



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Cofnod y Trafodion The Record of Proceedings

[Y Pwyllgor Craffu ar Waith y Prif Weinidog](#)

[Committee for the Scrutiny of the First Minister](#)

14/07/2016

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd. Lle y mae cyfranwyr wedi darparu cywiriadau i'w tystiolaeth, nodir y rheini yn y trawsgrifiad.

The proceedings are reported in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included. Where contributors have supplied corrections to their evidence, these are noted in the transcript.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Jayne Bryant Bywgraffiad Biography	Llafur Labour
Russell George Bywgraffiad Biography	Ceidwadwyr Cymreig Welsh Conservatives
John Griffiths Bywgraffiad Biography	Llafur Labour
Mike Hedges Bywgraffiad Biography	Llafur Labour
Huw Irranca-Davies Bywgraffiad Biography	Llafur Labour
Bethan Jenkins Bywgraffiad Biography	Plaid Cymru The Party of Wales
Ann Jones Bywgraffiad Biography	Llafur (Y Dirprwy Lywydd a Chadeirydd y Pwyllgor) Labour (The Deputy Presiding Officer and Committee Chair)
Dai Lloyd Bywgraffiad Biography	Plaid Cymru The Party of Wales
Lynne Neagle Bywgraffiad Biography	Llafur Labour
Nick Ramsay Bywgraffiad Biography	Ceidwadwyr Cymreig Welsh Conservatives
David Rees Bywgraffiad Biography	Llafur Labour
David J. Rowlands Bywgraffiad Biography	UKIP Cymru UKIP Wales

Simon Thomas Plaid Cymru
[Bywgraffiad](#) | [Biography](#) The Party of Wales

Eraill yn bresennol
Others in attendance

Carwyn Jones Aelod Cynulliad, Llafur (Y Prif Weinidog)
[Bywgraffiad](#) | [Biography](#) Assembly Member, Labour (The First Minister)

Huw Morris Cyfarwyddwr, Sgiliau, Addysg Uwch a Dysgu Gydol
Oes
Director for Skills, Higher Education and Lifelong
Learning

Gwenllian Roberts Dirprwy Gyfarwyddwr yr Uned Ynni Cymru
Deputy Director, Energy Wales Unit

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Catherine Hunt Ail Glerc
Second Clerk

Kath Thomas Dirprwy Glerc
Deputy Clerk

*Cynhaliwyd y cyfarfod yn Neuadd Huw Owen, Y Ganolfan Rheolaeth,
Prifysgol Bangor.*

*The meeting was held in Huw Owen Hall, The Management Centre,
Bangor University.*

*Dechreuodd y cyfarfod am 10:05.
The meeting began 10:05.*

Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau
Introductions, Apologies, Substitutions and Declarations of Interest

[1] **Ann Jones:** Good morning, everybody. It's a long time since we've used these mikes. Can I welcome you, as a committee, to the management centre at Bangor University and can I just do the usual housekeeping rules, please? We're going to have some problems, I think, with the equipment

because they've set it up—and thanks very much to the technicians for doing that—. But if you've got a mobile phone, could I ask you, especially in the audience, to please switch your mobile phone off? If you've got a very high-tech one, you can put it onto 'flight mode'. I've never known the difference between switching it off and putting it on 'flight mode', but please don't leave it on to receive anything as it will affect the translation.

[2] We're not expecting there to be a fire drill, or we're not expecting the fire alarm to go off, so should it go off, then it means that we will have to either take our instructions from the ushers, who are stood at the two doors behind the audience and to my right, and we will follow the instructions from them. The exits are clearly marked. I'm just trying to think what else we have—. Oh, yes, we have to say that translation is available and if members of the audience do want translation headsets, they're all there for you if you need to hear. We operate bilingually, so that will be good.

10:06

**Sesiwn Graffu ar waith y Gweinidog: Dull Gweithredu Llywodraeth
Cymru o ran Adeiladu Economi Gref
Ministerial Scrutiny Session: The Welsh Government's Approach to
Building a Strong Economy**

[3] **Ann Jones:** Then, if that's okay, we're going to move on to our agenda this morning. We're delighted to have the First Minister with us. It couldn't be a scrutiny of the First Minister committee without him, so we're delighted to have you, First Minister. We're going to be discussing the economy. Could I ask you, do you want to just introduce your officials and yourself, just for the record, please?

[4] **The First Minister (Carwyn Jones):** Well, I'll ask them.

[5] **Ms Roberts:** Gwenllian Roberts, deputy director energy and steel.

[6] **Mr Morris:** And Huw Morris, director for skills, higher education and lifelong learning.

[7] **Ann Jones:** Thanks very much. We've had one apology from Lynne Neagle, which I should have mentioned beforehand, but other than that the rest of the committee are here.

[8] I wonder, First Minister, as we're discussing the Welsh economy—the Welsh Government's approach to a stronger economy—I wonder if I could just start with the news that the EU repeal Bill was published yesterday. I know you were in Brussels, but you made a statement on behalf of the Welsh Government and you've clearly set out what you think and what the Government are thinking. I wonder if you could just expand a little on the reasons why you've taken that track down that route, please.

[9] **The First Minister:** That was quite simply, Chair, because it restricts the power of the Assembly to legislate in the future and corrals the powers in devolved areas that currently exist in Brussels in London. We had sight of some sections of the Bill about a fortnight before it was published. We expressed our view that the Bill was not sufficient—*[Inaudible.]*—devolution but we were told that—*[Inaudible.]*—anyway. If I switched the mike on, it might be helpful for members of the audience to actually hear me. So, what we see is a situation where we agree with what the UK Government's direction is—namely to create certainty to make sure that the various laws that exist at European level are incorporated into the jurisdictions of the UK—our disagreement is over the way it's being done. We've always said that after Brexit, European issues should be dealt with by agreement and not by imposition. Put bluntly, what the Bill does is allow England to do what it wants but Wales, Scotland and Northern Ireland not to. Either we're all in the same position or there is a lack, then, of equality between the different Governments. What we have said is quite simply this: that the powers come back to the devolved administrations, we all agree between ourselves that we won't do anything with them for a number of years until we are at the point where we can all agree on a way forward. But that's the key for us: this should be done by consent and not by imposition.

[10] **Ann Jones:** Okay, thank you. There are a number of Members who have indicated. Huw Irranca.

[11] **Huw Irranca-Davies:** First Minister, you've made—*[Inaudible.]* I'll just check that my microphone is on. You've made very clear in your initial responses to this Bill that you cannot support the Bill in its current form and you've reiterated that now. Is the Bill amendable? Can it be saved, as it's been presented? Our committee will be considering this and giving our initial feelings on Monday, but it would be interesting to know whether you feel this is salvageable or not.

[12] **The First Minister:** In terms of the devolution issues, it is, but there

will need to be an acceptance by the UK Government that the powers that would come back to us do so, and then, of course, an agreement to deal with those powers in terms of possible joint frameworks and so forth in the future. So, there are some aspects of the Bill that are amendable, but it would require the UK Government to accept the principle of equality amongst the Governments, which, so far, they've been unwilling to do.

[13] **Huw Irranca-Davies:** And do you think, based on your response, and that of Nicola Sturgeon, the First Minister in Scotland, as well, that there is any hope that that call for, as you say, actually respecting where the devolution boundaries currently are, where the boundaries of competence currently are—do you think that that is being heard? Because you have also said that if there's a failure to respond to this, you will use your existing legislative powers to help defend devolution.

[14] **The First Minister:** Well, we're not going to connive in restriction on our own powers as the elected body of the people of Wales. That must be very clear, and we've made that very clear. This is no surprise to the UK Government. We've been telling them this for weeks that this would be the position that we would take. I could not recommend to the Assembly supporting legislation that would restrict the Assembly's power to legislate and would mean that the Assembly would agree to powers not coming back to it that should come back to it. Clearly, that's not something the UK Government itself would accept—not in a month of Sundays—so why on earth should the Welsh Government? That said, I think it is possible to retrieve the situation. There needs to be movement as far as the UK Government is concerned, and I had a conversation yesterday with the Secretary of State for Wales. He knew that we found the devolution aspects of the Bill unacceptable. He said to me that he wished to work with us in order to make those matters acceptable. Now, I welcome that, but, of course, what is said must be acted on, and that's where the test will come.

[15] **Huw Irranca-Davies:** Well, that's helpful, and my final question on this for this morning before we look at considering this next Monday morning: the Secretary of State, as you mentioned, was on the airwaves this morning and has been repeatedly using the phrase that he must be able to look a Welsh farmer in the eyes, and that is his metaphor for explaining why the framework should reside at a UK level, and I think he said this morning that, of course, ultimately, those powers will go down to the devolved nations and regions—ultimately. You don't accept that, clearly.

[16] **The First Minister:** No, I don't accept anything that isn't put down in writing or in law, because the Secretary of State may believe that, but Secretaries of State come and go, and you can't rely on the word of an individual. To look Welsh farmers in the eye would involve being absolutely clear that we want to ensure that Welsh farmers can access the single market. That's the single most important thing for Welsh farming. Any kind of restriction, whether it's financial or regulatory, will mean that Welsh farming will not be able to export on the same preferential terms as now, and will clearly mean that there will be less demand for what is produced in Wales and, therefore, a collapse—not a collapse but a reduction in prices, which is not in farmers' favour.

[17] But we have to remember that what he said is worrying. Farming is entirely devolved. It's not a matter for the UK Government at all in Wales. Our great fear is the conflict of interest that exists in farming and fisheries, to give two examples, where the Department for Environment, Food and Rural Affairs is the English department. How can we have any confidence that a department in Whitehall that is only responsible for English agriculture will actually see beyond that? For some years now we've been in dispute with DEFRA over fishing quotas, where DEFRA take the view that for some boats we have a quota that's too high, and they wanted part of that quota. The reason why that never happened is because the European Commission didn't accept that. Well, now, of course, if it's in DEFRA'S hands, we'll lose that quota and there's nothing we can do about it.

