

## Welsh Affairs Committee

Oral evidence: [City Deals and Growth Deals in Wales](#), HC 2095

Tuesday 9 July 2019

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

Questions 64-116

### Witnesses

**I:** Professor Mark Barry, Professor of Practice in Connectivity, Cardiff University, Andrew Carter, Chief Executive, Centre for Cities, and Robin Davis, Director, Actica Consulting.

**II:** Eifion Evans, Chief Executive, Ceredigion County Council, Councillor Ellen ap Gwynn, Chair, Growing Mid Wales Partnership, Councillor Rosemarie Harris, Vice-Chair, Growing Mid Wales Partnership, and Nigel Brinn, Corporate Director, Economy and Environment, Powys County Council.

## Examination of witnesses

Witnesses: Professor Mark Barry, Andrew Carter and Robin Davis.

Q64 **Chair:** A very good afternoon to Mr Davis, Mr Carter and Professor Barry. Thank you very much indeed for coming along to talk to us about city deals. I will begin by asking a general question. What criteria make for a successful city or growth deal, and how confident are you that the two city deals currently operating in Wales meet those criteria?

**Professor Barry:** Shall I start? I will talk about my experience in south-east Wales. I was not actively involved in the nuts and bolts of the city deal, but I was involved in the conversations in the Welsh Government on the back of the metro project that led to it being put in place. There were three things for me. One was that it had been clear for a long time in south-east Wales that you had 1.5 million people but not enough strategic capacity to look at things like transport planning, land use planning and economic development. I always felt that a city deal could be a precursor to more effective regional collaboration and regional working. Given there was a metro project already in nascent form that was leading towards a procurement process, which kicked off a couple of years ago, it seemed to me that there was an opportunity to use that as a catalyst for further funding, which could perhaps be thrown at the metro—that is still something we should consider—or used to bring forward other projects for which the metro would be a catalyst.

Underpinning all this was a need to try to be more strategic in the discharge of public funds on a regional footprint and to secure value greater than the sum of the individual parts. To a great extent, what is happening in south-east Wales is moving in that direction. It is not without its challenges, but I am pleased to see that regional collaboration, notwithstanding the challenges that still exist in trying to bring together projects, create challenge funds and create criteria that are not geographically constrained but play into how we improve the economic and other parts of the regional economy. South-east Wales looks to be in a good place from that perspective at the moment.

**Andrew Carter:** I will give you my experience from engaging with the English city deals—the two waves we have had—plus the growth deals and the subsequent devolution deals, which we have been heavily involved in.

First, we need to think about impact. In England, certainly, it is far too early to tell—we need to be mindful of that—even though they started earlier than the Welsh and the Scottish city deals. In truth, we probably never will really know whether the city deals have been successful in the way they are often expressed, because they are very complicated. There are many strands to them and they operate in a very dynamic environment. We should take the statements we hear about numbers of



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jobs and amounts of GVA with a massive pinch of salt, not because there is any disingenuousness associated with them but because we will just never know on those sorts of things.

I think there are five criteria. First, there needs to be a clear rationale for the approach and the priorities, and for the projects or investments that attach to the rationale, backed by evidence rather than just by what the latest projects are. This is not just a description of the place; it is a proper, detailed understanding of what we think about in terms of market failures. We have to understand the market failures in those sorts of places, rather than simply describing the place. Saying, "It's got a lot of this and therefore we should invest in more of it," is not the way to think about public policy.

Secondly, we need to think about the alignment between political geography and economic geography: who is making the decisions, what their jurisdictions are, and the economic geography of the areas we are talking about. The degree to which they are aligned or misaligned gives us something to think about in relation to the quality of the projects and the process that comes forward.

Thirdly, there is something around collaboration and commitment from national Government, regional Government in Scotland and Wales, and the private sector, which extends beyond the awarding of particular money or projects, in the sense that you see a commitment and a collaboration that extends over the period and has the broader agenda as part of its mandate.

Fourthly—this is important, and it has come up in lots of different ways—is the ability of these city deals, and particularly the political leadership, to tell a story. In a sense, they need to pass the doorstep challenge of why the investment is good for people and for place. Yes, that is in the abstract but we have to at some point be able to articulate how it might benefit places, even if it benefits them disproportionately and not everywhere the same. Some of the benefits are a way down the line in being able to do that.

Fifthly and finally, when you look at the city deals, particularly in England—less so in Wales and in Scotland—you see that they were the start of a process that focused as much on how decisions were made as on what those decisions were. In a sense, it was about trying to realign, to a degree, the governance arrangements and structures about how decisions were made at different scales. That was definitely the ethos and origins of the city deals in England, which then led to the devolution deals that we have seen much more extensively in places like Greater Manchester, the west of England, and so on. It is about a focus on how you make the decisions and organise yourself differently and better, as well as on project X or project Y. Those would be my five starters.

**Robin Davis:** Both Andrew and Mark pretty much covered all the points. For me, clearly it has to be about the outcomes. What is the vision that has been set at the start, and what regeneration does that deliver in terms



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of economic growth and jobs? The other key thing is that the city deals that I have seen are very much about collaboration. Whether it is local authorities, health boards or universities, it is about getting them together to collaborate in order to deliver these projects or programmes that ultimately deliver those outcomes.

- Q65 **Susan Elan Jones:** Mr Carter, your comment about the ability to tell a story really intrigued me, in terms of the narrative with these deals. May I ask all panel members how you view the difference between city deals and growth deals? I do not mean the obvious—that one covers cities and the other covers more rural areas. Also, could you comment on the practical aspects of how arranging a growth deal is different from being involved in a city deal, combining in it what you just said about the story as well.

**Andrew Carter:** There is a bunch of differences. There is variation, but, very crudely, in England at least the growth deals were essentially a pot of money given to the local enterprise partnerships to essentially undertake a bunch of projects. Much of those projects were already in place, which is fine, or they were already worked up. There was not a really broader story or narrative about how you reconfigure the nature of the decision making; it was simply an allocation of moneys and such. I am not decrying that. That is a statement of where we were in terms of the growth deals.

Going back to what the city deals were and essentially what they have morphed into, first, city deals, in England at least, were led by the leadership of those places. Yes, the private sector was involved and was a critical component for a bunch of reasons, both in terms of deciding how and what was to be done, and in terms of money allocated. However, they were led by the public sector or the political leadership of those places. The reason is that they were precisely about the need to reconfigure how services get delivered in that place in order to get the better economic and, more recently, public service reform outcomes that we desire. There is a broader objective and narrative to the city deals than there was to the growth deals, which reflects where they are.

There are variations—some are in that space more than others—but that is very crudely the kind of differences that you focus on. Unsurprisingly, therefore, they are doing dramatically different things as a result. For example, a significant issue in places like Manchester and Birmingham is about reconfiguring the provision of transport services, land use planning and public services in various means. All of those are in the statutory sphere—they are not, by and large, in the non-statutory sphere—and they have to have political leadership in order to do that.

**Professor Barry:** Andrew knows more about the city deals around the UK than I do. Coming back to south-east Wales, the reality is that the £734 million in the south-east Wales city deal was already earmarked for the metro, so the top-up for the city deal was another £400 million. That is actually not a huge amount of money for 10 local authorities to spend over a period of time. The important thing was to use that as leverage to try to get some different behaviours in how the region worked.



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It is a little-known fact—this is not a headline issue, and it is one of the reasons that I was keen to support it, way back—that the project did not have Treasury involvement, so I was always concerned about the DfT's attitude towards the metro project and its ability to follow through and make it happen. From my perspective, it was always sensible to try to get the Treasury involved, because you would get another UK Government Department that would be committed to seeing it delivered—almost like an insurance policy. That was my personal view; whether everyone else would agree with that, I don't know.

It is very important that what we are doing is beginning to raise everyone's ambition for the kinds of things we think about and the way we approach problems on a regional basis. We have a long way to go and we can't really be quantitative in terms of whether it is working or not, but I am seeing signs where we are now beginning to think about these things on a more strategic basis. From that perspective, it is a good start.

- Q66 **Ben Lake:** From what we have just heard, I suppose each growth deal and city deal is quite specific to the local issues and some of the objectives that the localities wish to see realised. I wonder, considering the growth deals in Wales and the city deals in south Wales in particular, whether there are any lessons to be learned from deals elsewhere in the UK.

**Professor Barry:** When the conversations on the south-east Wales city deal was started, looking back to my earlier work and looking around the UK, the region of Greater Manchester was always touted as somewhere that could think strategically, work together and bring together projects that were greater than the sum of their parts. That is the key lesson. Can we get more out of this than we would by pursuing 10 individual projects? I think some city deals have fallen into the trap of the latter without trying to capture some of the greater benefits of bringing these things together.

For anywhere you are looking to deliver these kinds of projects and where you are working across local authority boundaries, you have got to be thinking about more than just your local authority. That is very difficult, because elected officials are elected to represent their constituents in a particular area. In reality, they have got to compromise and give and take. There have been some very magnanimous behaviours in south-east Wales by certain elected officials—Peter Fox in Monmouthshire, particularly—to recognise that they actually won't see some of the stuff in their constituency, but it is worth working together to deliver greater benefits. I don't think those traits are universally shared by all local authorities in Wales, and those are the kinds of traits we need in place for these things to become successful.

**Andrew Carter:** I agree with Mark. All of the wave 1 projects are done at the city region scale—the travel-to-work area, by and large. That is important. What they are clear on in their rationale, or are trying to be clear on, is what needs to be done at that scale rather than at the very local scale. This is not to substitute what could and should be happening within individual local authorities or at the national scale. This is trying to



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figure out, very carefully, what needs to happen at that travel-to-work, labour-market, city-region scale. The metro in Cardiff is a perfect example of that. The Glasgow city deal, which is primarily around transport, is another classic example.

You cannot do transport at the local scale and you can't really do it at the national scale; you do it at the city region scale. Why? Because if you look at our city regions—not so much the Swansea one, which is a different story—you'll see that in most of them, 85% of travel to work takes place within those areas. We know that they are labour markets. People are moving from one to the next: 50% of people live in one local authority and work in another, but 85% work within the city region. It is important to think about the scale.

When you look beyond that, as Mark said, there is a fair degree of similarity. All of them produced investment pots, putting together various aspects of cash and matching it with a little bit of private in order to have a kind of city-region investment pot, which is primarily capital. Nearly all of them were doing transport, except Birmingham, although in subsequent years they are now doing transport as well. Every one of them is doing skills and employment. They are trying to think about how to invest capital into the locality to improve connectivity or whatever it is, but also about how to make the complementary investments in human capital—in skills—so that when the opportunities happen when people can get from A to B more easily, they have the skills to do so. That is critical.

There is a degree of similarity across the wave 1s. When you get to wave 2, it is very diverse, because they are essentially doing quite different things and they are quite small, but in wave 1 there is a fair amount of similarity. When you look at the two city deals in Wales thus far, Cardiff fits into wave 1 very clearly—the overarching theme is transport-oriented with lots of skills investments alongside, which is undoubtedly right. It is less clear whether Swansea bay fits into that. It is also questionable as to whether the Swansea bay geography is a travel-to-work area; I would say it is probably not. That is my observation of the data as I understand it.

**Professor Barry:** May I add to that point? I think, as an outsider looking in, that there is an opportunity for Swansea bay to look at transport as something that could underpin that city deal. Swansea has got a very poor public transport network. It does not have its own commuter rail service, and with 300,000 people in the built-up area from Llanelli to Port Talbot, the M4 is very congested. It has suffered a lot of car-based developments over the past 30 years, which we can now see are quite damaging to our environment. If you want to retrofit better climate change measures and provide some cohesion to the deal as it stands, I think there is a massive opportunity to look at transport investment in Swansea bay, both within the region and connectively to and from Swansea bay from other parts of the UK. That is pretty poor when you compare it with other city regions across the UK.

I take the point that the travel-to-work area is not as well defined, but that is partly because we have allowed it to fragment in terms of economic



activity, and we have undermined the role of, say, Swansea city centre versus out-of-town developments. They are the kinds of things we need to be thinking about now in terms of aggregating people in fewer places where people can just use public transport. That can underpin an agenda on skills, innovation or digital that would help the region work. My personal view is that there is an opportunity with some of the work that is going on to think about bringing transport into the Swansea city deal. I hope they can.

