

Welsh Affairs Committee

Oral evidence: [Responsibilities of the Secretary of State for Wales](#), HC 680

Monday 1 April 2019

Ordered by the House of Commons to be published on 1 April 2019.

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- [As spoken](#)

- [In English](#)

Members present: David T. C. Davies (Chair); Jonathan Edwards; Susan Elan Jones; Ben Lake.

Questions 202-245

Witnesses

I: Rt Hon Alun Cairns MP, Secretary of State for Wales, Lord Bourne of Aberystwyth, Parliamentary Under-Secretary of State, and Nigel Adams MP, Parliamentary Under-Secretary of State.

Examination of witnesses

Witnesses: Alun Cairns, Lord Bourne and Nigel Adams.

Chair: Prynhawn da. Dw i eisiau ymddiheuro i'r tri ohonoch chi am y diffyg Aelodau yma heddiw. Yn amlwg, mae rhai pobl yn meddwl bod pethau eraill yn y Siambr yn bwysig. Felly, ar hyn o bryd dim ond tri ohonom ni sydd yma. Gobeithio y bydd rhai yn dod nes ymlaen. Hefyd, dw i'n credu ei bod hi'n hollol bosibl y byddwn ni'n mynd i gael rhyw fath o bleidlais yn fuan iawn.

(Translation) Good afternoon. I would like to apologise to the three of you for the shortage of Members here today. Clearly, some people think that there are other things going on in the Chamber that are important, so at the moment we only have three Members present. Hopefully, some others will join us later, and also I think it's very likely that we may have some kind of vote quite imminently.

If there is a vote, obviously I will call proceedings to order and then we will go off and vote, but I do apologise to all three Members for the fact that, obviously, other people are elsewhere. Secretary of State for Wales, we have put you on the end of the panel not out of any slight, but because it will be slightly easier for the translators that way, if that is okay.

Alun Cairns: Mae hwnna'n iawn Diolch yn fawr.

(Translation) That's fine. Thank you.

Q202 **Chair:** Yn amlwg, fe fyddwn ni'n gwneud pethau drwy'r Gymraeg—ac yn Saesneg hefyd.

(Translation) Clearly, we are going to be operating through the medium of Welsh—and English—today.

Sorry, I should say that it is channel 1 on the translation equipment, but I expect everyone has probably garnered that. It is quite warm in here, so if anyone wants to take jackets off, please feel free to do so. I'll do that myself, in fact. Hopefully, we will be joined by other Members in a moment.

Ga i ddechrau gyda'r Ysgrifennydd Gwladol? I ba raddau y mae Swyddfa Cymru'n paratoi ar gyfer Brexit heb gytundeb. Pa fath o effaith fydd Brexit heb gytundeb yn ei chael ar Gymru?

(Translation) May I start with the Secretary of State? To what extent the Wales Office has prepared for a no-deal Brexit, and what impact would a no-deal Brexit have on Wales?

Alun Cairns: Yn y lle cyntaf, Cadeirydd, ga i ddiolch yn fawr iawn i chi ac i'r aelodau am gynnal y cyfarfod ac am ein gwahodd ni? Dw i'n ddiolchgar iawn. Mae hefyd yn dda iawn cael cyfle i gynnal Pwyllgor yn yr iaith Gymraeg. Dw i'n credu bod bron pob un ohonom ni'n siarad Cymraeg. Mae



HOUSE OF COMMONS

hynna'n beth positif ofnadwy o safbwynt yr iaith a'i statws hi y tu fewn i'r Senedd.

Diolch am y cwestiwn ynglŷn ag Ewrop. Yn amlwg, mae angen gadael yr Undeb Ewropeaidd, cydweithio ac ymateb yn bositif i'r refferendwm, lle'r oedd Cymru yn amlwg wedi pleidleisio mewn mwy o ganran na gweddill y Deyrnas Gyfunol i adael yr Undeb Ewropeaidd. Mae gadael yn beth economaidd, cyfansoddiadol a phob dim arall. Felly, mae Swyddfa Cymru yn rhan ganolog o'r Pwyllgorau sydd yn cymryd lle, sy'n edrych ar y ffordd rydyn ni'n paratoi tuag at becyn ac sy'n cael dylanwadu ar y pecyn y mae'r Prif Weinidog wedi ei gytuno gyda'r Comisiwn Ewropeaidd.

Yn eich cwestiwn, Cadeirydd, wnaethoch chi sôn am baratoi ar gyfer no deal. Yn Swyddfa Cymru, dw i'n eistedd ar yr is-bwyllgor sydd wedi cael ei sefydlu ar EU exit preparedness. Wnes i wthio ac annog y Prif Weinidog i roi gwahoddiad hefyd i Brif Weinidog Llywodraeth Cymru, felly mae Mark Drakeford hefyd yn dod. Is-bwyllgor Cabinet yw e. Mae'r rhan fwyaf o aelodau'r Cabinet arno fe ond ddim pob un.

(Translation) In the first instance, Chair, can I thank you and the Members very much for holding this meeting and inviting us here? I am very grateful, and also it is very good to have an opportunity to have a Committee meeting through the medium of Welsh. I think almost every one of us speaks Welsh, so that is a very positive thing in terms of the language and its status within the Parliament.

Thank you very much for the question in relation to Europe. Clearly, we need to leave the European Union, collaborate and respond positively towards the referendum, where Wales clearly voted in a higher percentage than the rest of the United Kingdom to leave the European Union. As we leave, it is economic, it is constitutional, and lots of other things. So, the Wales Office is a central part of the Committees that are holding meetings and looking at the way in which we are preparing and influencing the package that the Prime Minister has agreed with the European Commission.

In your question, Chair, you touched on preparation for a no deal. In the Wales Office I sit on the sub-committee that has been established for EU exit preparedness. I pushed and encouraged the Prime Minister to also invite the First Minister of Wales, so Mark Drakeford also attends. It is a Cabinet sub-committee. Most Cabinet members are on it, but not all.

Q203 **Chair:** Ydych chi'n hyderus, felly, ein bod ni'n gallu ymdopi gyda Brexit heb gytundeb yng Nghymru?

(Translation): Are you confident, therefore, that we can cope with a no-deal Brexit in Wales?

Alun Cairns: Yn sicr. Mae llawer iawn o baratoadau wedi cael eu gwneud: pethau fel cynllunio ein hymateb er mwyn cyflwyno deddfwriaeth mewn amser. Fel rydych chi wedi gweld, mae llawer iawn o statutory instruments wedi cael eu cyflwyno trwy'r Senedd. Rydyn ni wedi pasio statutory instruments ar gyfer Llywodraeth Cymru hefyd—neu ar gyfer y Cynulliad



HOUSE OF COMMONS

dylwn i ddweud, gyda'u cytundeb nhw, yn amlwg. Mae hynny'n dangos y cydweithio sy'n mynd ymlaen. Ond hefyd mae yna bethau ymarferol. Rydyn ni wedi bod yn edrych ar groesi i Ewrop, i Ffrainc o Dover i Calais, er enghraifft. Mae gwaith wedi bod yn mynd ymlaen yn paratoi ar gyfer y math o heriau y cawn ni rhwng Dilyn a Chaergybi. Mae rhannu'r data gyda Llywodraeth Cymru yn beth hanfodol. Mae cydweithio gyda nhw'n ofnadwy o bwysig hefyd. Er nad ydy'r ddau ohonom ni—Prif Weinidog y Cynulliad a minnau—eisiau bod mewn sefyllfa lle nad oes deal ar gael, rydyn ni wedi paratoi'n dda iawn ar gyfer y no deal hefyd, jyst rhag ofn achos dyna'r peth cyfrifol i'w wneud er mwyn bod yn barod ar gyfer beth bynnag sy'n dod allan o'r trafodaethau.

(Translation): Certainly. Many preparations have been put in place: things around planning our response in order to introduce legislation in time. As you will have seen, many statutory instruments have been put through Parliament. We have also passed the statutory instruments for the Welsh Government—or for the Assembly, I should say, with their agreement, which shows the collaboration taking place. There are also practical things. We have looked at crossing to Europe, to France from Dover to Calais, for example. Work has been going on to prepare for the challenges that we will encounter between Dublin and Holyhead. Sharing the data with the Welsh Government is essential, and collaborating with them is also vital. Even though both of us—the Assembly First Minister and me—do not want to be in a position of no deal, we have prepared very well for a no deal just in case, because that is the responsible thing to do in order to be ready for any eventuality that comes out of the discussions.

Chair: Yn amlwg, dw i'n hapus gyda'r ateb hwn. Efallai bod rhaid i mi droi at aelodau eraill y Pwyllgor.

(Translation): Clearly, I am very happy with that answer, but perhaps I will turn to other members of the Committee.

Q204 Jonathan Edwards: Ar y mater o fod heb gytundeb, dros y misoedd diwethaf rydych chi wedi bod yn rhybuddio'n gyson am y peryglon fyddai'n wynebu'r economi Gymreig mewn sefyllfa dim cytundeb. Er enghraifft, ym mis Tachwedd wnaethoch chi ddweud ar Lawr y Tŷ y byddai dim cytundeb yn ddinistriol iawn i amaeth Cymreig. Ydy hynny'n wir? Ai dyna'r safbwynt yr ydych chi wedi ei arddel dros y misoedd diwethaf?

(Translation): On no deal, over the past few months you have been warning regularly about the dangers that would face the Welsh economy in the case of a no-deal situation. For example, in November you said on the Floor of the House that no deal would be very damaging for Welsh agriculture. Is that true? Is that the stance you have held over the past few months?

Alun Cairns: Mae'n dibynnu wrth gwrs sut bydd y Llywodraeth yn ymateb yn y fath sefyllfa. Yn sicr, fe fydd yna heriau a dw i'n derbyn hynny fel dw i wedi ei ddweud trwy'r amser. Fe fydd heriau hefyd yn y diwydiant cynhyrchu. Rydyn ni wedi cyhoeddi'n tariff schedule o sut byddwn ni'n



HOUSE OF COMMONS

ymateb i'r sefyllfa. Fel dywedais i, dw i ddim eisiau bod mewn sefyllfa lle nad oes cytundeb chwaith. Mr Edwards, rydych chi wedi canolbwyntio ar ffermio a'r byd amaethyddol. Mae hwnna'n rhan hanfodol o gefn gwlad Cymru ond o ddiwylliant Cymru hefyd. Felly mae undebau ffermwyr Cymru yn naturiol yn pryderu am y math o effaith efallai y cawn ni, ond maen nhw hefyd wedi cefnogi'r pecyn y mae'r Prif Weinidog wedi ei gytuno gyda'r Comisiwn Ewropeaidd. Dw i'n gefnogol o'r cytundeb y mae undebau'r ffermwyr hefyd wedi ei gefnogi. Dw i ddim eisiau bod mewn sefyllfa fel hynny ond mae'n rhaid hefyd cofio bod refferendwm wedi bod a bod canlyniad wedi bod. Dw i'n credu bod pob arweinydd ymhob prif blaid wedi dweud ar y pryd, "Mi fyddwn ni'n gweithredu ar ganlyniad y refferendwm".