[18] **Huw Irranca-Davies:** So, perhaps the Council of Ministers could resolve this.

[19] **The First Minister:** Exactly. We have to move to a situation where we have a forum where we can agree a way forward, and there's sense in that. I can see, for example, I use animal health as an example—where animal health is devolved, where, traditionally, we've had a common approach in Great Britain with regard to animal health, but, of course, that's been done through consent and through agreement. If it works in that way, it can work across the board. When I was rural affairs Minister at the early part of the century, we used to meet before the Council of Ministers in Europe met to agree the UK's line, and we did that despite the fact that there were there three different parties at that time who were represented in the four administrations.

10:15

[20] That was done in a sensible and mature way, and that's the way it should be done in the future. The problem is there is a mindset in Whitehall that they are superior and the three devolved Governments are not at the same level. This is a partnership of four nations, to my mind, especially in areas that are wholly devolved, and in some areas we will be particularly concerned—if we look at the environment, if we look at farming, if we look at fisheries—that DEFRA will impose itself on the other three, and the nature of farming in Wales is very, very different. In England, arable is a much bigger sector. Big dairy is much, much bigger. In Wales, the sheep meat sector is much more important to us. I've dealt with DEFRA for years. Sheep farming is not seen as particularly important to them, and my great fear would be that any agricultural policy would be shaped according to one particular part of the UK at the expense of others. I say that as somebody who's dealt with DEFRA with different parties in charge, so that's not a political point I make; it's an endemic view that I have found over the years with the civil servants there.

[21] **Ann Jones:** Okay, yes. I think you've had a fair crack at that one. Simon.

[22] **Simon Thomas:** Thank you, Deputy Presiding Officer. It's clear to me that the only people who have taken back control at the moment are the Westminster Government and not the people of Wales.

[23] Ond fe wnaif i droi i'r Gymraeg i ofyn cwpwl o gwestiynau i chi, os caf i. Yn gyntaf oll, [*Anhyglyw.*] diwygio'r Bil hwn o safbwynt datganoli, ac, yn benodol, a fyddech chi yn gallu dweud wrth y pwyllgor heddiw a fyddai'n dderbyniol i chi bod rhywbeth mor syml â chymal machlud yn cael ei roi i mewn? Neu a ydych chi'n mynd i sefyll mas ar gyfer sicrhau bod y pwerau yma yn cael eu datganoli yn syth, heb unrhyw gyfnod lle maen nhw'n gorwedd gyda San Steffan?

But I'll turn to Welsh to ask you a couple of questions, if I may. First of all, [*Inaudible.*] or amend this Bill in terms of devolution, and, specifically, could you tell the committee today whether it would be acceptable to you that something as simple as a sunset clause be introduced? Or are you going to hold out to ensure that these powers are devolved immediately without any period where they lie with Westminster?

[24] **Y Prif Weinidog:** Yr ail. Rydw i wedi dweud yn gyhoeddus sawl gwaith y dylai'r pwerau ddod i'r Cynulliad, ac nid mynd trwy ddwylo San Steffan. Ac wedi hynny, wrth gwrs, rydym ni i gytuno ynglŷn â pha ffordd rŷm ni'n mynd i symud ymlaen. Mae pawb yn gytûn taw'r peth diwethaf rŷm ni'n moyn ei weld yw pethau'n dechrau newid yn gyflym iawn. Nid yw hynny'n rhoi sicrwydd i fusnes ac nid yw'n rhoi sicrwydd i ffermio.

The First Minister: The second. I've said a number of times that the powers should come to the Assembly and not go through the hands of Westminster. Then, of course, we will have to agree on the way forward. Everybody is agreed that the very last thing we want to see is for things to start very, very swiftly or quickly. It doesn't give any assurances to business or farmers.

[25] Os oes yna gytundeb yno, wrth gwrs, rŷm ni i gyd, wedi hynny, fel Llywodraethau, yn gallu siarad gyda'n gilydd a phenderfynu beth rŷm ni'n mynd i wneud ynglŷn â fframwaith cyffredinol gydag amaeth, fframwaith cyffredinol ynglŷn â physgodfeydd. I fi, rwyf wedi dweud yn blwmp ac yn blaen, ar hyn o bryd, yn gyfansoddiadol mae'n hollol amlwg i fi y bydd y pwerau yn y meysydd datganoledig yn dod yn syth yn ôl i Gymru. Dyna pam, wrth gwrs, yn y Mesur ei hun, maen nhw wedi dod rhwystr yno er mwyn sicrhau nad yw hynny'n digwydd. Maen nhw wedi derbyn, yn fy marn i, beth yw'r sefyllfa gyfansoddiadol.

If there is agreement there, of course, we, as Governments, can speak to each other and decide what we're going to do about the general framework on agriculture and fisheries. Personally, I have said bluntly that, constitutionally, it's quite obvious to me that the powers in the devolved areas will come immediately back to Wales. That, of course, is why they've put that obstacle in the way in the Bill to stop that from happening. They have accepted, in my opinion, what the constitutional situation is.

[26] **Simon Thomas:** Jest ar y pwynt yna nawr, drwy roi'r cymal 11, rydw i'n meddwl yw e, yn y Bil presennol, mae San Steffan yn derbyn, a dweud y gwir, yr egwyddor gyfansoddiadol taw fan hyn yng Nghymru mae'r pwerau yma i fod i orwedd, neu fydden nhw ddim wedi gorfod

Simon Thomas: Just on that point, by putting the clause 11 in the current Bill, Westminster accepts the constitutional principle that here in Wales is where those powers are supposed to reside, or they wouldn't have had to make that kind of provision in the Bill.

gwneud y fath ddarpariaeth yn y Bil.

[27] A gaf i jest ofyn yn benodol am y maes amaeth, yr ydych chi wedi dechrau trafod, achos mae'n maes lle rydym ni'n gweld hyn yn glir, rydw i'n meddwl, a physgodfeydd, o bosib, hefyd? Ar hyn o bryd, mae gennym ni benderfyniad ynglŷn â sut i fynd i'r afael â moch daear a TB yng Nghymru—penderfyniad unigryw i Gymru. Nid ydym ni'n lladd ar ardaloedd eang fel maen nhw'n gwneud yn Lloegr. A gawn ni fod yn glir? Os yw'r cymal yma yn cael ei dderbyn yn y Bil, bydd modd i San Steffan benderfynu lladd moch daear yn y ffordd y maen nhw'n eu lladd yn Lloegr. Mae hynny'n wir, onid yw e?

[28] **Y Prif Weinidog:** Mae lladd neu ddifa moch daear yn rhywbeth sydd wedi cael ei ddatganoli, ynglŷn â'r ffaith ei fod yn dod o dan amaeth. Wrth edrych arno fe mewn un ffordd, ni fyddai hynny yn cael ei effeithio; byddai hynny yn rhywbeth yn hollol i'r Cynulliad neu Lywodraeth Cymru i benderfynu. Ond, pe bai Llywodraeth y Deyrnas Unedig yn dweud, 'Wel, er mwyn i chi allforio, mae'n rhaid i chi ddifa moch daear,' wel, bydden nhw'n dadlau taw rhywbeth masnachol yw hynny ac, felly, fod hynny uwchben y ffaith bod hyn wedi cael ei ddatganoli. Wrth edrych arno fe am y tro cyntaf, rhywbeth wedi'i ddatganoli yw hwn, ond, os mae hwn yn cael ei ehangu i rywbeth sy'n mynd i feysydd sydd heb eu datganoli, mae hynny'n bosib.

Could I just ask you specifically about agriculture, as you started to refer to that, because it is an area where we see this very clearly, I think, and fisheries, possibly, as well? At present, we have a decision about how to tackle badgers and TB in Wales—a unique decision for Wales. We don't have the extensive cull that they have in England. Can we be clear? If this clause is accepted in the Bill, it would be possible for Westminster to cull badgers in the way that they do that in England. That's true, isn't it?

The First Minister: Culling or extermination of badgers is something that is devolved, as it comes under agriculture. If you look at it in one way, that wouldn't be affected; it would entirely be a matter for the Assembly or Welsh Government to decide. But if the United Kingdom Government said, 'Well, in order to export, you have to cull badgers,' they would argue that that's a commercial issue and that it therefore trumps the fact that it's devolved. Looking at it initially, it is a devolved matter, but, if it's extended to non-devolved areas, then that is a possibility.

[29] **Simon Thomas:** Wel, mae wedi'i ddatganoli. Mae hefyd yn rhan o gynllun wedi'i gytuno gyda'r Undeb Ewropeaidd. Mae yna gynllun wedi'i gytuno ar y cyd rhwng Cymru a'r Undeb Ewropeaidd, felly os yw San Steffan nawr yn dod i mewn ac yn dweud taw nhw yw'r Undeb Ewropeaidd newydd, mae modd gweld yn glir rai enghreifftiau o sut mae hynny'n effeithio.

Simon Thomas: Well, it is devolved. It is also part of a scheme that's agreed with the EU. There's a joint scheme between Wales and the EU, so if Westminster is now coming in and saying that they are the new EU, then it's possible to see clearly some examples of how this has an effect.

[30] A gaf i jest symud ymlaen at arian a chyllid? Dim ond ddoe y cafodd e ei gyhoeddi, ond rydych chi wedi cael cyfle i drafod gydag Alun Cairns eisoes. Fe wnaethoch chi gwrdd â Michel Barnier, hefyd, ddoe. Os yw San Steffan am ddal yn ôl y pwerau yma yn San Steffan, a ydyn nhw wedi dweud hefyd y byddan nhw'n talu am amaeth yng Nghymru?

Can I just move on to funding? This was announced only yesterday, but you have had an opportunity to discuss it with Alun Cairns, and you also met Michel Barnier yesterday. If Westminster wants to reserve these powers in Westminster, have they also said that they will pay for agriculture in Wales?

[31] **Y Prif Weinidog:** San Steffan?

The First Minister: Westminster?

[32] **Simon Thomas:** Ie.