**Q67 Guto Bebb:** Before I move on to my questions, which are about transport, I have a quick follow-up on something that was said earlier about the importance of having local political leadership as part of a successful city deal, in the context of what you have seen in England and, indeed, in parts of Scotland. Do you think that the challenges of pleasing two paymasters—the Welsh Government and the UK Government—are complicating the situation in terms of that clear political leadership at a local level for growth deals in Wales?

**Robin Davis:** As the Committee knows, we got commissioned to do the independent review on Swansea bay. We saw that the two Governments collaborate quite closely. Certainly, they were very focused on wanting to make that deal—and they still want to make the deal—work. I saw having both Governments involved as a good thing. Particularly when it comes to major infrastructure and some of the project programme governance aspects, they were certainly there to help. That is what I have seen.

**Andrew Carter:** Not necessarily. If you look at the English ones, you'll see that, although it doesn't work like that, you have two moving parts: the local and the national. As we both know, though, there are many moving parts within the local and there are many moving parts within the national. In central Government, let's not assume that this stuff is universally held across the Government Departments. What we have found is that some Government Departments are actively resisting these sorts of ideas, whether they have to work with the devolved Administration or not. That's worth bearing in mind.

The differential, I suppose, is the degree of confidence and/or trust that is established and maintained between the local and the central as to whether these issues become overly complicated or not. It's an obviously trite thing to say but where there are high levels of trust based on a previous relationship but also through the process itself, you tend to find that things go more smoothly in those scenarios. Where there is a lack of trust because people are starting from an earlier basis or because there were mishaps that were not professionally or appropriately dealt with, that trust takes longer and therefore complication is inevitably an outcome as a result. It is not inevitable. The strength of relationship between the two broad areas of central and local is as significant as the number of moving parts within it.

**Professor Barry:** I think we have developed governance arrangements to accommodate the fact that there are two Governments involved in the funding and the process. In an ideal world, you would reduce the



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complexity of that governance arrangement. Especially with regard to transport, and especially with regard to Wales and rail investment, you have a sub-optimal ecosystem for making decisions on strategic investments. I balk when I say it, but how it managed to work is sometimes a bit of a surprise to me. That needs to be improved. However, to the extent that you can bring people together to collaborate and compromise, that is a good thing, especially where you are looking at major UK Government funding, and in some cases that is the case.

I do think, being simplistic, that it is always easier and better to try to reduce your Government complexity, because it slows down decision making, and rail investment in Wales is a particular issue that needs to be dealt with.

**Q68 Guto Bebb:** Let me move on to some of the questions I have to ask you. We have obviously touched on the importance of transport in terms of the city deal in south-east Wales. In your view, how important to regional economic growth is a very strong regional transport infrastructure, and can you give me some examples of success stories within the United Kingdom in that respect?

**Andrew Carter:** This is probably where Mark and I slightly differ on our views.

**Guto Bebb:** We are happy to have both views.

**Andrew Carter:** I think we just have to be a little bit careful. I am not suggesting that anybody is suggesting this, although I do hear a lot that in a sense, if we simply put in transport infrastructure, that does all the heavy lifting in terms of improving economic performance and growth. That is not true. The fundamental point you have to have in your head when you think about transport is that people have to have reasons to travel. If you treat travel as a cost, then essentially unless there is a real reason for travelling, even if it is only 10 minutes down the road, people would ideally choose not to travel.

Ease of travel, in terms of being literally a facility to be able to get on, whether it is a bus or train, is important, but also think about what's the sort of return and the cost of doing that travel. I think that is really important, and I would just bear that in mind, particularly because I hear about transport being an answer in places where, when you look at congestion, it is next to zero. It may be car rather than public, and you might have reasons for that, but actually congestion is not a significant problem in many of our places in the way we would ideally understand it.

That said, particularly where we get towards density and scale, you can see that the transport infrastructure and transport arrangements become increasingly important. You asked for examples; the par excellence is obviously London and the south-east. It is a huge transport infrastructure that has now been able to feed—and actually feeds off—the economic growth that London has seen over the past 30 years. Bear in mind we had

much of that infrastructure 40 years ago and London was declining, so this is my point.

Q69 **Guto Bebb:** So what has changed?

**Andrew Carter:** The economy has fundamentally restructured, and it has hugely benefited London. That is a different story that we could talk about another day.

Q70 **Guto Bebb:** But it is not driven by transport per se.

**Andrew Carter:** It is not driven by transport per se. Transport makes it easier at the margins, but actually it is not driven by transport. In other places, such as in Manchester, you see congestion increasing. It is impossible for Manchester to grow at the rate that it is likely to grow without significant transport infrastructure to deal with congestion as is, and a significant modal shift away from car and towards public.

Similarly, if you go to places like Bristol, you can see pressures at certain times in the day. Cardiff is a good example—certainly at peak times, although less so outside peak times—and you have places like Leeds, but there are scale questions and it is chicken and egg. Let's not assume that if we put in loads of transport, that has a magic economic effect; it doesn't. This is probably where we disagree.

**Professor Barry:** I have never, ever said that transport for its own sake is the answer to our problems; it is about more than that. It is about the economy, about wellbeing and about regeneration.

I have spent the past 10 years going in and out of meeting rooms around south-east Wales, where a lot of people were criticising the metro as being all about dragging people to Cardiff, and I was always very keen to argue the case that it wasn't. I said, "Part of why our region of south-east Wales has so many problems is that Cardiff is relatively easy to get to from quite a lot of places, but places like Pontypridd, Newport, Merthyr, Abercwmboi, Blackwood or Bargoed are not very easy to get to." If you are an employer, what is going to persuade you to locate your business there when people cannot get there?

One of the things you have to do is think about improving regional connectivity and doing things in places that have not happened before. For example, Transport for Wales moving its headquarters to Pontypridd is exactly the kind of public-sector intervention that is going to help regenerate Pontypridd. It is a very positive thing, because now people can get back and forth to Pontypridd with the metro 12 times an hour in 22 minutes. Let us help Pontypridd.

Similarly, I had a phone call—it was announced last week—with Rhondda Housing Association. They called me and said, "Look, we are thinking of buying an old property in Tonypany high street, because the metro might make it easier to get to." I said, "Yeah, that is exactly the kind of thing we want to see." They have now just completed on the old co-op on Tonypany high street, looking at mixed use, RSL, residential, and trying



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to get other regeneration activities going on. That is not a direct impact of the metro, but it is a catalytic impact. People are now thinking differently.

I had a conversation with the chief executive of another RSL two weeks ago. They are now committed to looking at new developments; ideally refurbishing existing properties in and around stations in the valleys, but also developing new ones close to stations, because they recognise the value of improved connectivity to their potential tenants and their ability to afford to rent and access places of employment. It is not all about transport, but transport can enable things. The challenge for the region is always, what is our land use and economic development plan now that we are going to invest nearly £1 billion in a metro? It would be irresponsible not to think about those things in terms of that investment. To completely ignore that investment and carry on doing what you are doing would be a waste of public funds. I think we are now in a place where people are beginning to ask these questions. Where do our houses need to go? Where do our offices need to go? I think that is a good thing.

**Q71 Jonathan Edwards:** Professor Barry, how much traffic will the metro take off the M4?

**Professor Barry:** I think it was modelled that the current phase of metro, which is basically north-south, valleys to Cardiff, would take off very little, because that was only a phase. One of the phases that was postulated way back when we did the metro impact study, which does not have any formal status, was dramatically improving the south Wales main line to enable more stations and more services to provide a proper public transport backbone between Severn Tunnel Junction and Cardiff, and up to Swansea.

If you look at the south Wales main line, there is Cardiff Central, Newport and then it is Severn Tunnel Junction. One station is serving probably the most disconnected part of the region in terms of access to rail services. A big-scale investment is required, in my view, on the whole south Wales main line corridor to turn it into a main line that you would probably experience in England. I saw the previous Rail Minister last summer and he recognised that there was a problem with the south Wales main line that needs to be fixed.

**Q72 Guto Bebb:** In terms of the south Wales metro, how optimal is it if you say that the backbone, which is the railway line, is not being upgraded as you would see fit?

**Professor Barry:** The valley lines are being upgraded, which is fantastic.

**Q73 Guto Bebb:** You did describe the main line as the backbone.

**Professor Barry:** The main line is the backbone for the whole of the south Wales economy—west of Swansea to west Wales, Swansea, Port Talbot, Bridgend, Cardiff, Newport and Bristol. The population between Bristol and Swansea is 3 million people, but you do not even have direct services to Bristol from west of Cardiff. You only have two trains an hour between Bristol Temple Meads and Cardiff Central. Any other part of the

UK with a similar population would have far richer services, even now in advance of an investment promise. We do have a deficit in terms of our infrastructure and services, in outline.

Q74 **Chair:** Mr Davis, did you want to add to that?

**Robin Davis:** I will let the gentleman on the end say his piece.

Q75 **Guto Bebb:** I will throw in my final question on transport then. Obviously, you have highlighted some of the opportunities from the south Wales metro, and some of the challenges that still exist. To what extent, then, should the growth deals proposed for north Wales and mid-Wales look upon transport infrastructure as a key part of the opportunities to grow the economy of those two regions?

**Professor Barry:** I think north-east Wales has opportunities. Again, I have done some work with the Welsh Government identifying a lot of potential transport benefits that could be secured by further investment in connectivity across the north Wales mainland, and across the border into the Wirral in Liverpool. I would look at that.

I am not an expert in growth deals. It becomes much harder to look at major capital programmes in a very low, dispersed population environment. You are looking at technologies and transport technologies that are perhaps not fully available yet. I think there is probably less of a role, unfortunately, for transport in those kind of deals. In big urban areas—travel-to-work areas—transport has a role to play.

Q76 **Guto Bebb:** But possibly less in a rural area.

**Professor Barry:** Yes. Transport is a key issue in rural communities, and I recognise that, but it will not be delivered through major capital projects, I don't think. We have to think differently.

Q77 **Susan Elan Jones:** There are actually quite a lot of people living in north-east Wales, and you have always had those employment and social links across the border. We are quite interested now to see the impact of the direct train and looking for more from Wrexham to Liverpool. It is not, at the end of the day, just people from Wrexham off to Liverpool; it is covering people from quite a wide range of villages and communities outside greater Wrexham if you see what I mean.

**Professor Barry:** The challenge there is delivering better rail services, and certainly more enhancement of infrastructure. It is also how we integrate buses to the rail backbone to provide people with an alternative. Car use in north-east Wales is very high versus rail services because journey times are, even with the congestion, often much lower in the car. There is a big deficit there in terms of rail enhancements, but the thorny issue of how we integrate bus services—everywhere outside London in the UK has been struggling with this—is an issue for north-east Wales as well.

Q78 **Susan Elan Jones:** It is not just the big buses either; some of the smaller communities will be better—



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**Professor Barry:** Smaller buses, demand-responsive transit, the community bus services and all those kind of things will have a role to play, but these are hard issues to solve.

**Andrew Carter:** They definitely are hard issues to solve. The obvious point with transport is that it is a two-way road. If you better connect a place to another place that tells you nothing about which way the benefits will flow. There may well be benefits on both sides—that is the best-case scenario—but if your political constituency is in X and you better connect X to somewhere else, particularly if X is offering higher wages or better jobs and better careers, just be mindful of what happens as a result of that. There is some evidence on those sorts of things as well.

Q79 **Chair:** May I put something to you? First, do you all think it wise for so much of the funding for the Cardiff capital region city deal to be tied up with the south Wales metro? It is quite a big chunk. I am sure Professor Barry will have a different view, perhaps. Mr Davis, what do you think?

**Robin Davis:** At the end of the day, how these projects or programmes are put together, where we come from, is ultimately up to the local committee. Again, it comes back to those outcomes and what they are trying to achieve.

Q80 **Chair:** I am going throw something to you in a moment, Professor Barry. Before I do—Mr Carter?

