales and Welsh business?

Jo Stevens: We work very closely with relevant Departments across the UK Government—the Department for Business and Trade, the Foreign Office, No. 10 and the Treasury—and you will know that we have done a number of very significant trade deals with India, the EU, the United States and South Korea. The trade strategy that we have published is unambiguous in pursuing quicker and more practical deals, which will help to deliver a real impact for Welsh businesses.

Certainly, as a Department, we have prioritised deals with Wales's largest markets. The United States is our single largest country of destination. Over 1,000 businesses in Wales export there. These are deals that will benefit businesses from a wide range of industries in Wales, such as car making, aerospace, steel, life sciences, farming, food and drink, and defence manufacturing, to name but a few. That work has been done across Government.

In terms of future-proofing, I suppose you might call it, against the disruption and the geopolitical situation, it is very clear that countries and trading blocs are moving to protect their domestic industries, and we must do the same. The trade strategy commits to expanding powers to defend our domestic manufacturers from unfair trading practices. There are several that are very well known to all of us. The UK-EU summit in May has committed to linking both the UK and the EU emissions trading markets, with detailed negotiations beginning last month.

On the UK-EU deal, we have Nick Thomas-Symonds as the Paymaster General leading negotiations. The agrifood and SPS deals will be very important for us in Wales. I have mentioned some of the sectors with the US trade deal but, for India, we have seen tariffs being reduced on premium Welsh products and services, including lamb, aerospace, luxury cars and whiskey as a result of those deals.

Q40 Simon Hoare: You have mentioned trade deals. The Committee will find it interesting. Are you able to share with us the involvement of your office with Trade Ministers, the Treasury, et cetera, to ensure that the views and needs of Wales are taken into account as preparatory talks on trade deals are undertaken?

What is the involvement of your office in ensuring that the impacts, both positive and negative—one always has to assume that the positive is going to outweigh the negative, but it is always a mixed bag—from a bespoke Welsh perspective are understood and, where possible, attenuated against?



Jo Stevens: Those are always part of the conversation. We are quite lucky in that we have MPs from Wales in ministerial positions. The International Trade Minister is a Welsh MP. As I said, the Paymaster General is a Welsh MP. We have two Welsh MPs in the Foreign Office in ministerial positions.

I am an adviser to the Board of Trade. I am also on the interministerial group for trade, along with the Welsh Government, and we work closely with the Welsh Government in the work they do around inward investment. There is a holistic approach to it all, making sure that the sectors that we know are important to Wales are at the forefront of the discussions.

Q41 **Simon Hoare:** Finally from me—I have to go to another meeting, so I cannot stay for the whole thing—you mentioned the work that Nick is doing on SPS. The default position is that the SPS agreement with the European Union is de facto a good thing, but there are quite a lot of mixed voices in the agricultural communities about potential hiccups and challenges that it might present.

How are you engaging with the voices of the important Welsh agriculture industry to ensure that their concerns are taken into account, alongside other interests?

Jo Stevens: I was just going to say that Welsh food producers, for example, should save thousands in costs, because it will speed up exports and imports. I will hand over to the Minister, because this is her area.

Anna McMorris: That is a really good question. As the Secretary of State mentioned, at the UK-EU summit last May, the Prime Minister and EU counterparts agreed to prioritise the sanitary and phytosanitary agreement to ease trade in agrifoods. That agreement is to deliver for farmers, producers and consumers by reducing checks, costs and friction, as mentioned.

Negotiations have now commenced, and that includes reaching out to ensure that the voices of stakeholders are there, because this is, in essence, about easing that burden. Without those voices, there is no purpose to it. It is absolutely at the forefront of the Government's priorities, ensuring that we can come up with a final agreement. Negotiations have commenced and, while we cannot provide a running commentary, our objective is essentially to conclude these discussions and have the legislative arrangements in place no later than 2027.

Q42 **Henry Tufnell:** Secretary of State, can I ask a little bit more about the linking of the ETS scheme that you mentioned and the role that Nick Thomas-Symonds is playing? Wales has a long history of industry. In my constituency, in Pembrokeshire, we have an oil refinery and gas-fired power station. This is enormously important.

Are you at all concerned that the linkage, and the timing of that linkage,



could have a significant impact on industry, increasing the ETS price and putting further weight on industry and the viability of those different sectors?

Jo Stevens: I absolutely understand the value and the crucial role that Valero plays in your constituency. I have had a number of discussions with them myself, and I know what their concerns are. Our refining capacity is really important to our energy security and to our resilience, but it is also important to the industrial base across the UK, and that will lead into growth across all regions of the UK. I know that DESNZ has established a dedicated team to work with stakeholders across Government and industry.

We welcome continued engagement from the industry, and particularly from Valero. At the Budget, we committed to considering the feasibility and the impact of including refined products in the CBAM in future. We are engaging with industry on the process for potential inclusion. There will be a call for evidence shortly to try to shape the UK's long-term strategy for the downstream oil sector. There is a real focus on it, and I know that Valero are playing their part in that.

Q43 Ann Davies: Diolch yn fawr a croeso. I am asking this question on behalf of Llinos Medi, who is in bed on her doctor's orders. Those of you who have seen her around here in the last two weeks will know how unwell she has been.

Jo Stevens: Please pass on our best wishes.

Ann Davies: The question is about Wylfa. How will the Department, the Department for Energy Security and Net Zero and the Welsh Government all work together to ensure that projects such as Wylfa, Awel y Môr and Celtic Sea have the infrastructure and the skills they need to deliver?

Jo Stevens: The decision on Wylfa was one I was absolutely delighted to be part of. To have the Prime Minister, the Chancellor, the First Minister and the Technology Secretary at Coleg Menai to make that announcement, and to include in it the AI growth zone for north Wales, was a really significant moment. It is really important not just for everybody on the island, but everybody across north Wales and the whole of Wales, because this will be transformational.

If I may sum up how it will impact the people you have talked about, Ann, I stood in a room with a load of students from Coleg Menai. I do not think they knew what was going to be announced. They were all standing there, looking at us and thinking, "Who are this lot? Why have they come here?" The Prime Minister started speaking about what Wylfa will mean for them, and it was almost like lightbulbs had gone on around the room.