Simon Thomas: Yes.

[33] **Y Prif Weinidog:** Na. Wel, lan i 2022, rydym ni'n gwybod bod yr arian yna. Ar ôl hynny, na, nid oes ceiniog. Nid yw hynny'n rhywbeth, wrth gwrs, i'r Undeb Ewropeaidd. Wnes i ddim trafod pethau mewnol y Deyrnas Unedig gyda nhw. Fe wnes i sôn amdano fe, er mwyn iddyn nhw wybod beth yw'n safbwynt ni arno fe. Ond, wrth, gwrs, iddyn nhw, nid yw'n rhywbeth iddyn nhw, a byddan nhw ddim yn gweld bod rôl iddyn nhw i wneud hynny. Ond, na, mae'n wir i

The First Minister: No. Well, up to 2022, we know the funding is there. Post that, there isn't a penny. It's not something for the European Union, of course. In the EU meetings, I didn't discuss the internal UK issues. I mentioned this so that they know what our standpoint is. But they don't see that this is a matter for them or that there is any role for them in this regard. But it is true to say, of course, that there is no guarantee whatsoever, five years

ddweud, wrth gwrs, nad oes sicrwydd hence.
o gwbl ar ôl pum mlynedd.

[34] **Ann Jones:** Okay. David Rees.

[35] **David Rees:** Thank you, Chair. To follow on from Huw Irranca, and Simon's question relating to what happens now, you've identified that the Welsh Government is unhappy with the Bill, that it's not accepting the implications for the devolved nations, and, when you appeared before the external affairs committee on Monday, you indicated that the Welsh Government may well be putting forward its own continuity Bill. Will you now do that?

[36] **The First Minister:** It is something that's under active consideration. It takes a lot of work, but it is something that—. The process was begun before the Bill was published. It is something that we have to consider and to take forward if necessary. The unfortunate thing about this situation is that this could have been resolved. The UK Government has plenty of battles to fight without needing this one—a point that I made fairly bluntly to the Prime Minister. We put forward a solution to this that would have resolved the issue, but it was not in their vocabulary to understand it, which I regret. And that's why, at the moment, we have to take all the steps that are needed in order to protect the constitutional position of Wales, to protect the powers that Wales already has, and to protect the flow of powers that should occur from Brussels when Brexit happens.

[37] **David Rees:** I appreciate that, but the timing of that is a major factor here. You've identified that this Bill is going to be progressed, and the UK Government wants to do it quickly. In a sense, it needs to get it done before March 2019. Therefore, there's a deadline working backwards as to when ascent must be given. You've talked about amendments. We don't know whether they will be put in or whether they'll be accepted. Will you put the Bill forward so that we have something that will guarantee that here in Wales?

[38] **The First Minister:** Two things: in terms of timescale, any continuity Bill would need to be passed before the repeal Bill, obviously, because that's the whole point of it; secondly, consideration would have to be given, if I'm being frank with Members, as to the process of doing that. If we go through our normal legislative timetable, it's going to be very difficult to pass a continuity Bill before the repeal Bill, so consideration will have to be given to what process is used to take a Bill forward, to see if it could be taken forward

more quickly than is normal. That needs, clearly, discussion between parties in order for that to happen.

[39] **David Rees:** I'm going to ask the question: is it your intention to put a Bill forward?

[40] **The First Minister:** At this moment in time, it is something that's under active consideration. Unless there is movement, frankly, with regard particularly to clause 11, then, clearly, it is something that we will need to move forward on.

[41] **David Rees:** Okay.

[42] **Ann Jones:** Okay. I think this is going to thread through the remainder of the scrutiny on the economy, so I think we'll try and go back into the main—. There are six areas, First Minister, on the economy that we're going to try and touch on, and it will only be 'touch on' in the time. So, we've got economic development, we've got transport—I think transport is quite key to this area—energy, which again is key to north Wales but has an effect across Wales, the Well-being of Future Generations (Wales) Act 2015, and skills and apprenticeships. So, those are the six areas we intend to try and get through, and I'm sure the repeal Bill and the standing of Europe will thread through that. So, if we can move through those. David, do you want to take your questions on economic development, and then I'll come to Russell.

[43] **David J. Rowlands:** Fine. First Minister, a number of policy developments affect different areas of Wales, in different ways. For instance, local government reform, the city deals, the potential growth deal for north Wales, and the future of the UK Welsh regional policy. Given that it's crucial that these elements work collectively, to what extent will the forthcoming 'prosperous and secure' strategy provide an overarching framework to clarify how these elements will work together in practice?

[44] **The First Minister:** Well, first of all, I have to ensure that there is coherent working across the Welsh Government. We can't ensure it elsewhere unless we can be confident that that's happening internally, and that's what the strategies will aim to do. Secondly, of course, we look to work with other bodies like local authorities in order to take forward things like a north Wales growth deal. We did it with Swansea bay and we did it with Cardiff. Good progress is being made with regard to the north as well. We also need to work with the authorities in the north-east of Wales, particularly but not

exclusively, over the issue of the metro. So, I'm confident that the strategy will make it clear what we are doing as a Government and also what we will do to help and guide others.

[45] **David J. Rowlands:** We heard yesterday from the Cabinet Secretary for the economy that there was some difficulty in getting local government to work cross-border with regard to bus services et cetera. So, that doesn't really look very good for the future, does it, on these elements working together?

[46] **The First Minister:** He's right, and it has been a problem, but, of course, those powers will soon transfer to the Welsh Government and then there are options available to us to ensure that bus services become more coherent. Yes, it is true to say that, sometimes, local authorities see themselves as very self-contained when, in reality, they're not. But, there are opportunities that will exist with the devolution of powers over bus services that previously were not available to us.

[47] **David J. Rowlands:** Okay, thank you.

[48] **Ann Jones:** Okay. Russell.

[49] **Russell George:** First Minister, can you set out what the 'prosperous and secure' strategy will contain? Will there be a separate economic strategy that sits alongside it, will there be a separate industrial strategy as a separate document, or will it all be contained in the 'prosperous and secure' strategy in one document?

[50] **The First Minister:** The strategies, all four of them, are designed to be overarching. They will provide aims and objectives, but they will give an indication of what we will base our actions on in the future. That's what the strategy will do, so that people understand that, where we produce bespoke strategies in certain areas, they're based on the overarching strategy.

[51] **Russell George:** So, when we do see the strategy, will that be a complete strategy or will it be a framework with other documents that follow?

[52] **The First Minister:** It'll be a framework. It'll indicate where further work will be taken forward. It won't contain every strategy in detail, but at least it will show Members and also the public the direction that we're taking in particular areas.

[53] **Russell George:** So, it's an overarching strategy. So, you've got a number of Cabinet Secretaries and Ministers feeding into that. Are some Cabinet Secretaries and Ministers more ahead of their strands, if you like? Are you waiting for others? What's the situation?

[54] **The First Minister:** No. With each of the four strategies, one Cabinet Secretary was appointed to take that strategy forward. They have to be cross-cutting because one of the issues in Government that constantly has to be resisted is silo working. It's very difficult, of course, to compartmentalise in Government and to draw boundaries where none need to be drawn. So, no, the whole Cabinet has been behind the strategies and we are looking to sign them off in the next week.

[55] **Russell George:** Is there a delay in publishing the strategy at all?

[56] **The First Minister:** Sorry?

[57] **Russell George:** Is there a delay in publishing the strategy? I think you said you were due to publish it next week, is that right?

[58] **The First Minister:** We are looking to agree it next week.

[59] **Russell George:** Okay. So, you're agreeing it next week, but when will the Assembly see that strategy?

[60] **The First Minister:** As soon as possible afterwards. What we have to be mindful of is that we don't look to publish strategies in the recess, because I know Members clearly often feel strongly about this. So, we'll take a decision as to when the best time is to publish, whether it is to publish as soon as possible, knowing of course that we won't be back until September, or whether it's better to wait until September. We'll take that decision.

[61] **Russell George:** The Cabinet Secretary for Economy and Infrastructure told the external affairs committee 10 days ago—. He said that you're due to publish the strategy in this term. So, that's next week for publishing it, but you're saying that you'll no longer publish it by the end of this term; it will now be in the autumn, by the sounds of it.

[62] **The First Minister:** No, I'm not saying that. The decision will be taken next week in terms of agreeing the strategies and when to publish.

[63] **Russell George:** But the Cabinet Secretary said you'd publish it this term, but that's not the case.

[64] **Ann Jones:** I think you've just had clarification on that one, haven't you? So, you know, we—

[65] **The First Minister:** Well, I've got no difficulty publishing it this term. I just want to ensure that Members don't feel that, if we publish it at the end of term, they haven't had the proper chance to scrutinise it. That's the issue for me. If Members are content that the strategies should be published as soon as possible, knowing, of course, that they can't be scrutinised until September, then I've got no difficulty with that.

[66] **Russell George:** I'd be grateful for that, because it does give us the opportunity to scrutinise that over the summer in our own committee work as well, and I think it would be particularly helpful for my committee if we saw that before the summer recess.

[67] **Ann Jones:** I think that's been heard. David Rees.

10:30

[68] **David Rees:** Previously, obviously the focus was on sectors, and there were nine sector panels set up. Can you just confirm whether the new strategy will continue to focus on sectors? Because industry and businesses out there will want to be reassured that the Government is not changing track in one sense.

[69] **The First Minister:** First of all, it's useful to emphasise that the strategy isn't just about pure economic issues, if I can put it that way. It aims to be broad, looking at all the issues that affect prosperity. It doesn't override the sectoral approach we've taken so far. One of the decisions we had to take after Brexit was to rethink how we looked for investment. We knew that there would be some investors who would be reluctant to come to the UK while there was uncertainty over Brexit. We knew there were others who weren't affected in the same way. So, with the announcement yesterday, with Construcciones y Auxiliar de Ferrocarriles, with the new jobs in Newport, we knew that they wouldn't be affected by Brexit because they're looking at the UK market in terms of the UK's rail expansion. So, we did have to recalibrate the way in which we attracted investment, particularly looking at

individual businesses within sectors that weren't as affected by Brexit as others. I can assure the Member that steel remains hugely important to us.