**Andrew Carter:** From where we think about how the economy evolves and changes over time, and where those hotspots are, it is noticeable that if you look at the Cardiff city region area, a significant issue is that the poorest places tend to be the least well-connected. That is one thing. Secondly, not just in Wales but in lots of places, we have spent an awful lot of money focusing on very specific, tiny projects in particular neighbourhoods or areas. The effects of that have not been great in terms of the returns we have seen.

Q81 **Chair:** I am guessing what your view might be, Professor Barry. Playing devil's advocate—I am not necessarily saying this would be right—some might argue that somebody could take that sum of money and plough it back into reducing business rates, which would also have the impact of encouraging businesses to locate in the region. Arguably, though I think it is in there anyway, having superfast broadband speeds is something else that will attract companies. Is a metro going to be a magic wand? There are certain other levers that could be pulled, aren't there?

**Professor Barry:** That is a good question. These are challenges that have been thrown at me over the last 10 years. The first thing to recognise is that the Valley Lines rail network is possibly the most depreciated commuter rail network in the UK. You are talking about 30-year-old rolling stock, very poor reliability figures. If you're not going to invest in it, you should close it. Then you realise that, even today, 80% of people are coming in in their cars. Given the climate emergency, you can't have that. You have to provide an alternative. Even if the doubling of capacity comes



along, it will still be less than 25% of demand that is being supported by public transport. I think we need to be doing more than that.

On the question of business rates, I was discussing that outside. I was in Batley recently at a Centre for Towns event, about how Batley is struggling in its place in that region. There is the biggest Tesco I have ever seen in Batley. The issues about regeneration are not about transport, they are about business rates and how we incentivise local independents and start disincentivising, and taxing more appropriately, those large chain organisations who come in and, with their economies of scale, squeeze out local businesses. We need both of those things.

**Q82 Chair:** I would not necessarily disagree with that; but surely there is an even more fundamental problem, which is that people are not shopping on the high streets anyway, any more. They are buying on Amazon or other online places. Those companies are not paying tax, or certainly not as much. I had better be careful what I say, but they are certainly not paying tax in the same way that a small business is, on the high street. Is there not an argument for finding a way to use some of this money to regenerate high streets?

**Professor Barry:** Going back to the Cardiff deal, the £738 million for the metro was already lined up and allocated before the city deal was actually signed off and put in place. All the city deal was was a wrap-around project had already been agreed between the Welsh Government, the DfT and the European funding office. That was already there. My personal view is that we need to spend another billion pounds on transport and infrastructure—there is the issue of the M4—in south-east Wales, because it has been depreciating for 30 or 40 years. The evidence is there: we know that Welsh railways have not had a fair crack of the whip from UK Government funding for a long, long time. A depreciating asset underperforms. It costs more to run, attracts fewer passengers and requires more subsidies. Any business knows that if you depreciate your asset it is not going to perform as well. So there is a deficit to be made up.

I do think there are some real questions about what else we do in south-east Wales. You only get the shiny buildings in Cardiff, and the agglomeration benefits and, to a certain extent, Pontypridd. But if you go around the valleys—I have done that—you go to places where there are real, longstanding problems that go back generations. It ain't going to be about a shiny tram or a new office; they have to do clever things there. Looking at business rates, incentivising small businesses, finding room for independents and training people in that space is part of the answer, to go alongside the stuff we can better understand and articulate. It is a really hard question.

**Robin Davis:** I was just going to say, do you remember an initiative that was particularly in Wales, which I felt was a good one, called "Vibrant and Viable Places", where they did actually take some investment and regenerate? Look at Holyhead, for instance. They used some of that money to create cafés and do some very clever things, both for the community and for the high street. That was a good initiative.



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**Andrew Carter:** I have two observations. The places that we see most firms locating in and most growth and jobs being generated in are also the most expensive places in the country, from the perspective of business rates or rents. On the notion that we had in the 1970s of having to reduce the costs of coming in to certain firms: we had a long history of doing that in south Wales and we got what we got once the subsidy ended, in a sense. They left very little legacy in terms of the economic performance, skills and attributes of the people left behind. That is not an insignificant issue. I am deeply sceptical about business rate reductions.

Another reason why I am deeply sceptical about business rates is because essentially over time, business rates relief mainly benefits the landlord, not the user. Rents will adjust over time to take up the slack introduced by the relief. That is standard economics, we know that, and we see it everywhere. That was exactly the experience with enterprise zones. We had them in the 1980s: relief was offered, then landlords came in and raised the rents to take up all the slack. You need to be very careful about offering business rates relief, particularly because you are essentially going to incentivise firms for whom cost is a real issue. They stay as long as the subsidy stays, but when the subsidy goes they go out of business. When you look at the Welsh economy more generally, or look at the south Wales economy, the problem is not having lots of firms that are super cost-sensitive, it is rather not having enough firms with high productivity, high skills and high export levels. They are not cost-sensitive at all. They go to where they can get talent, and where they can get skills. Workers of that ilk go to where there are other workers and firms like them.

**Professor Barry:** I would add a nuance. I agree with that. Somewhere like Cardiff city centre or Newport city centre is not going to be competing on business rates to attract high-value businesses, or businesses that will pay more. The real challenge in places like south Wales or maybe West Yorkshire is that lots of those communities that are 10 to 15 miles away might be better connected, but there has been decline there for 30, 40 or 50 years. Take Tonypany High Street. The Bank of America's bank offices will never go to Tonypany High Street. We need to do something there to help the local economy. That is why I am a latecomer to the idea of circular economies and foundational economies.

Economic development strategy has to encompass the big shiny agglomeration stuff that will happen somewhere like Cardiff city centre. More sophisticated and more difficult interventions in places like Abercwmboi, Treherbert and Tonypany will help create more local value. It is not about attracting a big shiny company from north America, it is about empowering more local people to do more stuff. The challenge with Barclays is exactly the same. Maybe it is not business rates; maybe that is a crude tool. It is about having a way of penalising the Tesco kind of operation, and making room for those independents. If we can get that right, we will have a much more holistic economic development narrative that can build up better transport connectivity.

Q83 **Susan Elan Jones:** With the caveat that in my constituency a lot of local



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people have actually been campaigning to have supermarkets— I am always conscious of the tension in different places. It depends where you are.

Mr Davis, your report makes seven recommendations for the UK and Welsh Governments and the Swansea bay city deal team. Could you go into these in a bit more detail, and let us know how you reached those conclusions?

**Robin Davis:** I guess all the Committee members have seen the report. I think it is in the public domain. We were commissioned by both Governments in January 2019 to undertake a rapid independent objective review of the Swansea bay city deal. It was rapid, as in it was six weeks long. We had a team of three experienced reviewers, with a combined experience of 110 years altogether in major Government programme projects delivery infrastructure of all kinds, including transport.

We started by understanding first what the original vision set in 2015 was, and then we collected all the documentation around the whole city deal, including absolutely everything that had been produced to date. Most people are aware that the heads of terms were subsequently signed, and there was a period of around 14 or 15 months during which they looked at forming a joint committee and looked at how the four local authorities, two health boards and university could collaborate. We looked at all that information. Then we looked at areas to specifically look at, which were in our brief, around governance achievability.

As a review team, we are all IPA Gateway reviewers anyway—we are very much about the outcomes. What are the outcomes initially set for the city deal, both in terms of the jobs and the economic regeneration? Is it the right thing to do? Is it the right thing to spend taxpayers' money on? Then, looking at the projects and their status, we then went through and interviewed pretty much everybody involved in the Swansea bay city deal. Most of you here have probably been involved in reviews similar to this, so confidentiality is key and nothing is ever attributable once the report is written.

As we went through and interviewed and read all that material, we came up with those recommendations, based around improving governance and particularly looking at whether they should have an independent programme delivery director. As for the subject of the regional office in Swansea's case, at the start it was used more as a secretariat and a post box, where the local authorities were driving through business cases and looking at approving that. Then, we specifically looked at two of the business cases that were pretty well developed, with an aim of making a recommendation that the two Governments should agree to make that funding flow as quickly as possible. That is how we did it and what we came up with.

Q84 **Susan Elan Jones:** On the basis of that, to what extent do you think the recommendations have been implemented and how confident are you that the deal will be fully delivered?



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**Robin Davis:** The answer to your first question, honestly, is, as you probably know, we do not know. Once we have finished the review—I probably cannot say we burn all the paperwork, but all the information we are given gets destroyed. We pretty much forget about it. The recommendations in this case went to the two Ministers, the Governments and the joint committee and it is for them to deliver. I hope, again, as we wrote in the report, that one of the precursors of funding should be that they have to deliver these. As for whether these recommendations will help them deliver a successful outcome, it will certainly make it better.

Q85 **Susan Elan Jones:** This is to all members of the panel: we all know that the Swansea deal has had a fair amount of negative publicity, especially about the governance and the financial management. What do you think actually went wrong—in a sentence or two?

**Andrew Carter:** I am not in a position to add to that so I am going to decline.

**Professor Barry:** I don't know. It is a feature of the challenge of local Government working together.

**Robin Davis:** As we have written in the report, one good thing is the collaboration that has come out of this. A couple of people at the start maybe felt that what is happening in Swansea is that it is taking an awful long time to do things. But they spent a number of months looking at the joint collaboration agreement. For me, it is very much about that governance and that process. Earlier, Andrew talked about telling the story and in this case, with projects and programmes, telling the story is very much about presenting that HM Treasury five case model. If you do the work and planning and, again, as Andrew said earlier, you work with those Government colleagues in a collaborative way and form that relationship, you will find the process is a lot smoother than it was.

Q86 **Guto Bebb:** I have a supplementary question on that issue, in terms of the challenges in Swansea, which you have written about and been involved with. To what extent do you think it might be the case that, as the driver in south-east Wales has to an extent—not entirely—been the metro, and in north Wales it could be argued that the driver has been the demand from the Welsh Government that the local authority should work on a more strategic basis, in both cases, there was a structure in place before there was any bid for growth deal funding. The impression that has been given is that the Swansea bay city deal was very much driven by the opportunity to get funding. When you highlight that the governance was an issue, is it the case that funding was secured before the governance had been sorted in the Swansea bay city region?

**Robin Davis:** If I remember correctly, I don't think so. One of the key drivers there was the focus on the internet and broadband delivery and improving that. If we go all the way to 2015, the original vision was about landing some high-speed fibre pipe from the USA into Swansea.

Q87 **Guto Bebb:** I will push again. I ask because you have clearly done some work on that. To what extent was that a Swansea vision that was then



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extended to Carmarthenshire and Pembrokeshire, for example, in order to make a wider city region?

**Robin Davis:** I don't know, to be totally honest with you. I really do not know.

Q88 **Jonathan Edwards:** Mr Davis, the sixth recommendation says that the deal should "be managed as a Portfolio, not as a set of predetermined and immutable projects". Can you expand on what you mean by that? Do you think the Welsh are following your advice?

**Robin Davis:** The whole idea of the portfolio is that some of the projects that might have been put forward from local authorities—not just this one, but others—obviously started many years ago. Therefore, events can overtake themselves.

You could talk about the telecoms industry where BT has come along, particularly in rural areas, and delivered broadband. If you were looking at developing a project that takes taxpayers' money to stimulate broadband, why would you do that now if events have overtaken themselves? The idea of a portfolio is to in effect have an investment fund and let the joint or local committee decide if it needs to move projects in or take projects out if, for instance, they have been overtaken by events.

Again, what we said in the report is to not be wedded to any particular project. Look at the wider portfolio. Specifically in Swansea they have the ESB board with some fairly key players from industry and from innovation and technology that certainly were looking at new ideas and new areas. We recommended that having a portfolio is a much better way than just sticking to a project. In terms of whether they have taken our recommendation, I would hope so.

**Chair:** Any final points? In that case, we are bang on time so far. I thank everyone for coming along.

### Examination of witnesses

Witnesses: Eifion Evans, Councillor Ellen ap Gwynn, Councillor Rosemarie Harris and Nigel Brinn.

**Chair:** Prynhawn da i bob un ohonoch chi. Yn amlwg, mae gyda ni adnoddau cyfieithu. Gobeithio bydd hynny'n gweithio.

*(Translation) Good afternoon to you all. We have translation facilities here. Hopefully, you can hear clearly through the translation headphones now.*

*(Continued in English)* May I welcome Mr Brinn, a late addition, from Powys County Council, as well as Councillor Rosemarie Harris, Councillor Ellen ap Gwynn and Eifion Evans?