(Translation): It depends of course on how the Government responds in that situation. Certainly there would be challenges. I accept that, as I have said time and again. The production industry will also face challenges. We have put together our tariff schedule as to how we will respond to the position. As I said, I do not want to be in a situation where there is no deal, either. You have focused, Mr Edwards, on farming and agriculture, which is an essential part of rural Wales, and of the culture of Wales as well. The farming unions in Wales are naturally concerned about the impact that we may face, but they too have supported the package that the Prime Minister has agreed with the European Commission. I am supportive of the agreement that the farming unions have also supported. I do not want to be in a situation like that, but we must bear in mind that there was a referendum that had an outcome and a result, and leaders of all main parties said at the time, "We will deliver the outcome of the referendum."

Q205 Jonathan Edwards: Beth fyddai goblygiadau'r tariff schedule yr ydych chi fel Llywodraeth Brydeinig wedi ei gyhoeddi ar amaeth Cymreig, o ystyried y byddai'r Undeb Ewropeaidd yn copïo'r un tariff schedule i gynnyrch allforion Cymru?

(Translation): What would be the implications for Welsh agriculture of the tariff schedule that you as the British Government have published, given that the European Union will copy the same tariff schedule for Welsh exports?

Alun Cairns: Ni fydd y sefyllfa mor dda â chytuno'r pecyn, yn sicr. Dyna pam dw i wedi cefnogi'r pecyn. Bydd rhaid i chi ofyn y cwestiwn i'r rhai sydd ddim wedi cefnogi'r cytundeb a'r pecyn rhwng y Deyrnas Gyfunol a'r Comisiwn Ewropeaidd. Bydden i'n dweud taw nhw sy'n ein rhoi ni mewn sefyllfa o berygl o ddim cytundeb. Mae'n llawer gwell ein bod ni'n cael cytundeb, fydden i'n dweud.

(Translation): The situation would not be as good as agreed in the package, certainly. That is why I have supported the package. You would have to ask those who have not supported the package and the agreement between the United Kingdom and the European Commission. They are the ones who are putting us in a position of jeopardy by not having an agreement. It would be far better for us to have an agreement.



HOUSE OF COMMONS

Q206 Jonathan Edwards: Y broblem gyda'r pecyn wrth gwrs yw ei fod yn gwthio pethau i lawr yr hewl i mewn i'r cyfnod pontio ble bydd rhaid i ni ddod i benderfyniad am y pethau rydyn ni'n cwmpo mas amdanyn nhw nawr.

Ym mis Ionawr, wnaethoch chi wneud ymosodiad ar Christina Rees, sef llefarydd Llafur ar bortffolio Swyddfa Cymru, yn ei herio hi a fyddai hi'n gyfforddus yn pleidleisio gyda'r rheiny sy'n cefnogi dim cytundeb. Wnaethoch chi hynny? Fe wnaethoch chi ddefnyddio'r geiriau hynny, yn do? Y gwirionedd yw, wnaethoch chi'n union yr un peth fis diwethaf, yn do? Wnaethoch chi bleidleisio gyda'r rheiny sy'n arddel dim cytundeb, ar y mater o dim cytundeb.

(Translation) The problem with the package, of course, is that all it does is push things down the road into the transition period, when we will have to come a decision on the things that we are currently falling out about.

In January, you attacked Christina Rees, who is the Labour spokesperson for the Wales Office portfolio, challenging her on whether she would be comfortable voting with those who support no deal. Did you do that? You used those words, didn't you? The truth is that last month you did exactly the same thing, didn't you? You voted with those in favour of no deal, on the matter of there being no deal.

Alun Cairns: Hwnna oedd polisi'r Llywodraeth. Dydyn ni ddim eisiau dim cytundeb. Fel dywedais i'n gynt, byddai'n llawer gwell gyda ni fod mewn sefyllfa gyda'r cytundeb y mae undebau'r ffermwyr, y CBI a'r IOD yn ei gefnogi. Mae busnes, undebau'r ffermwyr a, bydden i'n dweud, y rhan fwyaf o'r cyhoedd, eisiau gweld cytundeb y Prif Weinidog yn mynd trwyddo. Y rheiny sy'n pleidleisio yn erbyn y cytundeb sy'n rhoi'r wlad mewn sefyllfa ble mae perygl o ddim cytundeb. Felly byddai'n rhaid i chi ofyn i'r aelodau sydd wedi pleidleisio yn erbyn y cytundeb am y perygl a'r ffordd y maen nhw'n meddwl y dylem ni ymateb.

(Translation) That was the Government's policy, because we do not want no deal. It would be far better for us to be in a position where we have the agreement that, as I said earlier, the farmers unions, the CBI and the IOD support. Businesses, farming unions and, I would say, the majority of the public want to see the Prime Minister's deal going through. Those who vote against the deal are the ones putting the country in the situation where there is a danger of there being no deal. Therefore you would have to ask the Members who have voted against the deal about the dangers and how they they think we should respond.

Q207 Jonathan Edwards: Y pwynt yw, Ysgrifennydd Gwladol, ar bob cyfle mae Tŷ'r Cyffredin wedi cael cyfle i gael gwared â dim cytundeb fel opsiwn, rydych chi wedi pleidleisio er mwyn cadw dim cytundeb fel opsiwn.

(Translation) The point, Secretary of State, is that at every opportunity that the House of Commons has had to get rid of no deal as an option, you have voted in order to keep no deal as an option.

Alun Cairns: Mae hwn yn rhan o'r drafodaeth gyda'r Comisiwn Ewropeaidd. Os ydyn ni'n cymryd dim cytundeb oddi ar y bwrdd wrth ein



HOUSE OF COMMONS

bod ni'n trafod, mae hynny'n dweud wrth y Comisiwn Ewropeaidd ein bod ni'n fodlon derbyn unrhyw gytundeb y maen nhw'n ei gynnig.

(Translation) Clearly, this is part of the negotiation with the European Commission. If we take no deal off the table as we negotiate, that tells the European Commission that we are willing to accept any deal that they offer.

Q208 **Jonathan Edwards:** Mae'r negodi wedi gorffen, yn dyw e? Wnaeth y negodi orffen ym mis Rhagfyr.

(Translation) The negotiation has finished, hasn't it? It finished in December.

Alun Cairns: Dyw e ddim wedi gorffen nes bod e wedi gorffen.

(Translation) It's not finished until it's finished.

Q209 **Jonathan Edwards:** Maen nhw'n dweud ei fod e wedi gorffen.

(Translation) They say it's over.

Alun Cairns: Y gwirionedd yw, polisi'r Llywodraeth—a dw i wedi pleidleisio yn gwmws fel polisi'r Llywodraeth—yw cadw dim cytundeb ar y bwrdd. Mae'n bwysig bod yr opsiwn yna gyda'r wlad. Mae tynnu'r opsiwn yna i ffwrdd yn dweud wrth y Comisiwn Ewropeaidd ein bod ni'n fodlon derbyn unrhyw gytundeb, ac efallai y byddan nhw'n cynnig rhywbeth sy'n mynd i wneud hyd yn oed mwy o niwed i'r byd amaethyddol neu'r diwydiant cynhyrchu neu i economi Cymru.

(Translation) The truth is that the Government policy, and I have voted exactly in line with Government policy, is to keep no deal on the table. It is important that that is an option for the country. Taking that option away would tell the European Commission that we are willing to accept any deal, and perhaps they would be offering something that would be even more damaging to agriculture, the production industry or the Welsh economy.

Q210 **Ben Lake:** Braf iawn yw cael eich holi chi yn Gymraeg, Ysgrifennydd Gwladol. Sonioch chi'n gynt am yr is-bwyllgor Cabinet. Mae gen i ambell gwestiwn bach ar hwnnw. Pa mor aml mae'r pwyllgor yma'n cwrdd? Hyd yn hyn, beth yw'r presenoldeb wedi bod? Ydy'r Prif Weinidogion wedi bod yn dod yn gyson?

(Translation) It is lovely to be able to ask you questions in Welsh, Secretary of State. You mentioned the Cabinet sub-committee. I have a couple of questions on that. How often does this committee meet, and thus far what has the attendance been? Have the Prime Ministers been attending regularly?

Alun Cairns: Mae'n cwrdd bron â bod bob wythnos. Gallen i gyhoeddi schedule yn ddigon hawdd o faint o weithiau rydyn ni wedi cwrdd. Mae Prif Weinidogion Llywodraeth Cymru a Llywodraeth yr Alban yn cael gwahoddiad pan mae'r materion sy'n cael eu trafod yn effeithio materion datganoledig. Hefyd, maen nhw wedi bod yna pan mae'r pethau sy'n cael



HOUSE OF COMMONS

eu trafod yn faterion sydd ddim yn ddatganoledig achos mae'n rhaid i ni drin y pethau sydd o'n blaen ni a beth sydd eisiau rhyw fath o gytundeb.

I fod yn deg i bawb, does dim byd wedi torri allan o hyn, does dim byd wedi cael ei gyhoeddi i'r wasg. Mae wedi bod yn sensitif ofnadwy, achos mae pethau sensitif yn cael eu trafod. Bydden i'n dweud bod parch wedi cael ei ddangos ar y ddwy ochr. Mae'n ymddangos bod yna berthynas broffesiynol, realistig. I fynd yn ôl at beth ddywedodd Mr Edwards yn gynt, mae'n ymddangos nad yw Llywodraeth Cymru eisiau dim cytundeb chwaith ond maen nhw wedi dal i fod yn y cyfarfod yn cyfrannu tuag at y paratoadau rhag ofn, achos dyna'r peth cyfrifol i'w wneud.

(Translation) It meets almost every week. I can publish a schedule quite easily regarding how many times we have met. The First Ministers of the Welsh Government and the Scottish Government are there when issues are discussed that affect devolved matters. They have also sometimes been there when devolved matters have not been discussed, because clearly we have to deal with what we have in front of us and what needs agreement.

To be fair to everybody, nothing has broken out of it, and nothing has been leaked to the press. It has been very sensitive, because there are sensitive matters discussed. I would say that respect has been shown on both sides, and it appears that there has been a professional, realistic relationship. To go back to what Mr Edwards said, for example, the Welsh Government do not want no deal either, but clearly they have continued to come to the meeting and contributed towards the preparations just in case, because that is the responsible thing to do.

