



Welsh Affairs Committee

Oral evidence: Responsibilities of the Secretary of State for Wales, HC 451

Monday 14 September 2015

Ordered by the House of Commons to be published on 14 September 2015.

[Watch the meeting](#)

Members present: David T C Davies (Chair); Byron Davies; Chris Davies; Dr James Davies; Carolyn Harris; Gerald Jones; Christina Rees; Antoinette Sandbach; Liz Saville Roberts; Craig Williams; Mr Mark Williams.

Questions 1-45

Witnesses: **Rt Hon Stephen Crabb MP**, Secretary of State for Wales, and **Alun Cairns**, Parliamentary Under-Secretary of State for Wales, gave evidence.

Chair: Good afternoon, Secretary of State for Wales. Good afternoon, Minister. Thank you very much for coming along this afternoon to answer a range of questions. Just before I begin, I wanted to point out for the record that two members will be leaving because of a statutory instrument, which we know will be very important for the Whips, and one member is unable to attend because he is on another Select Committee, so please do not be surprised if one or two people have to walk out; it will not be because of the quality of your answers. With that in mind, I am going to ask some of the members who have to leave to ask questions early, so could I begin with Liz Saville Roberts?

Q1 Liz Saville Roberts: Thank you very much, Mr Chairman. Secretary of State, thank you very much for coming today. We anticipate the publication of the draft Wales Bill after the conference recess. What practical effects do you envisage the move to a reserved powers model of devolution having on the relations between Cardiff and London?

Stephen Crabb: Thanks for the question. It is a good question because it is legitimate for people who perhaps tune into these things, watching BBC Wales or ITV Wales or reading in the Welsh media about this reserve powers model, and think, “Well, what is this thing and who cares and why are we doing it?” There is a huge amount of work currently ongoing to deliver this model. It is a good question to ask what is the point of it. What will be the practical outcome and how will it benefit Wales?

The simplest answer I would give is at the moment we have a devolution settlement that works in places but does not work for the best of interests of Wales in lots of areas. That is partly because the current devolution settlement—the legislation behind it—in my view, has not been particularly well written. It leaves a lot of areas of vagueness and the practical consequence of that, which is not to Wales’s benefit, or to anyone’s benefit, are

the examples we have seen of Welsh Government and UK Government basically arguing in the courts, in London, over who is responsible for what.

The whole idea about moving to a reserve powers model is to achieve hopefully a much clearer devolution settlement: Welsh Government is clearer about what competencies it has; the UK Government is much clearer about the competencies it has. By having a clearer devolution settlement, hopefully it will stand the test of time and lead to more efficient governance for Wales.

Q2 Liz Saville Roberts: If I could ask a supplementary question in relation to that: how can you be confident that a legislature without corresponding legal jurisdiction can lead to a clear, robust and lasting devolution settlement for Wales?

Stephen Crabb: Sorry, could you repeat your question?

Liz Saville Roberts: Having a legislature—namely, the Assembly—without corresponding legal jurisdiction, how can that lead to a clear, robust and lasting settlement for Wales?

Stephen Crabb: I understand the question. I do not think it is a barrier to achieving what we are trying to do, which is to get clarity. It is not going to be perfect. There is no perfect piece of legislation that we can write here in Westminster, no matter how closely we discuss and collaborate with Welsh Government on this, that will frame devolution from here to eternity. That is just not realistic. One of the big differences between Scottish devolution and Welsh devolution is just how complicated, for example, the border is. Unlike Scotland, which has vast miles of empty space in between that and the population centres of England, 50% of the Welsh population live within 25 miles of the England/Wales border. The life of the nation of the Wales is much more integrated economically and socially with that of England, which in itself leads to a much more complicated, by necessity, devolution arrangement.

We are having a good stab at it. We are working incredibly hard. We have spent the summer, or my team have, in the Wales office working closely with Welsh Government and gleaned from them what their hopes are for this devolution settlement. You will all see the draft legislation when it gets published in mid to late October, and that will be the chance for the Committee and everybody else to feed in their ideas and suggestions.

Q3 Liz Saville Roberts: What other steps—this leads seamlessly—besides legislation have you taken to improve relations between the Welsh and the UK Governments?

Stephen Crabb: One of the things I have tried to, since starting off as Secretary of State for Wales 14 or 15 months ago, is the regularity of meetings with not just the First Minister but with other Ministers, so obviously with Edwina Hart and Jane Hutt, who both have significant portfolios within the Welsh Government administration. Those meetings are important because no matter how much business you do by correspondence, nothing beats sitting down face to face with a Minister in Welsh Government to understand some of the issues. I think that has laid the foundation for what I hope is a more productive, more fruitful relationship between the Welsh Government and UK Government. I do not think trying to find agreement on everything is a realistic aim, but that is part and parcel of doing politics, resolving disagreements. But what it does need is a healthy bedrock of working relationships behind it and that is what we are trying to achieve.

Q4 Chair: Minister, you mentioned that it is unlikely to settle things from here to eternity, but we do seem to spend a lot of time doing Government of Wales Bills under governance of all colours. You and I have certainly sat through a few. Do you think that this is going to settle things for the next five years, at the very least?

Stephen Crabb: There will not be another Wales Bill in this Parliament, so this will be it until at least 2020, and my hope is for a lot longer beyond. It is important that we get this legislation right. A huge amount of work has gone into it and will carry on going into it as we move towards publishing the final Bill early next year, obviously starting off the parliamentary passage.

Q5 Mr Mark Williams: Just a very quick question, Mr Chairman, on the timing. This Committee is, with bated breath, looking forward to the prelegislative scrutiny. Then we anticipate it will be obviously on the Floor of the House, as it is a constitutional Bill. When do you envisage the final Royal Assent being achieved on this legislation?

Stephen Crabb: Early 2016, it will get published in its final form, in its First Reading, and it will have its Second Reading before the purdah period, before the Assembly elections. Then we are into a new parliamentary year, so it will be what we call a carry-over Bill; start in this parliamentary year and carry over to the next one. I would hope by the end of 2016, early 2017, this will receive Royal Assent, but that is tentative.

Q6 Mr Mark Williams: Just very quickly, one specific question. In the discussions I was pleased to be part of with other parties, in arriving at the St David's Day Agreement, was the devolution of electoral arrangements to the National Assembly. We anticipate that being in this legislation; we will wait and see. Those in the National Assembly calling for clarity on ballot papers for names as well as parties on the regional list should not be anticipating this Bill as a means to achieve that for the 2016 Assembly elections.