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*(Continued in Welsh)* Diolch yn fawr am ddod. Byddwn yn dechrau gyda Ben Lake.

*(Translation)* Thank you very much for coming. We will begin with Ben Lake.

**Q89 Ben Lake:** Diolch yn fawr, Mr Cadeirydd. Fydda i'n gofyn cwestiynau yn Gymraeg, felly efallai y byddwch am roi'r headsets ymlaen.

Fe wnaeth y Canghellor Prydeinig gyhoeddi'r bwriad o gael cynllun twf ar gyfer canolbarth Cymru yn ôl yn Hydref 2017. I ddechrau, fydddech chi'n fodlon rhoi braslun i ni o'r broses ers hynny a ble rydyn ni arni o ran rhai o'r cynigion a'r prosiectau posibl ar gyfer y pecyn?

*(Translation)* Thank you, Mr Chairman. I will be asking questions in Welsh, so you might want to put the headsets on.

*The Chancellor of the UK announced the decision for a growth deal for mid-Wales back in autumn 2017. Would you begin by giving us an outline of the process since then and where we are currently at in terms of some of the proposals and projects that are possible for that package?*

**Cllr ap Gwynn:** Dw i ddim yn credu ein bod ni wedi cyrraedd pen draw dim byd eto, ond roeddwn i'n hynod o falch o glywed y datganiad yna gan y Canghellor yn 2017 achos roedden ni wedi sefydlu partneriaeth tyfu'r canolbarth cyn hynny ond doedden ni ddim yn ymwybodol y bydden ni efallai'n cael dêl tyfiant ar gyfer y canolbarth yn benodol. Felly roedd yn newyddion hynod o dda i glywed y datganiad yna.

Ers hynny, rydyn ni wedi bod yn gweithio'n araf bach ac yn bwyllog i symud y gwaith ymlaen er mwyn i ni gyrraedd y pen ble bydd gyda ni gynllun a gobeithio, ymhen hir a hwyr, prosiectau i'w rhoi ymlaen. Mae'n rhaid i ni gofio ein bod ni dipyn ar ôl y tair ardal arall, felly fe fyddwn ni'n dysgu efallai o rai camgymeriadau a chymryd pwyll wrth sefydlu llywodraethiant cadarn i ddechrau.

Rydyn ni wedi arwyddo cytundeb rhwng y ddau awdurdod ac wedi sefydlu pwyllgor ar y cyd. Unwaith neu ddwy rydyn ni wedi cwrdd, felly mae'r ochr llywodraethiant yn ei le ond mae e angen ei ddatblygu. Mae'n swyddogion ni'n gweithio ar wahân ar hyn o bryd; hynny ydy, maen nhw'n gweithio i'r ddwy sir yn hytrach na bod gennym ni dîm canolog hyd yma. Ond wrth gwrs mae yna ddiffyg refeniw yn y cynlluniau yma i'n helpu ni i sefydlu timau canolog i'n helpu ni i ddatblygu cynlluniau.

Af i ddim ymhellach nawr, ond dyna ble rydyn ni arni. Rydyn ni wedi bod yn cynnal gweithdai ar draws y ddwy sir gyda gwahanol sectorau er mwyn cael rhyw syniad o ble maen nhw'n teimlo y byddai yna gyfleoedd ar gyfer datblygiad. Felly ar sail y wybodaeth sy'n dod allan o'r gweithdai yna, mae yna waith i'w ddatblygu.

*(Translation)* I don't think we have actually got to the end result of anything yet, but I was very pleased to hear the statement made by the Chancellor in 2017. We had established a mid-Wales partnership before



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*that, but we were not aware that we would get a growth deal for mid-Wales specifically. It was very good news to hear that statement.*

*Since then, we have been working gradually and slowly to move the work forward for us to get to a time where we have a plan and, hopefully in time, projects to put forward. We must remember that we are considerably behind the other three areas, so we are perhaps learning from some of the mistakes and taking time to establish governance that is robust to begin with.*

*We have signed an agreement between the two authorities and established a joint committee. We have only met once or twice. The governance side of things is in place, but it needs developing. The offices are working separately currently, in that thus far they are working in the two counties rather than having a central team. There is a lack of revenue for the plans to help us establish central teams to assist us in the plans' development.*

*I will not go any further at this point, but that is where we are at. We have been holding workshops across both counties with different sectors to get an idea as to where they feel there would be opportunities for developing, and then there is work that will develop on the basis of the information that comes through from those workshops.*

**Cllr Harris:** We have had workshops. We did it differently in the two local authorities. We have had business breakfasts, workshops and all sorts of things. We have had private meetings with businesses. Out of that, we have had consultants in. We used AECOM consultants. They have drawn up a report for us, and out of that have come some themes. At the moment, we are working our way through those.

We would expect the projects to come forward loosely based on those themes. We have also spoken to members of the business community and asked them to come forward, asking whether they would be prepared to be involved in an economic strategy group. We are meeting them tomorrow and the following day. I think Lord Bourne and a representative Minister from the Welsh Government will come and meet those people over the next couple of days. We are making quite a lot of progress, and as Ellen has said, we need now to form a programme office.

At the moment, we have a bid in for ESF funding—European funding—because for this bid, however big it may turn out to be, we will need a lot of revenue funding to provide officer management to take the whole thing forward.

**Cllr ap Gwynn:** We feel strongly that we need a central team to move things forward properly, as it might get a bit piecemeal if we do not have that central team.

Q90 **Ben Lake:** Mae hynny'n dod â fi ymlaen i'r cwestiwn nesaf, fel mae'n digwydd. Rydych chi wedi cyffwrdd â'r angen ar gyfer cyllid refeniw i gefnogi a hwyluso rhywfaint o'r gwaith paratoi yma. A oes yna unrhyw



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beth arall y byddech chi wedi hoffi gweld Llywodraeth Prydain a Llywodraeth Cymru yn ei gynnig o ran cefnogaeth i chi i ddatblygu'r cynllun yma? Rydych chi wedi cyffwrdd ar gyllid refeniw, er enghraifft, ond oes yna unrhyw beth arall?

*(Translation) That leads me on to the next question, as it happens. You have touched on the need for revenue funding to support and facilitate some of the preparatory work. Is there anything further that you would like to see the UK Government and the Welsh Government doing in terms of support for you to develop this deal? You have already touched on revenue funding, for example, but is there anything further?*

**Cllr ap Gwynn:** Cael negeseuon cyson gan y ddwy Lywodraeth. Rydyn ni wedi cwrdd efallai ar wahân gyda'r ddwy Lywodraeth, ond unwaith rydyn ni wedi cael y ddwy gyda'i gilydd—gyda'r Arglwydd Bourne, sy'n arwain ar ran y Gweinidog, a Ken Skates. Mae cyfarfod arall i'w gael dydd Iau.

Efo'r bargeinion twf yma, mae angen sicrhau bod y ddwy Lywodraeth yn siarad efo'i gilydd yn fwy cyson a'n bod ni'n cael negeseuon mwy cyson ganddyn nhw fel ein bod ni'n gweld ffordd glir ymlaen i'n helpu ni i ddatblygu cynlluniau sy'n mynd i fod yn addas ac yn dderbyniol gan y ddwy Lywodraeth.

*(Translation) We would like to see consistent messages from both Governments. We have met both Governments separately, but we have only once met both together when we saw Lord Bourne, who is leading on behalf of the Minister, and Ken Skates. There is to be a further meeting on Thursday.*

*With the growth deals, there is a need to ensure that the two Governments speak to each other more consistently, and we need to hear consistent messages from them so that we can see a clear way forward to help us develop plans that will be appropriate and acceptable to both Governments.*

**Eifion Evans:** Rhywbeth arall fydden i'n awgrymu efallai fyddai wedi bod o fudd yw bod yna ddigon o brofiadau gyda Llywodraeth San Steffan a Llywodraeth Cymru o ran rhedeg cynlluniau twf o'r math yma. Ond beth sydd ddim gyda ni yw rhyw fath o road map yn dangos yn union beth yw'r disgwyliadau gan y ddwy Lywodraeth o beth yn union sydd angen i bobl baratoi—y llwybr i baratoi.

Wrth lwc, mae'r ddwy arweinydd sydd gyda ni yn ein rhanbarth ni yn credu'n gryf mewn llywodraethiant yn bennaf oll, a dyna ble rydyn ni wedi dechrau. Wrth ddarllen canfyddiadau adroddiadau ardaloedd eraill, yn amlwg doedd y pwyslais ddim mor gryf ar lywodraethiant glir a phendant.

Yr ail ran—a dim ond newydd gytuno i hyn ydyn ni—rydyn ni wedi cytuno a y cyd ar fframwaith er mwyn adeiladu'r cynllun ei hunan. Mae'n rhwydd iawn i ddweud, "Wnawn ni dynnu'r prosiect yma i mewn neu dynnu'r prosiect yma i mewn," ond os nad yw'n cydsynio gyda'r weledigaeth a'r blaenoriaethau sy'n gyson ar draws y canolbarth yn ei gyfanrwydd, mae angen pensaernïaeth glir a phendant ar sut i adeiladu'r cynllun yn ei le.



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Mi allai Llywodraeth Cymru a San Steffan fod wedi creu ryw fath o becyn o wybodaeth a fyddai'n annog pobl sy'n cychwyn ar y broses gan ddweud, "Dyma'r ffordd gywir i fynd i osgoi camgymeriadau sydd wedi digwydd yn y gorffennol."

*(Translation) Something else that I would suggest may have been beneficial is that the UK Government and the Welsh Government have plenty of experience in running such projects and growth deals of this nature, but we do not have a road map showing what both Governments expect in terms of what exactly people need to prepare. It is about that route for preparation.*

*Through luck, the two leaders that we have in our region believe strongly in governance as the most important thing, and that is what we have started from. From reading the findings of reports for other areas, clearly the emphasis was not as strong on clear and robust governance.*

*The second part—we have only just agreed on this—is that we have jointly agreed on a framework to build the deal itself. It is very easy to say, "We will take this or that project in," but if it does not tie into the vision or the priorities that are consistent across the whole mid-Wales region, we need clear and sound architecture to put that plan in place.*

*The Welsh Government and Westminster could have created some kind of package of knowledge or information that would encourage people at the beginning of the process by saying, "This is the right way to go, to avoid making the mistakes that have taken place in the past."*

**Susan Elan Jones:** Ydych chi'n meddwl bod yna rhywfaint o hyblygrwydd yn y sefyllfa, ble rydych chi'n penderfynu beth ydych chi eisiau ei wneud yn y rhanbarth ac yn yr ardal?

*(Translation) Do you think there is any kind of flexibility in the situation, where you decide what you want to do in the region and in the area?*

*(Continued in English) Going on to what Councillor Harris said, it is very much about your areas too, and what you want to decide. How does all that fit together—the central and the local?*

- Q91 **Chair:** Ga i fynd yn ôl at Eifion? Yn fy marn i, mae dipyn bach o broblem yma: dydy hi ddim yn bosibl dysgu lot o lefydd eraill achos maen nhw'n ardaloedd hollol wahanol. Dywedodd un o'r siaradwyr ar y panel cyntaf bod Manceinion yn enghraifft o best practice, ond mae ardal mid-Wales yn hollol wahanol ac felly dw i ddim yn siŵr os ydy hi'n bosibl dysgu lot.

*(Translation) Can I go back to Eifion? In my opinion, there is a bit of a problem here: it is not possible to learn much from other areas, because they are totally different. One of the speakers on the first panel said that Manchester was an example of best practice, but the mid-Wales area is totally different so I am not entirely sure whether it is possible to learn much.*

**Eifion Evans:** Y pwynt roeddwn i'n ei wneud oedd mai nid o angenrheidrwydd y themâu y bydden ni'n eu cynnwys, ond pa brosesau y



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dylen ni fod yn eu dilyn ar hyd y daith er mwyn gwneud yn siŵr nad ydyn ni'n baglu ar hyd y llwybr. Er enghraifft, rydyn ni wedi cytuno ar y cyd i greu cyd-bwyllgor i edrych ar draws y rhanbarth. Yn fwriadol, er ein bod ni wedi dyrannu'r cyfrifoldebau a'r dyletswyddau, dydyn ni ddim wedi cynnwys rôl swyddog 151 na swyddog monitro eto, achos does gennym ni ddim arian i'w reoli ar hyn o bryd.