Q211 Ben Lake: Yn gwmws. Mae'n bwynt digon teg bod rhaid paratoi am y gwaethaf. O ran hynny felly, beth yw'r cylch gorchwyl? Pa mor bell ymlaen ydych chi'n cynllunio ar gyfer sefyllfa ble rydyn ni wedi gadael yr Undeb Ewropeaidd heb gytundeb? Mae tipyn o dystiolaeth wedi bod i'r Pwyllgor gan wahanol fusnesau yn sôn am y cyfnod cychwynnol hynny o ryw wythnos. Yn wir, dw i'n cofio rhywun o Borthladd Caergybi yn dweud eu bod nhw'n ddigon hapus gyda diwrnod un y sefyllfa yma ond nad oedden nhw'n hollol glir beth fyddai'n digwydd wedyn ar ddiwrnod dau, tri, pedwar ac ymhen wythnos. Ga i ofyn pa mor bell ymlaen y mae'r cynlluniau yma wedi cael eu gwneud felly?

(Translation) Of course, and I think it's a valid enough point that you have to prepare for the worst. In that regard, what are the terms of reference? How far ahead are you in planning for a situation where we have left the European Union without a deal? Quite a lot of evidence has been given to the Committee by different businesses about the initial period of about a week. Indeed, I remember discussing the Port of Holyhead. They would be happy with day one in this situation, but they are not absolutely clear what would then happen on days two, three and four, and into the first week. Can I ask how far ahead these plans have been made?



HOUSE OF COMMONS

Alun Cairns: Yn amlwg, mae'r paratoadau wedi gwella gydag amser. Os ewch chi'n ôl i fis Ionawr, rydyn ni'n llawer mwy parod nawr na beth oedden ni ym mis Ionawr. Mae'r ddeddfwriaeth wedi pasio. Mae risk ratings, er enghraifft, ar wahanol elfennau. Mae cytundebau gyda gwledydd rhyngwladol wedi cael eu cytuno nawr nad oedd wedi cael eu cytuno ym mis Ionawr. Nes eu bod nhw wedi cael eu cytuno, roedd hynny'n risg i elfen o'r economi neu o gymdeithas yn gyffredinol. Erbyn yr amser, bydd y pethau elfennol, y pethau mwyaf pwysig, yn sicr wedi cael eu cytuno. Ond y peth gorau posibl fyddai i'r cytundeb gyda'r Comisiwn Ewropeaidd gael ei gytuno. Bydden i'n dweud bod y paratoadau mewn sefyllfa bositif nawr, yn sicr o gymharu â beth oedd y sefyllfa sawl mis yn ôl.

(Translation) Clearly, the preparations have improved with time. Clearly, we are far more ready now than we were back in January. The legislation has been passed—for example, there are risk ratings for different elements. There are contracts that have been agreed now with international countries, but which had not been agreed back in January. Until they have been agreed, that is clearly a risk to an element of the economy or to society in general. When the time comes, the elementary things, the most important things, will certainly have been agreed, but the best possible thing is to have the deal with the European Commission agreed. The preparations are in a very positive position now, certainly in comparison with a few months ago.

Q212 **Ben Lake:** Ac felly o ran yr amser penodol, ydych chi'n cynllunio ar gyfer 12 Ebrill neu ydych chi'n ystyried bod dyddiadau eraill posibl?

(Translation) In terms of that specific time, are you planning for 12 April, or do you consider that there are other possible dates we have to plan for?

Alun Cairns: Y peth gwreiddiol, wrth gwrs, oedd cynllunio ar gyfer dydd Gwener diwethaf.

(Translation) The original thing, of course, was to plan for last Friday.

Q213 **Ben Lake:** Fydden ni wedi bod yn barod ar gyfer dydd Gwener diwethaf?

(Translation) Would we have been ready last Friday?

Alun Cairns: Fel dywedais i, roedd y pethau canolog a'r pethau roedden ni wedi eu blaenoriaethu wedi cael eu cytuno. Bydden i hefyd yn dweud bod y paratoadau dim ond yn gallu cael eu gwneud gyda gwledydd rhyngwladol—hyd yn oed y Comisiwn Ewropeaidd a'r gwledydd tu fewn i Ewrop—mor bell ag y maen nhw'n fodlon cytuno pethau gyda ni. Mae rhai gwledydd yn llawer mwy keen na gwledydd eraill. Rydyn ni'n dibynnu ar wledydd eraill yn ymateb i'n gofynion ni ac rydym ni'n ymateb i'w gofynion nhw. Rydym ni'n barod trwy'r amser i ymateb yn bositif, jyst rhag ofn, ond mae rhai gwledydd wedi meddwl ei bod hi'n annhebygol ein bod ni'n gadael heb gytundeb felly maen nhw wedi bod yn llawer mwy araf i gytuno. Ond yn yr wythnosau diwethaf maen nhw wedi bod yn llawer mwy proactive.



HOUSE OF COMMONS

Wnaethoch chi ofyn hefyd, Mr Lake, am baratodau busnes. Mae HMRC wedi ysgrifennu dwywaith os nad tair gwaith—*[Torri ar draws.]*

(Translation) As I said, the central things that we had prioritised had been agreed. I would also say that the preparations can be made only with international countries—even for the European Commission and the countries within Europe—as far as they are willing to agree things with us. Certain countries that are far keener than others. We rely on other countries to respond to our requirements and for us to respond to theirs. We are always ready to respond positively, just in case, but there are some countries that have thought it unlikely that we would leave without a deal, so they have been far slower to agree. But in the past few weeks they have been far more proactive.

Mr Lake, you also asked about business preparations. HMRC have written out at least twice, if not three times—[Interruption.]

Chair: I do apologise to everyone for this, but may I suspend the meeting for 15 minutes? I am afraid that things are slightly out of our hands at the moment. We will perhaps turn to Lord Bourne and Mr Adams later. Diolch yn fawr.

Cyfarfod wedi ei oedi ar gyfer pleidlais yn y Tŷ.

Sitting suspended for a Division in the House.

Ar ailddechrau—

On resuming—

Q214 **Chair:** Apologies for that. I am going to move on slightly.

Ga i ofyn i Ysgrifennydd Cymru unwaith eto, pa fath o berthynas gallech chi ragweld yn y dyfodol rhwng Cymru a gwledydd eraill ledled y byd? Beth ydych chi wedi ei wneud i hyrwyddo cyfleoedd i fasnachu gyda gwledydd y tu allan i'r Undeb Ewropeaidd yn y dyfodol?

(Translation) May I ask you, Welsh Secretary, what kind of relationship do you anticipate in the future between Wales and other countries around the world? What have you done to promote opportunities to trade with other countries outside of the EU in the future?

Alun Cairns: Mae masnachu rhyngwladol yn un o'r blaenoriaethau yn strategaeth Swyddfa Cymru, fel yr ydych chi efallai yn gyfarwydd. Roeddwn i yn Japan ychydig wythnosau'n ôl. Jyst cyn diwedd y llynedd, roeddwn i yn Shenzhen yn son am y compound semiconductor cluster. Hefyd, yn Japan, wnes i gwrdd â chadeirydd Wylfa a gyda Toyota a'r cwmnïau sydd â chanolfannau neu sydd yn cyflogi pobl yng Nghymru. Roeddwn i yno i gydweithio i geisio denu mwy o fuddsoddiad. Tu allan i'r Undeb Ewropeaidd, dw i wirioneddol yn meddwl bod cyfle newydd i Gymru. Yn amlwg, mae llawer yn dibynnu ar y sicrwydd gawn ni o'r



HOUSE OF COMMONS

farchnad Ewropeaidd. Ond eto i gyd, mae rhai gwledydd yn dangos diddordeb newydd efallai yn y Deyrnas Gyfunol ac mae'n hollbwysig bod Cymru'n cael ei rhan deg, neu fwy na theg. Efallai bod rhywbeth gan Nigel neu'r Arglwydd Bourne i gyfrannu hefyd.

(Translation) International trade is one of my priorities in the Wales Office strategy, as you may know. I was in Japan just a few weeks ago. Just before the end of last year, I went to Shenzhen to talk about the compound semiconductor cluster. In Japan, I met the chair of Wlyfa, with Toyota and with companies that have centres in or employ people in Wales. I collaborated to try to attract more investment. Outside of the European Union, I really think that there is a new opportunity for Wales. Clearly, much depends on the assurance that we get from the European market, but again, certain countries are showing a new interest in the United Kingdom. It is vital that Wales gets its fair—or more than fair—part of that. Perhaps Nigel or Lord Bourne may have something to contribute as well.

Nigel Adams: Diolch yn fawr. I apologise to the Committee for my lack of Welsh language—I am doing my best to learn. To build slightly on what the Secretary of State said, although it is not in my portfolio—it is very much with the Secretary of State for International Trade—I had a meeting three or four weeks ago with an American delegation from Oklahoma, which included the lieutenant governor of the state. I had not realised that states in the US can look at opening up trade routes and having their own arrangements at a state level.

They are very keen to do business with Wales. They have met Welsh Government representatives as well. It was a very positive meeting. They are also very keen to look at importing sheep meat. Obviously, there is currently a ban at federal level on those imports to the US, but I am encouraged by the conversations that we have had with DEFRA, which was involved in the meetings. There is, as you can imagine, a huge market in the US for lamb, which is currently supplied by New Zealand and Australia. There is a huge opportunity, post-Brexit, for the Welsh sheep meat industry, we believe, in the States, so we are very hopeful and we are doing our best to liaise with DEFRA and any other Department, so that we can encourage the Americans to lift that ban. They are very keen to have a trade route between Oklahoma and Cardiff airport, as well. They see that as a key route, so there are some very encouraging signs. Actually it is not within my brief. We as an office, a ministerial team, will do whatever we can to support our DIT colleagues, to ensure that we open up these new markets. I believe there is a real key one there with the sheep meat market.

Lord Bourne: Could I mention something slightly different? Wnai siarad yn Saesneg. Dw i ddim yn hyderus yn Gymraeg.

(Translation) I will speak English. I am not confident in Welsh.

I just want to say it is very important—and it is something we are trying to do—to open up to other Government Departments the importance of



HOUSE OF COMMONS

always flagging Wales up when we go overseas. I have recently come back from the Vatican, which might not sound like the best place, necessarily, to—

Chair: Not an obvious trading opportunity.