[70] **David Rees:** I'll come back to that later, hopefully.

[71] **Ann Jones:** Right. Okay. John.

[72] **John Griffiths:** Yes. First Minister, in terms of 'prosperous and secure' and the regional approach, to what extent will that regional approach include cross-border factors? You mentioned CAF, and it's great to have that inward investment into Newport to help provide the railway rolling stock that we will need for the metro and in the future, hopefully. They cited the geographical position of Newport and the transport links as key factors in their decision to come to Newport and we know, geographically, Bristol is one of the very few cities in the UK that is a net contributor to the UK Treasury. It has real economic strength. So, Newport's position between Bristol and Cardiff, with its good transport and geographical links, I think, offers great potential, and I just wonder, within 'prosperous and secure', when we talk about a regional approach, whether the cross-border element will be a factor in the way that strategy and policy are developed and are taken forward.

[73] **The First Minister:** I've got no difficulty with the cross-border approach. It's particularly marked here, where we have the approach that's been taken through, for example, the Mersey Dee Alliance. Working for prosperity across borders doesn't diminish our identity. It's very common elsewhere in Europe; very common on the island of Ireland for that matter. So, working with those authorities in England for the good of both is something that we want to promote. We've done it with the Mersey Dee Alliance. The North Wales Economic Ambition Board are aware as well of what we want to do in that regard. It's not something we should be afraid of. If it creates prosperity on both sides of the border, then I see no problem with that.

[74] **Ann Jones:** Thanks. That leads us quite nicely into the next section, if we can move on and make some progress around transport. I think we've started to touch on it. So, Jayne, do you want to take yours?

[75] **Jayne Bryant:** Thank you, Chair. You won't be surprised that I'd agree with everything John Griffiths has just said on that one, but transport infrastructure is critical to the current and future success of Wales in terms of business, tourism and employment. So, with that in mind, what are your

hopes for the future of Wales's next rail franchise?

[76] **The First Minister:** Well, for the first time, of course, we will be able to ensure that the franchise is appropriate for Wales. We know that when it comes to infrastructure investment we have received about 1.5 per cent historically. That's well below our population share. We want to make sure that, first of all, services expand and that the trains are reliable and comfortable, and also, of course, to look at the creation of metros in the south-east of Wales and the north-east of Wales initially. By metros, I mean not just heavy rail, but light rail and buses as well. So, we know that if we're going to see growth, particularly in the south-east around Cardiff, where there's going to be substantial growth in people and passengers over the next 20 years, we have to ensure that we have a public transport system that's able to cope with those numbers to keep people off the roads. Because we know the roads won't cope with them in the city centre. So, for me, there's a great opportunity next year to start to shape rail policy for Wales. In 1999, when I became an Assembly Member—and John Griffiths as well, of course—there was no north-south rail service—and the Chair—

[77] **Ann Jones:** Thank you.

[78] **The First Minister:** I beg your pardon. Yes, I'm just checking that nobody else was here in 1999. No. Right.

[79] **Ann Jones:** No, no, it's only us.

[80] **The First Minister:** The Chair will know, will remember, that you could not travel north-south on a direct service. There was a wait in Shrewsbury. There were three different franchises in Wales at that time, which all looked east. The situation is much improved since then, and we want to build on the work that's been done over the last few years. There are still issues. There are issues with reliability. I'm aware of the complaints that we hear with regard to some of the services that have been provided, but there is an opportunity now for us to take decisions in Wales over the way the franchise operates.

[81] **Jayne Bryant:** Okay, so what challenges has the Welsh Government faced in terms of the UK Government on the key powers and funding required for procurement of the next Wales and borders franchise and metro?

[82] **The First Minister:** There are two issues for us. With regard, for example, to the metro, there is a mixture of powers. Some are held by us, some are held by the UK Government. I don't want that to get in the way of us being able to move forward with the metro. Because the rail track itself is not devolved, the last thing any of us wants is some kind of squabble over who's taking a decision over what. Nobody wants to be in that position. I'd rather it was clearer. I'd rather we had the powers, and the funding, but that's not where we are at the moment.

[83] The second issue, I have to say, that we've discovered, and we've seen this on the Wrexham to Saltney junction improvement, is that Network Rail are not aware of the condition of their asset. Looking at the work that's planned there, new things seem to be discovered all the time as to bridge strength and even the existence of level crossings. I am concerned that Network Rail don't actually have a full inventory of their asset. I'm not sure when the last survey was done of the entire track. So, I think that's a matter for the UK Government to take forward, but I think it does need to be done, because the last thing we want to see is for us to put forward a proposal to improve a particular railway line only to find that actually it's in a much different condition to what we initially expected.

[84] So, I think the biggest potential threat to being able to take forward projects such as the metro is the mixture of powers. We want to make sure—and we are working closely with the Department for Transport—that there are no blockages because we're waiting for something to be done or a decision to be taken. That's in no-one's interest.

[85] **Jayne Bryant:** Thank you.

[86] **Ann Jones:** Okay. Nick.

[87] **Nick Ramsay:** Good morning. Bore da, First Minister. Just following on from the last question that Jayne Bryant asked you, and your answer that Network Rail aren't fully aware of the condition of their stock, doesn't that mean in effect that the Welsh Government is effectively looking at taking over, or controlling to a certain extent, something that it really doesn't have an awareness of its current state? I think that that was what you were indicating, in which case that sounds like a very precarious situation for the Welsh Government to place itself in.

[88] **The First Minister:** Well, no, because we will not have—. The rail track

itself isn't devolved. We know that. With anything that we would seek to take powers over there would need to be a full survey and a full inventory. That much we understand. Some years ago when we were—it's still our position—wanting to take over the Severn bridges, it wasn't at all clear what the maintenance costs were going to be. They varied wildly. So we knew full well that, if we were in a position where we were offered the bridges, we needed to be absolutely sure that we knew exactly what we were taking on.

[89] Now, the issue with the metro is not so much—. The metro's all about delivery. We would prefer it if the financing and the powers were different, but it's about delivery. We want to make sure that we can deliver the expansion of the metro over the next few years, understanding of course that that mixture of powers is there. In terms of general principle, would we want to take over an asset without knowing the condition of that asset? The answer clearly is 'no'.

[90] **Nick Ramsay:** So that places a major obstacle in the way.

[91] **The First Minister:** Of the metro?

[92] **Nick Ramsay:** Yes. I understand what you're saying about the bridges, but to be honest, we know where they are. You can commission a survey, a structural survey, and you can find out about that. But from what you were saying about the rail network in Wales, if Network Rail are discovering level crossings at this point in time, that's a huge piece of work, isn't it, to find out the full state of the network?

[93] **The First Minister:** Well, that work will need to be done. There's no question about that. The concern that I have is that we need to have confidence that Network Rail are aware of the condition of their asset. There have been problems. I've outlined them. We want to work with Network Rail, because they have the responsibility, but these issues are being teased out and taken forward as part of the metro process.

[94] **Nick Ramsay:** And turning to the franchising process itself, and I appreciate there will be commercial sensitivities, so I don't expect you to be able to give any details in a way that will impinge on that, but in terms of the bids and the bidding process timetable, clearly, there will be a winner and there will be a loser or losers. In that eventuality, are you expecting any challenges from the losing bidders?

[95] **The First Minister:** No—at this moment in time, of course. That would imply that there was something wrong with the process. But the process is in place, the objectives are clear, and we want to make sure, of course, that we have a successful bidder. We weren't able—unlike the Scots, of course—to look at operating the service ourselves through an arm's-length company. The Scots can do it. We were prevented from doing it on the pretext, I suspect, of the fact that some of those services might run into England and that would be in some way detrimental to English services, which—. Well, anyway, that's not the position we accepted; that's the position I suspect that was put forward. Officials have been working with bidders in an appropriate way, of course. We know that there is substantial interest in running the service, but of course, as the Member will know, I can't go into detail as to how that process is being taken forward. If I was to accept that there might be a potential challenge in the future, I'd effectively be accepting that there's something wrong with the process as it is now, and I don't.

[96] **Nick Ramsay:** You may not be accepting it, but it must be a possibility.

[97] **The First Minister:** With anything that involves a tendering process, there is always, of course, the possibility that an unsuccessful bidder will be unhappy. That's an inevitable part of the process that we have.

[98] **Nick Ramsay:** But you have no contingency plans in that eventuality.

[99] **The First Minister:** We don't expect that to happen.

[100] **Nick Ramsay:** Finally—

[101] **Ann Jones:** I think we should move on. If you've got another question—.

[102] **Nick Ramsay:** Yes, finally. And we all want this process to work—we hope it does work, so forgive me for being negative—but just to be clear, if there was a problem at the end of this process, what is the default situation at the end of this? Because of where the powers lie at the moment, it will be the Department for Transport in Whitehall, I presume, that would then be in the controlling situation and would step in.

[103] **The First Minister:** In terms of what?

[104] **Nick Ramsay:** If, at the end of the day, worst case scenario, the

franchise didn't work out, if there was a failure, it would be Whitehall that would step in. The power doesn't currently lie with the Welsh Government, does it, to—?

[105] **The First Minister:** If I remember rightly, it's joint, but we don't anticipate that position arising because we know there are a number of bidders who will come forward.

[106] **Nick Ramsay:** So, clearly, you want to get on with the job of making sure that powers do lie with the Welsh Government. And going back to—

[107] **The First Minister:** In terms of the franchise, we have, to my mind, the powers that we need in order to take the franchise forward. There was a suggestion at one point that trains would have to stop as soon as they reached the border, literally, for people to change trains. That went, mercifully, but the—. We're confident we can take the franchise forward, given the powers that we have.

[108] **Nick Ramsay:** Okay; thanks.