Pe na fyddai'r flaenoriaeth yna ar lywodraethiant mor gadarn ag yw e oddi wrth y ddwy arweinydd yn y lle cyntaf, mi allem ni fod wedi llithro i mewn i drafodaethau ynglŷn â phrosiectau, a byddai trafod prosiectau unigol wedi bod yn gamgymeriad. Mae'n rhaid i ni deithio ar hyd y llwybr yn gywir er mwyn osgoi camgymeriadau.

*(Translation) The point I was making was that it is not necessarily the content or the themes that we would include, but what processes we should be following during that journey to make sure that we do not stumble on our way. For example, we have agreed jointly to create a joint committee to look across the region. Even though we have distributed the duties and responsibilities, we have deliberately not included the role of a 151 officer or a monitoring officer yet, because we do not have the money to manage that at the moment.*

*If that priority were not as robust as it is, in terms of governance from our two leaders in the first place, we could have slipped into discussions about projects, and if we had gone on to discuss individual projects, it would have been a mistake. We have to travel along the path correctly to avoid making mistakes.*

**Cllr Harris:** I was just going to make a small final point. I think what we are asking for is consistency, not only from the English and Welsh Governments but from civil servants from both areas. We meet them all, usually separately, and it can be quite difficult, so consistency going forward would be a huge help.

- Q92 **Guto Bebb:** Jyst i ddilyn sylwadau Mr Evans a hefyd y ddwy arweinydd, y pwynt rydych chi wedi ei wneud yw bod problem o ran cael strwythur at ei gilydd oherwydd bod yna ddiffyg cyllid. Mewn gwrandawriad cynt, rydyn ni wedi cael yr awgrym y dylai'r ddwy Lywodraeth efallai fod yn fodlon cyllido'r gwaith o baratoi cynlluniau twf. Fyddech chi'n gydymdeimladol i ddatblygiad o'r fath?

*(Translation) Following on from Mr Evans's comments and the two leaders, the point that you have made is that there is a problem in terms of pulling a structure together because there is a lack of funding. In a previous hearing, we have had the suggestion that the two Governments would perhaps be willing to fund the preparatory work for growth deals. Would you sympathise with such a development?*

**Cllr ap Gwynn:** Fydden i'n croesawu hynny'n fawr iawn. Fel rydych chi i gyd yn gwybod, mae sefyllfa ariannol llywodraeth leol yn gyffredinol mewn lle anodd iawn. Rydyn ni wedi rhoi £150,000 yr un i mewn i bot cychwynnol beth bynnag, ond cynllun cyfalaf ydy hwn yn bennaf ac mi fyddai cael ryw fath o pump-prime revenue wedi bod yn help i ni. Dim ond



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megis dechrau ydyn ni. Mi fyddai fo'n help i bob un o'r rhanbarthau, dw i'n siŵr, achos fel dw i'n dweud, mae'r sefyllfa ariannol yn eithaf tynn, a dweud y lleiaf.

*(Translation) I would welcome that very much. As you all know, the financial situation in local government in general is in a very difficult place. We have put £150,000 each into a pot to start off with anyway, but this is predominantly a capital scheme, so having some kind of pump-prime revenue would have been helpful for us, because we are just starting. I am sure it would be helpful to every one of the regions because, as I say, the financial situation is quite tight, to say the least.*

**Nigel Brinn:** I am happy to agree with the potential additional support. Clearly, the revenue funding we have put in at the moment is quite significant for us, but of course we have limited resources to do economic development or focus on the growth deal; there are other streams out there as well, so anything that would help. The way forward for us is through the priority 5 ESF application, which will hopefully be supported soon, which, as Eifion has already said, to set up a programme office and get into the growth deal in earnest.

Q93 **Guto Bebb:** To follow up on that—out of interest more than anything else—in view of the fact that we recognise the challenges faced by local government, how challenging was it for the two leaders to persuade their councillors to find £150,000 each for this project?

**Cllr ap Gwynn:** Ddim yn anodd o gwbl. Ar ôl yr etholiad diwethaf, fe roddon ni'r strategaeth gorfforaethol yn ei lle, oedd yn rhoi cynyddu'r economi ar ben y rhestr. Felly hwnna sy'n cael y flaenoriaeth gan Gyngor Ceredigion a dw i'n credu Powys yn yr un modd. Roedd y ddwy ohonon ni, a'r cyn-arweinydd ym Mhowys hefyd, wedi dechrau gweithio ar y cyd ar dyfu'r canolbarth cyn bod y dêl yma'n dod ar y bwrdd.

Mi fydd y cynllun gwaith ehangach yn parhau. Un llif o arian fydd hwn. Dw i'n gobeithio yn y dyfodol y bydd llifoedd eraill yn dod, er mae hi bach yn dywyll ar y ffrynt yna ar y funud i weld o ble mae'r llifoedd arian ychwanegol yn mynd i ddod. Ond dw i'n byw mewn gobaith y bydd yna rai. Mae'n rhaid i ni weithio gyda'n gilydd ac mae'r ddwy sir yn fodlon iawn i gefnogi.

*(Translation) It was not difficult at all. After the last election, we put our corporate strategy in place, which put growing the economy at the top of the list. That is what is given priority by Ceredigion Council, and I think Powys is in the same position. We had both started to work, and the former leader of Powys had also started to work, jointly on growing mid-Wales before this deal came on the table.*

*The broader work programme will continue. This will be one funding stream. That is what this will be. Hopefully in the future there may be other funding streams, but it is a bit dark on that front at the moment to see where the additional funding streams will come from. I live in hope*



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*that there will be some. We have to work together, and both counties are very happy to support this.*

- Q94 **Ben Lake:** Councillor Harris, you mentioned that greater consistency from the different civil servants would be helpful. Do you think, in the process since 2017, there has ever been a bit of a disconnect between the perceptions of Cardiff versus London in terms of what they want you to be doing and what progress they expect?

**Cllr Harris:** I don't think I have noticed a particular disconnect. We would perhaps like to meet them a little more often; we would have liked a little bit more guidance on where we are going. We will meet perhaps civil servants one week, and we have only met the Minister from the Welsh Government a couple of times, I think.

As it happens, Councillor Ellen and I met him yesterday and we have meetings planned for this week, but from now on it will be crucial that we get the same sort of advice, because shortly we will be starting to talk about projects, and we do not want to go too far down the road in any work on any project if it is going to be rejected. We need the best advice there. There has been perhaps different advice in terms of the names that we recommend for our economic strategy groups, but I think we are working our way through that, aren't we?

**Nigel Brinn:** If I could, Chair, a lot of this is very opinion-driven; without having a guidebook or a set of rules, as we touched on earlier, we have to find our own way in terms of what is right for mid-Wales and our region. That is where the opinion becomes very interesting, because they are all good opinions—there are no invalid opinions here—but they can be different, as you would perhaps expect in a room full of politicians. If we asked the question now what is important to you as a Committee, everyone would have different views; it is just about trying to collate and corral those.

We can see the way forward, and certainly we were able to learn from the mistakes of others. I appreciate that every region is different, but some very key messages have come out of some of the other regions to date. We are different; we will not be a north Wales or a Swansea city deal, but the key message that Eifion and I have had from several civil servants, whether from Cardiff or Westminster, is very much about, as we are the fourth deal, ensuring that we do not repeat any mistakes that have been seen elsewhere.

**Cllr Harris:** If I could come back in, Chair, and answer the previous question, there was tremendous support for putting some money into a fund to work on this growth deal, particularly from Powys—Ellen has answered for Ceredigion.

Powys has historically been one of the lowest-funded counties in Wales, but there is a recognition that economic development is hugely important. We find that in both counties we educate our young people very well, and we tend then to export them from the two counties. That said, we also



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have the lowest GVA in the UK, so there is a compounded need for economic development and good jobs to keep our young people in the county, and that is very much recognised by the two counties.

- Q95 **Guto Bebb:** I will follow on with my first question to Councillor Harris, and then I will extend it. In terms of your evidence to the Assembly earlier this year, it has been said that you are hoping to provide proposals by the autumn. Is that still the timescale?

**Cllr Harris:** Yes, it is still the timeframe. It is going to be quite tight, especially as we are in mid-July now, but we have met a couple of times as a joint committee and there is an officer group that meets regularly.

As I said, the economic group is meeting over the next couple of days and two Ministers are coming to join us. We are talking about projects. We have themes that came out of the consultant's report, so we are starting to talk about projects. We have talked on both sides to various members of the community who may be able to put in funding, so we have ideas of projects going forward. They may not be the projects that come out at the end of the deal.

- Q96 **Guto Bebb:** Ydych chi'n rhannu'r hyder?

*(Translation) Do you share that confidence?*

**Cllr ap Gwynn:** Rydyn ni yn y broses o sefydlu'r weledigaeth a'r strategaeth drosgynnol. Dydyn ni ddim wedi mynd allan i ofyn am brosiectau penodol eto, ond mae'n rhaid i ni gael y sylfaen yn iawn. Rydyn ni'n gobeithio y byddwn ni mewn sefyllfa i ofyn erbyn diwedd y flwyddyn.

Ar ôl i chi glywed beth glywoch chi gan y cyfeillion yn gynt, rydyn ni'n mynd i ffurfio portffolio yn hytrach na mynd ar ôl prosiectau penodol, fel ein bod ni'n gallu gweld sut mae gwahanol brosiectau'n ffitio i mewn i'r weledigaeth gyflawn. Gobeithio bydd pobl yn fodlon—rydyn ni yn ymwybodol bod yna bobl yn fodlon eisioes—rhoi arian preifat ar y bwrdd mewn rhai llefydd. A fyddan nhw'n ffitio i mewn i'r weledigaeth? Gawn ni weld. Mae'n rhaid i'r pwyllgor ar y cyd a'r cyfeillion busnes fydd yn ein cynghori ni weld bod beth bynnag sy'n dod ymlaen yn mynd i weithio i ni.

O ran denu arian canolog i lawr, beth sy'n rhaid i ni ganolbwyntio arno fo gyda'r arian buddsoddiad ychwanegol yna ydy'r is-strwythur sydd ei angen i gynnal unrhyw brosiectau mawr sy'n mynd i ddod ymlaen—pethau fel trafnidiaeth, band llydan a'r cysylltedd yna, sydd ddim yn dda yn y canolbarth. I ddenu busnes i mewn, mae'n rhaid i ni edrych ar y pethau sylfaenol yna.

Un peth hoffen i weld yn dod allan o'r buddsoddiad yma ydy os ydyn ni'n denu busnesau mawr i mewn a fydd yn talu mwy o drethi busnes, bod yna elfen o'r trethi busnes newydd yna sydd yn dod allan o'r buddsoddiad yma'n gallu cael ei gadw'n lleol i'n helpu ni i gynyddu ymhellach y gwaith rydyn ni'n ei wneud.

*(Translation) We are in the process of establishing the vision and the overarching strategy. We have not gone out to ask for specific projects*



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*yet, but we have to get the foundations right. We hope that, by the end of the year, we will be in a situation and a position to ask.*

*Having heard what you have just heard from our colleagues earlier, we are going to formulate a portfolio, rather than going for specific projects, so that we can see how different projects fit into the vision. Hopefully, we will see people willing—we are aware that there are people who are already willing—to put private funding on the table in some places. Whether they will fit into the vision, we wait and see. The joint committee and the business colleagues who will advise us will have to see that whatever comes forward will work for us.*

*To attract central funding down, what we have to focus on with the additional investment funding is the infrastructure that is needed to support any major projects that come through, such as transport, broadband and connectivity, which are not good in mid-Wales. To attract businesses in, we have to look at the fundamentals.*

*One thing that I would like to see come out of the investment is that if we are attracting major businesses in, that will pay more business rates, and element of those business rates will come out of the investment that can be retained locally to help them and help us to further increase the work that we do.*

- Q97 **Guto Bebb:** Jyst i ddilyn ar yr uchelgais sydd gennych chi i fod mewn sefyllfa i gyflwyno portffolio erbyn yr hydref, rydyn ni wedi cyfarfod efo Nick Bourne fel rhan o'r ymchwiliad yma, ac mae'n deg i ddweud efallai ei fod o'n betrus ynghylch y posibiladau o wneud hynny cyn yr hydref. Wrth gwrs, efallai bod yr Arglwydd Bourne yn un petrus, ond pa mor hyderus ydych chi y bydd yna ymateb cadarnhaol gan y ddwy Lywodraeth cyn diwedd y flwyddyn?

