

Cynulliad Cenedlaethol Cymru	National Assembly for Wales
Pwyllgor yr Economi, Seilwaith a Sgiliau	Economy, Infrastructure and Skills Committee
Blaenoriaethau ar gyfer Pwyllgor yr Economi, Seilwaith a Sgiliau	Priorities for the Economy, Infrastructure and Skills Committee
EIS 28 Cymdeithas Llywodraeth Leol Cymru	EIS 28 Welsh Local Government Association (WLGA)

Response to the National Assembly for Wales Economy, Infrastructure and Skills Committee call for evidence on issues for the Fifth Assembly

Thank-you for the opportunity to submit evidence on issues for the Committee to consider during the Fifth Assembly. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales, the three National Park Authorities and the three fire and rescue authorities.

We have considered the legacy report prepared by the Enterprise and Business Committee which identified priorities for the Fifth Assembly under four main headings: skills, economy, transport and engagement in EU policy and funding. The EU referendum has impacted on the last of these and the issues it has raised will no doubt need to be looked at across all committees. Indeed, as a general point, the interconnectivity between topics selected by the different committees is likely to be significant. There is value in the committees working together, sharing progress and inviting feedback on their inquiries as they progress. The principles of the Well-being of Future Generations Act (integrate, collaborate, long term thinking, involve, prevent) should inform the way inquiries are undertaken and reported.

In relation to **skills**, it is vital that employment and skills activities are aligned to capital and strategic investments, with a particular focus on jobs that can help meet future economic, social and environmental needs. In that way the capacity and skills of the future labour market (e.g. digital skills) can be developed not only reactively to meet future needs but also proactively to encourage the types of investment that will help to improve sustainability and resilience of local economies.

The three regional skills partnerships (all of which were set up and are hosted by local government) are tasked with looking to the future, ensuring skills provision responds to economic need and coordinating a strategic and collaborative response from stakeholders to prioritise skills investment (against a backdrop of decreasing public expenditure). The regional plans submitted annually by the RSPs are fed into the planning and funding system to bring about change. In addition, the partnerships are working to highlight issues in the system, such as insufficient careers advice and guidance which results in learner choice in subjects/occupations not reflecting the economic demand for skills. Progress is being made but there are a number of variables that need to coalesce if we are to make a real difference and this may be a topic worthy of investigation.

On the **economy**, the legacy report proposes scrutinising 'the purposes of City Regions and what levers they will be given to succeed'. WLGA's Manifesto *Localism 2016-21* ([Local Government Policy Priorities for the National Assembly for Wales : About us : Welsh Local Government Association](#)) argues for a new statutory duty on local government (appropriately resourced) to undertake Economic Development. The Manifesto adds that this duty should be capable of



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being exercised at regional level so that efforts integrate with regional level planning of land use and transportation. With all regions of Wales¹ establishing their governance arrangements and contemplating the introduction of Regional Transport Authorities and Strategic Development Plans a statutory economic development duty would be an important lever. It would assert local government's legitimacy as an accountable body at regional level in its co-ordinating role with other partners. It would also allow investigation of levers to ensure the duty is properly resourced. Retention of growth in business rate income is one idea being pursued but there are other possibilities that could be explored (e.g. pension funds, greater powers over use of publicly owned land for economic development).

Also, the 'circular economy' is being promoted as a way of creating investment and jobs in Wales. It would be good to investigate practical steps to help develop the concept.

On **transport**, one proposal in the legacy report was to look at governance, development and progress of the Metro project. That could potentially form part of a City Region inquiry. There is merit in looking at the Metro proposal at an early stage to ensure that forward planning is being undertaken in accordance with the Well-being of Future Generations Act (e.g. considering the best long term energy source for an electrified rail network). As the procurement process has already commenced, though, the timing would have to be sooner rather than later.

The wider proposal to look at 'how effectively Wales is contributing to reducing carbon dioxide emissions from transport and how WG policies such as Active Travel can better support this' is an important one. It has also been identified as a potential topic by the Climate Change, Environment and Rural Affairs committee. There are important questions around strategy and infrastructure provision for electric and/or hydrogen vehicles where a national lead is needed. On 'improvements to integrating public transport' this may be better left until the Wales Bill has been passed which could provide Welsh Government with powers to regulate/franchise the bus industry.

Another legacy report suggestion was to look at provision of highways and the impact on people, business and the environment. There could be merit in undertaking work on this topic provided it does not become dominated by issues surrounding specific schemes. Understanding respective roles and responsibilities, and opportunities for joint work, for Transport for Wales, new RTAs, Trunk Road agencies etc may also be worthy of study. Reduced infrastructure funding has significantly impacted upon the management of networks, resulting in unavoidable repair and maintenance backlogs. To redress the balance, a review of funding would be welcomed as part of the Forward Work Programme. More broadly, a study of the proposals for a National Infrastructure Commission would be welcome.

Finally, the former Enterprise and Business Committee undertook an inquiry into town centres in 2011/12 and it might be time to revisit the issue – in particular the effectiveness of the 'town centre first' policy. Also in relation to planning, the level of planning fees could usefully be investigated. Local authorities have raised concerns that these do not cover costs but, at the same time, there is pressure to keep them low to support economic development efforts.

¹ As well as Cardiff Capital City Deal/City Region there is also the Swansea Bay City region, the Growing Mid Wales Partnership and the North Wales Economic Ambition Board