He did not just talk about the engineers who are going to be building those small modular reactors. He talked about the people who will be working in marketing, accountancy, project management and all the other jobs that are going to come with this. Those students are going to



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be part of it, because work will start this year. There will be 3,000 direct jobs, thousands more in the supply chain and the possibility that, in the future, we are going to have more modular reactors on the site, because there is the space and capacity to do more. That will create more jobs.

We have a really good record, as you know. Anglesey is a nuclear island. It has heritage in the industry. There are specialists who have worked in it in the past with skills to pass on. This gives every child on that island the opportunity both to learn and earn on the island and not have to move away, so it is a huge difference for them.

Q44 Ann Davies: You mentioned that it is starting this year, which is fantastic, because those jobs will then slowly come through. That is brilliant. When do you envisage the switch-on? When will the electricity come through from Anglesey to those 3 million homes?

Jo Stevens: It will be in the 2030s. Work is already under way in the Government and with Great British Energy Nuclear and Rolls-Royce, which is the landmark selected company to work on this, to reach contract signature. Once that is done, GB Energy Nuclear will bring together developer capability and undertake project design and permitting activities. As I have said, we expect initial site activity to begin in 2026 and for it to be operational from the mid-2030s.

I saw a couple of days ago that for the first company, in terms of design or development—the pre-work, anyway—the £25 million contract has been signed. It reminds me that I met another student at that announcement who told the Chancellor and me that his father had worked in the old nuclear plant. He had been made redundant and has never worked since. He was going home that day to tell his dad that he was going to get a job in a nuclear plant. That is what it is going to do for people.

Q45 Andrew Ranger: You have just spoken about the fantastic announcement about the AI zones in north and south Wales. Could you tell me a little bit more about how the UK Government are co-ordinating with the Welsh Government on the development and deployment of both those zones?

Jo Stevens: Yes, of course. We have established two. I was delighted, because we thought there was maybe only going to be one, but there are two. That is great news. Each one is backed with £5 million of investment in local AI adoption and skills. North Wales is linked to the Wylfa announcement and along the north Wales corridor. We expect just shy of 3,500 jobs to come online as a result of the growth zone and, in south Wales, about 5,000 new jobs for local communities.

That is already the home of a really significant, growing tech industry. That major investment in the region is going to help cement the UK's place as a global leader on AI. We have a Welsh MP as Minister for AI and online safety, and he is living his best life at the moment. We have



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worked very closely with the Welsh Government. We sought their views on the location of the zones. We jointly announced them.

The Cabinet Secretary, Rebecca Evans, and I were at Cardiff University with the Technology Secretary to announce the south Wales one. I have mentioned that the Prime Minister and the Technology Secretary were at Wylfa to do the north Wales one. I am very sure that the development and delivery will involve extensive engagement, because some of the key policy levers are, in fact, devolved to the Welsh Government. Those are things like planning and skills.

There will have to be—and I am absolutely certain there will be—extensive engagement. We will be going into the delivery phase. We will have joined-up governance and delivery arrangements with the Welsh Government, with local authorities and with industry, so that decision making and resolution of any issues that come up can be done quickly, with the whole process streamlined from the outset.

- Q46 **Chair:** Before I bring in Gerald Jones, it would be rude of me not to mention the south Wales AI growth zone, knowing about the data centres and the semiconductor cluster. Newport West and Islwyn hosts those, so it would be rude not to mention them. Can you explain, Secretary of State, the “so what”? We have the AI growth zones identified. What does it mean for people on the ground?

Jo Stevens: We have fantastic universities in Wales that are absolutely brimming with talent. It is the research and innovation that goes on in the universities that creates the start-ups that then go into the scale-ups, which feed companies such as Vishay and KLA in your constituency. They are some of the best-paid jobs in the whole of south Wales. You are very lucky that they are in Newport West and Islwyn.

AI adoption is going to come right across all sorts of industries. It has felt for a long time as if AI is a thing that is sitting over here but, in fact, it is going to affect every part of our lives. It does affect every part of our lives. I go to see businesses every single week. They are all thinking about how AI can help them, whether they are big manufacturers or the smallest businesses, which make up a significant proportion of the Welsh economy.

AI adoption is going to be big. It is going to be extensive. It is going to improve efficiency and productivity, and it is going to give opportunities for people right across Wales. Creating those zones where people can innovate, build their businesses and work alongside other businesses that are doing adoption is going to make that difference.

- Q47 **Gerald Jones:** I have some questions around policing in Wales. The Home Office recently announced the police reform White Paper, which has implications for policing in Wales. Could you tell us a little bit about the engagement that the UK Government had with the Welsh Government in advance of those proposals being announced?



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Jo Stevens: As I said, we talk to each other all the time, and we talk about all aspects of our work and their work. That includes policing in Wales. The Wales Office contributes to the Policing Partnership Board for Wales, and the Welsh Government sit on that board as well. We will discuss forthcoming announcements and all sorts of things around changes in policing, and that is the case with the Home Office police reform White Paper, which is extensive. There are some big areas to consider in that, and there will be the consultation and the independent review on structures.

Q48 Gerald Jones: To delve into a couple of those areas, there does not seem to be an overwhelming appetite among the Welsh public for policing to be devolved in Wales. The Home Secretary has said that now is not the time for that to happen. Do you see a time, certainly during this Parliament, where that would change at all?

Jo Stevens: Our priority for policing—Simon is gone, so I can say this—is fixing the mess that got left behind, I am afraid. That is why the Safer Streets mission is one of our key missions. It is why we are funding more police, putting more police into neighbourhood teams, and it is why the funding settlement that has recently been announced is such good news for Wales.

For Dyfed-Powys, it is nearly £171 million, an increase of 4.5%. For Gwent, it is an increase of 4.2%. In north Wales there is a cash increase of 4.3%. South Wales Police has a cash increase of 3.9%. That is all to deliver those extra officers, make people feel safer and reduce crime and antisocial behaviour, which we know blights some of our communities.

We are making good progress on bringing down serious crime. We have the strategy on violence against women and girls, which I am sure the Minister can say something about as well. Those are our priorities. The Policing Minister has been very clear that we believe the current system works best for communities in Wales.

Q49 Gerald Jones: It is good to hear that. Now, we are moving away from the police and crime commissioner model. Despite some individual good work from individual PCCs, the model has not proved to be well supported by the public, and it is going. There will need to be a model of holding police forces to account in Wales, and across the rest of the country as well. How do you see the Welsh public holding their local police to account?