Stephen Crabb: That is an entirely separate issue dealt with by separate legislation, and I will wait for a tap from someone behind me to tell me I am wrong this, but we are dealing with that separately. That will be dealt with in time for the 2016 elections.

Mr Mark Williams: A very positive answer. Thank you very much.

Q7 Antoinette Sandbach: Secretary of State, you spoke about arguments between Westminster and the Welsh Government, particularly around the lack of clarity in the previous Wales Act. What principles are you applying when speaking to Cabinet colleagues and Welsh Government about the potential reservations that may be in the Act, so that the powers are retained here in Westminster?

Stephen Crabb: Good question. When we talk about reservations, we talk about those things that we will name in the legislation specifically as areas of policy that are being held back, reserved here at Westminster. We are taking the existing devolution legislation, we are trying to go back to the beginning and kind of reverse it. That is relatively straightforward for those items of policy areas in existing legislation, which spells out whether it is devolved. It becomes much more difficult when you are dealing with the so-called silent subject; all of those policy areas that the existing devolution legislation makes no mention of at all.

What I asked my officials to do is to reach out across Whitehall and discuss with my ministerial colleagues in Government Departments and officials in other Departments about their understanding of where the current devolution boundary rests for those policy areas; those departmental areas. We have been working up the reservations based on our understanding of where the existing devolution boundary lies. We have the St David's Day Agreement and the additional policy areas that we will be devolving down to Welsh Government and the Welsh Assembly; so step two is building that in, and that is the approach that we are taking.

One of the fundamental principles for me in all of this is that it is about achieving that clarity that we talked about earlier and the principle by which if a body is in a reserved policy area Department of Government then the devolved Legislature, the devolved Government, should not have the ability to impose unilaterally duties or costs on those bodies. For example, because we have an unclear devolution settlement currently—I will give you a practical example—with the imposition of a financial levy on police forces in Wales, a reserved area, non-devolved by Welsh Government to do with the constitution of safeguarding boards, there was a very significant disagreement between ourselves and Welsh Government about that. Welsh Government wanted to continue with that policy and they felt they were able to do that. That will not happen in the future. We are going to build in a much clearer division between what is devolved and what is reserved. It is not to say Welsh Government will never be able to do things that affect non-devolved bodies, but it will require the consent of central Government to do that. That is one practical example of what we are trying to disentangle.

Q8 Antoinette Sandbach: In the recent Supreme Court judgment in relation to agricultural sector wages—obviously employment law—employment regulation was said to be a retained function. In terms of that clarity where there are potential areas of conflict or overlap, how are you dealing with those?

Stephen Crabb: It is about going back and seeking to determine what did Ministers in Parliament intend the devolution settlement to be. There are areas that are relatively straightforward. There are areas that are much more difficult. There is no secret agenda here to suddenly haul back powers to Westminster. We are trying to be productive and fruitful in working with Welsh Government on this, but it is just a very complicated thing, which takes time to work through.

Q9 Liz Saville Roberts: You mentioned the St David's Day Agreement passed for a purpose and ostensibly that uses political consensus as a rule stick by which to decide which Silk 2 recommendation be implemented. How can you be confident that that will produce a coherent hole in the powers then that will be in effect in the Assembly?

Stephen Crabb: I think consensus is important. It is important to try to seek that. We always said that the St David's Day Agreement was the bare minimum and if—depending on the outcome of the general election that we had—other parties found themselves in power and wanted to go further than St David's Day, they were perfectly free to do so. But we made our commitments and they were backed up by a political commitment by my party and its manifesto and we are going to follow through on that. The consensus that we reached as far as we did with St David's Day is an important bedrock. I know that does not answer fully your question, which is about coherence.

The point I make is that St David's Day does not stop us talking about other potential areas and if there are things that Welsh Government feels helps to round off the devolution settlement in some areas then we want to hear about it. The pragmatic approach does not stop.

Chair: Very quickly, Chris, and then we are going to move on to the Severn bridge status.

Q10 Chris Davies: Thank you, Chairman, and thank you, Secretary of State. To date, the powers that have been handed over to the Welsh Government have not had any form of recourse back on this Government here in Westminster. Any checks and balances are being held in Wales rather than here. Do I assume that the draft Wales Bill that you are putting together is going to be the same? There is going to be no power of censorship or any other form? Once the power has been devolved to Wales, that is it. There is no recourse from this particular Government over any matter they take?

Stephen Crabb: The difficulty with that is if you retain a power to intervene and to block or to censor, to use your word, that is not devolution. That is something else and we are committed to devolution. When we devolve a power that is it; it becomes the responsibility of Welsh Government and the Welsh Assembly, and the hope is that they are held to account by the Welsh electorate for the decisions that they make. That is what devolution is all about. What we can do to strengthen accountability—which I think is at the heart of your question—is things like the changes we want to see on income tax devolution, for example, which places real financial responsibilities on the Welsh Government, Welsh Assembly, not just to be a big spending Department, spending taxpayers' money only but also to have the responsibility of raising a portion of it and being accountable to Welsh voters for how they raise as well as spend money.

Chair: Sorry to move on, but another series of important questions.

Q11 Christina Rees: Thank you, Chair. Secretary of State, if I could turn to the Severn crossing. Could you tell me what progress has been made within Government since the Westminster Hall debate on 21 July on the future of the tolls, please?

Stephen Crabb: I am going to bring in Minister Alun Cairns on this just because I have asked him to lead this stream of work in the Wales office.

Alun Cairns: This is a perennial issue. It comes up at every Welsh Affairs Select Committee, and when I was a member of the Committee five years ago, it was the first report, which has been extremely helpful and useful to the considerations of the Department for Transport and the Wales Office are still making in relation to the Severn crossing. The Westminster Hall debate again was a helpful debate. It gave the opportunity to clarify the current position, which is that the concession will end in 2017 or 2018, depending on traffic flows over that period. That then gives the UK Government the opportunity to consider what options lie in front.

Now, at that Westminster Hall debate, we identified some of the innovations that could be brought in, but of course they need to be modelled. They need to be costed, as well as responding to the previous commitment that we made, which was to remove the class 2—which is the light van class—to be the same price as a car, so it brings it down from over £13 to under £6, when you take the VAT into account as well. There are great innovations

that come forward. That is certainly a starting point, and we want to establish best practice—what happens in the UK; what happens elsewhere in terms of toll crossing—and how we can respond best to the demands of the people in Wales and, of course, the people in England, who responded equally well to that announcement the Chancellor made well before the election.