[109] **Ann Jones:** I wonder if we could have a note for clarification, just on what Nick was saying about who would be the overall—. So, if we could just have a quick note to the committee. There'll probably be more quick notes by the time we're finished.

[110] **The First Minister:** Obviously, the issue for us is, as I understand it, because we have been prevented in law from running it ourselves, who would?

[111] **Ann Jones:** I think if we have a note, and we can—

[112] **Nick Ramsay:** The Government, I believe, steps in and runs it itself, but I don't think that's the Welsh Government; I think that will be the UK Government, which, clearly, would be problematic.

[113] **The First Minister:** There might well be a conflict here between the fact that there are some joint responsibilities and the Wales Act 2017, which says that we can't run it. So, that interpretation might be right. I don't think it's clear, but that's one possible interpretation.

[114] **Ann Jones:** Okay. Perhaps if we have a note and then the committee

can return to it. That's great; thank you. Simon.

[115] **Simon Thomas:** Diolch, Dirprwy Lywydd. Tra'n bod ni'n aros ar y rheilffordd, rydym yn gwybod beth sydd wedi mynd o'i le gyda'r fasnachfaint bresennol, sef eich bod chi, Llywodraeth Cymru, a threthdalwyr Cymru wedi bod yn gorfod talu yn eithaf sylweddol, er enghraifft, am y gwasanaeth de-gogledd, rhywbeth a ddylai fod wedi bod yn y fasnachfaint o'r cychwyn, a dweud y gwir. Felly, pa gamau a ydych chi yn mynd i'w cymryd gyda'r fasnachfaint newydd i sicrhau ei bod, os leiciwch chi, yn *futureproofed*, bod modd rhannu unrhyw elw sy'n dod o dwf teithwyr, gwneud yn siŵr bod y Llywodraeth yn elwa o hynny hefyd, a bod y buddsoddi yn digwydd yn ôl yma yng Nghymru, yn hytrach nag yn ôl i Lywodraeth yr Almaen neu bwy bynnag biau'r fasnachfaint yn y pen draw?

Simon Thomas: Thank you, Deputy Presiding Officer. If I can stay with the railroad, we do what's gone wrong with the current franchise, namely that you, the Welsh Government, and the taxpayers of Wales, have been paying quite significantly for the north-south service, something that should have been included in the franchise from the outset. So, what steps are you going to take with the new franchise to ensure that it's futureproofed, if you like, that it will be possible to share any profit that comes from an increase in the number of passengers, that the Government will also profit from that, and that the investment happens back here in Wales, rather than the money going back to the German Government or whoever owns the franchise ultimately?

10:45

[116] Un cwestiwn penodol yn y fasnachfaint newydd, os caf i jest fanteisio ar y cyfle tra ein bod ni yma: mae nifer ohonom ni wedi dod ar y trê'n i'r gogledd, ond rydw i'n mynd ar y trê'n i Aberystwyth, ac mae Aberystwyth a'r canolbarth yn dal heb wasanaeth uniongyrchol â Chaerdydd. A fydd hynny'n rhywbeth fydd yn gallu cael ei gyflawni yn y fasnachfaint newydd?

One specific question about the new franchise, if I can take this opportunity to ask this question: a number of us have come from the south to here, but I'm going back to Aberystwyth, and Aberystwyth still doesn't have a direct link to Cardiff. Is that something that can be achieved within the new franchise?

[117] **Y Prif Weinidog:** Wel, yn gyntaf i gyd, wrth gwrs, heb fynd i mewn i fanylion, mae'n hollbwysig bod gyda ni wasanaeth sydd yn berthnasol i Gymru ynglŷn â phobl yn symud o'r de i'r gogledd, a hefyd i ehangu'r gwasanaeth Gerallt Gymro sydd yna ar hyn o bryd. Ar hyn o bryd, fel y bydd yr Aelod yn gwybod, mae yna wasanaeth yn gadael o'r gogledd i'r de yn y bore, a wedyn yn mynd nôl yn y nos. Wel, beth byddwn i'n moyn gweld yw gwasanaeth yn mynd yn y bore o'r ddau a nôl yn y nos o'r ddau er mwyn sicrhau bod y gwasanaeth yn fwy cynaliadwy ynglŷn â hynny. So, mae'r cysylltiadau rhwng y de a'r gogledd yn hollbwysig; mae'n ganolog i unrhyw *franchise* newydd.

[118] Ynglŷn â'r sefyllfa am faint mae pobl yn talu ac ynglŷn â lle mae'r elw yn mynd, un o'r pethau rydw i wedi ystyried drwy ddelio gyda hwn yw faint mor gymhleth mae'r sefyllfa ynglŷn â phwy sy'n talu am beth a phwy sy'n cael yr arian nôl— llawer mwy cymhleth na beth fyddai petasai'n cael ei redeg yn uniongyrchol gan y Llywodraeth. So, mae hwn yn rhan o'r trafodaethau ar hyn o bryd. Nid ydym ni'n moyn gweld sefyllfa lle mae'r buddsoddiad yn dod o Gymru ond mae'r elw yn mynd i lywodraeth arall, neu, wrth gwrs, yn ormodol i unrhyw gwmni.

[119] **Simon Thomas:** Os caf i ddilyn mater arall cludiannol, sef bysys, roeddem ni fel Pwyllgor Cyllid yma ddoe ym Miwmares yn Ynys Môn ac

The First Minister: First of all, without going into detail, it's vital that we have a service that's relevant to Wales in terms of moving from north to south and also to expand or enhance the Gerallt Gymro service that already exists. At present, as the Member knows, the service leaves the north to the south in the morning then goes back in the night. What I'd like to see is a service going in the morning in both directions and in the night in both directions to ensure that the service is more sustainable. So, the links between north and south are vital; they're central to any new franchise.

In terms of the situation around paying and where the profits go, one of the things that I've considered in dealing with this is how complex the situation is in terms of who pays for what and who gets the money back. It's a lot more complex than if it was run directly by the Government. So, this is part of the negotiations at present, but we don't want to see a situation where the investment comes from Wales but the profits go to another government, or, of course, too much to any one company.

Simon Thomas: If I can just pursue another matter, namely buses, we as a Finance Committee were meeting yesterday in Beaumaris on Ynys Môn

yn trafod gyda phobl leol yn fanna ynglŷn â'r materion sydd yn bwysig iddyn nhw yng nghyllideb Cymru. Un o'r pethau wnaeth fy nharo i, a dweud y gwir, a oedd yn gyffredin rhwng pobl ifanc a phobl mewn oed—yn enwedig pobl wedi ymddeol—oedd mynediad at wasanaethau drwy wasanaeth bysys, faint mor anodd oedd e, pa mor lletchwith oedd i deithio o un pen yr ynys i'r llall, a draw hefyd i ardal ehangach Bangor a Menai, pobl ifanc yn arbennig yn deisyf, efallai, y cyfleoedd, prentisiaethau neu swyddi yn yr Wylfa Newydd, o bosib, ac yn ofni na fyddai'n nhw'n cael mynediad at hwnna. Nawr, rydych chi wedi cyffwrdd ar y problemau cyfreithiol sy'n bodoli yn y maes yma, ond pan ddaw y broblem yna draw atoch chi a datganoli, a ydych chi'n mynd i weithredu ar fyrder i sicrhau bod gyda ni rwydwaith bysys llawer mwy synhwyrol â gorfodaeth o gydweithio rhwng gwahanol gwmnïau i sicrhau ein bod ni'n buddsoddi'n gall yn ein rhwydwaith bysys ni, fel bod y bobl wnaethom ni gwrdd â nhw ddoe yn cael gweld bod Llywodraeth Cymru'n gwneud gwahaniaeth i'w bywydau nhw?

[120] **Y Prif Weinidog:** Ie, system drafndiaeth integredig—wrth gwrs, dyna beth yw'r nod ar ddiwedd y dydd. Mae yna ddau beth sy'n fy nharo i gyda'r gwasanaethau bysys, yn enwedig yng nghefn gwlad: yn gyntaf, wrth gwrs, y ffaith eu bod nhw ddim yn ddigon aml, ac yn ail,

and discussing with the local people there the issues important to them in the Welsh budget. One of the things that struck me—and it was a common question or issue with both elderly and young people—was access to the bus services, how difficult it was, and how awkward it was to travel from one part of the island to the other and over the bridge to Bangor and the Menai area. Young people who had hoped for apprenticeships at Wylfa Newydd were afraid that they wouldn't be able to travel to get there. You've already touched on some of the legal problems that exist in this field, but when the powers come, when they are devolved, will you take urgent action to ensure that we've got much more sensible or rational bus services and that you can force collaboration between various companies to ensure that we have sensible investment in our bus networks, so that the people we met yesterday can see that Welsh Government is making a difference to their lives?

The First Minister: Yes, an integrated transport system—that's the aim, at the end of the day, of course. There are two things that strike me in terms of bus services, particularly in rural areas: first of all, the fact that they are not frequent enough, and secondly that so many companies

wrth gwrs, bod siwt gymaint o gwmnïau dros y blynyddoedd wedi mynd, neu wasanaethau'n cael eu tynnu'n ôl—Ceredigion, er enghraifft, gydag Arriva. Cafodd y gwasanaethau eu tynnu'n ôl yn eithaf cyflym a daeth cwmnïau eraill i mewn i sicrhau bod y gwasanaethau yna. Ond un o'r pethau mae pobl wedi sôn i fi yw, 'Os ydym ni'n mynd ar y bysiau, a ydym ni'n gwybod os bydd y cwmni'n dal i fod yna yn y pen draw?' So, mae'n rhaid i ni sicrhau mwy o gynaliadwyedd ynglŷn â sicrhau bod y rheini sydd yn rhedeg y gwasanaethau yn mynd i barhau, ac nid bod cwmnïau'n mynd i fynd i'r wal, sydd wedi digwydd yn rhy aml gyda bysiau. So, ie, ehangu'r rhwydwaith, mae hynny'n bwysig, ac, wrth gwrs, gweithio gydag awdurdodau lleol sy'n rhan o hynny, ond hefyd, wrth gwrs, gweld rhyngweithio rhanbarthol, ac yn ail, wrth gwrs, sicrhau bod pobl yn gallu dibynnu ar y gwasanaethau.