Jo Stevens: I want to say that the changes are no reflection on the individuals who have held office as PCCs. It is just that the model did not work. We have the rather embarrassing record of having a ballot box at a PCC election in Wales several years ago in which nobody voted. The abolition is about creating a new governance and scrutiny structure.

There is going to be a consultation, so that everybody in Wales can participate and give their views, and so that we can come up with what



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works best for Wales. It might be slightly different from how things operate elsewhere, but everybody will have their say on it. We want to make sure that our forces are absolutely accountable to the communities they serve.

Q50 Gerald Jones: This is the last question on this topic. The next question is about the make-up of Wales's police forces. Do you think that Wales would be best served by a single police force or multiple forces? How do you feel the future would work best?

Jo Stevens: I certainly do not have a fixed view on it, and I do not think the Home Office has a fixed view on it at the moment, because it is going to be looked at across the piece. If you talk to chief constables, they have different views on it as well. I know, for example, that the North Wales chief constable is very concerned about cross-border crime. We know that that economic corridor across north Wales into north-west England is also essentially a crime corridor as well. In south Wales, we have the issue of county lines.

There are significant things to consider around cross-border working, but the Home Office wants to reduce the administration costs of having 43 or 44 police forces across England and Wales. There needs to be a model that works for the public, that keeps people safe, that tackles the kind of organised crime that we are seeing growing in Wales and in England, but also keeps that local connection, so that people have neighbourhood policing, police they know, who know their areas and in whom they feel confident.

Q51 Andrew Ranger: As with that discussion with my colleague, there is a lot of talk about the future of Welsh devolution and it has often been talked about as a journey, not a destination, in many ways. We have spoken already today about how the partnership in power between the two Governments is really delivering for Wales. I was reflecting on the 2015 St David's Day agreement, which was signed between the last Government and the Welsh Government. It developed a framework for devolution of further powers to Wales, but we know that the last Government did not allow anything further to happen along that line.

I was wondering, sitting here today, if there are any areas of policy less discussed than the common ones we hear reported, where you, the UK Government, have plans to devolve new powers to the Welsh Government? If so, what difference will that have in practice?

Jo Stevens: Thank you for the question. We made a number of manifesto commitments around devolution and we have delivered on some. We are continuing to work on others. I can say this today, which is quite helpful, because there has been one development that I want to alert the Committee to, which is around tax devolution. Since 2018, the Welsh Government have wanted to introduce a vacant land tax, so that we can incentivise house building and support economic growth. We



know that there are pockets of land that are just being held forever and ever, and we need to bring them into use.

When the request had been made to previous Governments to do this, it had been refused. I am really pleased to tell the Committee today that we are agreeing to devolve the powers necessary for the Welsh Government to introduce a vacant land tax. That will be subject to a joint consultation, a consultation by both Governments, which we will publish in the near future. This is the first such example of new tax power devolution to Wales. I am very proud we introduced devolution in the 1990s. We have protected and defended the settlement, and we will strengthen devolution in ways that will make a tangible positive impact for people in Wales. This is one of the areas where it can do that.

Andrew Ranger: That is really good news. I know that will make a difference in Wrexham, particularly with house building and land banking, as you have spoken about. That is really good news and I hope to see that develop further. Thank you very much.

Q52 **Ann Davies:** We will keep with devolution, if that is okay. We have discussed devolution of policing, and I am delighted to hear about the tax power devolution and the consultation that will be coming out on that, but we also need to look at the devolution of rail infrastructure, youth justice, probation and the transfer of the Crown Estate. That is so important for us in Wales. All of these have been called for by the First Minister as part of her ambition for a new chapter of devolution. I am just wondering what your thoughts are on those.

Jo Stevens: On the Crown Estate, the UK Government's position is well known. We do not agree with the Welsh Government on the Crown Estate. That is mature devolution. You can have differences of view. Certainly, I know I have answered a significant number of questions at Wales questions in the Chamber about the Crown Estate, as have DESNZ Ministers and Treasury Ministers.

At the moment, the Crown Estate is working well. Introducing a new entity would, at a critical time, risk market fragmentation, damage investor confidence, complicate existing processes and delay further development offshore. Having had such a significant delay in previous years under previous Governments, where an auction round could not be run to get anybody to do any development in the Celtic sea, we have had three successful leasing rounds through the Crown Estate in the Celtic sea.

We would also, if it was devolved, lose access to the Crown Estate investment that comes from revenues in England. We do not want to jeopardise what is essentially our new industrial revolution in Wales, floating offshore wind, which is estimated to support 5,000 jobs, deliver a £1.4 billion boost to the economy and all the supply chain jobs that go with it.



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You mentioned youth justice and probation, did you not? We had a commitment in our manifesto to consider devolution of youth justice and probation. Both Governments have agreed to work together to look at options relating to governance and funding of youth justice services and partnership arrangements on probation services. That work is currently under way. I have been part of that. Ministry of Justice officials are meeting with the Welsh Government, and officials between the two Governments are meeting as well. That work is currently going on.

Q53 Ann Davies: The First Minister has also called for devolution to be legally protected through a constitutional reform Act. Are there any plans for the UK Government to introduce this type of legislation?

Jo Stevens: It is in the interests of both the Welsh and UK Government that the settlement we have clearly defines our respective responsibilities and delivers for the people of Wales. Our focus is on delivering the commitments in our manifesto. We set them out in advance. We are working through them, and we have made progress in a number of areas.

For example, we have provided funding for the economic inactivity trailblazers in Wales and a statutory role for the Welsh Government in the management of the rail network. We have restored the Welsh Government's decision-making role on post-EU structural funding for the new local growth funds, and we have also updated the fiscal framework and the flexibilities for the Welsh Government.

We are also working with them, for example, on water regulation reform, which I alluded to earlier, and on taking forward the Cunliffe report recommendations. Our focus is on delivering the things in the manifesto. We have done some extra things, which I have mentioned today, but that is where our focus is, rather than legislation.

Q54 Ann Davies: My Plaid Cymru colleague, Liz Saville-Roberts, asked in a written question what formal requests for devolution of powers had been made by the Welsh Government since July 2024, but, instead of providing that information, your Department met it with a political attack, which sadly appears to be a Wales Office trend in response to legitimate questions from elected representatives. I have some of them here with me.

Can you now provide the Committee with this information, as a matter of transparency? How many formal requests for further devolution of powers have been made by the Welsh Government since July 2024, and what policy areas did these requests relate to?