*(Translation) To follow on from your ambition to introduce a portfolio by the autumn, we have met Nick Bourne as part of the inquiry, and it is fair to say that he was a bit cautious about the possibility of doing that before the autumn. Perhaps Lord Bourne is cautious, but how confident are you that there will be a positive response from both Governments before the end of the year?*

**Cllr ap Gwynn:** Dw i ddim yn siŵr ydyn ni'n mynd i ddisgwyl ymateb oddi wrth y Llywodraethau erbyn diwedd y flwyddyn. Dw i'n gobeithio y byddan nhw'n cefnogi'r camau y byddwn ni wedi eu cymryd erbyn hynny. Rydyn ni ar ei hôl hi o gymharu â'r tair ardal arall. Does neb wedi cael arian—yr un ddime goch—hyd y gwn i, felly dw i ddim yn poeni gormod ynglŷn â hynny, cyn belled â'n bod ni'n cymryd camau bach, call sy'n ein sefydlu ni ar lwybr sy'n mynd i fod yn llwyddiannus yn y pen draw. O'r fan honno ydw i'n dod. Dw i ddim eisiau rhuthro i mewn i ddim byd a dw i'n siŵr bod Rosemarie'r un peth. Rydyn ni angen gwneud yn siŵr ein bod ni'n cymryd y camau angenrheidiol i gael dêl a fydd yn gadarn ac yn gweithio'n iawn i ni.

*(Translation) I am not sure whether we expect a response from the Governments by the end of the year. I hope that they will support the*



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*actions that we will have taken by then. We are a bit behind compared with the other three areas. Nobody has seen a penny yet, as far as I know, so I am not too concerned about that, as long as we take sensible sound steps forward, which establish us and put us on a route that is going to be ultimately successful, that is where I am coming from. I do not want to rush into anything and I am sure Rosemarie feels the same. We want to make sure that we are taking the necessary steps to get a deal that will be robust and will work properly for us.*

**Eifion Evans:** Os ga i esbonio bach yn fwy, mae'r cyd-bwyllgor wedi cytuno yn y cyfarfod diwethaf i greu'r fframwaith ro'n i'n sôn amdano. Mae blaenoriaethau clir y mae'r cyd-bwyllgor wedi cydsynio iddyn nhw, yn cynnwys y foundation economy a'r circular economy. Mae'r elfennau yma'n allweddol bwysig i lwyddiant unrhyw ddêl rydyn ni'n llwyddo i wthio dros y lein ar ddiwedd hynny. Mae nifer o bobl wedi dangos diddordeb. Mae'r ddwy arweinydd wedi cwrdd gyda busnesau ar draws canolbarth Cymru ac ymhell tu hwnt i hynny.

Mae gennym ni sector breifat sy'n cnocio drysau ni'n weddol gyson nawr gyda syniadau eithaf arloesol ar gyfer yr ardal. Mae'r ffaith bod fframwaith gyda ni i benderfynu a yw rhywbeth yn cydsynio gyda'r weledigaeth a'r ffordd rydyn ni am ddatblygu canolbarth Cymru yn y dyfodol yn mynd i fod o help i ni greu rhyw fath o becyn a fydd yn dangos erbyn yr hydref, "Dyma fydd yn gwneud gwahaniaeth, dyma fydd yn codi GVA yr ardal, a dyma fydd yn cyfoethogi'r ardal yn y pen draw." Mae hynny'n allweddol bwysig i ganolbarth Cymru.

*(Translation) If I could explain a bit more, the joint committee agreed in its last meeting to create the framework that I talked about. There are clear priorities that the joint committee has agreed to, such as the foundational economy and the circular economy. Those items are vital to any plans that we try to push over the line. There are a number of people who have shown an interest. Both leaders have met businesses across the mid-Wales region and further afield.*

*We have a private sector knocking on our door, quite consistently now, with quite pioneering and innovative ideas for the area. The fact that we have a framework with which to decide whether that ties into the vision and the way in which we want to develop mid-Wales in the future will help us to create some kind of package to pull that together so that, by the autumn, we will be able to show that, "This is what will make a difference, raise the GVA of the area and, ultimately, enrich the area," which is vital to mid-Wales.*

**Cllr Harris:** If I could come back in, one of the areas we will need to do some work on alongside any project work will be to deal with the infrastructure that is needed. In mid-Wales we are not particularly well served by the electricity grid or the mobile network. Any of you who have driven through Powys, as I am sure you do—

**Guto Bebb:** It's bliss!



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**Cllr Harris:** It's difficult. We are talking about perhaps developing battery storage, we are talking about renewables—we are talking about the whole gamut of things we can do. There is also the road network.

My director and I had meetings here with Jesse Norman when he was still at Transport, and we have met Midlands Connect, which is part of the midlands engine. We need to open up the roads to open up the county of Powys and on into Ceredigion, if we are really to develop our economy. We have already agreed a freight strategy with the Marches LEP next door to us, but we need to be able to work with the Marches LEP and the midlands engine, and even with the northern powerhouse. We are quite well placed, really, in mid-Wales.

Q98 **Chair:** I had better say gently to everyone that we are still on the second question and we have a few to go and another panel at 4 pm.

*(Continued in Welsh)* Ga i ofyn i bawb fod yn fwy concise? Ga i droi at Councillor ap Gwynn? Oes unrhyw syniad gennych chi o gwbl eto ynghylch faint o arian fyddwch chi'n ei weld gan y Llywodraeth yng Nghaerdydd neu yn San Steffan er mwyn mynd ymlaen gyda'r cynllun twf?

*(Translation)* Perhaps I could ask everybody to be more concise. Can I turn to Councillor ap Gwynn? Do you have any idea at all yet about the amount of money you expect from the Governments in Cardiff or Westminster to proceed with this growth deal?

**Cllr ap Gwynn:** Yr unig beth rydyn ni'n ei wybod yw eu bod nhw'n disgwyl i ni godi GVA o 5%, sy'n golygu y bydd yn rhaid creu tua 4,000 o swyddi o fewn y rhanbarth. Roedden ni wedi cael ar ddeall efallai y byddai yna hyd at—ond pwy a wŷr, achos mae gwahanol ranbarthau yn cael gwahanol symiau—tua £200 miliwn, sef £100 miliwn yr un gan y ddwy Lywodraeth. Felly dyna'r math o ballpark, ond wrth gwrs mae'n dibynnu beth fydd yn dod trwodd o ran bod yna arian match ar y bwrdd hefyd o'r sector breifat, achos mae hynny'n mynd i effeithio ar faint o arian fyddwn ni'n gallu ei dynnu i lawr. Dyna'r ffordd rydyn ni'n trio gweithio tuag ato fo, gan obeithio y bydd cynlluniau'n dod ymlaen fydd yn ein helpu ni.

Mae'n dipyn o her—does dim dwywaith am hynny—ond mae'n rhaid i ni drio. "Nothing ventured, nothing gained," ys gwedon nhw. Mae'n rhaid i ni fynd amdani. Ar y funud, mae Ceredigion yn colli poblogaeth. Mae'n poblogaeth ni wedi gostwng o 3% dros y blynyddoedd diwethaf.

*(Translation)* The only thing we know is that they expect us to raise GVA by 5%, which means we will have to create around 4,000 jobs in the region. We believe—but who knows, because different regions are given different sums—that it may be up to £200 million, so £100 million from each Government. That is the ballpark, but of course it depends what comes through in terms of match funding on the table from the private sector, because that is going to impact how much money we will be able to draw down. That is the way we are trying to work towards it, in the hope that plans come forward that will help us.



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*It is quite a challenge—there is no question about that—but we have to try. "Nothing ventured, nothing gained," as they say. We must go for it. At the moment in Ceredigion we are losing population. Our population has dropped by 3% over recent years.*

Q99 **Chair:** Pobl ifanc?

*(Translation) Young people, is it?*

**Cllr ap Gwynn:** Ie. Dw i'n credu ein bod ni'n cael public sector recession yng Ngheredigion achos ein bod ni wedi bod mor ddibynnol ar y sector breifat dros y blynyddoedd.

*(Translation) Yes. I think we are having a public sector recession in Ceredigion because we have, over the years, been so reliant on the private sector.*

Q100 **Chair:** Mae'n anochel mewn ardaloedd cefn gwlad eich bod chi'n mynd i golli pobl pan maen nhw'n gorffen ysgol ac yn mynd i'r brifysgol, ond gobeithio y bydd rhai ohonyn nhw'n dod yn ôl.

*(Translation) It is inevitable in rural areas that you are going to lose people when they finish school and go to university, but hopefully some of them will come back.*

**Cllr ap Gwynn:** Dyna beth dw i eisiau ei weld ydy ein bod ni'n gallu creu swyddi da fydd yn denu'n pobl ifanc yn ôl. Fel rydych chi wedi clywed, rydyn ni'n eu haddysgu nhw'n arbennig o dda ac yn eu colli nhw. Ond beth sydd wedi bod yn digwydd gyda ni yw bod toriadau wedi bod yn y ddwy brifysgol, yn y llywodraeth leol, yn yr ysbyty ac yn y Llyfrgell Genedlaethol.

Mae yna becyn o doriadau mewn swyddi. Rydyn ni wedi colli 700 swydd dros y pump i saith mlynedd diwethaf. Mae yna knock-on ac mae pobl yn symud i ffwrdd i chwilio am waith. Dyna sydd wedi achosi'r gostyngiad yn y boblogaeth. Dyna ydy'r sbardun i fi i symud ar hyd y llinell yma i geisio cael dêl fel ein bod ni'n gweld, goebithio, busnesau newydd yn datblygu o fewn yr ardal.

*(Translation) That is what I want to see: the creation of good jobs that will attract our young people back. As you have heard, we educate them particularly well and we lose them, but there have been cuts at both universities, cuts in local government, cuts in the hospitals and cuts in the National Library.*

*There is a package of cuts in posts. We have lost 700 posts over the past five to seven years. There is a knock-on effect, and people move away to look for work. That is what has caused the drop in the population. That is the spark for us to move along these lines to try to get a deal, so we can hopefully see new businesses develop in the region.*

**Cllr Harris:** My initial comment would be that there is no limit on the amount of money we would accept. Of course, the growth deal is part of our economic strategy. We hope to drive forward in lots of other areas. In



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Powys, we are working on a rail centre of excellence on our southern boundary with Neath Port Talbot, which we hope will create a significant number of jobs for us and will hopefully attract other industries as well. At the moment, it stands outside what might be a growth deal, but who knows, going forward.

**Q101 Susan Elan Jones:** Rydych chi wedi hanner ateb y cwestiwn roeddwn i'n mynd i ofyn am y prosiectau. Yn eich adroddiad strategaeth economaidd, mae yna dri amcan dw i'n meddwl dros dwf yn yr ardal, efo prosiectau o dan bob amcan. Ai dyma fydd y fframwaith rydych chi'n mynd i'w ddefnyddio?

*(Translation) You have half answered the question I was going to ask about the projects. In your economic strategy report, I think there are three objectives for growth in the area, with projects under each objective. Will that be your framework?*

**Cllr ap Gwynn:** Mae o'n sail i weithio ar y fframwaith terfynol. Roedd y gwaith wnaeth AECOM i ni wir yn waith i'r bartneriaeth ehangach, Tyfu Canolbarth Cymru. Nawr ein bod ni'n canolbwyntio ar y dêl twf, mae'n rhaid i ni ffocysu lawr ar beth sy'n mynd i ddenu arian i mewn o dan y llif arian penodol yna. Mae yna waith yn mynd i fod yn mireinio lle'n union rydyn ni'n mynd ar hwn, ond rydyn ni mwy neu lai yno. Dw i'n siŵr y bydd o'n cael ei gadarnhau yng nghyfarfod nesaf y pwyllgor.