[121] Ynglŷn â gwasanaeth rhwng Caerdydd ac Aberystwyth, wel, y trueni mwyaf, wrth gwrs, oedd gweld y rheilffordd yn mynd o Gaerfyrddin i Aberystwyth. Rydw i'n cofio fe yna—a byddai fe yr un peth—a llaeth yn rhedeg ar y rheilffordd bryd hynny. Mae yna astudiaeth yn dal i gael ei symud ymlaen ynglŷn ag a ydy hynny'n bosib. Caerdydd i Aberystwyth: y broblem, buaswn i'n dweud, gyda gwasanaeth fel yna yw y byddai'n hala amser hir i fynd trwy Amwythig—

over the years have disappeared, and services have been withdrawn—Ceredigion, for example, with Arriva. The services were withdrawn quite quickly, and other companies came in to ensure that the services were there. One of the things that was mentioned to me is, 'If we go on the buses, will we know whether the companies will still be in existence, ultimately?' So, we have to ensure more sustainability in terms of ensuring that those who run the services are going to continue and not that companies are going to go out of business, which has happened too often in the past in the bus sector. So, yes, expanding the network is very important, and, of course, working with local authorities that are a part of that, but also seeing regional interaction, and secondly, of course, ensuring that people can rely on those services.

In terms of the Cardiff to Aberystwyth service, well, the biggest shame, of course, was seeing the railway going from Carmarthen to Aberystwyth. I remember when it was there—and I'm sure the Member does too—and dairy services being run on that line. A study is still going on in terms of whether that's possible. On Cardiff to Aberystwyth, well, the problem with that kind of service is it will take a long time to go through Shrewsbury—

[122] **Simon Thomas:** Rydw i'n gwybod; rydw i'n ei wneud e yn aml iawn.

Simon Thomas: Yes, I know; I do it often enough.

[123] **Y Prif Weinidog:** Mae'n rhwyddach i fynd ar yr hewl ar fws na beth yw e ar y trê'n achos y ddaearyddiaeth. So, mae'n rhaid i mi ddweud ein bod ni wedi canolbwyntio ar y de i'r gogledd ac nid ar Gaerdydd i'r canolbarth.

The First Minister: It's easier to go on the road than it is to go on the train because of the geography. So, I have to say, we have focused on north to south and not on Cardiff to mid Wales.

[124] **Simon Thomas:** Os caf i jest ofyn: os nad gwasanaeth uniongyrchol, rydych chi'n sôn am fynd o'r de i'r gogledd yn fwy cyson a chysylltiadau â'r gwasanaeth—ar hyn o bryd, nid yw'r trê'n o Aberystwyth yn cysylltu â'r Gerallt Gymro o'r de i'r gogledd, sy'n rhywbeth syml iawn i'w wneud.

Simon Thomas: If I could just ask: if it's not a direct service you're talking about, you're talking about more connections from north to south—but at the moment, the train from Aberystwyth doesn't connect to the north-south Gerallt Gymro service, which would be very simple to do.

[125] **Y Prif Weinidog:** Er mwyn sicrhau nad oes digon o amser i ysgrifennu emyn ar y platfform, wrth gwrs, sydd wedi digwydd o'r blaen yn fanna. Rwy'n deall hynny, wrth gwrs, achos bydd yna rai sydd eisiau teithio i Aberystwyth drwy Amwythig, yn enwedig pobl sy'n byw yn llefydd fel y Fenni a Henffordd. So, mae'n rhaid i ni feddwl ym mha ffordd y gallwn ni sicrhau bod y cysylltiadau yn well, ac, wrth gwrs, i weld a allwn ni ehangu'r gwasanaethau ar reilffordd canolbarth Cymru ta beth, i wneud yn siŵr bod yna fwy a mwy o drenau yn rhedeg. O achos yr amseru, mae hynny'n creu problem gyda'r cysylltiadau; os mae yna fwy o

The First Minister: To ensure that you haven't got enough time to write a hymn on the platform, of course, as I understand has happened before. But I understand that, because there will be some people who wish to travel to Aberystwyth via Shrewsbury, especially those people living in the Hereford and Abergavenny area. So, we'll have to think of a way to improve the connections, and, of course, to see whether it will be possible to enhance the services on the Heart of Wales line, to ensure that there are more trains running. But because of the scheduling, it does create problems, but if there are more trains running, then that will

drenau'n rhedeg, mae hynny'n helpu help to solve the problem.
i ddatrys y broblem.

[126] **Ann Jones:** Okay. We haven't got time to write hymns—we need to move on quite quickly, and I've still got three more people on this subject. So, David Rowlands.

[127] **David J. Rowlands:** Touching again on the processes of Network Rail, given that the Cabinet Secretary for Economy and Infrastructure recently pointed out that Wales received only 1 per cent of rail enhancement funding, though we have 6 per cent of the UK rail infrastructure, what action has the First Minister taken to ensure that Welsh needs are understood?

[128] **The First Minister:** We make strong representations to the UK Government and Network Rail over their investments—they're called control periods in the rail industry. We've invested money ourselves, of course, with a lot of station reopenings. That's been money we've invested as a Government. You could argue that that was a responsibility of the UK Government, but we're able to do it, and people benefit from it, so we'll do it. But, there's a limit to what we can do.

[129] We know that Cardiff Central needs to be completely refurbished, if not partially rebuilt. That's a substantial project, possibly costing in the hundreds of millions of pounds. We've seen it happen with stations elsewhere, and, of course, it's not a devolved responsibility. So, we have impressed on Network Rail the importance of ensuring there are sufficient platforms there, because trains are queuing to get in, and that the station is more appropriate. One of the problems in Cardiff Central is the fact that it's difficult to get through the ticket barriers because the opening there is so narrow. So, we've impressed on them the need to look at a new station at Cardiff Central, keeping at least the facade, of course—we don't want to see the entire station demolished, with its history. And, of course, that works well with the developments in Central Square.

[130] But we do need to see more investment in stations. It's absolutely right to say that, historically, we have not received the investment that we should, and we continue to remind Network Rail of this, to make sure we get that investment in the future, not just in the south, but also, of course, along the north as well.

[131] **David J. Rowlands:** Obviously, given those problems that you have with

funding from Network Rail, are there any ambitions of the Welsh Government to take over the network in Wales, pan-Wales, in the future? Obviously, there are complexities and financial implications of such an acquisition, but do you have any ambitions in that area?

[132] **The First Minister:** In principle, yes. Two issues: firstly, referring back to what was mentioned earlier by Nick Ramsay, the condition of the asset and a proper survey, and, secondly, a proper funding settlement from the UK Government. Historically, generosity has not been a hallmark of such things. So, we have to be absolutely clear that, if we take over the current responsibilities of Network Rail, there is no financial penalty involved. At the moment, our focus is on the franchise and on encouraging and pushing Network Rail to invest in Wales, but, in the longer term, it is an issue that will need to be revisited.

[133] **Ann Jones:** Russell George, and then I've got David Rees. But briefly please, so we can move on.

[134] **Russell George:** Yes, I'll roll it into one. When do you expect the franchise specifications to be published? Do you expect there to be any delay in publishing them? And, when they are published, as there is a great deal of public interest in the next rail franchise, would you agree, and believe it's a good idea, to publish a passenger-friendly version of the franchise specifications also?

[135] **The First Minister:** Well, we'll publish what we can, subject, of course, to the need for commercial confidentiality. We will look to publish, if we can—if there's no commercial jeopardy—what the franchise priorities will actually be. And I'll take on board—if you pardon the pun—the need to make sure that we avoid jargon, particularly talking about such things as control periods, in the future.

[136] **Ann Jones:** David Rees.

[137] **David Rees:** [*Inaudible.*]—the responsibility of the Welsh Government in April 2018, all bar Milford Haven, but we haven't even got a ports strategy in place. When will we be publishing a ports strategy, to ensure that economic activity around ports is being progressed?

[138] **The First Minister:** I know it's something that the Cabinet Secretary is keen to work on with the ports. We have this curious scenario where we have

what I've—I suppose, tongue-in-cheek—called the treaty port, which is Milford Haven. The problem at the moment is—if I remember rightly what the Wales Act says about ports—if they have a particular turnover, then they sit with the UK Government and if that turnover is less, they sit with the Welsh Government. The problem with that is, if we look to invest in our ports, we run the risk of losing control of them. There's a perverse incentive, under those circumstances, to look to move traffic and commerce away from Milford Haven. We're not going to do that, but it's an oddity. It is something that we're working with the ports on because we know how important they are. There are particular challenges, of course, that Holyhead might face, Pembroke Dock and also Fishguard in terms of cross-border trade with Ireland and what happens if there's a harder border between Wales and Ireland than between Northern Ireland and the republic.

[139] **David Rees:** That was my next question, in a sense—

[140] **Ann Jones:** [*Inaudible.*]

[141] **David Rees:** It's a quick one.

[142] **Ann Jones:** A very brief one.

[143] **David Rees:** It's an important one because Holyhead is just up the road.

[144] **Ann Jones:** Yes, it is.

[145] **David Rees:** What decisions have the Welsh Government taken to look at the capacity within those ferry ports, in particular, if the customs union is lost and we have to go into a customs change that will require different actions at the ports?

[146] **The First Minister:** Well, there were customs checks there before, so it's not something that's unheard of in those ports. They tended to be random. Not every vehicle was checked, but they existed. The situation has changed in the sense that, when that was in place, there were also security checks on the border between north and south in Ireland. Customs checks existed—and still exist in theory, even though they're not visible to the traveller. So, there was a barrier, travelling north to south in Ireland, even though it was a different type of barrier, which meant that customs checks in Holyhead weren't actually much of a problem because people knew that if

they went to Northern Ireland they might face queues to get through the security checks. What's changed is that if there there's nothing of any kind between north and south in Ireland—where the situation continues and you travel along the motorway and the lines change colour and that's where the border is—but yet have customs checks reintroduced in the Welsh ports, it means more paperwork. If there's any kind of border control—more paperwork. The temptation for cargo operators will then be to avoid the Welsh ports and to try and go through Liverpool and Cairnryan in Scotland to get into Belfast and Larne and then drive down. We need to avoid at all costs a harder border than the one that will exist between north and south in Ireland. Seventy per cent of the cargo trade between GB and Ireland goes through the Welsh ports.