Jo Stevens: I am not entirely sure what formal requests would involve, but I have certainly outlined what our manifesto commitments are. We were very clear and transparent about what we would deliver in government. As I said, we have delivered some of those already. We are currently working on other ones, and there will be further to come that are in the manifesto, which we will get to before the end of this parliamentary term.



I do not accept the characterisation that has been suggested around political attacks. The fact is that we are very transparent about what we are doing on devolution. It was in our manifesto, and we are delivering that.

Q55 David Chadwick: At the beginning of this Government, we heard a lot about the two Labour Governments working together. Secretary of State, in September 2024, you announced plans to expand cross-border NHS co-operation and use spare capacity in NHS England to cut waiting lists and deliver earlier treatment for patients in Wales.

Since that announcement, the opposite has happened. In the area I represent, in Powys, spare capacity in Herefordshire and Shropshire is no longer being used and waiting times for many procedures have doubled almost overnight. That is leaving a lot of my constituents in pain, pushing people out of work and increasing the risk of emergency admissions and long-term complications.

Can you explain why, more than a year after you made this commitment, there are still no clear plans to implement it? Why, in places like Powys, is the reverse of what you promised now happening?

Jo Stevens: I am going to hand over to Minister McMorris, because health is her portfolio.

Anna McMorris: Thank you for the question. Health is a devolved matter, but there are issues with cross-border health. There are opportunities there, too. We absolutely understand the importance of efficient cross-border healthcare. As such, my colleagues and I are working with the Welsh Government to ensure that cross-border healthcare arrangements are fair and transparent but, most importantly, focused on patient need.

It is worth noting that there are around 30,000 people living in England who have a GP in Wales, and vice versa. That is why there is a statement of values and principles for cross-border healthcare. Emergency care is available to all patients in your area, in Powys, regardless of residency or GP registration, and we know that both integrated care boards in England and local health boards in Wales will consider the impact of their commissioning decisions on those cross-border communities, putting patients at the heart of everything they do.

Q56 David Chadwick: Clearly, that is what is needed. You told the public that cross-border working would mean earlier surgical procedures where capacity exists. Statements are one thing, but what people really need are their hip operations and leg operations. For Powys, that capacity exists in English hospitals in Herefordshire and Shropshire, yet patients are having their treatment deliberately delayed to save costs.

As a result, people are no longer being treated on their clinical need, something that local doctors have described as dangerous and inefficient. This is also raising costs for English trusts on the other side of the border.



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How do you reconcile those two positions?

Anna McMorrin: I would probably beg to differ on some of your analysis there, because we are continuing to work together. I know my colleagues in the Welsh Government and across the Department of Health and Social Care, as well as ourselves in the Wales Office, are continuing to work together to collaborate for better outcomes for patients on either side of the border. That includes focusing on and prioritising cutting waiting lists, building the NHS that we—

Q57 **David Chadwick:** They are not cutting waiting lists; they are extending them. Are you aware that they are extending waiting lists for patients in Powys?

Anna McMorrin: We are offering a shared approach in our collaborative work, which includes new surgical hubs. That is the approach the Welsh Government are taking. I am not sure I would agree with some of your analysis, but reducing waiting lists is a key priority for this Government. That is what we are focused on. That is where we are collaborating, in terms of working with the Welsh Government, to bring those waiting lists down.

Q58 **David Chadwick:** Jeremy Miles has refused to respond to me or meet with me on this topic. It would be very welcome if you would engage with him to hopefully accelerate those treatments for Powys patients.

Anna McMorrin: We work together very closely.

Q59 **Chair:** I am sure the Minister will be very pleased to know that the Welsh Affairs Committee will shortly be launching a cross-border healthcare inquiry. We will be making calls for evidence, and any evidence from the Wales team would be gratefully received.

Let me move on now to talk about violence against women and girls. It is Minister McMorrin's portfolio, is it not?

Anna McMorrin: Yes, it is.

Chair: Today we heard, or certainly I heard, the Prime Minister talk again at the women's parliamentary Labour party group about his ambition to halve crime and violence against women and girls within a decade. How will that be measured in Wales? How will that VAWG strategy be evaluated?

Anna McMorrin: As you rightly point out, this is a landmark strategy. It was published in December and sets out the strategic direction and some concrete actions to prevent violence and abuse, to pursue perpetrators and, crucially, to protect and support victims. It also set out our unprecedented commitment to halve violence against women and girls within a decade.

Our approach is informed by the best available evidence. It is underpinned by what works to bring down violence against women and girls. In terms of evaluation, as set out in the strategy, we are using ONS



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crime data, which covers both England and Wales. That is a whole-system approach, and it is also measured using a headline metric to look at progress through the combined estimate of the proportion of people aged 16 and over who have experienced any kind of domestic abuse, sexual assault or stalking in the previous 12 months. That is based on the crime survey for both England and Wales.

Q60 Chair: That is helpful. What communication did the UK Government have with the Welsh Government on drawing up the strategy? That is the high-level strategy, but what about the structures in place? How will it actually work on the ground in Wales?

Anna McMorris: Those are two really good points. We have worked very closely with the Welsh Government on alignment in developing the strategy. I know my colleagues in the Home Office and the MOJ have worked very closely with the Welsh Government. Welsh Government Ministers are part of the ministerial working group, and Welsh stakeholders, such as Welsh Women's Aid, are part of the advisory board. Of course, Johanna Robinson, who is the Welsh Government's national adviser on tackling violence against women and girls, is also part of those structures.

Also, it is important to emphasise the fact that we have had regular meetings between Ministers, between civil servants, regular board meetings across the UK Government and between Departments here, but also with the Welsh Government as well. As Wales Office Minister, I will also be a permanent member of the implementation board working across both Governments to drive this strategy forward.

Q61 Chair: What about the actual violence against women and girls services? Let us be honest. There are wraparound services, support services and criminal services. Are they sufficiently funded in Wales to actually meet this challenge? It is a massive challenge. It is an ambitious target, halving the crime figures within a decade. That is a massive challenge. Are you confident there is sufficient funding for this?

Anna McMorris: You are right. This is a landmark strategy, but it is essential and, as you pointed out, it is a priority for this Government and this Prime Minister. This is the biggest investment we have seen in victims' services: £550 million invested across England and Wales, with multi-year funding over the next three years. That means we are putting victims at the heart of this. Programmes are funded from existing unallocated budgets as well. This is a priority where we have clearly seen commitment. It is followed by this huge amount of money, the biggest investment we have seen of £550 million, to ensure that we are delivering and halving violence against women and girls within 10 years.