*(Translation) It is the basis for working on the final framework. The work that AECOM did for us was for the wider Growing Mid Wales partnership. Now that we are focusing on the growth deal, we have to focus down on what will attract funding under that specific funding stream. Work will be done to refine exactly where we take this, but we are more or less there. I am sure it will be confirmed in the next meeting of the committee.*

**Susan Elan Jones:** Is there anything that you would like to add, Councillor Harris?

**Cllr Harris:** It has already been said. We have the AECOM report, but there is also the growth deal and all sorts of other things going on.

**Q102 Jonathan Edwards:** Roeddech chi'n dweud yn gynharach eich bod chi wedi cynnal nifer o weithdai ers dechrau'r flwyddyn gyda busnesau i drafod beth yw eu blaenoriaethau nhw. Pa fath o adborth ydych chi wedi ei dderbyn mor belled?

*(Translation) As you said earlier, you have held a number of workshops since the beginning of the year to discuss with businesses their priorities. What kind of feedback have you gleaned so far?*

**Cllr ap Gwynn:** Adborth cadarnhaol iawn, ar y cyfan. Mae lot o syniadau wedi bod yn dod trwodd. Ar y cyfan, dw i'n credu eu bod nhw'n datblygu ar sail cryfderau'r ardal yn barod. Fel rydych chi wedi clywed eisoes, mae ynni gwyrdd yn un y mae pobl yn pwyso amdano fe. Maen nhw'n datblygu ceir hydrogen, er enghraifft, yn Llandrindod. O ran ynni gwyrdd, mae'r bwyd a'r cynyrch amaeth sydd gyda ni yn cael eu defnyddio a'u cyflwyno mewn ffordd wahanol. Mae gyda ni'r ganolfan fwyd ac mae gyda ni waith



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yn digwydd yn y brifysgol yn Aberystwyth ar helpu ffermwyr i wella'r syniadaeth ynglŷn â chael cynydau wedi tyfu ar i fyny yn hytrach nag ar i lawr. Mae pob math o syniadau wedi bod yn dod trwodd, ac mae'n rhaid i ni weithio drwyddyn nhw nawr i weld pa syniadau sy'n mynd i weithio a pha ardaloedd fydd yn dod ag arian ar y bwrdd.

Mae twristiaeth yn gryfder arall, achos mae'r holl ardal yn ddeniadol i bobl. Mae'r môr a'r mynydd gyda ni—a'r canals hefyd ym Mhowys. Felly mae syniadau'n dod trwodd o ran yr ochr dwristiaeth hefyd. Dyna'r themâu yn fras sydd wedi dechrau dod trwodd trwy'r trafodaethau gyda'r sectorau busnes.

*(Translation) Very positive feedback, on the whole. Lots of ideas have come through. On the whole, I think they develop the strengths that the area already has. As you have heard, green energy is one area that people are focusing on. They are developing hydrogen vehicles, for example, in Llandrindod. On green energy, they are using the food and agricultural produce that we have and delivering it in a different way. We have the food centre. We have work ongoing in Aberystwyth University on helping farmers to improve, with ideas around growing crops upwards, rather than downwards. All kinds of ideas have come through, and we have to work through those now to see what will work and which areas will bring money to the table.*

*Tourism is another strength, because we have a very attractive area for people. We have the sea, the mountains and the canals in Powys. Ideas for tourism are coming through as well. Those are the themes, in brief, that are starting to come through in discussions with the business sector.*

**Q103 Jonathan Edwards:** Mae'r ardaloedd tyfiant yn ymddangos i mi ychydig yn artiffisial. Er enghraifft, fydden i'n dweud bod gogledd sir Gaerfyrddin gyda chysylltiad lot fwy naturiol gyda chi nag efallai gyda bae Abertawe. Ydych chi'n gallu cydweithio gydag awdurdodau y tu allan i'ch dalgylch penodol chi?

*(Translation) The growth areas appear to me a little bit artificial. For example, I would say that north Carmarthenshire has a more natural contact and connection with you than with Swansea bay. Can you collaborate and work with authorities outside your specific area?*

**Cllr ap Gwynn:** Y neges gawsom ni oedd mai dim ond dêl ar gyfer Powys a Cheredigion oedd hon i fod, oherwydd bod y siroedd eraill yng Nghymru i gyd ynghlwm wrth deliau'r gogledd neu'r ddau fae. Dyna'r neges gawsom ni.

Ar gyfer y ddêl yn benodol, pan mae'n dod at weithio ar hyd y Teifi rydyn ni'n gorfod gweithio ar draws dwy sir, a phan mae'n dod i'r gogledd rydyn ni'n gweithio gyda de Gwynedd ym Meirionnydd hefyd. Felly mae pethau'n digwydd ar draws y ddwy. A gyda chynllun Arfor, rydyn ni'n gweithio lan a lawr, o'r top i'r gwaelod. Felly mae gwahanol ffyrdd o weithio yn dibynnu ar y llif arian sy'n dod ac o ble.



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*(Translation) The message we had was that it was only a deal for Powys and Ceredigion, because the other counties in Wales were already involved in other deals—the north or the two bay deals. That was the message we heard.*

*For the deal specifically, when it comes to working across the Teifi and having to work in both counties, in the northern area we will work with south Gwynedd, in Meirionnydd, so there are things ongoing across the area. We also have the Arfon scheme, so we are working up and down, from top to bottom. There are different ways of working, depending on where the funding stream comes from.*

**Chair:** Can I just bring Councillor Rosemarie Harris in, and then Guto Bebb?

**Cllr Harris:** Just to add to what Ellen just said, Powys is such a big area; it is almost a region on its own. We have got 13 neighbours, and two of them are in England, of course. I would be very keen that we work, particularly, along our English border and our southern border. There is a project proposed south of the Beacons, a zipwire sort of project in one of the areas there. I think it is coming out of the Cardiff city region. I can see huge benefits there for the bottom end of Powys, for the whole region, really. I would hope that we could certainly benefit from their project if not work with them. Also, on our turf, we have the Royal Welsh Show and we would hope to develop some sort of project there. That, of course, would be beneficial to the whole of Wales in economic, social, cultural and all sorts of ways.

To add to what Ellen said about the actual themes that came forward, we are looking to themes that are innovative and new and will bring new and good jobs to the area, but we are also looking to add value to what we already produce, such as the agricultural product, the tourism and that sort of thing.

Q104 **Guto Bebb:** Just a follow-up question, because I am intrigued by the comment that you have been told not to have a growth deal that goes over to other boundaries, whether they are in Wales or England. In what way was that comment made and may I ask who made it?

**Cllr ap Gwynn:** I think I asked the question of Nick Bourne when we had a meeting with him. This was something that has been raised from north and south of us and elsewhere, I am sure.

**Guto Bebb:** Definitely from Powys as well.

**Cllr ap Gwynn:** We asked for a definition of where the growth deal was relevant to, because the others had county definitions to them and that was what we were told. "You are the two counties that do not have another growth deal, therefore this is yours."

**Chair:** Councillor Harris?

**Cllr Harris:** I was going to say more or less the same thing. It is self-determining in a way, because it is done on county boundaries, isn't it?



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Ours are the two counties. As I say, because we have got more neighbours, we in Powys certainly would hope to benefit from what might be happening outside of us.

**Guto Bebb:** The reason I am intrigued is that there are examples of other growth deals that have been agreed by the Government at a UK level where counties have been allowed to be part of more than one growth deal. I am just raising the question out of interest. If you have been told otherwise, I am just interested as to why. It was a question that was specifically raised when I was in Powys's headquarters a long time ago. I promised to find out the answer and I did respond, I think, that there were examples of growth deals where people had been allowed to be involved in two growth deals, rather than just the one.

**Chair:** We might have a good question for the Minister when he comes in. We have given him advance notice now.

**Guto Bebb:** I just wanted to know where it came from.

Q105 **Ben Lake:** Cwestiwn byr iawn, achos dw i'n meddwl ein bod ni'n gwybod beth yw'r ateb, ond mae e ar y papur felly mae'n well i mi ei ofyn e. Mae rhai cynlluniau twf ar draws Prydain wrth gwrs yn naturiol iawn yn ffocysu ar un prosiect mawr. Os meddylwn ni am yr un lawr yng Nghaerdydd, mae'r south-east Wales metro. Yn y gogledd hefyd rydyn ni'n gweld rhywbeth tebyg. Mae cynlluniau eraill wedyn, yn bennaf oherwydd daearyddiaeth fydden i'n tybio, yn tueddu i ganolbwyntio ar wahanol themâu a sicrhau bod y buddsoddiad yn cael ei wasgaru ar draws ardal. Jyst er mwyn cadarnhau ar gyfer y record, pa drywydd ydych chi'n rhagweld y bydd cynllun canolbarth Cymru yn ei ddilyn?

*(Translation) Very briefly, because I think I know what the answer is, but it's on the paper so I had better ask it. There are some growth deals across Britain that naturally focus on one major project. We have talked about the one in Cardiff: the south-east Wales metro. We are also seeing something similar in north Wales. There are other plans that, predominantly through geography I would imagine, tend to focus on different themes and making sure the investment is spread across an area. Just to confirm for the record, what pathway do you anticipate the mid-Wales deal will follow?*

**Cllr ap Gwynn:** Cynllun fydd yn llawer mwy agored. Dydyn ni ddim yn canolbwyntio ar un thema'n benodol. Dw i'n credu fy mod i wedi rhoi rhyw fath o fraslun a blas o'r themâu tebygol sydd wedi dod allan o'r gweithdai, sydd wedi eu tanlinellu gan fusnesau ar draws y ddwy sir. Byddwn ni'n gweld beth sy'n mynd i ddatblygu—pa syniadau, pa brosiectau – o dan yr ymbarél yna. Bydd raid i ni wedyn eu hasesu nhw. Oes cynlluniau busnes sy'n mynd i weithio? Ydyn nhw'n mynd i ddod â'r swyddi a'r newydd-deb yna rydyn ni'n edrych amdano—dw i'n meddwl mai "innovation" ydy'r gair dw i'n chwilio amdano—sydd yn mynd i greu swyddi o radd dda? Dyna beth yw'r ddelfryd beth bynnag. Gobeithio y byddwn ni'n symud, a pheidio cyfyngu ar ddim byd, a gweld beth sy'n mynd i weithio o dan yr ymbarél fawr yna.



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*(Translation) A plan that will be far more open. We are not focusing on one specific theme. I think I have given an overview and a flavour of the likely themes that have come through the workshops, which have been outlined by businesses across both counties. We will see what is going to develop—what ideas, what projects—under that umbrella, and we will then have to assess them. Are there business plans that are going to work? Are they going to bring the posts and that newness that we are looking for—I think “innovation” is the word I am looking for—that are going to create good quality jobs? That is the ideal. We hope that we are going to move, and not limit or constrict anything, and see what is going to work under that major umbrella.*

Q106 **Ben Lake:** Would you concur?

**Cllr Harris:** I have just one short comment. It would be very difficult for us to have just one project. Between us, we cover 40% of the surface of Wales, so I think that would be awfully difficult.

Q107 **Guto Bebb:** Rydych chi wedi rhoi tystiolaeth ysgrifenedig i’r Pwyllgor ble rydych chi’n sôn am bwyllgor ar y cyd i reoli’r cynllun twf wrth symud ymlaen. Fyddech chi’n gallu ehangu ar y syniad hwnnw?

*(Translation) You have given written evidence to the Committee where you talk about a joint committee to manage the growth deal moving forward. Would you be able to elaborate on that idea?*

**Cllr ap Gwynn:** Mae’r pwyllgor eisoes wedi ei sefydlu—pwyllgor rhwng y ddwy sir, wrth gwrs. Mae’r ddwy ohonom ni’n cyd-gadeirio ar y pwyllgor ar gyfer y fargen twf ac mae pedwar aelod cabinet o’r naill sir a’r llall hefyd. Unwaith bydd y pwyllgor cefnogi economaidd yn cael ei sefydlu, fe fydd cadeirydd y pwyllgor yna hefyd yn ymuno â ni fel aelod o’r pwyllgor ar y cyd. Dyna’r drefn ar y funud.