Lord Bourne: Exactly—not obvious, but I got there, and there outside the oldest archive in the Vatican they were flying y ddraig goch. It was very interesting to me that that had been somewhere where priests and pilgrims had gone, from both England and Wales. Suddenly I thought, “There are tourism possibilities here. There are possibilities of linking this up.” I think that is true across all Government Departments. I know the Secretary of State has been very keen to get that message across to other Departments.

Alun Cairns: Yn amlwg, mae newidiadau cyfrifoldeb wedi bod yn Llywodraeth Cymru gyda phortffolio newydd y Farwnes Morgan—Eluned Morgan—sydd yn edrych ar ôl materion rhyngwladol. Rydyn ni wedi cael cyfarfod. Dw i wedi estyn gwahoddiad agored iddi hi i ddod pryd bynnag dw i’n teithio’n rhyngwladol. Mae gennym ni gytundeb bras: does dim eisiau i’r ddau ohonon ni fynd i’r un lle ond does dim byd yn erbyn hynny chwaith.

(Translation) Clearly, there have been changes in responsibility in the Welsh Government, with the new portfolio with Baroness Morgan—Eluned Morgan—who looks after international affairs. We have had a meeting. I have extended an open invitation to her to come whenever I travel internationally. We have a broad agreement that both of us do not need to go to the same place, but there is nothing that goes against that, either.

Q215 **Chair:** Rydych chi’n hapus i gydweithio gyda hi.

(Translation) You are happy to work with her.

Alun Cairns: Mwy na hapus i gydweithio. I gael yr impact weithiau mae eisiau bod y ddau ohonon ni’n mynd i’r un lle. Pan es i i Japan er mwyn cwrdd â chadeirydd—

(Translation) We are more than happy to work together. Sometimes to have the impact both of us do need to go to the same places. When I went to Japan, particularly to meet—

Chair: Roeddwn i’n mynd i ofyn am Wylfa.

(Translation) I was going to ask about Wylfa.

Alun Cairns: Ond ynglŷn â hyn, wnes i estyn gwahoddiad agored i Brif Weinidog y Cynulliad, Mark Drakeford, i ddod gyda fi achos roedd yn hollbwysig er mwyn dangos bod y Llywodraeth ddatganoledig a Llywodraeth y Deyrnas Gyfunol yn cydweithio, gyda hwn fel blaenoriaeth, er mwyn glanio ar gyfer Cymru. Yn anffodus, doedd e ddim yn gallu dod. Ond gobeithio bod hwnna’n dangos yr agenda agored, neu’r gwahoddiad agored, dw i’n ceisio ei estyn i Lywodraeth Cymru a’r Gweinidogion.



HOUSE OF COMMONS

(Translation) But in relation to this I extended an open invitation to the First Minister of Wales, Mark Drakeford, to come with me, because that was vital to show that the devolved Government and the United Kingdom Government were collaborating, with this as a priority, in order to deliver for Wales. Unfortunately he was not able to come, but I hope that that shows the open agenda, or the open invitation, that I extend to the Welsh Government and the Ministers.

Q216 Chair: Roeddwn i'n mynd i ofyn am Hitachi. Ar ôl y cyfarfodydd yn Japan, ydych chi'n meddwl bod unrhyw bosibilrwydd y gallwn ni weld y gwaith yn ailddechrau yn Wylfa?

(Translation) I was going to ask about Hitachi. After the meetings in Japan do you think that there is any possibility that we could see that work recommencing at Wylfa?

Alun Cairns: Fel dywedais i pan ddes i o flaen y Pwyllgor y tro diwethaf, dw i'n dal i fod yn ffyddiog a hyd yn oed yn hyderus gan taw hwn yw'r safle gorau yn y wlad ar gyfer pwerdy niwclear newydd yn y Deyrnas Gyfunol. Fe wnaethon ni gadarnhau gyda'r cadeirydd, Mr Nakanishi, y bydd y development consent order yn parhau. Mae'n ymddangos eu bod nhw'n dal i fod yn gwario arian. Rydyn ni fel Llywodraeth wedi blaenoriaethu deddfwriaeth newydd. Fe fyddwn ni'n mynd allan i ymgynghori nes ymlaen yn y flwyddyn ac i gydweithio gyda chwmnïau fel Hitachi a chwmnïau eraill er mwyn addasu'r ddeddfwriaeth i adlewyrchu anghenion y farchnad. Dw i'n obeithiol ond yn sicr fe fydd yna gap hefyd.

(Translation) As I said when I appeared before the Committee the last time, I am confident, because this is the best site in the world for the new nuclear power station in the United Kingdom. We confirmed with the chair, Mr Nakanishi, that the development consent order will continue. It appears that they are still spending money. We as a Government have prioritised new legislation and we will be going out to consultation later on in the year, and we will collaborate with companies such as Hitachi and others to adapt the legislation to reflect the market needs. I am hopeful, but I am certain that there will be a gap as well.

Q217 Chair: Ond mae e dal yn bosibl?

(Translation) So it is still possible, then?

Alun Cairns: Dw i'n fwy na gobeithiol. Dw i'n ffyddiog y bydd pwerdy niwclear newydd yna, ond yn amlwg fe fydd hwn nawr yn cymryd mwy o amser. Ar ôl cwrdd â'r cadeirydd, mae angen iddyn nhw gadarnhau eu strategaeth ar gyfer eu buddsoddiad newydd nhw mewn prosiect fel Wylfa Newydd.

(Translation) I am more than hopeful. I am confident that there will be a new nuclear power station there, but clearly this will now take more time. After meeting the chair, they have to confirm their strategy towards their new investment within a project such as Wylfa Newydd.

Q218 Susan Elan Jones: Mae gen i ddau gwestiwn. Mae'n ddiddorol iawn eich clywed chi'n sôn am Oklahoma ac yn y blaen. Ond a bod yn onest, os



HOUSE OF COMMONS

ydyn ni'n meddwl am gig oen sy'n mynd i'r tu allan o Gymru, neu o'r Deyrnas Unedig, mae tua 85% neu 90% ar hyn o bryd yn mynd i'r Undeb Ewropeaidd. Ydych chi'n deall felly pam mae gan ffermwyr yng Nghymru bryderon mawr ynglŷn â beth sy'n digwydd efo Brexit?

(Translation) I have two questions. It is very interesting to hear you talking about Oklahoma and so on. But to be honest we know, if we think about lamb that goes out from Wales, or from the United Kingdom, about 85% or 90% at present goes to the European Union. Do you understand, therefore, why farmers in Wales have major concerns about what is going on with Brexit?

Alun Cairns: Yn sicr, Ms Jones—dyna beth roeddwn i'n sôn amdano yn gynt. Dyna pam dw i'n falch bod ffermwyr Cymru ac undebau ffermwyr yn cefnogi cytundeb y Prif Weinidog gyda'r Comisiwn Ewropeaidd er mwyn cadw'r farchnad ar agor. Dw i ddim yn gwybod os oes gan Nigel neu'r Arglwydd Bourne rywbeth i'w gyfrannu.

(Translation) Certainly, Ms Jones—that is what I was talking about earlier, which is why I am pleased that farmers in Wales and the farming unions support the agreement between the Prime Minister and the European market to keep the market open. I don't know whether Nigel or Lord Bourne have anything to add.

Nigel Adams: All I can say is that the JMC meetings that we have with the devolved Administrations—as you can imagine, this is an extremely important issue for the Welsh agricultural industry. It is a subject that is raised in every meeting that we have. The Secretary of State's office is represented there by me or Lord Bourne at a junior Minister level. It is absolutely clear that these sectors, such as the shellfish sector, are incredibly important markets for Wales. It is high up on the priorities of the Welsh Government as well. If a deal is not reached, it is absolutely crucial that at some point Government makes some market interventions to protect those sectors. Nobody is not alive to that possibility—colleagues in DEFRA, for example, are working extremely closely with the devolved Administrations. Lesley Griffiths comes regularly to those meetings and makes their case very well. From the brief time I have had attending those meetings, I believe that that joint working between our two Governments is very positive. We are absolutely alive to that threat.

Lord Bourne: It is certainly positive from the meetings I have been to as well. There is not much on that particular point, if anything, that we actively disagree on. It is important to stress that the great desire is to have a deal, which remains the position. A question arose a little bit earlier on this particular point. It is also worth noting that both of the farming unions are very strongly in support of having the deal that is being discussed, to stop the no-deal option.

Tracking back a little bit on the issue of why we are having no deal on the table, it is a little bit akin to saying, "Why do you have a defence budget? You don't want a war." But having the defence budget helps to prevent



HOUSE OF COMMONS

war. Having the preparations for no deal should make it that less likely that we end up with no deal.

Q219 **Susan Elan Jones:** Many of us would contend that it is understandable why the bulk of people would not want no deal, because it would be catastrophic for our economy, both in Wales and more widely across the UK. But there are different options from having no deal. We may yet have an agreement with the Prime Minister on that and still be adamantly opposed to no deal—that is correct, isn't it?

Lord Bourne: There are many different options, which is very clear. It is not a simple issue, and it is not as simple as some people made it sound. That is certainly the case. There are variations on having a deal, but my general point was that by keeping no deal there, it certainly does not mean that that is the desired outcome. You might support having no deal on the table, as I did, because you think it makes it a little less likely that we end up there.

Q220 **Susan Elan Jones:** Ga i ofyn cwestiwn i'r Ysgrifennydd Gwladol? Dw i'n gwybod bod rhywfaint o ddiddordeb wedi bod yn eich penderfyniad i ymatal eich pleidlais ar estyniad i erthygl 50. Rydyn ni'n gwybod bod rhai o aelodau eraill y Cabinet wedi pleidleisio mewn ffyrdd gwahanol i chi. Pam wnaethoch chi benderfynu ymatal eich pleidlais?

(Translation) May I ask the Secretary of State a question? I know there has been some degree of interest in your decision to abstain on extending article 50. We know that some other members of the Cabinet voted in different ways from you. Why did you decide to abstain?

Alun Cairns: Roedd gen i pairing arrangement ar y noswaith honno; doeddwn i ddim yn y Senedd ar y pryd.

(Translation) I had a pairing arrangement that night; I was not in Parliament at the time.

Chair: Dw i ddim yn meddwl y gallwn ni ofyn i Ysgrifennydd Cymru beth ddigwyddodd yn y Cabinet beth bynnag, i fod yn onest.

(Translation) I do not think that we can ask the Welsh Secretary what happened in the Cabinet, to be honest.

Susan Elan Jones: Wrth gwrs, ond beth roeddwn i'n sôn amdano oedd sut ddaru nhw bleidleisio.

(Translation) Of course, but I was talking about how they voted.

Alun Cairns: Roedd pairing arrangement a doeddwn i ddim yn y Senedd ar y pryd. Roedd rhywbeth arall ymlaen gen i.