Q62 Ben Lake: I would like to turn to S4C. I am not sure whether—

Anna McMorris: It is me.

Ben Lake: The Committee recently took evidence from S4C. We had the



lead independent board member, the chief executive and the chair. When asked what the priorities were for the coming period, they very much emphasised the need to ensure the prominence of S4C on smart TVs and digital platforms, as well as, of course, the BBC charter review. What are your thoughts, and what work are you doing towards those two objectives?

Anna McMorris: Diolch yn fawr. Since becoming Minister in the Department, I have regularly met S4C. My officials have had discussions with the Department for Culture, Media and Sport on this issue. I have also had meetings with Ofcom, and just yesterday I met the director of Wales.

We know that S4C's activities make an enormously valuable contribution to the creative economy in Wales in terms of driving high-quality local jobs and growth, but also protecting the Welsh language and culture right across Wales. This Government understand that, and it is reflected in the charter review Green Paper that we saw published at the end of last year.

The Government are going to ensure that wider considerations of the BBC's overall funding model take into account the funding for minority-language broadcasting. That will obviously include S4C, to ensure it can continue to play the role it does in enhancing the rich linguistic heritage and ensuring the Welsh language plays a role. It is there for that.

You ask about prominence. That is something I am particularly passionate about as a means of supporting a thriving Welsh language. I have been in discussions particularly on this matter. The meeting I had yesterday with Ofcom was on this matter. I have had regular discussions on this with S4C. My officials are discussing it with DCMS, too. The Media Act is a good starting point to ensure that, but we are going to go further. We are dealing with some pretty significant players in this field—the likes of Samsung, LG, Sky and YouTube.

This whole environment is changing very fast. The Media Act, as I say, begins to do this but, with such an ever-changing field, we need to go further. There is a real opportunity to get this right, and that requires working in partnership. That partnership is across Governments; that is with Ofcom and S4C. That is exactly what I am doing.

I am confident that we can work with industry on this to get the right outcome on fair commercial terms, ensuring that the big platforms are in no doubt that, if we need to, this Government will go further, as my colleague, the Secretary of State in DCMS, has said. If we need to regulate to support prominence and accessibility, we will.

Q63 **Ben Lake:** I know that will be very reassuring to the members of S4C, because one of the things they raised with us as a Committee was their prominence on smart platforms. You also mentioned YouTube; they explained to us just how important that platform now is in terms of a lot of their content, and in particular for children's content. We were very



pleased to understand that they are the second biggest commissioner of children's programmes in the UK after the BBC itself. This may not be something S4C necessarily thanks me for asking, but given the charter's very welcome emphasis on minority languages, do you think there may well be a role for S4C to support children's content in the other minority languages of the British Isles?

I ask because, for animation purposes, I know S4C is already entering a very exciting collaboration with other broadcasters to share the cost of the actual animation, and obviously you need the dubbing on top of it. Do you think there might be a role for S4C under the Government's plans, and potentially the charter review, so that other parts of the UK benefit from its resources, expertise and skills?

Anna McMorris: That is a really important point, because we should be rightly proud of the children's content that is created and developed by S4C. Just the other week, I was talking to producers, including the head of film and content for S4C and also the chair of S4C. I was at the film set of "Cleddau", which is, by the way, another really successful drama that has been exported and viewed right across the world. It is made bilingually. Each take they film twice, once in English and once in Welsh. That is fantastic in commercial terms in building that sustainable model, but also in getting viewing figures right across the world, and partnering with other television broadcasters, companies and organisations.

Children's television is a really key area that S4C can be rightly proud of and excel in. Your suggestion is a really interesting one that I am sure S4C could think about, and that potentially we could have discussions about across Government.

Q64 Steve Witherden: Thank you all for coming to meet us today. What are your ambitions for inward investment in Wales over the next 10 years?

Jo Stevens: We definitely want to continue the success of last year, with the 30% increase I mentioned and the close to 2,500 additional jobs. It is coming up to quite an exciting point for the Wales Office because, for the first time, we have funding to promote Welsh investment opportunities and exports around the world. At the moment it is called Brand Wales, but the whole programme will be designed to increase the exports from Welsh businesses and the inward and foreign direct investment to Wales. We can name particular companies. In the Chair's constituency, the American semiconductor companies have set up in Wales and been hugely successful; that is one of our greatest inward investment stories.

There is huge soft power potential with Welsh culture and the Welsh diaspora. I do not know about you, but everywhere I go, I always meet somebody from Wales, and they know somebody who I know. The diaspora is spread far and wide. We have, as a Government, extensive overseas networks that we can use in order to facilitate that inward investment.



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In terms of the programme and the funding, I can give you a heads-up on what I expect it to include. We are working very closely with Welsh Government and local partners to make sure we have clear and consistent investment propositions for Wales. This is not about duplicating anything that Welsh Government or other Government Departments do; this is to complement the activity and draw it together so that we have a really joined-up approach. It will involve a series of targeted and focused overseas visits and events in key markets, so not spreading ourselves thinly, but looking at key markets overseas where we have the best possibility of landing inward investment.

There is going to be a fund that the overseas network can bid into so that they can deliver activity to promote Wales and Welsh trade and investment opportunities. That is the first time there will ever have been a budget for them to do that. I am quite excited; there will be lots of them queuing up for it. I have been meeting key stakeholders throughout, including companies that have already invested in Wales from abroad, to understand from them what worked, what did not work, where they think we could do things slightly differently to make it work better, and building on their expertise and feeding that into the programme design.

Q65 Steve Witherden: Thank you, Minister. That is incredibly thorough. I was going to ask a follow-up question on what we are doing to realise these ambitions, but you have covered that comprehensively in your answer, so I will move on to my next question. How is the Wales Office working with other Departments in the UK Government and in the Welsh Government to diversify the inward investment that Wales attracts, to ensure that it represents higher-value jobs for people in Wales?

Jo Stevens: That goes back to the point I was making about not spreading things too thinly. Obviously, we have the industrial strategy. Eight sectors have been identified as those sectors in the UK where there is the potential for very significant growth but also, just as importantly, very fast growth. We in Wales have a number of strengths in nearly all of those sectors. There is also the defence growth deal; we have huge skills, expertise and specialisms in autonomy and aerospace, where we will be looking for more inward investment as well.