Q12 Christina Rees: Thank you. Just a brief supplementary. Nigel Farage thinks the tolls are devolved. Are there any plans to devolve it?

Alun Cairns: No, it was made clear in the Westminster Hall debate and previously there are no plans to devolve it. Of course there are ongoing discussions always, but there are absolutely no plans to devolve it. I think people want to see a toll that is reasonable, a toll that meets the needs, and there are long-established principles that crossings over estuaries have tolls and crossings over rivers generally do not. That is the broad principle rather than the letter of the law, and that is the background and the backdrop to the existing situation.

Stephen Crabb: It is worth pointing out, Chairman, in the run up to the St David's Day announcement and all the discussions that we were having—and, Mark, your memory might be better than mine—but I do not think any party raised the Severn crossings as an issue for potential discussion about devolution.

Q13 Chair: I will ask a few myself on this. The first is: this issue of the £88 million that the Government want back. I understand that. That was a sum of money that the Government accrued in unexpected costs, but against that surely should be weighed the unexpected windfall of VAT and industrial buildings tax. Would you not agree that that should be taken into account?

Alun Cairns: Whether we like it or not a debt will remain and on that basis we need to respond to that debt. It has to be repaid. The alternative was that we would not have had a crossing unless we entered the financial model that exists.

Chair: But with all due respect—

Alun Cairns: Of course there are some inflexibilities in that financial model, but we have to work to the Act that is in Parliament.

Q14 Chair: I understand that but, with all due respect—I know you understand this as well—when that second crossing was put up, there was an expectation that VAT would not be charged and that changed as a result of a ruling in the European Court. The Government did quite well out of this, and at the very least, I wonder whether you could agree to write to us as a Committee and tell us how much the Government received as a result of VAT being levied on the bridge, and how much the Government received as a result of changes to the industrial buildings tax, because I believe—I have calculated it myself—it is about £140 million. It is significantly more than the money that they were not expecting to have to pay out.

Alun Cairns: We can easily share the information that is available and will happily write to you as Chairman on that issue.

Q15 Chair: We appreciate that because we have put this to Ministers before—not to you though to be fair—and not quite have the definitive answer that I think we deserve. I will take that as an agreement you will write to the Committee about that, and I appreciate it.

Can I ask you something else? Obviously, there are other estuary crossings in the UK; they are tolled. Does the Government make a profit on the other estuary tolls, or are they based on a different model. For example, are they based on the model that the toll will simply cover the cost of maintenance and perhaps a sinking fund?

Alun Cairns: Every crossing has its own financial model and it goes back to the circumstances from when the financial model was put together in order to lead to the crossing. We all know the Humber estuary. There was a significant reduction some time in relation to the Humber estuary. The legislation did not allow that to translate across to Wales at the time, but that was because of the significant debt that had been built on that and therefore the Treasury needed to step in to alleviate the situation and the maintenance problems that existed. Every crossing will have its own financial model. Ours means that, in 2017, we have an opportunity to do something and we have outlined the first steps of what we would like to do—

Q16 Chair: I welcome that. I thank you for it because it is a good first step, but I definitely see this as a starting point not as a final deal. I am very interested in what I believe happens in other areas where there are estuary crossings because my understanding is that they do not generate profits for the Treasury in anything like the same way that the Severn Bridge does. Can I ask you to write to us on another point, which is that our understanding as a Committee in the last Parliament was it would be possible to cover the maintenance costs of the bridge with a toll of roughly one-third of the current level, which suggests a significant profit for the Government? Nobody has ever denied it, and I have put it to Ministers before, and nobody has ever said, “No, you are wrong, Mr Chairman, that is not correct.” Would you be able to definitively write to us and tell us whether or not the Committee is correct in asserting this?

Alun Cairns: I do not have those financial details in front of me as it stands.

Chair: I understand that.

Alun Cairns: But certainly back at the Westminster Hall debate before the summer recess, it was outlined at that time as being used to identify the financial modelling that will apply post-2017. That work is ongoing, but as soon as more information is available, we will happily share that because it is important to follow the principles this Committee will have called on five years ago as well as many other debates since that time.

Q17 Chair: True. I will make this my final question, but the Member for Newport East at that debate made this point about the tolls and the calculation that the Committee made in the last Parliament, and nobody disputed it, but the Minister from the Department for Transport said he was going to write back to her and to us and confirm it. I have never seen any letter or correspondence on it. Could I just ask you, as somebody who I know is affected by this, would you write to us as a Committee and tell us what percentage of the toll would have to be of its current level simply to cover the costs of maintenance?

Alun Cairns: I will happily pursue the point that the Minister agreed in the debate.

Chair: Okay. Thank you very much for that. Are there any further questions on the Severn toll? Mr Jones, you were going to ask about railways.

Q18 Gerald Jones: Chair, yes, please. Secretary of State, the question is regarding the electrification of the Valley lines. Clearly, there was a deadlock some while ago, which appears to have been overcome. Could give us an update in terms of the current progress with that particular project?

Stephen Crabb: This project is linked to, but it is distinct from, the project to electrify the Great Western main line all the way through to Swansea, so we are talking about Valleys lines electrification. You are right, there was something of a deadlock and we reached an agreement, which I have updated the Committee about previously, which is based on an agreement to devolve the franchise to Welsh Government by 2018, with a financial contribution from UK Government of £125 million towards the costs of the Valleys lines electrification and that money has been made available to Welsh Government, following their agreement.

The ball is now in the court of Welsh Government on this, and we do know that Edwina Hart and her team have been rethinking the scope of what they understand to be Valleys lines electrification and looking at whether there are not other ways to use public investment to achieve greater benefits for passengers in the Valleys communities because at the end of the day that is what this is all about—improving journeys and services for people living in the Valleys communities, many of whom are living in relative deprivation, and getting them to areas where jobs are being created.

That work is currently ongoing with Welsh Government, and I would certainly encourage you to make contact with Edwina Hart and her team to try to elicit information about where their scoping currently lies. There has been a lot of reporting in the press about a South Wales metro concept. We do not have any objection if that is the way their thinking is going, but we do want the money to be used to improve those Valley services. It is not a bung to Welsh Government. They need to use that money to improve journeys for people living in the Valleys communities. We are expecting and looking forward to receiving more information from Welsh Government about that.

Q19 Gerald Jones: Are the discussions still ongoing? Was the last meeting or discussion that took place on this fairly recently?