(Translation) There was a pairing arrangement and I wasn't in Parliament at the time. I had something else on.

Chair: Ga i symud pethau ymlaen?

(Translation) Can I move things forward?



Q221 **Ben Lake:** I fynd yn ôl at y pwynt o geisio amlygu presenoldeb Cymru yn fyd-eang, dw i ar ddeall bod gan Lywodraeth Cymru rhyw fath o bresenoldeb mewn ambell wlad, yn rhannu safle dw i'n credu gyda'r Swyddfa Dramor. Fyddech chi'n fodlon ymhelaethu'n gyflym ar sut mae hynny'n gweithio a ble mae'r math yna o weithio yn digwydd?

(Translation) On the point about making Wales's presence more apparent at the global level, I am aware that the Welsh Government have a presence in some countries. They share a site, I think, with the Foreign Office. Could you elaborate a bit on how and where that kind of collaboration works?

Alun Cairns: Mae hwnna'n gwestiwn da iawn. Dw i'n credu bod gan Lywodraeth Cymru swyddfeydd neu swyddogion mewn naw gwahanol wlad ledled y byd. Mae gan DIT swyddfeydd neu swyddogion mewn 109 neu 108 o wledydd ledled y byd, felly os ydych chi eisiau mynd i'r ddegfed wlad, mae'n rhaid eich bod chi'n defnyddio DIT. Dw i eisiau bod mewn sefyllfa ble mae busnesau yng Nghymru yn cael y fantais, nid yn unig o ddefnyddio DIT, ond o ddefnyddio cefnogaeth Llywodraeth Cymru; neu, os ydyn nhw'n defnyddio cefnogaeth Llywodraeth Cymru, mae DIT yn cefnogi hefyd. Os oes gennych chi fusnes yng Nghaerdydd o'i gymharu â Bryste, er enghraifft, bydd mantais achos bod dwy elfen o gefnogaeth ryngwladol.

Pan oeddwn i yn Japan 18 mis neu ddwy flynedd yn ôl bron a bod, roedd swyddog Llywodraeth Cymru yn gwbl ar wahân i'r swyddogion DIT a'r embassy oedd yn cydweithio'n agos. Doedd y berthynas ddim cweit mor amlwg. Nawr dw i wedi dylanwadu, gyda chefnogaeth Llywodraeth Cymru, ac mae'r berthynas yn gwbl glwm. Mae'r swyddog o Lywodraeth Cymru sy'n edrych ar ôl Cymru yn proactive iawn ac mae'n gwneud gwaith ofnadwy o dda. Ond mae e hefyd yn cydweithio gyda chefnogaeth DIT sydd â phresenoldeb llawer mwy o faint achos faint o bobl sydd yno ac achos cydnabyddiaeth y Deyrnas Gyfunol. Rydyn ni'n hefyd yn tanlinellu rôl Cymru tu mewn i'r ymgyrch sydd gennym ni trwy'r amser ac yn cydweithio'n llawer mwy agos.

Mae Efrog Newydd—a gwledydd tramor eraill—yn gwmws yr un peth. Wnes i wahodd swyddogion Llywodraeth Cymru sy'n gweithio yn Efrog Newydd i ddod gyda fi i'r cyfarfodydd gyda'r cwmnïau, er mwyn dangos bod y ddwy Lywodraeth yn cydweithio a bod yr agenda yn gytûn.

(Translation) That is a very good question. I think the Welsh Government have offices or officials in nine countries around the world. DIT, for example, has offices or officials in 109 or 108 countries around the world, so if you want to go into a 10th country, you have to use DIT. I want to be in a situation where businesses in Wales have the advantage of not only being able to use DIT but having the support of the Welsh Government; or, if they are supported by the Welsh Government, DIT offers support as well. A business in Cardiff, for example, has an advantage over a business in Bristol because it has two elements of international support.

When I was in Japan nearly two years ago, the Welsh Government official was totally separate from the DIT officials and the embassy, who were



HOUSE OF COMMONS

clearly collaborating closely and working closely. The relationship was not quite as apparent. I have influenced that, with the support of the Welsh Government, and the relationship is now dovetailed. The Welsh Government official who looks after Wales is very proactive. That person does particularly good work but also collaborates with the DIT, whose presence is far greater because of the number of people it has there and because of the recognition of the United Kingdom. We also underline the role of Wales in the campaign that we have all the time. We are collaborating far more closely.

New York—and other countries—is exactly the same. When I went to New York, I invited the officials from the Welsh Government who work in New York to come to meetings with me in order to show that the two Governments are working together and that there is an agreed agenda.

Q222 Ben Lake: Yn fyr iawn, achos dw i yn ymwybodol fy mod i'n alaru mlaen, ydych chi'n meddwl bod yna unrhyw sgôp i ddenu rhai o'r gwledydd yma i agor consulates neu bethau felly yng Nghaerdydd? Dw i'n gwybod bod Iwerddon wedi penderfynu ei wneud e nawr hefyd. Oes yna sgôp?

(Translation) Just briefly—I am aware that I am continuing a bit here—do you think there is any scope for attracting some of these countries to open consulates in Cardiff? I know Ireland has decided to do that. Is there scope for that?

Alun Cairns: Mae e i fyny iddyn nhw. Dw i'n gweithio gyda'r honorary consuls yn dda iawn. Nhw fyddai'n rhoi'r argymhellion i unrhyw wlad dramor os byddai angen. Dw i'n meddwl y byddai'n beth positif.

(Translation) It is up to them. I work very well with the honorary consuls, and they would make the recommendations to any foreign country, if necessary. I think it would be a very positive thing.

Q223 Jonathan Edwards: Dw i'n siŵr y byddwch chi'n deall, Ysgrifennydd Gwladol, mai un mater sydd o bryder enfawr i'r rhai ohonom ni sy'n cynrychioli seddi yn y gorllewin yw beth fydd polisi rhanbarthol y wladwriaeth Brydeinig wedi Brexit, yn enwedig o ystyried y buddsoddiad cyfalaf sylweddol sydd wedi bod o ran arian strwythurol Ewropeaidd. Mae'r Llywodraeth Brydeinig ar fin ymgynghori. Oes gennych chi unrhyw fanylion pellach ynglŷn â phryd bydd y broses ymgynghori honno yn dechrau?

(Translation) I am sure you understand, Secretary of State, that what the regional policy will be following Brexit is a matter of huge concern to those of us who represent seats in west Wales, considering the significant capital investment from European structural funds. The UK Government is about to consult. Do you have any further detail about when the consultation process will begin?

Alun Cairns: Mae Mr Edwards yn gwbl gywir, Cadeirydd. Fe fyddwn ni'n ymgynghori cyn gynted â phosibl. I sicrhau nad ydyn ni ddim jyst yn aros, a bod dim byd yn digwydd, mae cyfarfodydd pre-consultation wedi bod ledled Cymru yn barod. Mae tri wedi bod yng Nghymru—dau yng Nghaerdydd ac un yn St Asaph. Mae Llywodraeth Cymru wedi cael eu



HOUSE OF COMMONS

gwahodd iddyn nhw hefyd. Roedd yr un diwethaf ar ddiwedd mis Ionawr yn St Asaph. Roedd Llywodraeth Cymru a swyddogion Llywodraeth y Deyrnas Gyfunol yn cyflwyno gyda'i gilydd ar sut maen nhw'n meddwl y byddai'r UK shared prosperity fund yn cael ei ddatblygu. Mae hwnna unwaith eto'n dangos bod cydweithio'n digwydd er bod yr ymgynghoriad ffurfiol ddim cweit wedi digwydd.

(Translation) Mr Edwards is absolutely right, Chair. We will be consulting as soon as possible. To ensure that we are not just waiting and nothing is happening, three pre-consultation meetings have already been held in Wales—two in Cardiff and one in St Asaph. The Welsh Government have been invited to them as well. At the last one, which was at the end of January in St Asaph, Welsh Government and UK Government officials presented together on how they thought the UK shared prosperity fund should be developed. That once again shows that there is collaboration happening, even though the formal consultation has not quite yet happened.

Q224 Jonathan Edwards: Fyddech chi'n dadlau y dylai Cymru, a'r gorllewin yn enwedig, dderbyn yr arian cyfatebol y bydden nhw wedi ei dderbyn o dan arian strwythurol Ewropeaidd? Ac ydych chi'n mynd i fod yn dadlau y dylai'r cyllid hyn fod yn rhywbeth sy'n digwydd dros nifer o flynyddoedd—multi-annual budget—neu'n rhywbeth fyddai'n cael ei benderfynu bob blwyddyn? Mae goblygiadau enfawr o ran gwariant isadeiledd os yw e'n rhywbeth sy'n cael ei wneud yn y tymor byr.

(Translation) Would you argue that Wales, and west Wales in particular, should receive the matched funding and European structural funding they would have received? And are you going to argue that this finance could happen over a number of years—a multi-annual budget—or will it be decided on a one-year basis? There are huge implications for structural funds if it is done in the short term.

Alun Cairns: Mae hwnna'n gwestiwn da. Dyna'r math o gwestiynau fydd yn yr ymgynghoriad, felly dw i ddim eisiau tanseilio'r ymgynghoriad ei hunan. Yn sicr, mae yna gyfle i wario arian dros sawl blwyddyn; fel rydyn ni'n gwybod, mae'n cymryd mwy nag un flwyddyn er mwyn datblygu prosiect ac er mwyn gwario'n effeithiol hefyd. Dw i hefyd yn gobeithio y gallwn ni gyd gytuno y bydd yn ddiddorol cael sylwadau oddi wrth y Pwyllgor pan fydd yr ymgynghoriad mas yna.

Mae'n siŵr bod ffyrdd llawer gwell o fuddsoddi yn ein cymunedau ac mewn busnesau na beth sydd wedi bod gennym ni gyda'r tair elfen o arian Ewropeaidd sydd wedi bodoli ers y flwyddyn 2000. Mae £4 biliwn wedi cael ei wario – mae'n tynnu at £5 biliwn nawr - mewn 18 mlynedd a dw i ddim yn credu cweit ei fod wedi cael yr impact y bydden ni efallai wedi ei obeithio ym mlwyddyn un. Yn sicr, mae yna gyfle i wneud rhywbeth llawer gwell, rhywbeth â llawer mwy o ddychymyg.

(Translation) That is a good question. Those are the kinds of questions that will be included in the consultation, so I do not want to undermine the consultation itself. Certainly, there is an opportunity to spend money over



HOUSE OF COMMONS

several years; as we know, it takes more than one year to develop a project and spend the money effectively. I also hope that we all agree that it would be interesting to hear comments from the Committee when the consultation comes out.