[147] **David Rees:** I know you're not going to let me go on, so I'll stop there.

[148] **Ann Jones:** Yes. I think, if there are some further questions, perhaps when we do the wind-up and we write to the First Minister we can perhaps include them. I want to move on to another important area, not just for Wales but certainly for this area of Wales, and that's on energy. Mike, you've got a set of questions on that.

[149] **Mike Hedges:** I've got two questions on it. The first one is: Welsh Government policy includes reducing Wales's reliance on energy generated from fossil fuels. There's the tidal lagoon in Swansea, but there are also plans for tidal lagoons around the whole of the Welsh coast, including north Wales. How important do you think tidal lagoons are in achieving that ambition of reducing reliance on energy generated from fossil fuels?

[150] **The First Minister:** Very much so. The technology is mature now. There is no reason why the Swansea bay tidal lagoon can't go ahead, to my mind. The technical issues are resolved. There's been a review. The review was favourable. It's just down to the strike price and what price will be made available by the UK Government in order for the lagoon to go ahead. It hits many buttons in so many ways. It's environmentally friendly. The carbon footprint is minimal once the equipment is in place. It's predictable—as long as the moon is there, the tides will be there. Also, of course, it's significant in terms of job creation. Swansea bay lagoon alone is predicted to create 1,000 jobs in maintenance and in manufacturing of the kit, particularly for suppliers. We need certainty now. My great worry now is that, eventually, patience will run out and we end up with people saying, 'Well, no decision's ever going to be taken, so why would we hang around?' We need to make

sure now that there is a decision, and a positive decision, taken by the UK Government.

[151] **Mike Hedges:** Thank you for that. Of course, I did tie it in with the fact that, after Swansea, there's a whole range of other tidal lagoons aimed for the rest of Wales, including north Wales, before the Chair tells me off. My next question relates solely to north Wales. It's about the Anglesey energy island. What progress is being made on that? I think it's a tremendous opportunity for Anglesey, and if it does work in Ynys Môn, then it's an opportunity to work in other parts in Wales? The real question is, though: how important is nuclear to that, because are we turning into an energy island if nuclear does not go ahead?

11:00

[152] **The First Minister:** It's vital. There are issues that surround it, still, that will need to be resolved. The method of transmitting the electricity, I know, is controversial on the island. It's not a matter for us to resolve, or to decide on, rather, but we've expressed the view that there should be undergrounding as far as possible. Secondly, of course, there are issues surrounding the development around the plant itself, which Anglesey council have been concerned about. We share their concerns and they need to be resolved, but, fundamentally, of course, this is 600 jobs in a part of Wales where there's been an established nuclear industry, and it's hugely important that those jobs still remain in the local economy. Skills are important. One of the things that impressed me was not long—literally a week—after I became First Minister, I think, I was on the island and I was in Coleg Menai, and, in 2009, the college was gearing up to provide skills for the nuclear industry in anticipation of the new reactor being put in place. So, it's good to see that the skills training is there to ensure that as many of those jobs are available locally.

[153] **Ann Jones:** Simon.

[154] **Simon Thomas:** How confident are you that Wylfa Newydd will go ahead?

[155] **The First Minister:** Confident. There have been issues, as we know, with Hinkley. There are issues that need to be resolved around Wylfa, that much is true, but there's no reason to think that the project won't go ahead.

[156] **Simon Thomas:** I ask that because we have seen huge delays on big energy projects by the Westminster Government. Hinkley's one. Theresa May came into power and she delayed on Hinkley straight away. The Hendry review was very comprehensive around tidal lagoon technology, but we're still waiting for the Westminster Government to do that. They've only this week announced another review into energy prices again, which I'm very fearful will be used as an excuse to put off some of these key infrastructure decisions that really do underpin the Welsh economy. So, in asking that, I want to understand that, as a Government, you really are still not just in public convinced, but privately convinced that this is actually going to get the go ahead.

[157] **The First Minister:** Wylfa?

[158] **Simon Thomas:** Wylfa, yes.

[159] **The First Minister:** Yes. There's no reason to suggest otherwise. I say that both privately and publicly. Obviously, we are aware of developments elsewhere, but, ultimately, we have to have power stations. Some of the ones that we have now, they're going to come to the end of their lives in the next decade, and, if the UK is not careful, we end up in a situation where there's insufficient power to meet peak demand. That's in nobody's interest, but I can assure the Member that we have no cause for alarm in terms of Wylfa, and the project still remains robust and on track.

[160] **Simon Thomas:** In which case, I want to ask you about the 'on track' bit, because you just mentioned Coleg Menai, in 2009, started to train people for Wylfa, and we're still waiting for a decision on it. So, that's eight years down the line and, certainly, Anglesey county council, as you know, has expressed concern that, if there isn't a strategic training decision taken to involve local people and young people, what we'll see is just an importation of people to build the power station and then, five years later, they'll leave the island and they won't leave anything behind in that regard. Now, when it comes to training and that infrastructure, that's your responsibility—that's Welsh Government's responsibility—so, what are you doing to ensure that those things are going to be in place now so that, if the decision, or when the decision, is given by the UK Government, you stand ready and everyone stands ready from a local authority level onwards to ensure that this is a maximal opportunity for the local economy and not some kind of imported construction jobs?

[161] **The First Minister:** Well, one of the things that's happened is that there is an employment and skills brokerage pilot that's been taken forward by the North Wales Economic Ambition Board. What that seeks to do is to make the connection between skills provision and commercial investment, and to make sure that the local workforce has an opportunity to acquire those skills. Horizon have agreed a trial of that pilot in 2017–18. The terms of reference for the pilot are being discussed at the moment, so that is one element of skills training that is being taken forward in conjunction with Horizon. They understand. Some of the people they will need will have specialist skills, but they understand that this is a project—*[Inaudible.]* This is a community where skills in the nuclear industry have been present for a long time. They're not trying to replicate something from the start, but it is important, and Coleg Menai have shown the way, that we're able to maximise the opportunities available to local people.

[162] **Ann Jones:** Okay. Huw.

[163] **Huw Irranca–Davies:** Thank you. First Minister, I wonder: have you had sight of the same representations that we've had on community energy? I declare an interest as a Co-operative Party as well as Labour Assembly Member, but this is coming from across particularly north Wales, as well, about the issue of the increase in business rates on community hydro compared to, for example, community windfarms, and so on. It's been seen as very prejudicial against community hydro schemes, when we know the potential that there is in Wales. So, I'm just wondering what response you have to that and whether this has come across your attention at the moment.

[164] **The First Minister:** It hasn't, I have to say, but it has now. What I'd like to see is some examples of where that has happened. It's not designed that way—it's not designed to be difficult, in terms of community hydro, but it would be interesting for me to see some examples of where that's happened in order for us to try to understand the situation and see what we can do to help.

[165] **Huw Irranca–Davies:** Right.

[166] **Ann Jones:** Okay. Simon, again—I'm being generous today. Go on.

[167] **Simon Thomas:** Roeddwn i'n **Simon Thomas:** I was going to ask mynd i ofyn y cwestiwn yma yn nes this question later on, but, as Huw ymlaen, ond, gan fod Huw Irranca Irranca has raised this issue, I

wedi codi'r mater, rydw i newydd dderbyn ddoe llythyr gan gwmni Ynni Ogwen, sydd yn un o'r cwmnïau cymunedol yma sydd wedi cael ei ddefnyddio gan y Llywodraeth fel enghraifft wych o sut mae datblygu ynni o'r dŵr yma yng ngogledd Cymru. Maen nhw'n dweud bod codiad trethi busnes wedi golygu codiad iddyn nhw o 280 y cant. Mae gen i hefyd restr fan hyn o'r holl gwmnïau ynni hydro yng Nghymru a'r codiadau trethi busnes maen nhw wedi'u hwynebu. Mae'n amrywio, ond maen nhw i gyd o gwmpas 200 y cant—rhai yn 448 y cant a rhai hyd at 900 y cant o godiad mewn trethi busnes.

[168] Beth mae'n ei olygu, wrth gwrs, yw bod yr elw a oedd yn mynd yn ôl i'r gymuned leol nawr yn mynd i'r cyngor mewn trethi busnes ac i Lywodraeth Cymru, ac yn dinistrio holl bwynt datblygiad ynni cymunedol. Gan fod hwn yn gyfan gwbl yn eich dwylo chi—mae gyda chi un rhan o'r Llywodraeth sy'n hybu ynni cymunedol ac mae gyda chi ran arall wedyn sy'n cosbi ynni cymunedol drwy'r codiadau yma. Mae Llywodraeth yr Alban wedi diddymu'r codiadau trethi busnes ar gyfer cynlluniau ynni cymunedol, ac wedi gosod yn eu lle ryddhad trethi busnes ar gyfer ynni hydro yn fwy eang. Felly, mae'n ymddangos i mi fod yna broblem fan hyn, bod dwy ran y Llywodraeth ddim yn plethu gyda'i gilydd. Chi yw'r Prif Weinidog—jest camwch mewn a

received a letter yesterday from the Ynni Ogwen company, which is a community company that's been used by the Government as an exemplar of hydro energy developments in north Wales. They say that the increase in business rates has entailed a 280 per cent rise in their rates. I also have a list of all hydro energy companies in Wales and the increases that they've faced, and they're all around 200 per cent—some were 448 per cent and some were even 900 per cent.