There are a number of Government Departments that we work with closely, and will do as part of this programme. Obviously, there is the Department for Business and Trade. We are working with the International Trade Minister Chris Bryant, with the Foreign Office and the Welsh Government, who have people posted in some of the embassies around the world, but also with existing investors and the diaspora as well.

There is huge potential here. We had seen some really great figures last year on inward investment, but I am confident that we can do even better, and particularly in bringing investment that brings high-skilled, secure jobs. We want to see average wages rising in Wales, and long-



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term secure employment that has the potential for growth in the future as well.

Q66 Andrew Ranger: I was going to ask a question about Brand Wales but, as Steve said, you have covered that in great detail already. We had Lord Stockwood from the Office for Investment in front of us a couple of weeks ago, and one of the questions we asked was about how they and yourselves target the different regions of the UK, and how that figures in the work that you are doing.

On a Wales basis, how do you look at that in terms of making sure the investment is spread right across Wales? We have spoken about that today in different areas, in terms of growth zones and things like that. What is your feeling of how that sells abroad to inward investors, in terms of the different regions?

Jo Stevens: I will be perfectly honest. When I started in this role, I was astonished that the Wales Office did not do this sort of work anyway. It may be that some of that work was going on, but you could not see very obvious results from it if it was going on. That is why we put the bid in for the spending review. With Lord Stockwood, I met an Omani delegation that came to Wales. We are looking particularly at areas where we are working on future trade agreements with countries that would target their investment into Wales, as well as other parts of the UK.

I thought you were going to ask a question about Wrexham, because that is probably the most famous inward investment of the last few years. I met the Swansea City investors, for example, last year. Our sports industry, if I can call it that, has huge potential in terms of inward investment. I would love it if somebody came in with a load of investment for Newport County. There are all sorts of places where you would not naturally look for inward investment where we have lots of opportunities in Wales. I really want to see us maximise those.

It is a cross-Government effort across many Departments. It is about working closely with the Welsh Government and also with local authorities. If you can present a streamlined package to an investor, where the three levels of government in Wales can all provide something in terms of a package that will deliver that investment, then we know from experience, because of Eren Holding in Shotton Mill, that they will choose Wales over someone else.

Chair: We are definitely not going to mention the rugby. We have had a very interesting inquiry into that. I should also say that the Welsh Affairs Committee went to the US last year, and we met with officials who are working on Wales's behalf to gain more inward investment. That was very useful, as well as meeting with the diaspora.

Q67 Gerald Jones: I just wanted to ask about deindustrialisation and the south Wales valleys. In the inquiry that the Committee held on the environmental and economic legacy of Wales's industrial past, we heard



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evidence that the south Wales valleys, in particular, experience lower job density, slower jobs growth and poorer health outcomes than other post-industrial areas across the UK. I just wondered how your assessment chimes with that. Specifically, what will the UK Government do to reverse some of those long-standing economic issues, tackling some of the root causes of those issues that seem to be endemic in areas across the south Wales valleys?

Jo Stevens: I recognise what you describe. We all recognise it. Most importantly, the people who live in our valley communities are living and breathing it every day; they certainly recognise it.

We were very clear when we came into government that we wanted to reduce inequalities across this country, because there are significant, embedded inequalities. We can see patterns in former mining communities, for example with Wales and the north-east of England. We want to make sure that wealth, investment and prosperity is spread around the whole of the UK. It should not all be going into London and the south-east. It should be spread right across the UK, and that is why we want to invest in every region of the UK.

In terms of the south Wales valleys, for example, there are a number of things that we have done already in government that will and are making a difference. I talked earlier about the Welsh Government budget or financial settlement. There is investment that will go into public services, particularly into the NHS, transport, buses and new routes. There will be a bus fare cap in May if the Welsh Labour Government are re-elected. Both we and the Welsh Government have put investment into the core valley lines to get people to jobs that are being created, because we know there is no point bringing the jobs if people cannot get to them.

There is the local growth fund, the Pride in Place programme, the defence growth deal and investment right across the board. There are also some of the things I talked about at the beginning regarding cost of living and support for people with the minimum wage rises and child poverty announcements that we have made to reduce that, the universal credit announcement, and the one thing that is universally welcomed in terms of what we are looking at in terms of welfare reform: the right to try for people. That will make a huge difference to these communities. Money is going into the Welsh NHS to bring down waiting lists. We are helping people back into work with the trailblazers, where we have devolved employment support, and with the money that has gone into that.

On the growth deals particularly, Minister McMorris might want to say some things about that, which will be very relevant to the question you have asked.

Anna McMorris: I would just add that the four regional growth deals across Wales represent that long-term partnership with the UK Government, the Welsh Government and local authorities. They are



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aimed at driving that economic growth, creating local jobs and attracting investment.

For example, the other week I was in Bridgend at a fantastic business, Mazuma, which has received £3.5 million in Cardiff capital region funding. That is transforming the lives of people living locally.

I was in Pentre Awel in Llanelli, which is a fantastic, massive regeneration project that is really transforming the lives of people living locally. £40 million was invested through the Swansea Bay city deal. That is demonstrating that we are working together collaboratively and, importantly, changing the lives of people living in those communities.

Chair: You are both giving very comprehensive answers. In the interests of time, could I encourage you to be a bit more concise, as our questioners will demonstrate, with Ann Davies next?

Q68 Ann Davies: Regarding Pentre Awel, it is a fantastic facility in Carmarthenshire. It is not in my constituency, unfortunately, but it is within Carmarthenshire.

Can I just look at the transition between SPF and local growth plans, funds and Pride in Place? The local growth fund in Wales is £547 million over three years; that is a 13% cash-terms cut compared with the shared prosperity fund, which has really been transformational within the last few years in my constituency.

To make matters worse, the local growth fund has a 70:30 capital-revenue split. This is a huge problem. We all know that, if you are moving things forward, having a 50:50 split would make it so much easier to enable the employment of people in order to move that capital project forward.

I know the Welsh Cabinet Secretary for Economy has said that that split is a problem. If those responsible for delivering the fund are raising concerns about the design, does the Secretary of State accept their assessment? How can we move that in order to have the 50:50 split that local government feels that it needs on this?