There are probably far better ways of investing in our communities and in businesses than we have done with the three elements of European funding since 2000. There has been £4 billion spent—it is drawing out to nearly £5 billion now—in 18 years, and I do not think that it has quite had the impact that we hoped it would in year one. Certainly, there is an opportunity to do something far better and far more imaginative.

Q225 Jonathan Edwards: Mae hwnna'n ddadl dros fel mae arian yn cael ei wario yn hytrach na dros swm o arian. Y pryder sydd gennym ni yw y bydd y swm yn sylweddol llai na beth rydyn ni wedi bod yn ei dderbyn.

(Translation) That is an argument about how money is spent, rather than the sum of money. Our concern is that it will be significantly less than we have been receiving.

Alun Cairns: Y CSR fydd yn amlinellu'r swm o arian. Ni fydd yr ymgynghoriad yn son am swm penodol. Y CSR fydd yn ateb y materion ariannol. Ond fe allwch chi fod yn ddigon sicr y byddaf i'n brwydro dros setliad digon teg i Gymru.

(Translation) The CSR will outline the sum of money. The consultation will not talk about a specific sum of money. The CSR will look at the financial issues. However, you can be assured that I will fight for a fair settlement for Wales.

Jonathan Edwards: Mae hynny'n dda i'w glywed. Dw i'n edrych ymlaen at weld beth fydd y setliad.

(Translation) That is good to hear. I look forward to seeing what the settlement is.

Alun Cairns: Fydden i hefyd yn gofyn eich bod chi'n edrych ar y record. Fel rydyn ni'n gwybod, rydyn ni wedi cael fiscal framework newydd lle mae'r setliad yn deg iawn. Mae hyn yn oed Gerry Holtham yn dweud hynny. Mae hyn ar ôl 12 neu 13 blynedd o setliad lle'r oedd pawb yn cwyno bod Cymru ar ei cholled.

(Translation) I would also ask you to look at the record. As we know, we have had a new fiscal framework with a settlement that even Gerry Holtham says is very fair, after more than 12 or 13 years of a settlement where everybody was complaining that Wales was losing out.

Q226 Jonathan Edwards: Dyw e dal ddim mor dda â'r Alban a Gogledd Iwerddon. Mae e dal lot yn llai.

(Translation) It is not as good as for Scotland or Northern Ireland though. It is still much smaller.

Alun Cairns: Mae yna funding floor sydd ddim wedi cael ei setlo. Mae grym benthyg hefyd. Felly bydden i'n dweud wrthyh chi am edrych ar fy



HOUSE OF COMMONS

record i—dw i wedi bod yn newid pethau, dw i wedi bod yn rhoi mwy o arian a mwy o rym i Gymru. Dyna'r cyd-destun yn lle dw i'n edrych ar y polisi.

(Translation) There is a funding floor that has not been settled, and there is a borrowing power as well. I would say to look at my record, which has changed things and given more money and power to Wales. That is how I look at it.

Q227 Jonathan Edwards: Dw i ddim yn hollol siwr bod hynny'n fy argyhoeddi i. Allech chi esbonio pam mae'r Llywodraeth Brydeinig wedi rhoi'r cyfrifoldeb i Adran sydd ond yn gyfrifol am Loegr? Dw i jyst yn meddwl beth yw goblygiadau hynny. Oherwydd sut mae fformiwla Barnett yn gweithio, oes lle gyda ni i fecso mai cyfran Barnetted fydden ni'n ei gael o ystyried bod y cyfrifoldeb wedi cael ei roi i Adran sydd ddim ond yn gyfrifol am Loegr? Hefyd, sut ydych chi'n cydweithio â'r Adran hon i sicrhau na fyddai Cymru'n colli mas?

(Translation) I am not entirely sure that that convinces me. Could you explain why the British Government gave the responsibility to a Department that is only responsible for England? I am just thinking about the implications. Because of how the Barnett formula works, should we be concerned that we would receive a Barnetted proportion, given that the responsibility has been given to a Department that only looks after England? How do you collaborate with that Department to make sure that Wales does not lose out?

Alun Cairns: Mae Swyddfa'r Cabinet, Swyddfa Cymru, Swyddfa'r Alban a Swyddfa Gogledd Iwerddon i gyd yn gytûn ac yn cydweithio gyda MHCLG er mwyn gwneud yn siŵr bod hwn yn bolisi sy'n cael ei lunio ar draws pob adran o'r Llywodraeth. Er enghraifft, mae gan BEIS lawer iawn o ddiddordeb ynddo fe gan ein bod ni'n sôn am UK industrial strategy. Yn sicr, mae gan y Trysorlys lawer iawn o ddiddordeb ynddo fe hefyd.

(Translation) The Cabinet Office, the Wales Office, the Scotland Office and the Northern Ireland Office are all agreed and are working together with MHCLG in order to make sure that this policy is formulated for all sections of Government. For example, BEIS very much has an interest in it because we talk about the UK industrial strategy. The Treasury also certainly has a lot of interest in it.

Q228 Jonathan Edwards: Allwch chi roi addewid na fydd e'n Barnettised?

(Translation) Can you give us a promise that it won't be Barnettised?

Alun Cairns: Mi fyddwn ni'n ymgynghori ond dw i ddim yn gweld y bydd e'n gweithio fel yna.

(Translation) We will be consulting, but I don't see it working that way.

Q229 Chair: Ydych chi eisiau anfon arian yn syth at y Cynulliad neu awdurdodau lleol neu gyrff eraill?

(Translation) Do you want to send money directly to the Assembly, or to local authorities or other bodies?



HOUSE OF COMMONS

Alun Cairns: Gallem ni ddefnyddio llawer mwy o ddychymyg, fydden i'n dweud. Er enghraifft, gyda'r city deals mae cytundeb rhwng y ddwy Lywodraeth. Mae rhai awdurdodau lleol eisiau i'r arian fynd yn syth atyn nhw. Dw i ddim eisiau tanseilio'r ymgynghoriad.

(Translation) We could be far more imaginative. For example, the city deals are working where there is agreement between the two Governments. Some local authorities want the money to go straight to them. I do not want to undermine the consultation.

Q230 **Chair:** Ydy'r awdurdodau lleol wedi dweud hynny?

(Translation) Have the local authorities said that?

Alun Cairns: Do, mae rhai ohonyn nhw wedi gofyn. Neu mae rhai yn gofyn am i'r arian fynd i ardaloedd y growth deals neu'r city deals. Maen nhw'n gofyn am gael llawer mwy o rym arno fe hefyd, yn lle bod e'n cael ei ganoli ym Mae Caerdydd. Mae ffyrdd cwbl wahanol o delifro rhywbeth er mwyn ein gwneud ni'n llawer mwy cyfoethog. Dyw'r system yn y gorffennol ddim cweit wedi gweithio fel dylai fe bob tro. Dw i ddim yn gwybod os oes gan yr Arglwydd Bourne rhywbeth i'w ddweud, gan ei fod e'n Weinidog yn MHCLG hefyd.

(Translation) Yes, some have, and some are asking for the money to go to the areas of the growth deals or the city deals. They are asking for far greater power over the money, rather than its being centralised in Cardiff Bay. There are totally different ways of delivering something in order to make us far wealthier. The system in the past has not quite worked as it should have every time. I do not know if Lord Bourne has something to add, as he is an MHCLG Minister in MHCLG as well.

Lord Bourne: Thanks. On that subject, as Jonathan Edwards indicated, there are two issues. One is getting the appropriate sum of money for Wales, which we are obviously very much plugged into; we realise the dangers of the Barnett idea. MHCLG has not got a view on this. It is looking to the territorial offices and devolved Administrations precisely because we are England-only on that subject.

Then there is very much the issue that has just come up about how the money is spent, whether through the Welsh Assembly, local authorities, city deals and so on. Interestingly, on the issue that Ben Lake mentioned earlier about the consul general from Ireland, it is actually a return of the consul general—we had one earlier. They were very useful because they were able to tell us their experience—David will remember as well—of how to spend money from Europe. That is something we can look at now, although in this scenario we would not have to do it in the same way. We would have some freedom on how we would streamline it and what lessons we would learn if we were running this on our own. There are some imaginative ways we can be creative for Wales.

We are very much plugged in to those two issues and getting a fair outcome for Wales and looking at how best that is channelled.



HOUSE OF COMMONS

Nigel Adams: Back on the shared prosperity fund, it is worth reflecting that, as one of my first gigs coming into the role, we had a good, lively debate in Westminster Hall on this very subject. It is fair to say that there is a variety of views in this place; I think the frustration is that we want to get on and kick off the consultation.

It is very apparent that EU Brexit is taking up a lot of time in this place. There is a real variation of views. In that first debate, I picked up that certain parts of Wales feel they have not been served as well by the current structural fund system as other parts of Wales. It is an absolutely crucial consultation that takes note of all contributors, not least parliamentary colleagues.

Q231 **Ben Lake:** Dw i'n mynd i wneud bach o gyfieithu ar y pryd nawr. Gawn ni weld os ga i farciau llawn. Rydyn ni wedi clywed sôn yn ddiweddar am y gronfa grymuso trefi—y stronger towns fund. Yn fras iawn, sut bydd yr arian yma'n cael ei ddosrannu i Gymru?

(Translation) I'm going to be doing a bit of simultaneous translation. Let's see if I get full marks for this. We have heard mentioned recently the empowering stronger towns fund. Very briefly, how is this funding going to be allocated to Wales?

Alun Cairns: Mae dwy elfen. Mae peth o'r arian yn dod allan o'r CSR rydyn ni ynddo ar hyn o bryd, a mi fydd arian yn dod o'r CSR sydd i ddod. Ond beth rydyn ni wedi ei gael yw cyhoeddiad bod yna becyn lle mae peth arian ar gael nawr a bydd peth arian ar gael yn y dyfodol. Efallai y gwnaf i ddweud hwn yn Saesneg—mae'n dod yn llawer haws.

(Translation) There are two elements. Some of the money will come out of the CSR that we are currently in and there will be money out of the coming CSR. We have had an announcement that there is a package with some money now and some in the future. I will continue in English—it comes much easier.

The current funding, of course, has been been Barnettised. The next element will be in the comprehensive spending review. That is a position whereby different options are available. I want to look at the most imaginative way. There is a needs element in it. If we focus purely on Barnett, that becomes population based. If we influence the debate, there could well be a position whereby those areas across the UK or those towns in the UK with the greatest needs end up in a better position. There is a good debate to be had and I would be interested in the views of the Committee on that basis.