Stephen Crabb: Yes, in fact my colleague Mr Alun Cairns will be meeting Edwina Hart next week to talk about North Wales and South Wales rail issues. My colleague Patrick McLoughlin, Secretary of State for Transport, has been in correspondence with Edwina Hart during the summer about this, so it is a very live issue. Of course the principle by which we did the deal was around devolving, and so the Welsh Government are wholly responsible for working up the scheme. It is their scheme. We have given them the legislative tools to do it through devolving the franchise. We have given them, in part, the financial tools as well; it is £125 million of UK Government money. We feel that we have done more than our side of the deal in helping to bring this project to fruition. Really the ball is with them to do that.

Q20 Dr James Davies: Secretary of State, you touched on North Wales briefly then in relation to rail. You are on the record as recognising the potential benefits of upgrading the

North Wales main line, possibly electrifying it, particularly if it can link in with the HS2 hub, if that is in Crewe. I think the Chancellor has also expressed an interest in the matter. I just wondered how you see the potential projects moving forward from here.

Stephen Crabb: I will ask the Minister to come in in a moment but you are absolutely right. We absolutely recognise the need for good transport connections up in North Wales. We have some amazing business success stories up there in North Wales and we are not complacent about that, we want that to continue and to grow, and one of the ways that will continue to grow in the future is if we improve transport there. So, absolutely, we do recognise the importance of improved rail connections.

I just sound a slightly cautionary note and do not over interpret this, but we talk a lot about electrification South Wales, Valleys and North Wales. Do not underestimate just how expensive electrification is. There may well be lines and services that could see a much bigger impact, much bigger improvement for passengers, by doing something else with it other than heavy rail electrification, which is why Edwina Hart is looking at other alternatives for the Valleys communities.

When we are looking at rail options up in North Wales, it is not just the main line in North Wales, but there has been a lot of focus on things like Wrexham to Bidston line, Halton Curve. There may be other things you can do with the large sums of money to deliver a bigger bang for the consumers, for the passengers.

Alun Cairns: As the Secretary of State said, this is a live issue. I am meeting Edwina Hart next Monday to discuss issues and a range of other issues. But it is also about not only working closely with the Welsh Government on this issue but it is also about drawing in other stakeholders. There is the North Wales Ambition Board; there is the Chambers of Commerce; there are various other business groups. There is the CBI. It is about creating a case, because we will be bidding against other parts of the UK in the next cost control period, and on that basis we want the strongest possible case in order to be bidding for funding to improve the network. The closer we can all work together with a common cause creates a great opportunity, and as you have already mentioned, the Chancellor has come out with some pretty warm statements and he is a good ally to have.

Chair: Further questions on rail?

Q21 Liz Saville Roberts: There will be many of us in North Wales who would welcome the opportunity to co-operate on creating a business case for electrification on the North Wales line. It regularly takes me six or seven hours to drive here. The train is the only viable way of doing it, and if that can be improved, so much the better. But alongside that question, a wider question in relation to maintaining and improving the rail infrastructure. Silk 2 recommended that the funding of Network Rail in relation to the Wales network be devolved. Why was that not included in “Powers for a Purpose” given that that would then ensure a proper concentration on the needs of Wales, rather than Wales being an adjunct to the needs of the larger whole?

Stephen Crabb: We spent quite a bit of time talking about this among the party leaders from Wales up at Westminster and we did not gloss over that recommendation. We feel like we got stuck on that and we had to go back and seek further information from the Department for Transport and Network Rail. For a start, Wales is not just dealt with as an

adjunct of Network Rail currently. There are some very strong embedded processes for Welsh transport, and rail needs to be assessed. There is a Wales director for Network Rail, who works very closely with Welsh Government. Welsh Government have a lot of opportunity to feed into and make requests of Network Rail and, from the information we saw as part of the process leading to “Powers for a Purpose”, Welsh Government basically gets what it asks for in terms of the specific requests it is making of Network Rail.

The point about holding it back and not hiving off Welsh Network Rail effectively is because by keeping it within a much larger organisation with access to a much larger pool of potential investment there is much greater potential for resilience there and sharing of risk. When—I will pick some examples—a rural line in Mid Wales gets damaged by flooding, there is a ready pool of money to call on there to pay for improvements and repair. For me, a key principle of the whole process was, does Wales benefit? How does Wales gain by devolving a certain element? I, and other people who are part of the discussions, were absolutely not convinced that Wales would benefit from devolving, hiving off, this portion of Network Rail’s investment capability.

Chair: We are going to move on now.

Q22 Byron Davies: Just a further question on electrification of the Great Western line down to Swansea. Representing the constituency at the very end of the line in Swansea, obviously it is of great importance. There has been quite a bit of speculation recently about delays to the delivery of it. Can you comment on that and perhaps give me an answer I can pass on to people?

Stephen Crabb: The very strong answer you can give people immediately is that there is absolute and total commitment from the Prime Minister downwards in this Government to follow through our commitment to electrify the Great West main line all the way from Paddington through to Swansea. If you do not believe the commitment of politicians, people can walk along the route and see work going on right now, today—the beginning of the work to electrify those lines.

If we take a step back and recognise that at the moment the UK has seen the biggest programme of investment in our railways since the days of Isambard Kingdom Brunel, which means that there are a lot of balls in the air being juggled by Network Rail at the moment, and with all big sets of projects that are going on, there needs to be, at times, some re-evaluation and reprioritisation, and you saw the statement that the Secretary of State for Transport made before the summer recess, where some projects have been put on pause.

The Paddington to Swansea electrification project is not being put on pause, but we have asked Sir Peter Hendy, as the new chairman of Network Rail, to investigate and report back to us later this autumn with some recommendations and an update on exactly the timetables.

A slightly less than satisfactory answer in saying that we have to watch this space for further information about the exact timetable for completing the project, but make no mistake about the level of commitment there is to finishing this.

Q23 Carolyn Harris: Thank you, Secretary of State. Network Rail has already admitted that the cost to the Great Western line electrification has spiralled by over 200% and this has led to a pause of crucial rail projects across the country. Can the Secretary of State confirm that any further rising costs will not lead yet to more investment being cancelled or delayed?