Jo Stevens: First, we are investing more than £500 million in Wales, which is really good news to help deliver jobs, growth and opportunity for communities right across Wales. It is being delivered in partnership between the UK Government, the Welsh Government, local authorities and others over the next three years. That also delivers our manifesto commitment to return the decision-making role over those funds to the Welsh Government.

You said that there was a cut, but there is not a cut overall. In terms of the overall package, we protected the quantum that Wales received. We protected the percentage of the total funds available that Wales received. I will say it quietly because of my colleagues in the Northern Ireland



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Office and the Scotland Office, but we did better than any other nation of the UK. We have protected those funds for Wales.

You mentioned the capital-revenue split. I might come to Ciarán on this, because he is the expert on how this is working.

Ciarán Hayes: In terms of the capital-revenue split, you are right that it is much more heavily weighted towards capital than revenue. That is a product of the way the spending review settlement worked. There was more funding available for capital. There were very extensive negotiations between the Wales Office, MHCLG and the Treasury to get the maximum number possible, but the product of that is that there is a bit more of the split on the capital side than we would ideally like.

The key thing here is that we want to work collaboratively with the Welsh Government and other partners to make sure we are getting the maximum value out of the funding as a whole. It is not just about looking at the funding as if it is completely ringfenced and cannot interact with anything else; it is also about looking at the extent to which that funding can link in with other pots of funding to achieve those wider objectives.

Q69 **Ann Davies:** That is the problem with local government. The local government officials, councillors and officers I have spoken to are really worried that the funding will not be there to keep the jobs that the SPF has secured. For rural communities such as mine, that includes things like having a local bus service that covers the top end of the county but would never be able to pay its way as a commercial service. It is about things like that, really.

There have been 15 years of austerity in local government. Things that used to be able to be paid for out of that pot of money are no longer viable at all. The SPF picked up a few of those services in order to keep quality of life for our rural constituents. They have asked for a transitional year. That is one thing.

If I can just touch on Pride in Place, that has really been for large towns of over 10,000 people. I have Ammanford in my constituency, which is 9,000. Ammanford would so benefit from Pride in Place funds, but it is not eligible. A 10,000-person place in England would probably be a large village; in Wales it is a town, is it not? It is a different ball game. I am just asking that, when these big announcements are made, Wales is looked at uniquely in terms of how our villages and towns are made up, especially in rural Wales.

Jo Stevens: What I would say on that, Ann, is that obviously there have been rural communities included within the funding. The criteria for the funding are based on the Welsh index of multiple deprivation, so it is on Welsh criteria that the funding has been determined. It is a very Welsh programme, with Welsh criteria, for Wales.

Ann Davies: Pride in Place is not.



Jo Stevens: On the £20 million fund, every local authority has had £1.5 million from the Pride in Place impact fund. I wonder about the example you raised about the bus service in the north of the constituency. That might be something the Pride in Place impact fund could help towards. Every single local authority in Wales has had £1.5 million. We have done the specific funding of £20 million going into 14 places in Wales, and then over £500 million in local growth funding.

Q70 **Gerald Jones:** The shared prosperity fund was hugely popular among local authorities. The revenue commitments of some of those projects have been problematic in terms of moving forward to the new arrangements. On that, Ann mentioned the call for a transitional year. I understand there are ongoing discussions with the Welsh Government on how that could operate. I wonder if there would be an opportunity to update a little further on the current discussions about that. April is not too far away. I know some local authorities are quite keen to hear.

Jo Stevens: First of all, there was a transitional year because, in the first spending review in 2024, we had a transitional year for the end of SPF. I know the Welsh Government have designed a transitional year in the new local growth fund that is replacing it. We and the Welsh Government were absolutely determined to make that transition as smooth as possible for local authorities. We have worked very closely with officials in the Welsh Government, and I have worked with Cabinet Secretary Rebecca Evans on this.

We jointly wrote to all 22 local authorities in November last year, setting this out and saying, specifically, that we wanted to smooth that transition. As part of the work in developing the investment plan, which the Welsh Government develop for the funds, I know that they have been having regular discussions with local authority leaders as they prepare for that first year, starting in April. There has been very extensive dialogue. I am hopeful that transition will be as smooth as possible, because we absolutely understand some of the concerns that have been raised.

Q71 **Henry Tufnell:** I wanted to touch on the industrial strategy. You have talked about it a bit already. We have had evidence to this Committee in respect of some of the numbers around jobs. We have set out that we have eight high-growth or what have been known as frontier sectors. They are going to employ about 240,000 people, which is around 10% of the UK's total manufacturing workforce.

I was wondering whether you are concerned about the potential for the industrial strategy to be at the expense of the foundational sectors. Especially given Wales's industrial heritage, is there a lack of focus on those areas, given the importance that they have to people's livelihoods, jobs, families and local communities?

Jo Stevens: Certainly, the industrial strategy has a really powerful Welsh story at the heart of it, because we have strength in pretty much all of those eight sectors. That is where we are seeing lots of investment and



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job creation. For example, compound semiconductors are one of them. I have mentioned that, but there is also the industrial strategy, and the defence growth deal, where we have a footprint in Wales from the top five MOD suppliers. We have particular expertise in autonomy and aerospace, where we know there is massive potential for growth and jobs.

On foundational industries such as steel, everything we have done to protect the steel industry in Wales, and to help it transition from the way steel was made in the past to the way it is going to be made in the future, is done on the basis not just of protecting the jobs in Wales but ensuring that we have that capability in the UK, because we are going to need it in the future. That is why the work of the transition board has been so important, making sure that people can stay in the steelworks and can go and get new jobs in the supply chain or set up businesses.

The foundational industries are absolutely important. The steel strategy, which I hope we will see soon, will tell the story of what we want to see in terms of developing steel in this country in the future, because we know we are going to need more of it, not less. We want to increase the amount of domestic steel that is used right across the UK, as well as exports.

Q72 Henry Tufnell: You have touched on semiconductors, which are a good example of an established economic centre, but if you look at a lot of the former industrial areas, particularly in those coalmining communities, there will be an absence of a skills base, which means that generally, in terms of the skill level required to enter these industries, those former industrial communities might not benefit from the focus on those sectors. Do you have any concerns about that?

Jo Stevens: Skills is a devolved policy area, but I know that the Welsh Government are celebrating 100,000 apprenticeships in this Senedd term this week, and they have a skills strategy. I talked earlier about our universities.