Q232 **Ben Lake:** For clarity, there is not necessarily going to be a Wales fund or a sub-fund of the overall stronger towns. It is more likely to part of the overall fund than bids or applications.

Alun Cairns: That is a discussion we will have. Of course, we work closely with the Welsh Government and with colleagues across Parliament on that basis. We do not have to follow the same old structures that we have always followed. There is a chance to be more imaginative.



HOUSE OF COMMONS

The city and growth deals are one structure, for example. That was additional money over and above Barnett. If we were purists, we would have simply Barnettised it and probably would not have had city and growth deals, or they would have been done on a very different basis. There is an opportunity for new ways of working that will potentially advantage Wales and the communities in Wales. Let's have that discussion and a debate.

Q233 **Ben Lake:** And in terms of the conclusion as to how things will work, are we then waiting for the CSR?

Alun Cairns: The CSR is when the definitive sums of money will be confirmed and that is where the approach will be clarified. It is a discussion that is going on across Government at the moment, as well.

Q234 **Susan Elan Jones:** Rydw i eisiau trafod Bwrdd Uchelgais Economaidd Gogledd Cymru. Fyddech chi'n gallu dweud wrthym ni sut mae pethau'n mynd ar hyn o bryd?

(Translation) I want to talk a bit about the North Wales Economic Ambition Board. Could you explain to us how things are going at the present time?

Alun Cairns: Efallai ei fod yn haws, Cadeirydd, os yw'r Gweinidog Adams yn ateb hwnna.

(Translation) Perhaps it is easier, Chair, if Minister Adams answers that.

Nigel Adams: Indeed. I have had very good meetings with the ambition board. We are absolutely committed to the north Wales growth deal. It is a crucial part of our strategy right across Wales, but the north Wales growth deal is really important, with some £120 million of UK Government funding, matched by the Welsh Government.

We have had business cases set forth by the ambition board. In the last week we have had a new set of updated businesses cases, which our officials are currently going through. It is fair to say—and we, along with Ken Skates from the Welsh Government, have communicated this—that the UK Government position was that we felt that some of the projects within the growth deal weren't as ambitious or as transformational as we would have liked to have seen. They were in the right space in terms of sector. We have gone back to the ambition board and communicated that, both at official and ministerial level. They have come back with a revised set of business cases. I am really hopeful that they provide a much more encouraging situation.

We are very keen to get some of these projects over the line. It is important that we show that commitment and start spending some of that money. We are keen to do that. Without going into too much detail, there are a couple of projects that we believe could have a positive effect for the whole of north Wales. There are a number of projects in there, as you are aware. Last week I was pleased to invite north Wales MPs—and I believe Ms Jones attended—to ensure that you, as north Wales MPs, felt that you



HOUSE OF COMMONS

were better engaged in the process. This has been a local authority-led deal, through the ambition board.

We are keen to see much more private sector involvement, because that is absolutely crucial. We also need to learn from the review of the Swansea deal and some of the recommendations made. Hopefully, in the next week or so I am going to get more feedback from officials in terms of a revised business case. We are incredibly keen to get one or two of these projects over the line very soon, and get heads of terms agreed. I know the Welsh Government are of a similar mind. It has been going on for a while and we are extremely keen to get this moving shortly.

Q235 Susan Elan Jones: One thing we have seen—and I know you will testify to this—with the economic ambition board, local government and MPs here, is people working across the geography of north Wales and across parties. They have been very much working together to try to get what is best for north Wales. I was encouraged to hear the Welsh Government confirming that they would match any funding the UK Government have put in. I believe it would cost the UK Government a further £44 million to fully fund the original proposal. It would be excellent to hear from you today that you are willing to do that.

Nigel Adams: I don't think it is my role to start spending £44 million, unless the Secretary of State gives me that sign off this afternoon—£120 million plus £120 million is almost a quarter of a billion pounds, a significant sum of money, but we are mindful about the impact of some of the recent announcements in north Wales.

We talked about Wylfa earlier today. I think the Secretary of State may want to build on this in a second; he is, to coin a phrase, all ears when it comes to ambitious projects. Given where we are with the current set of bids, it is highly unlikely that that amount of money will be increased based on the current ambition and the number of deals currently proposed.

Q236 Susan Elan Jones: I make this point in all seriousness in terms of the leverage we need, because we do want so much the private sector to deliver on a great deal of this. I would just like to ask one other question, whether fairly or unfairly, you can determine. We are very conscious that four Wales Office Ministers have been responsible for the north Wales growth deal since 2017. That is absolutely no criticism of anyone who has held the position, but do you feel that that high turnover of Ministers has hindered progress on it? There are a lot of people to deal with and a lot of stakeholders, and all of us who are involved in it very much want it to work.

Nigel Adams: I don't think that is the case. By the way, I am incredibly proud to be that fourth Wales Minister in a short space of time; there was nobody more surprised than me, apart from maybe the population of Wales, to find out that I was a Minister in the Wales Office. But I don't think so: we have the same officials, including one official who is going to work with the Welsh Government now on growth deals. They work



HOUSE OF COMMONS

incredibly hard on this, and I am not just saying so because one of them is sitting behind me.

We have been very transparent; I am thrilled that you came to the meeting in my office last week, because it is important that you are now engaged and talking to your local authorities. There are six local authorities. This is big stuff for north Wales. It is a lot of cash. Do not take this in any derogatory way, but it is a big sum of money for local authorities to decide how to spend, so I believe they need some assistance—not just from the UK Government and Welsh Government, but some input from the private sector and, where possible, if matched funding comes in. I will be meeting the telcos, for example, on the north Wales digital project in the very near future to see where they are in terms of potential funding to really make that a project that could transform connectivity in north Wales. I think that is what everybody wants.

Alun Cairns: Could I add briefly to that and the two points that came out of it? There has certainly been continuity with the Welsh Government Minister, Ken Skates, throughout all that—we have worked really closely with Ken Skates throughout all of it. We have shared views, and by coincidence we have come to the same conclusion independently. That continuity will have helped, if there are doubts, but I will also have kept a close eye, working with colleagues.

In relation to the earlier point about extra funding and the requests that are made, we always have to turn it around. It is up to the region to come forward with strong bids—bids so good that we simply cannot turn them down. That is the best way to be: the greater the ambition, the greater the quality of the bid and the greater the investment it attracts, the more foolish it would be for us ever to turn around and say no. It is not, “Here is X sum of money—how do you want to spend it?” I would prefer it to be, “This is the project we want to deliver and this is the sort of sum needed to make it happen.”

Chair: We will now turn our attention slightly further south.

Q237 **Ben Lake:** To mid-Wales and the mid-Wales growth deal. I am aware that at a recent event, the National Assembly and the growing mid-Wales partnership outlined some of the aspirations or at least the objective and aim of getting in a proposal for the autumn and, if all goes well, looking at perhaps a financial settlement next year. Lord Bourne, I wonder whether you might be able to clarify this; I think they bandied about the figure of about £200 million. In terms of UK Government contribution, what are we looking at in that?

Lord Bourne: If I could perhaps just track back a little bit, first of all, I reiterate what Minister Adams has said about the deal in north Wales. We have worked very closely with the Welsh Government and Ken Skates, and there is a very similar, if not identical, approach. It is a great strength that we have been able to work across parties. That is certainly true of Plaid Cymru in the area as well, with Ellen ap Iwan.



HOUSE OF COMMONS

There is definite ambition in mid-Wales around the work that has been happening—you and I have discussed this, Ben. We are likely to have a governance committee in place soon and then an economic strategy board following that. But I do not want to heighten expectations of us necessarily bringing that to fruition this year. I hope that happens—it is a great ambition and it is great to have our foot on the accelerator and aim for that—but it is not a done deal as yet. Nor is the amount of money. I have heard that figure mentioned, but like Nigel I have been very careful about saying there will be a specific sum of money.

Just to mention some of the themes coming up around some of the projects we are looking at, certainly there is agri-tech—obviously IBERS is a great area, where great work is being done—and tourism, with some fantastic stuff going on at Old College in Aberystwyth. Then there is the agricultural sector in Powys in which Rosemarie Harris is closely involved, and she gets on very well with Ellen, so there is a strong partnership. It does have to come from them. They have to develop this; we are there to help and to give a nudge and advice, but essentially these things are coming up from the grassroots. As I say, we have had ideas but essentially they are in the driving seat.

So it is moving in the right direction and there are some encouraging aspects, but I would not want to heighten expectations of it necessarily being a done deal.

Q238 Ben Lake: Very briefly, Lord Bourne, you mentioned the different themes that are emerging. Almost inevitably, some themes will be better developed or developed quicker than others. We had a discussion before about the possibility that if a theme were to develop and reach a more developed state or conclusion, it may well secure funding for others. However, if I have understood things correctly, the preference has been for the package to be funded together as a coherent whole. Is that still the case? If not, is there any appetite to be a little more dynamic in the future?

Lord Bourne: You are right—that is still very much the view, and I think it is the view of the Welsh Government as well that we need a package for the area, because it all hangs together and it is not, as it were Powys v. Ceredigion and Ceredigion v. Powys. That is certainly the view of the local authorities and the Welsh Government. It is to develop something—a definitive package—for the whole area that the whole area will benefit from.

Q239 Jonathan Edwards: Ga i fynd yn ôl i'r polisi rhanbarthol? Os wnes i'ch clywed chi'n iawn, wnaethoch chi amlinellu y byddech chi'n ddigon cyfforddus i'r cyfrifoldeb am bolisi rhanbarthol Cymru gael ei gymryd oddi ar ddwylo Llywodraeth Cymru. Byddai gyda hynny goblygiadau rhyfeddol i'r setliad cyfansoddiadol. Ydw i wedi eich camddeall chi?

(Translation) To go back to the regional policy, if I heard you correctly, you outlined that you would be comfortable enough for responsibility for regional policy in Wales to be taken away from the Welsh Government's



HOUSE OF COMMONS

hands. That would have amazing implications for the constitutional settlement. Have I misunderstood?

Alun Cairns: Beth ddywedais i oedd bod yna ymgynghoriad, a bydd yr ymgynghoriad yn gofyn sut dylen ni gyflawni polisi rhanbarthol yr UK shared prosperity fund. Mae ffyrdd gwahanol o feddwl ymysg Aelodau Seneddol, awdurdodau lleol, Llywodraeth Cymru ac Aelodau Cynulliad hefyd, fydden i'n meddwl. Dyna beth yw'r ymgynghoriad. Dw i ddim eisiau tanseilio'r ymgynghoriad o gwbl. Mae'n ymgynghoriad cwbl agored.