Stephen Crabb: Again, and sorry to be repetitive, but we need to wait for the report from Sir Peter Hendy, who is going to come back to us with chapter and verse on where all of these projects have got to. But the encouraging thing from my point of view as Secretary of State for Wales and as somebody who worked hard to push for the deal to electrify the line all the way through to Swansea and not just cut it off at Cardiff—because West Wales is important to me for all kinds of reasons—is that that is not one of the projects that has been put on pause. We remain absolutely committed to doing that. It is a strategic project for Wales and the Welsh economy needs that.

Q24 Byron Davies: Right, new subject: we are talking about air passenger duty. In the Budget, the Chancellor committed to continue to consider the devolution of air passenger duty to Wales. What is the current thinking within the Treasury on this? Can you enlighten us on that?

Stephen Crabb: We have devolved long haul air passenger duty in Northern Ireland. We are in the process of devolving full air passenger duty in Scotland. There is an outstanding sub-recommendation to devolve air passenger duty for long haul to Wales. That is a matter that Treasury leads on. There are a lot of concerns that have been expressed about competition issues. When you have airports in close proximity to each other where you are having varying levels of APD—and we are talking about Cardiff and Bristol here—and I think the Treasury would need to be satisfied that those competition issues are not significant; if there was to be any progress on that, that is where we are at. There is no agreement on our part to take forward devolving any aspect of air passenger duty in Wales at this time.

Q25 Byron Davies: The House of Commons Transport Committee also expressed concerns about possible market distortions, which could severely disadvantage English airports following APD devolution. Do you think a Welsh rate of APD could be introduced without full devolution of APD to English regions?

Stephen Crabb: It could be. The question is, could it without having the distortive effects? I do not know. Some work has been done on this by HMRC in the past looking at distortion effects by devolving air passenger duty. The Treasury, as you know, have been consulting on options for devolution of APD within England, and we need to see what the outcome of that will be. In any decisions about that, we will be doing our bit from the Wales Office to ensure that Wales is looked at in relation to that.

Q26 Byron Davies: Lastly, if I can just ask you, there has been a lot of the neighbouring airports to Cardiff Airport have been very interested in what has been going on at Cardiff Airport. There has been a lot of talk recently about EU funding and transgressing EU funding rules. Have you any view on that or comment on it?

Stephen Crabb: I think you are referring to a media report last week.

Byron Davies: Yes.

Stephen Crabb: Yes, I am aware that the Department for Transport has expressed concerns about some of the financing to help support services at the airport. The Welsh Government, in my understanding, have responded to the Department for Transport to answer all those questions. Obviously, when you are dealing with taxpayers' money here, great care needs to be taken and all the relevant authorities—whether it is EU, UK Government, Welsh Government—need to be satisfied that it is being used properly.

We want Cardiff Airport to succeed. We absolutely do. It is the airport for Wales's capital city. I was somebody who took a fairly neutral view about the Welsh Government purchasing that asset in the first place because sometimes a change of owner can lead to an uplift in performance of a business. It was clear that Cardiff Airport was not getting much love from its Spanish owners and the strong feeling on the part of Welsh Government is that it needed intervention to try to rescue that. In terms of how much was paid and the ongoing asks of the taxpayer in relation to supporting services at Cardiff Airport, those are matters for the Welsh Government to account to Welsh taxpayers over.

Chair: We better move on towards energy.

Q27 Mr Mark Williams: It is a general question to start off with, perhaps moving into some of the specifics. You will be aware that over the last 10 years this Committee has had a great interest in energy policy and three reports have been produced. In the last one, we identified that Welsh energy production has fallen and is increasingly reliant on coal. The closure of Wylfa will continue these trends. What plans does Government have to increase energy production in Wales and, critically, to diversify the energy mix? I want to come back to the diversification bit after your initial answer, please.

Stephen Crabb: You are right; there was an increase in coal production, and I hear the new leader of the Labour Party wants to see it go up even more. In terms of a serious response, Wales is well placed in terms of that diversified energy mix that you are talking about. I know it has not featured much in the headlines recently, but we should not forget the enormous project on Anglesey with Wylfa Newydd, and work carries on with that. They have been through the first round of consultation on environmental consultations. The second round will begin at the end of this year. That project might not be moving quite so quickly as people expect, but that is the nature of these very large strategic energy projects. Nevertheless, progress is being made.

The future of energy production in Wales is a strong one. It will become yet more diverse than it has done in the last 10 years, and that will carry on increasing proportion of renewables, but the traditional fuel types will still play a strong role, too.

Q28 Mr Mark Williams: On the renewables specifically, a lot of concerns about the changes to feed-in tariffs, particularly in solar and wind power. What representations have you had from the industry in Wales about the future of that industry in terms of rolling that out? Because there is a very strong body of opinion that some recent Government announcements—albeit, yes, backed up by manifesto commitments—could damage what was a growing industry.

Stephen Crabb: It would be fair to say we have had a significant amount of representation from those businesses whose business model require those subsidies. Of course it is rational behaviour on their part. There is an issue of equity here— isn't there?—because

people keep losing sight of the fact that who is paying for those subsidies that help support those renewables. It is a good thing that we are increasing the proportion of renewable energy in Wales. I have no issue with that at all. But those subsidies are being paid for at the bottom of every household's electricity bill, and it is also being paid for by businesses in Wales. We have a responsibility to energy bill payers and we have a responsibility also to other Welsh businesses who are shouldering the costs of those.

Do not forget, Wales has a higher proportion of manufacturing in its economy than any other part of the UK. Manufacture, by its very nature, uses much more energy, so Welsh businesses are shouldering a greater proportion of the costs of these subsidies. Judgments that we have to take: it is about equity and holding intention, how we incentivise new renewables through subsidies, our responsibility to the bill payers, households, businesses, but also wider issues of energy security. A good energy policy will hold those three things in tension. That at times requires re-evaluation, decisions being taken. We risk in the future if the growth in renewables and uptake of these subsidies continues at the rate that it has been doing then it becomes unaffordable. We are taking action to change that.

Q29 Mr Mark Williams: Just two quick points. The quick one first: notwithstanding that—and I appreciate there is a strong strain of public opinion on those lines and there are other arguments advanced in Mid Wales as well—do you not think that maybe more transitional arrangements or the need for some transitional arrangements to help those companies, and indeed those householders trying to engage in some of those schemes would have been more appropriate? Again, the assertion has been made that a rug was pulled very speedily overnight, which has damaged again, as you said, a growing industry.