Q73 Henry Tufnell: Do you think the UK Government are compounding the effect? The Welsh Government might have a strategy for skills, but do you think there is an element in which the strategy presented by the UK Government is acting to create or accentuate these inequalities between different communities?

Jo Stevens: Not at all, no. I would not just look at it in relation to skills; I would look at it in terms of the growth deals. We have some examples such as what universities are doing, the money that is going into transport infrastructure, and the linkage between universities and new industries. Courses are being set up specifically to train people and give them the skills to do the new jobs that we will see in the future.

Renewable energy in Pembrokeshire is the most obvious example of that. I have met apprentices in various companies that are involved in



renewables. We are seeing that this is a new area for people to get qualified in and get jobs in, enabling them to stay in the communities where they have been born and grown up. I do not accept that it is, as you describe it, condensing—or whatever term you used. Sorry, Henry, I do not accept that it is doing that.

Q74 Chair: I want to ask about the disused coal tips. Obviously, they are a pre-devolution legacy. We know that. How do the UK Government approach their responsibility for addressing coal tip safety in Wales? We know that in 2021 the Welsh Government estimated that it will cost between £500 million and £600 million over 15 years to remediate properly. How would you address those sorts of issues, given the funding that was expected in 2021 and what is being offered now?

Anna McMorrin: Absolutely, ensuring coal tip safety across Wales remains of the utmost importance, and it is something that we regularly discuss and collaborate on. That is why the UK Government are committing £118 million over the spending review period. That is in addition to £25 million provided at the previous Budget to bring the total UK Government investment in coal tip safety to over £140 million. The money that was committed to during the spending review is exactly what the Welsh Government asked for, and it is what they received.

The Welsh Government have been very clear that there is a limit to the work that can be carried out, where capacity and capability in this area are finite. This takes you over a three-year plan, but the total Welsh Government and UK Government investment to date in this area will be over £220 million. Importantly, that is supporting those communities that live in the shadow of these coal tips.

Q75 Chair: Obviously, we accept that you cannot do everything all at once. We accept that, but the Welsh Government said £500 million to £600 million over 15 years. Are you willing to commit to that as well?

Anna McMorrin: We have committed to the next three years, and that is what the Welsh Government, in collaboration with us, are looking at in terms of the funding that is critical now. The funding remains responsive to changes, because there are changes due to potentially adverse weather conditions. The unpredictable nature of coal tips means that the grant scheme needs to be opened or changed on an annual basis, so that those funding decisions are responsive to those emerging risks. Essentially, ensuring the safety of people and communities is at the heart of this. In terms of our commitment, that is over the spending review period. The next spending review period will determine the next tranche of funding.

Q76 Steve Witherden: Just following on from that, I greatly welcome coal spoil tip safety. My constituency is home to Bersham colliery, the last coal mine to shut in north Wales; it is very close to the village of Rhostyllen. That is something that is hugely welcome.

I wanted to turn my attention to contaminated land. Natural Resources



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Wales has said that there are potentially 9,000 contaminated land sites in Wales. Again, I have one in my constituency; the old Graesser-Monsanto chemical works operated for 143 years in the villages of Acrefair, Rhosymedre and Cefn Mawr. Should contaminated land sites be given the same level of UK Government attention as coal tip safety is receiving?

Anna McMorris: We understand the serious nature of the issue of contaminated land. Obviously, contaminated land and water quality is a devolved matter. The Welsh Government are funding an abandoned metal mines water programme to remediate pollution and improve water quality. As part of this programme, Natural Resources Wales is identifying and prioritising all of those sites that are most in need of action. Where Welsh Government have engaged with the UK is with the UK Government Mining Remediation Authority on a cost recovery basis to deliver this programme of works. It is essential, and we are working together to ensure that those priorities are looked at and dealt with.

Q77 **Steve Witherden:** Thank you, Minister. You have touched on what I was going to follow up with. Obviously, contaminated land is a legacy of Wales's industrial past. I was going to ask about the UK Government helping with the inspection and remediation of these sites, as they have done for coal tips. You have touched on that, but does this entail financial support and assistance?

Jo Stevens: It is not specifically on coal tips or coal remediation, but there are two projects. In the Budget, the Chancellor announced £4.23 million to clean up contaminated brownfield land adjacent to the Celtic freeport, and the transition board has given £8 million of funding to support the South Wales Industrial Transition from Carbon Hub—SWITCH—project, which is a bit of a mouthful. Essentially, it is going to clean up a load of land and establish an innovation district in Port Talbot that is going to support loads of jobs and generate a load of money for the local economy. Again, it is about being able to help those supply chain businesses innovate, get new customers, grow and create new jobs. There are two specific examples there of what we are doing around land remediation.

Q78 **Ben Lake:** On a similar theme, and specifically with regard to the legacy of disused metal mines in Wales, perhaps surprisingly, I have quite a few abandoned lead mines, in particular, in my constituency. This Committee has previously undertaken an inquiry into the matter. One of the things that the scientists who have given evidence to us have explained is that, for many of these ancient or more than 200-year-old sites, the bigger problem is that the lead and the other heavy metals have polluted the river systems over many years at various flooding events.

That is not necessarily something to be too alarmed about, provided that we know the extent of the problem. At the moment, there is no real clarity as to who needs to monitor these hazards. Do you think there might be merit in speaking with colleagues in the Cabinet Office with regard to the national risk register, with a view potentially to trying to



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see if it could be added as something? Competent authorities would then have a prompt to just consider, "In our areas we have over 200 disused lead mines. Could we perhaps just see where the extent of the problem might be so that we can then begin to control any hazard and reduce any risk that it may or may not pose?"

Anna McMorris: I will certainly take that back to have conversations with colleagues. The Welsh Government and NRW have that funded programme in place to start to remediate the pollution from abandoned metal mines. That funding is there. That work is taking place. It is about identifying and prioritising those areas that need it. I would expect that that includes many of those areas within your constituency. That will be done on a cost recovery basis to deliver on this programme.

Chair: Thank you very much. That concludes our questions from this afternoon. I want to thank all three witnesses for appearing in front of us today. Ciarán Hayes, congratulations on your appointment as Director of the Wales Office. Thank you, Secretary of State Jo Stevens and Minister McMorris, for appearing before us this afternoon. We look forward to seeing two of you in the Chamber on 26 February for the St David's Day debate. I want to apologise again for the lack of TV coverage this afternoon. You can be sure that this will not happen again. Thank you very much, and I bring the session to a close.