(Translation) What I said was there will be consultation, and the consultation will ask how we should deliver the regional policy of the UK shared prosperity fund. There is different thinking among MPs, local authorities and the Welsh Government, and, I would think, among Assembly Members. That is what the consultation is. I do not want to undermine it at all. It is an absolutely open consultation.

Q240 **Jonathan Edwards:** Fel dywedoch chi, rydych chi'n rhan o broses cynllunio hyn i gyd. Beth yw'ch dadl chi o fewn y Llywodraeth Brydeinig? Ydych chi'n amddiffyn y rôl gyfansoddiadol sydd gan Lywodraeth Cymru neu ydych chi'n dweud y byddai Llywodraeth Prydain bellach yn cymryd cyfrifoldeb am y broses?

(Translation) As you said, you are part of the planning process for all of this. What is your argument within the UK Government? Are you defending the Welsh Government's constitutional role, or are you saying that the UK Government would take responsibility for it?

Alun Cairns: Fe wnawn ni ymateb yn ffurfiol i'r ymgynghoriad ar ôl iddo gael ei gynnal. Fel dywedais i'n gynt, y cwestiwn sydd gen i yw: sut gallwn ni gyflawni gwerth gwell neu werth mwy i'r cymunedau a'r busnesau sydd eisiau elwa o'r cynllun? Mae'n rhaid iddo fod yn gynaliadwy dros y tymor hir. Roedd y Cadeirydd, yr Arglwydd Bourne a minnau'n rhan o'r Cynulliad ym 1999 a'r addewid oedd mai un cyfle oedd gennym ni. Rydyn ni wedi cael tri chyfle yn barod. Mae hwnna'n arwydd nad yw'r tri phhecyn cyntaf wedi gweithio.

(Translation) We will respond formally to the consultation once it has been held. However, as I said earlier, the question is: how can we deliver better or greater value to the communities and businesses who need to benefit from the scheme? It must be sustainable over the long term. I remember that you, Chair, Lord Bourne, and I were part of the Assembly in 1999 when there was the promise that we would have one opportunity. We have had three opportunities already. That indicates that the first three packages have not worked.

Q241 **Chair:** Ydych chi wedi gofyn i'r awdurdodau lleol i ymateb i'r ymgynghoriad?

(Translation) Have you asked the local authorities to respond to the consultation?

Alun Cairns: Dyw'r ymgynghoriad ddim wedi dechrau. Ond fel dywedais i'n gynt, dw i wedi cael trafodaethau achos mae rhai pre-consultation



HOUSE OF COMMONS

meetings wedi cael eu cynnal yn barod. Dw i wedi cael galwadau oddi wrth arweinyddion awdurdodau lleol.

(Translation) The consultation has not started but, as I said, I have had discussions. Some pre-consultation meetings have already been held. I have had calls from some local authority leaders.

Q242 **Chair:** Ac mae ganddyn nhw hawl i ymateb os ydyn nhw eisiau.

(Translation) They are entitled to respond if they want.

Alun Cairns: Yn sicr, bydd ganddyn nhw hawl i ymateb yn gwbl ffurfiol i'r ymgynghoriad. Mae rhai yn gofyn am iddo gael ei ddatganoli yn llawer mwy lleol nag o un lefel i lefel arall.

(Translation) Yes, for sure. They would be entitled to respond absolutely formally to the consultation. Some are asking for it to be devolved even more locally than from one level to another level.

Q243 **Chair:** Rydyn ni wedi siarad am y diwydiant niwclear. Ga i felly gloi gyda chwestiwn ar APD? Mae'r Prif Weinidog yn y Cynulliad wedi beirniadu'r Llywodraeth yma gan ddweud nad ydych chi'n barod i dalu am e-gates ym maes awyr Caerdydd nac yn barod i roi APD i'r Cynulliad yng Nghymru achos, mae e'n dweud, bod maes awyr Bryste yn rhanbarth Liam Fox. Mae rhaid i mi roi'r cwestiwn i chi, Ysgrifennydd Cymru. Ydy hynny'n wir? Ydych chi fel Llywodraeth yn barod i ystyried rhoi APD i'r Llywodraeth yng Nghaerdydd?

(Translation) We have discussed the nuclear industry. May I conclude with a question on APD? The First Minister of Wales has criticised this Government and said that you are not willing to pay for e-gates in Cardiff airport or to give the Assembly APD in Wales because, he says, Liam Fox has Bristol airport in his constituency. Therefore, I have to put the question to you as Secretary of State for Wales: is that true? Are you as a Government ready to consider giving APD to the Government in Cardiff?

Alun Cairns: Ga i ddweud yn gyntaf bod y maes awyr yn fy etholaeth i felly dw i'n gwbl gefnogol i'r maes awyr? Dw i wedi siarad gyda phob airline sydd yn dod i mewn yna a dw i'n cynnal perthynas gyda nhw er mwyn cefnogi'r maes awyr ymhob ffordd y gallaf i. Mae APD yn amlwg yn gyfrifoldeb i'r Trysorlys felly mae'n rhaid i mi fod yn garcus iawn o ran y cod gweinidogol i beidio croesi'r llinell yn amhriodol. Efallai y dylwn i ofyn bod Nigel yn arwain ar yr atebion.

Ga i fynd yn ôl at y pwynt ar e-gates? Roeddwn i'n edrych ar fy llyfr ar gyfer y ffigurau clir pam nad oedd maes awyr Caerdydd wedi cael cefnogaeth ar gyfer e-gates. Mae yna criteria clir ofnadwy. Mi wnaeth Swyddfa Cymru edrych yn bositif iawn er mwyn ceisio dylanwadu ar y sefyllfa, ond doedd y ffigurau ddim yn agos o gwbl. Fe wna i esbonio nhw mewn llythyr er mwyn dweud nad oedd mantais i unrhyw faes awyr dros y llall. Efallai bydd y ffigurau mor glir, mi fyddwch chi'n surprised iawn pan fyddaf i'n eu hanfon nhw drwodd.



HOUSE OF COMMONS

(Translation) May I say in the first instance that the airport is in my constituency, so I am absolutely supportive of it? I have spoken to all airlines that come in there and have a relationship with them to support the airport in every way that I can. Clearly, APD is a responsibility of the Treasury so, under the ministerial code, I have to be careful not to cross that line inappropriately. Perhaps I should ask Nigel to lead on the responses.

May I go back to the e-gates point? I was looking in my brief for the clear figures for why Cardiff Airport was not given support for e-gates. There are robust criteria, and we in the Wales Office looked very positively at them to try to influence the situation, but the figures were not close at all. I will explain them in a letter. There was no advantage given to any airport over another. Perhaps the figures are so clear that you will be very surprised when I send them through.

Nigel Adams: It is absolutely the case that we recognise the importance of regional airports such as Cardiff. They are incredibly important, providing connectivity not just for passengers but for freight.

On APD, as the Secretary of State said, this is very much an area where Treasury leads. I believe that £3.4 billion is gathered annually in APD. In answer to your question, Chair—have the Government considered this?—yes, they have. As per the St David's Day agreement, the Government undertook to consider the case and options for devolving APD to Wales. Informed by a review of options to support English regional airports, in 2016 the Government confirmed that they did not intend to devolve APD to the Assembly. They were very concerned by potential undue market distortions. They looked at a number of options to mitigate the impact of devolving APD to Wales but concluded that the impact on the scale potentially created by the decision was beyond the scope of the options that could be provided.

I understand that the Exchequer Secretary appeared before you at some point earlier this year. It is certainly the case that, as part of the aviation strategy, for example, the Government are considering what further role they could have in supporting growth at airports such as Cardiff, and I met the aviation Minister about five weeks ago to discuss that very issue on behalf of Cardiff. I am pleased that that consultation—which includes proposals for PSOs and those sorts of routes—has now been extended to the end of June, I believe. Government certainly are not closed to doing whatever they can to help airports such as Cardiff, but they have to be mindful of the potential market distortions and impact on other airports. It is also worth noting that not everybody in Wales uses Cardiff airport. People in north Wales are happy to use Manchester; in mid Wales, I presume, they use Birmingham. Many people in south Wales use Bristol.

Susan Elan Jones: Manchester and Liverpool, of course.

Nigel Adams: That shaped the Treasury decision. There are options available through the consultation, to see if certain routes that would be hugely beneficial to Wales could be supported in some way.



HOUSE OF COMMONS

Lord Bourne: Just thinking back, Silk made a compromise suggestion about this. One reason for that, as was just alluded to by Minister Adams, is that we have our national airport in Cardiff, but unlike Scotland, where you would be mad not to use Edinburgh or Glasgow, in Wales there are different options available. You would not think of using Cardiff in the main situation—as Susan said, you would use Liverpool or Manchester. Similarly, in mid-Wales you would probably use Birmingham rather than Cardiff. It is not just about that.

That has had an effect in relation to the current position on state aid, because in Scotland you can more easily give help to the Scottish airports because there is not a competitor nearby, whereas Cardiff has a competitor nearby. I remember it was not something one wanted to do when we were in the Assembly; we would often go over to Europe to represent Wales and would have to fly from Bristol. That was not as convenient and you did not want to do it because it was not the national airport. It is not just about doing something for Cardiff, although we would like to. Cardiff is doing very well and that is great for us, but it has to be within the constraints of the laws as they exist at the moment.

Jonathan Edwards: You reminded me that you were a member of the commission that put a very carefully crafted package together.

Lord Bourne: Me and my big mouth.

Q244 **Jonathan Edwards:** For the Welsh Assembly that was the compromise position; the St David's day process was not the compromised process as far as we were concerned. How disappointed were you when quite a major element of the fiscal package that you put forward was torpedoed?

Lord Bourne: I think you are overstating it. You have to remember that on the committee we were very keen to come to an agreed consensus. Eurfyl ap Gwilym, incidentally, was often mistaken as the Tory when we went around. Nevertheless, we had a long discussion to try to reach agreement on some of those things. There were trade-offs, but we all wanted to do what we could for Wales, which is why we were keen to come to a decision. It proved easier perhaps than was apparent at first, but there were trade-offs, as you would expect.

Alun Cairns: I say this in a broad, responsible way: sometimes the debate is phrased in a quite a linear way—it is either/or. There are some imaginative solutions to this, and the Committee could play a part in bringing those forward. Minister Adams has referred to PSOs, for example, to begin with. There could be other solutions to air passenger duty that the Treasury could and should give consideration to, in terms of the thinking that would support—

Q245 **Chair:** You are talking about a regional airport discount—that sort of thing.

Alun Cairns: It is not for me to say. I am prompting discussion and debate, rather than the way in which the issue has become polarised of



HOUSE OF COMMONS

late. It may not have the wider benefit or support that other options may develop.

Chair: We have probably used up enough time. Diolch yn fawr.