Stephen Crabb: The Department for Energy and Climate Change has been consulting on this. I think the consultation closes late October, so there is an opportunity for people to feed in on their views on transitional arrangements. But I just come back to the point. Two weeks ago, I made a visit to Tata Steel. It employs 6,000 people in South Wales. The same day, I visited Celsa Steel. It employs almost 1,000 people right in the middle of Cardiff. Just two employers employ thousands and thousands of people, and the biggest concern that they expressed to us was the costs that they are shouldering as intensive energy users—the costs of the commitments that we have made to subsidise renewable energy. We have had concerns expressed, not least by members of this Committee in the past, about the future of steel in South Wales, and we had news about the Llanwern Steel Mill a few weeks ago with the mothballing of that facility. If that does not bring to life the tension that we are trying to deal with as a Government I do not know what does. There are very different aspects of the Welsh economy that are affected here.

Q30 Mr Mark Williams: Just very quickly because I bring an example as well. I appreciate that is a sizeable example. I am just very concerned about those individuals within our constituencies who have found themselves maybe already in the planning system that put in proposals, not at considerable cost. I think a lot of the farming community—not the large-scale wind turbine projects that some of us have campaigned against in Mid Wales—individual farmers, maybe seeking to reduce their costs of the dairy, with one particular turbine on the land. One I can think of, who has tried to diversify his business, has expended a five-figure sum developing a link with National Power. Now, the change in the regime jeopardises individual projects like that. What hope can we give those individuals who have

been caught up in the change in Government policy? Whatever view we have on the Government policy, they are caught up with it through no fault of their own.

Stephen Crabb: We will see what the outcome of the consultation says, but no matter what transitional arrangements that one can design, there will be people who are caught in the middle of that, and there will be some hard cases there. I do come back to the point, who is shouldering the costs of that? It is the people who are paying their household electricity bills, the vast majority of whom do not have solar panels on their roof or a wind turbine in their back garden helping to reduce their energy costs.

Q31 Liz Saville Roberts: I would notice the pre-accreditation requirement that was announced last week for feed-in tariff to come into effect on 1 October is very, very short notice. I, too, have people in my constituency who have invested tens of thousands who are now trying to make sure everything is in place, which does seem to be excessively short notice. That is between the summer recess and the conference recess.

To move on to another subject: you did touch upon Wylfa Newydd, and we would appreciate hearing more information about how you feel, whether that will be built on time, how the project is progressing and how the gap between the closure of the old Wylfa and the completion of Wylfa Newydd will be covered. Will the closure of the old reactor be delayed if the development at Wylfa Newydd is also delayed? I will have an additional question as well.

Stephen Crabb: Some quite specific questions in there.

Liz Saville Roberts: Specific Wylfa questions.

Stephen Crabb: If it is okay with you, Mr Chairman, with your agreement, I would like to write to the hon. Member with a fuller answer, but I would say initially the last time I was up at Wylfa Newydd the work seemed to be progressing well. There are people on site. It is happening. They recently appointed a new operations director for the project and work continues in terms of the interaction between shutting down the Magnox plant, which is what I think you are referring to, and the firing up of the new power station. I will need to come back to you with that. I would not want to put before the Committee any wrong information.

Q32 Liz Saville Roberts: Alongside this, forgive me, but it is also a nuclear question. How do you feel that the decommissioning process at Trawsfynydd, bearing in mind these are very high-quality jobs in a particularly appalling constituency, my constituency, how can that decommissioning process in Trawsfynydd be best aligned with that of Wylfa Newydd? How does the Secretary of State plan to contribute to replacing those valuable jobs that are now being lost at Trawsfynydd?

Stephen Crabb: We will talk about the very large economic impact there is; you are absolutely right.

Liz Saville Roberts: And the specialist workforce as well.

Stephen Crabb: Yes, you are absolutely right about the skills there. My understanding, talking to the project team at Wylfa Newydd, is that many of the people there with those skills would be enormously valued on the Wylfa Newydd project. But it may be that there

is a lag there. We have seen some very healthy things happening inside the Welsh economy in the last few years. Parts of the Welsh economy where I am concerned that we do need more is those peripheral rural areas, and the area of Trawsfynydd is an example of that. There is no quick and easy answers to that, other than helping to improve the conditions for businesses to grow. They are the ones who create sustainable jobs and we have seen some good growth in Mid Wales, but we want to see in North-West Wales and far-flung West Wales, too, is businesses creating new jobs, better-paid jobs, higher-quality jobs. There is no simple shortcut to that, but we believe, as a Government, UK-wide, we are creating the best possible conditions for the business to grow in all parts of the country.

Q33 Carolyn Harris: You will be not surprised that I am going to take you to Swansea Bay Tidal Lagoon. Later this month, the Tidal Lagoon Power company are presenting in a European conference to Energy Ministers from right across Europe, and they are going to be showcasing the economic unemployment potential of the Swansea Bay Tidal Lagoon. The project and the opportunity that Wales now has to build a whole industry around the project is in the global spotlight. It is the UK Government's job to enable Wales to take up this opportunity. Can the Minister offer any progress on developments?

Stephen Crabb: There has been lots of meetings and interactions with Swansea Tidal Lagoon before the election and since the election. This is something that we are committed to explore into its very fullest. We like the look of the scheme. You are absolutely right; they have an exciting long-term vision of a renewable industry that would be groundbreaking, not just for Wales but for UK and Europe. We are impressed with the management team. They know exactly what they are doing. The difficulty is—and your question alluded to it—is that to make it fly, it needs a very significant contract for difference agreed. For those who do not appreciate what a contract for difference is, it is almost exactly the same thing as we have been talking about for wind power; it is a subsidy. It involves a subsidy, and with the financial hurdle to clear for this massive project—the bigger the project, obviously the bigger the subsidy, the higher the bar—nobody should underestimate the difficulties that are involved in that.

We are approaching the contract for difference in negotiation phase and the company itself are very realistic about that, and we will see what comes from negotiations. I have been a very strong advocate of it. I want to see that project happen. But, and it sounds slightly repetitive again, there is a responsibility on the part of UK Government to look at issues of affordability.

Q34 Chair: I do not think you are going to be able to give me an indication, but roughly what sort of price would they be looking at per megawatt hour? Can we get closer? We know that nuclear requires £95 per megawatt hour or thereabouts, as does onshore wind. Offshore wind is about £150 per megawatt hour. Is it of that sort of order or somewhere in between, do you think?

Stephen Crabb: I think probably it is best to ask the company itself. Given where we have got to with approaching the negotiation phase, they might wish to be tighter lipped about the money.

Chair: I will not get very far then. In that case, Dr Davies.