*(Translation) The committee has already been established. It is a committee between the two counties. Both of us are joint chairs of the committee for the growth deal, and then there are four cabinet members from either also involved. Once the economic support committee is established, the chair of that committee will also join us as a member of the joint committee. That is the current set-up.*

Q108 **Guto Bebb:** Beth fydd cyfrifoldeb y bwrdd strategaeth economaidd o fewn y broses?

*(Translation) What will the responsibility of the economic strategy board be within the process?*

**Cllr ap Gwynn:** I roi cyngor i ni ar y cynlluniau sy’n dod ymlaen. Ond y pwyllgor ar y cyd fydd yn gwneud y penderfyniadau terfynol ynglŷn â pha gynlluniau fydd yn cael eu derbyn.

*(Translation) To provide us with advice on the plans that come forward. But the joint committee will be the final decision maker regarding which plans will be accepted.*

Q109 **Guto Bebb:** Felly bydd y bwrdd economaidd yn rhoi cyngor i’r pwyllgor ar



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y cyd ynghylch barn am brosiectau unigol, efo'r penderfyniad terfynol yn cael ei wneud gan y pwyllgor ar y cyd.

*(Translation) So the economic board will, in a way, provide advice to the joint committee in relation to a view around individual projects, and a final decision will then be made by the joint committee.*

**Cllr ap Gwynn:** Ie, a barn pobl sy'n arbenigo mewn byd busnes—pobl sy'n gallu dadansoddi cynlluniau busnes i roi cyngor i ni ar pa un ai ydyn nhw'n mynd i weithio ai peidio.

*(Translation) Yes, and the views of experts in business—people who are able to analyse business plans and provide us with advice about whether they are going to work or not.*

Q110 **Guto Bebb:** Os ydw i wedi deall yn iawn hyd yma, yr unig gwestiwn ychwanegol sydd gen i ydy: ydych chi'n rhagweld y bydd y bwrdd economaidd yn mynd i gael cyfrifoldeb i barhau i sgrwtineiddio datblygiad y prosiectau fel maen nhw'n cael eu gweithredu, neu dim ond i roi cyngor cychwynnol?

*(Translation) If I have understood you correctly thus far, the only other additional question that I have is: do you anticipate that the economic strategy board is going to have a responsibility to continue to scrutinise the development of the projects as they are implemented, or is it just to provide initial advice?*

**Cllr Harris:** The advice that we have been given is that it has to be private sector-led, so really they will have to lead, although we will lead the decision-making in the end because, of course, we will control the finance.

**Guto Bebb:** And the accountability.

**Cllr Harris:** Indeed. The suggestions and recommendations will have to come from the private sector group, the ESG, but I foresee a situation where we have other groups around them because none of them is going to know absolutely everything that will need to be known about every sort of subject. They are going to have to have academic advisers, other businesses and all sorts around them. We are going to have this economic strategy group, and I think there are going to be nine or 10 people—something like that—with just the chair sitting with us.

Q111 **Guto Bebb:** Have you had any feedback on the proposals? Clearly, we have seen the evidence. Have you had feedback from the two Governments on the appropriateness of the structure that you are envisaging?

**Cllr ap Gwynn:** I think they are all in accord with the structure. As I said before and as we heard earlier, the structure is acceptable. We have a meeting with the two Governments—the Ministers—on Thursday, so hopefully we can move forward then.

**Eifion Evans:** If I could add to the responses from both leaders, one of the other key component parts that forms part of the overall structure is



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that we have now managed to secure an agreement with the Welsh Government to create our own regional learning and skills partnership. The ESG and the regional learning and skills partnership will work hand in glove together, because we need to map out clearly that you have career pathways that lead into employment.

At the moment, the missing piece of the jigsaw for us is the employment, and what kind of new, innovative opportunities there are for our youngsters. It is exactly as you said in your question earlier on, Chair. Youngsters leave to study and go on to higher education and training, but if we do not have that employment opportunity back within mid-Wales at a high level, to attract them back, we will always see a demise in our demography as far as youngsters and middle-aged people are concerned. The last thing that we would want to see is mid-Wales becoming a place where people come to retire.

We need mid-Wales to be a vibrant part of the world. When you have the joint committee and the ESG working hand in glove with the regional learning and skills partnership, the private sector is influencing the delivery of training for our youngsters in the same way, so ultimately we are upskilling in the right way so that when the market forces demand a workforce that has this set of skills we are planning ahead and delivering a curriculum that will provide a workforce that can meet those private sector demands.

**Cllr Harris:** The original question was about whether the two Governments had seen the joint arrangements. We ran them past WAO in Welsh Government and they are very happy in Wales.

Q112 **Guto Bebb:** Can I ask a completely separate supplementary, which is just a little bee in my bonnet? It is not particularly surprising that I am not a keen advocate of Brexit. However, the boundary that existed between Ceredigion and Powys, in terms of European funding, will not be there moving forward. Has that facilitated better joint working between the two counties? You can now access the same funding—if there will be any funding whatsoever—with no disparity in what can be accessed in Ceredigion compared to Powys. Has that made the working between the two counties easier?

**Cllr ap Gwynn:** It has not come about yet.

**Guto Bebb:** Not yet.

**Cllr ap Gwynn:** We still have to work for another few years under the present structure.

Q113 **Guto Bebb:** But in terms of your planning for the future?

**Cllr ap Gwynn:** It does make a difference. In the wider partnership meetings, we might say that something is relevant to Ceredigion but not to Powys, which creates tension among people who do not really understand how that process works and has worked over the years. However, if those restrictions were removed—even if we stayed in they could be removed; it depends how things are defined—



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**Guto Bebb:** And the whole economic performance of Wales.

**Cllr ap Gwynn:** Yes. The definitions change from time to time. However, this scheme is different. It is one financial stream of moneys going equally to both counties, so it is not quite the same.

Q114 **Guto Bebb:** Just to push on the issue, you highlighted that this is one stream, and that you are working on a much wider basis. The same question was asked in north Wales, because we had two counties in north-east Wales that were not eligible for the highest level of European funding intervention and four counties that were. The impression is that there has been more of a willingness to look to the future, working as a six-county region, because of this change. I am just asking out of interest more than anything else.

**Cllr Harris:** It will be. From Powys' point of view, it will be more of a level playing field, that is for sure. We are also working on—

**Guto Bebb:** Hopefully levelling it up.

**Cllr Harris:** Yes. The only way is up for us in Powys. We are also working together on TRIP—targeted regeneration investment programme—funding.

**Cllr ap Gwynn:** The regeneration programme.

**Nigel Brinn:** The investment programme.

**Chair:** Did you want to come in as well?

**Nigel Brinn:** Thank you, Chair., That is exactly the point I was going to make. It is almost a precursor to the growth deal. It is much smaller sums, and it is Welsh Government-funded, but it is £3 million across the region this year and next year. We are looking at the successor—a TRIP 2 or whatever it may be. It is a good opportunity for us to work across the region and to get into the swing of things, if you like. Obviously, going forward, it will put us in a good position to develop the growth deal.

Q115 **Chair:** Ydy hi'n bosibl i ddweud eto pa gyngor sydd yn mynd i fod yn gyfrifol am gymryd y cytundeb twf ymlaen?

*(Translation) Is it possible to say which councils will be responsible for taking the growth deal forward?*

**Cllr ap Gwynn:** Na, ddim eto. Dydyn ni ddim wedi cael y drafodaeth yna. Dw i'n gobeithio y byddwn ni'n sefydlu swyddfa ar y cyd, wedyn fydd y cwestiwn yna efallai ddim yn codi. Mae Llywodraeth Cymru'n sôn am sefydlu pwyllgorau ar y cyd statudol, statutory joint committees a fydd, yn ôl Julie James, yn rhoi sail gadarn gyfreithiol i ni allu delio gydag arian fel un corff yn hytrach na dwy sir ar wahân. Dw i ddim yn siŵr yn union pryd fydd hwnna'n dod yn gyfraith. Mae yna Bapur Gwyn yn dod allan yn yr hydref, yn ôl beth dw i'n ei ddeall, felly mae'n dibynnu faint gymrith hi i hwnna redeg ei gwrs os bydd y modd yna o weithio ar gael i ni ai peidio. Neu bydd raid i ni ailedrych a gweld ble fyddai'r arian yn mynd.



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*(Translation) No, not yet. We haven't had that discussion. Hopefully we will establish a joint office, and then that question perhaps will not come forward. The Welsh Government are talking about establishing statutory joint committees that, according to Julie James, will provide a firm legal basis for us to deal with funding as a sole body, rather than as two separate counties. I am not entirely sure when that will become law. There is a White Paper coming out in the autumn, from what I understand, and it depends how long that will take to run its course. If it is possible, we will work in that way, or we will have to look again to see where the money would go.*

**Chair:** I have to ask Councillor Harris if she has any thoughts.

**Cllr Harris:** I think the only way forward is as two counties but one joint Committee. As it happens, we are the bigger geographically, but that will not make the slightest difference. We will make joint decisions on everything.

**Chair:** Mae Jonathan wedi gofyn eich cwestiwn chi, Susan Elan Jones, ond mae e wedi diflannu. Efallai y gallwch chi barhau?

*(Translation) Jonathan has asked your question, Susan Elan Jones, and has disappeared, so perhaps you could continue?*

Q116 **Susan Elan Jones:** Ie, wna i barhau ychydig ar y cyfeiriadau ynglŷn â'r ffiniau.

*(Translation) I will continue a little bit on the references made about boundaries.*

*(Continued in English)* I especially want to ask Councillor Harris and Mr Brinn. I think you made the point, Councillor Harris, that you have 13 boundaries?

**Cllr Harris:** Thirteen neighbours.

**Susan Elan Jones:** Thirteen neighbours in Powys. Presumably, some of those neighbours—especially those in my constituency, at the top, in the Ceiriog valley—probably have quite a lot in common with the north of Powys. You will have some others the other side, on the English border. You have a lot of neighbours. Do you think there is a case, as we look at these growth deals, for looking at becoming more flexible in terms of who can be part of them?

The one thing I now think in terms of local government reorganisation in Wales is that it should be stuck in a box and thrown in the water and we should never look at reorganisation again if the councils do not want it, but the other side of that coin is that we must be very flexible in terms of working arrangements and growth deals. I am interested in what you, as one of my southern neighbours, think of that.

**Cllr Harris:** We are already working with others. I mentioned the rail excellence project, Project Hornby, where we are working with the Welsh Government and Neath Port Talbot. My officer just reminded me that we have signed a joint venture agreement with Neath Port Talbot to take that forward. I am also keen to work with our English neighbours, as that is our



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longest boundary. Working with them opens the door to wider areas and bigger populations, so it makes sense to work with them. We work with most of our neighbours to a greater or lesser degree anyway; I represent a ward that joins the heads of the valleys with Blaenau Gwent, Merthyr and Monmouth. We also work together—*[Interruption.]* I am sorry; I have somebody feeding me here.

**Nigel Brinn:** Sorry; I am just so enthusiastic.

**Cllr Harris:** We have the road network with Gwynedd, with the old county of Meirionnydd, Ceredigion and us, so there are quite a lot of joint arrangements going anyway, but I am keen. I can see that the governance might be a problem when working across boundaries, but there must be ways that we could have discussions, at least. I can see that there would be benefits coming in to us from other areas and I would like to be involved in those discussions.

**Cllr ap Gwynn:** We work together on health issues as well. We have Ceredigion, Powys and Meirionnydd, south Gwynedd and the three health boards coming together to make sure that things work for mid-Wales. Previously we were being denuded of medical services, but at least things seem to have come to some sort of halt and they are beginning to redevelop—the work around Bronglais, for example, and the different area health hubs they are trying to set up. There are different ways of working and different patterns of working. It is not set in stone. We are fairly flexible, whichever boundaries we work across—even jumping across boundaries, sometimes. If things work well for different areas of our work, then whatever works best for us is the way forward as far as I am concerned.

**Chair:** Dyna ddiwedd y sesiwn. Diolch yn fawr.

*(Translation) That is the end of the session. Thank you very much.*