Q35 Dr James Davies: I will move on to health, if that is okay. You will be aware of the very great concerns there are across Wales about the performance of the NHS, and in my patch alone of course the Health Board is in special measures. There is great outcry over maternity downgrades. The waiting times are pretty horrendous and the Tawel Fan episode has been in the press. This Committee itself has looked at cross-border issues, I am aware, in recent times. At what point does the UK Government listen to my constituents who say, “Enough is enough, and the devolution of health has not been a success.”?

Stephen Crabb: There have been concerns about performance of the Welsh NHS for quite some time. It is probably fair to say that those have been increasing in the last year or so, not just in North Wales but in other parts of Wales, particularly around waiting times is the obvious one, and particularly around the performance of the ambulance service. Then there are specific cross-border health issues, which, in fairness, people on both sides of the border have concerns about. Your most recent report as a Committee was looking at that.

You are asking a similar question to one that was asked earlier about at what point does UK Government haul back the power, basically. I have to say that is not on the agenda in terms of health. It is for Welsh Government to get a grip on this. It is probably the most important issue on the doorstep. They need to show that they can deliver successfully a devolved health service. We are where we are in terms of the devolution of settlement, and when people sound a sceptical note about Welsh devolution with me, I always point them to the 2011 referendum whereby a majority of two to one people—I was going to say in every constituency, but I think the right hon. Member for Monmouth would correct me. Almost every constituency voted by a fairly significant margin for full law-making powers—for more devolution, not less. Even if you were to single out a single question about health, that is the direction that people have chosen in Wales.

The challenge is to make it work. We have made available some pretty large sums of money to the Welsh Government for health services. They have not always chosen to use that money to improve health services in Wales, and they are accountable for that and that was obviously an issue that was discussed a lot during the most recent general election. I suspect that with the Assembly election approaching the politicians have an opportunity to talk about that.

We are doing our bit. Our bit is to create the best possible financial framework for Welsh devolution. On cross-border issues that require the interaction of UK Government and Welsh Government, the work is carrying on looking at refreshing the concordat and various memoranda of understanding to try to ensure that patients on both sides get access to the very best standards.

Q36 Dr James Davies: Thinking about cross-border issues, do you feel that there is a positive way forward for that? Just looking at the IT issues alone linking to GP service and sharing of information, electronic prescribing, there are differences on one side of the border to the other, which pose real problems for clinicians and patients. Do you think there is a satisfactory way of addressing that?

Stephen Crabb: I hope so. There should not be any reason why technology does not create more opportunities for, if you like, smoothing out some of the differences now that you have between the devolved health services. We still talk about one NHS. I think we are all increasingly realising we have four different NHSs in the UK now, some quite stark

differences at times. In terms of the issue about computers cross-border, GP to GP, I am aware there is a specific issue around that and I am hopeful that we can get that sorted out.

Alun Cairns: Can I add, with your permission, Chairman, the Cross Border Consulting Group has recently been reformed and it creates a great opportunity to help resolve some of these issues, so that has been reformed and new innovation may well be an outcome of that group?

Q37 Chair: Can we turn finally to another brand new issue for Wales, which is that of broadband? We are still plagued in my own constituency with areas that just do not seem to be close to getting broadband provision. I find it very difficult to get information out of British Telecom as to which areas are likely to get it and which are not. I do feel that more can be done—I know it is not entirely your bailiwick—by the British and Welsh Government to get that information out there because there are alternatives for people who are never going to be put on to a broadband connection through the cable method. If they had that information now, they could make alternative arrangements.

Stephen Crabb: An absolutely fair question. I am surprised if you are saying, in fact, it is hard to get information out of BT. If that is in relation to the superfast rollout—

Chair: That is in relation to areas that are never going to be put on.

Stephen Crabb: Yes. Well, it is true—isn't it?—that there are areas, as I know from my own patch, that five years ago the engineers would say they are never going to get it, and because technology has improved, they have been able to get more out of the lines that are in the ground and that has opened up other opportunities. The rollout of superfast broadband is progressing, and by spring next year, we will have delivered what we set out to do. Do not forget it was the UK Government that kick-started that just over five years ago, and we have made available a substantial amount of money from UK Government to fund that. But what we are talking about is those very, very hard to reach areas that need other solutions, so we have a pilot project at the moment—various pilot projects going on across the UK, one of which is in Wales, and I would encourage the Committee to make contact with them and to investigate that.

Q38 Chair: Whereabouts in Wales is it?

Alun Cairns: It is in Monmouth.

Chair: Is it? It's news to me but still.

Stephen Crabb: So to look at what the alternatives could be: there is satellite, broadband is improving all the time and there will be more and more options that become available. The UK Government is putting its money where its mouth is and helping to fund some of these pilots and exploratory initiatives, but the broadband situation is getting better in Wales. But if you are somebody living somewhere fairly isolated and not able to access it, hearing all of that makes no difference at all because you want it. It is becoming an essential part of business and social life in Wales.

Alun Cairns: Chairman, with your permission, only recently, a couple of weeks ago, I was in Shirenewton in Monmouthshire marking the 500,000th premises that were switching on to superfast broadband. Also in response to the points that you have made, I have

approached Openreach to ask them to explore whether they are able to provide more detailed maps, on a constituency basis, of which communities will be part of that 96% by spring of 2016 and which are that 4% that are the hardest to reach areas. It is the expectation and the hope that is often quite disheartening to some of those communities as to whether they will get it or not. Even since the election, there has been a further agreement between the UK Government and the Welsh Government to reach those harder to reach areas as well as the £800,000 that has been spent in Monmouthshire on one of the pilot projects.

Q39 Byron Davies: Can I just ask on another area of technology, which is the mobile infrastructure project? My constituency, Gower, suffers greatly with this and has, I think, two current projects going for these masts. Can you enlighten us as to how that is getting on?

Alun Cairns: Again, this is an example where a range of technologies come together, so the mobile infrastructure project is naturally ending at the end of this financial year, but at the same time, of course, we have the 4G rollout: 98% of the population will be covered by 4G in one of the contracts that was won by Telefónica. That is picking up at a pace and as a minimum level of cover in Wales, there will be 95% coverage in Wales compared to where even less than 90% had 3G. So instead of going for the larger sum of money in terms of the auction that was held, much more expectation was placed on that to take us to 98% on a UK basis and a minimum of 95% in Wales and in the other nations, which will resolve many of the not-spots and the gaps that already exist. With that coming to the end of its term together with the Telefónica contract then there will be significant uplift in terms of coverage.

Q40 Byron Davies: With the current funding, will these not-spots be addressed before the end of it, such as the two in Gower?

Alun Cairns: One is superseded by the other almost, because of the 2017 deadline on the Telefónica expectation of 95% in Wales at least and 98% at least across the whole of the UK. So one almost seamlessly moves into the other.

Q41 Mr Mark Williams: Just quickly turning to the dairy industry, I commend the Government for what they have done on HMRC and the extension period for payment. Of course, the previous administration initiated the Groceries Code Adjudicator that people had long campaigned for. I know the Secretary of State is particularly mindful of this in his constituency, as in parts of mine. What more can our dairy industry expect from Government and particularly perhaps in the wake of the arrangement that was brokered with the EU Commission last week, €500 million across Europe? What can the Assembly Government expect to be able to do with that money to alleviate what is an incredibly difficult situation?

Stephen Crabb: It has been an incredibly difficult summer and year for all dairy farmers across Wales and the UK and across Europe. I remember driving back through France in August and driving past fields with signs painted by French farmers protesting about the number of centimes they were getting per litre of milk. The truth is you scroll back 18 months and the dairy sector was in pretty robust shape. The milk price was good and a great many dairy farmers were turning a profit. Since then milk production has gone up, but there has been a slump in parts of the market where we had hoped and expected there would be continued growth. There is an oversupply of milk around, and 101 Economics

suggests that when a situation like that occurs prices fall. That is exactly what has happened.

Saying that, it is no good at all if you are farmer sitting here: you want to see some action; you want to see some light at the end of the tunnel. The one thing I do not hear farmers asking us to do as a Government is to get back in the business of fixing milk prices. I hear very, very few people in the sector say to me, “One thing you should be looking at as a UK Government is to restore the structures of the Milk Marketing Board,” and things like this. They believe in a market-led industry. So it is about making the market work better for milk producers.

Q42 Mr Mark Williams: Just going on from that, one thing the NFU are calling for is the EU intervention price to be looked at again in the fact that it is incredibly low.

Stephen Crabb: Yes, that discussion is ongoing and my colleague, the Secretary of State for Environment, Food and Rural Affairs is involved in those discussions with her European counterparts. We believe, long-term, there is a successful future for UK farming and not least the dairy sector. Global demand for food and for high-quality dairy will continue to increase and that will create opportunities for the sector. So the challenge at this point in time is how we get the dairy sector through that which is why, exactly as you say, we have been looking at what HMRC can do to allow farmers to smooth their tax payments. We are also in touch with HMRC about some other things that possibly they can help with to help specific groups of dairy farmers, not least probably that you have as many first milk suppliers in your constituency as I do who have specific challenges that they face.

There is no magic wand that any Government is able to wave on this—not the Welsh Government, not the UK Government, not the French Government, not the German Government—but it is about doing the best to make sure that the market works fairly for farmers, which is why the discussions with the large processors and the supermarkets carry on. They have a particular and special responsibility to restore fairness to the marketplace and ensure that farmers get a fair deal. It really riles me; it makes me angry when I see milk being advertised at four pints for a pound or something, devaluing the product that is milk. We should be in the business of honestly marketing these products and communicating a value about the milk and dairy products that we produce. That is one of the challenges that we are putting to the supermarket sector; as to how they go about marketing their milk. It is interesting over the summer that a certain number of them have tried to up their game on this to make more prominent what—

Q43 Mr Mark Williams: But it is about other products, given that only 20% of our milk in Wales is sold as liquid milk—in particular, the processing industry and supporting that dimension of the industry as well.

Stephen Crabb: Yes, you are talking about cheese?

Mr Mark Williams: So much of our milk has gone for cheese.

Stephen Crabb: So much of our milk goes into cheese production and that gets affected when we have New Zealand or Irish cheese coming onto the market that has a very

immediate impact. I am sorry, I do not have a final menu of solutions for you, but we are very, very engaged with the farming sector.

Q44 Chair: I appreciate that we are running a bit over time, but one thing that has been raised with me by a local farmer is that in England farmers who have been put on restrictions are still able to buy and sell other cattle that are on restriction through these red lists; there are red markets operating as well. Obviously, they would then have to go into the food chain. That does not happen in Wales. We do not have an equivalent of that and the Welsh Assembly does not enable people to buy and sell with England.

I have a constituent who is a farmer who does store cattle right on the border overlooking England. He is unable to buy in any store cattle at all at the moment to fatten them up because he had one that went down with TB; but if he lived in England, he would be able to buy other restricted cattle, buy them in, fatten them up and then sell them into the food chain. I appreciate this may not be down to you, but would you be willing to talk to the NFU and the relevant officials in the Welsh Assembly and in the Ministry of Agriculture about seeing whether we can, in turn, enable Welsh farmers to have the same advantage?

Stephen Crabb: Yes, I am absolutely willing to do that. It is something I expressed concern about within Government when the decision was taken. I think I am right in saying there was a decision that flows from a decision that was taken at the London end rather than the Cardiff end. I am keen to hear about practical examples where there has been a negative impact for Welsh producers, because that would strengthen our hand when asking for this issue to get looked at again.

Chair: Thank you. I appreciate that.

Q45 Liz Saville Roberts: I am grateful for this because it is timely; there are six sites presently in the running for the UK's first spaceport for launching satellites and space tourists. Given that Wales's only candidate is in Llanbedr, Dyffryn Ardudwy, and it has access to airspace which is not presently allocated to commercial flights—it is the nearest site, as the crow flies, to Harwell in Oxford, the research centre—what can be done to promote this opportunity for top-class technological jobs in North Wales?

Stephen Crabb: Nothing would excite me more than to visit Llanbedr and see the site developed as the UK's first spaceport, which I think it has been nicknamed. The work is carrying on; the Government are looking at the different options. There are strong proposals coming from elsewhere in the UK. Everybody wants to have that opportunity. We are clear in the Wales office team that we champion the Llanbedr project. It is something we discussed with Welsh Government, and in fairness to Edwina Hart, she has been pushing it very strongly and is being very helpful on this. We need to wait and see what the outcome of the Government review is and see what is recommended but we are flying the flag for Llanbedr here.

Chair: On that happy note then, Minister, we did manage to get the Committee over to Patagonia in the last session. If I could manage to take them on a trip to the moon next time, I would be absolutely delighted, so I will fully support Llanbedr.

Thank you all very much.