What it means, of course, is that the profit that used to go back to the local community now goes to the council in business rates and to Welsh Government, negating the entire point of community energy developments. As this is completely within your control—you've got one part of the Government promoting community energy and another part of the Government penalising them through these rates. The Scottish Government have actually got rid of business rates increases for community hydro schemes, and have replaced them with rates relief for hydro energy more widely. So, it appears to me that there's a problem here, that the two arms of Government aren't working together. You're the First Minister—just step in and sort it out.

sortiwch fe mas.

[169] **Y Prif Weinidog:** Wel, mae yna dystiolaeth gryf yna sydd wedi cael ei chynnig gan yr Aelod—os allaf i ei gweld yn ysgrifenedig, byddai hynny'n help. Wedyn, wrth gwrs, o beth mae ef wedi'i ddweud, mae yna rywbeth yna i mi ei ystyried wrth gofio'r pwynt mae ef wedi'i wneud ynglŷn ag adrannau'r Llywodraeth, bod nhw ddim yn yr un lle. Os gallaf i gael y dystiolaeth, mi wna i ystyried y dystiolaeth honno i weld beth allwn ni ei wneud i helpu'r sefyllfa.

The First Minister: Well, there is strong evidence there that has been given by the Member—if I could see it in written form, that would be of help. From what he's said, of course, there is something there for me to consider, bearing in mind the point that he's made about Government departments, that they're not in the same place. So, if I could get that evidence, I will consider that evidence to see what we can do to help that situation.

[170] **Ann Jones:** Okay, thank you very much. Can we move on to the Well-being of Future Generations (Wales) Act 2015? I think, John, you've got a question on this.

[171] **John Griffiths:** Diolch yn fawr, Cadeirydd. First Minister, I think it's fair to say that there's been a great deal of support for the Well-being of Future Generations (Wales) Act 2015 and, indeed, a deal of excitement around it, but also questions as to what the practical results would be on the ground. Obviously, some people were reserving judgment as far as its value as a piece of legislation is concerned until those results on the ground became apparent. We're now over two years forward from the passing of the Act. In terms of the economy, are you able to tell us how that Well-being of Future Generations (Wales) Act 2015 has shaped the Welsh Government's approach to developing the economy of Wales?

[172] **The First Minister:** Yes, I can give some examples of what has happened so far. Wylfa is one example of that, because our approach to Wylfa Newydd has been founded on the principles that are in the Act. All of our efforts in respect of the project are founded on a series of key principles that read across directly to the Act itself. If we look at tourism, the 'Wales We Want by 2050' report, which was completed as part of the development, of course, of the Bill, as it was at that time, recognises the importance of strengthening our national identity and to promote things such as tourism. Tourism is a way of strengthening our national identity—as is sport, for that matter.

[173] Another example I can give is in advanced materials and manufacturing, where our objectives are all aligned to the Act itself. One of the sector's objectives is the work they do to promote manufacturing as a more attractive career choice, to attract high-calibre talent and to break down barriers in terms of gender imbalance as well. That work aligns with the goals that are contained in the Act itself. So, the approach that we take in all that we do as a Government is governed by the Act itself and, of course, we have a commissioner to make sure that we are adhering to the Act.

[174] **John Griffiths:** Given the time span involved, First Minister—we're now two years down the track—that's not a great deal of time, really, in governmental terms, I know. Do you think that, from here on, we're going to see a strengthening of, and more obvious examples of the effect of the Act in economic development terms? Would you expect that to accelerate now, in the period to come, after the two-year period that we've experienced?

[175] **The First Minister:** Yes, I would, and the fact that we have a commissioner who can offer us advice impartially is hugely important. Because, when the Bill was first proposed, one of the issues that had to be wrestled with was, 'Well, it sounds nice; what does it mean? How can we turn it into something that has meaning?' That was done, of course, through the development of the Bill, and subsequently the Act, but now, of course, it's building on what the Act actually says to make sure that it guides what we do in the future. There are some examples there already of where that's already happened.

[176] **Ann Jones:** Okay. I'm going to take licence as the Chair just to ask you one question around this. Part of, I think, the ethos of the Act is to connect communities through sustainability and resilient infrastructure, and also through promoting Wales—you know, looking outwards and promoting Wales across the world, basically. Will you consider looking at the creative industries—the industries of film and of film technology—to help young people to be able to experience what's happening, and to share their experiences, so that we can build that resilience—*[Inaudible.]*—to promote Wales and the good stuff in Wales? Without the young people on board, I think the future generations Act may sort of just prop the piano leg up.

[177] **The First Minister:** The fact it says 'future generations', really, says that it's something that we should be aware of.

[178] **Ann Jones:** Well, that's right, but unless we use them—.

[179] **The First Minister:** Creative industries—I mean, an incredible growth area, creative industries, for us. Traditionally, over the years, we were quite often used for location shooting, but what's happening now is we're seeing far more post-production and, of course, studio work, whether it's Pinewood, Bay, Dragon, BBC. But also we know how much money location filming can put into a local economy; adding, of course, on top of that the skills that are available through the studios in post-production. This is an industry that's going to grow and grow, it seems to me. We've established ourselves as a centre for production, and that is something that we can take forward in the future. If we look more generally, one of the things that we've been wrestling with is: we're good in many areas, but where are we world leaders? It's surprising. In the conversations that I've had, one of the areas where we're world leaders is in insurance and the provision of insurance, and, secondly, compound semiconductors. We have to use our world-class position in those sectors in order to move them forward to hold that position, but also, of course, to make sure that other sectors aspire to place themselves in the same category. In doing that, we look to provide a better future for our young people and help to satisfy the requirements of the Act.

[180] **Ann Jones:** Bethan.

[181] **Bethan Jenkins:** Byddwn i'n cytuno â hynny, ac rydw i wedi codi gyda Ken Skates yn y gorffennol y ffaith bod angen i ni roi mwy o *incentive* i gwmnïau o wledydd eraill i ddod yma. Er enghraifft, efallai eu bod nhw'n mynd i—. Rwyf i wedi ffeindio mas bod pobl yn mynd i wledydd fel Awstralia yn lle dod i Gymru i ffilmio, o wledydd fel India, oherwydd eu bod nhw'n cael mwy o help gyda chostau ffilmio neu bod toriadau yn cael eu rhoi i'w helpu nhw i ffeindio lleoliadau cyfleus. Gyda mynyddoedd fel sydd gyda ni yma yng Nghymru, yn enwedig yng Ngogledd Cymru, rwy'n credu ei bod yn bwysig ein bod ni'n helpu

Bethan Jenkins: I would agree with that, and I have raised this issue with Ken Skates in the past—the fact that we need to give more of an incentive to companies from other countries to come here. For example, maybe they are—. I've found out that people are going to countries like Australia instead of coming to Wales to film, from countries like India, because they have more help with the costs of filming, or they get cuts given to them to help them find locations. With the mountains that we have in Wales, particularly in north Wales, I think it's important that we help companies to come here. So, could you explain how you are being

cwmnïau i ddod yma. Felly, a oes modd i chi esbonio sut yr ydych chi'n bod yn *proactive*, yn mynd i wledydd eraill, yn helpu cwmnïau i ddod i ffilmio yma, fel bod hynny wedyn yn dod yn rhan o'r cynllun twristiaeth? Er enghraifft, yng Ngwlad yr Iâ, maen nhw'n mynd yno i weld lle mae *Game of Thrones* wedi cael ei ffilmio. Rydym ni eisiau ennyn twristiaeth yn sgil y ffaith bod ffilmiau newydd yn cael eu gwneud yma.

proactive in terms of going out to other countries and helping companies to come here to film, so that that becomes part of the tourism plan? For example, in Iceland, they go there to see where *Game of Thrones* was filmed. We want to draw in tourists in wake of the fact that films are made here.

11:15

[182] **Y Prif Weinidog:** Sawl peth. Yn gyntaf, i ddechrau: beth na allwn ni ei wneud ar hyn o bryd yw rhoi *incentives* ynglŷn â'r system drethi. Yn hanesyddol, beth mae Ynys Manaw wedi bod yn llwyddiannus yn gwneud yw'r ffaith eu bod nhw'n gallu rhoi help i bobl ynglŷn â'r trethi maen nhw yn eu talu. Nid yw'r pŵer yna gyda ni ar hyn o bryd. Yn y pen draw—wel, mae hynny yn rhywbeth i ni ei ystyried ynglŷn â pha fath o drethi a ddylem ni gael rheolaeth drostyn nhw.

The First Minister: There are a number of points there. First of all, what we can't do at present is to give incentives in the tax system. Historically, what the Isle of Man has been very successful in doing is assisting people with the taxes that they have to pay. We don't have those powers at present. Ultimately, perhaps it's something we could consider as regards what kind of taxes we could control.

[183] Un o'r pethau, wrth gwrs, mae pobol yn edrych am yw sgiliau. Beth sydd wedi newid ynglŷn â Chymru dros y blynyddoedd yw, ar un adeg, roedd pobl yn dod—. Os ewch chi'n nôl 25 mlynedd, roedd buddsoddiad yn dod i Gymru achos y ffaith ein bod ni'n tsiêp—roedd pobl yn cael eu talu llai nag yn unrhyw le arall yng ngorllewin Ewrop. Wel, nid felly rŷm ni'n moyn bod nawr. Nid oedd sgiliau

Another thing that people look at are skills, of course. What has changed in Wales over the years is that, at one time, about 25 years ago, investment came to Wales because we were cheap—we were paying people less than anywhere else in western Europe. Well, that's not how we want to be now. Skills weren't important; now, skills are everything, and investors look to ensure that there is

yn bwysig; nawr sgiliau yw popeth, ac mae buddsoddwyr yn edrych i sicrhau bod yna ffrwd o sgiliau ar gael iddyn nhw er mwyn eu bod nhw'n gallu bod yn llwyddiannus. Nid ydym ni'n gallu cystadlu'n ariannol gyda phobl—fe wnaeth Aston Martin sôn am hynny—ond beth rŷm ni'n gallu ei gynnig, ynglŷn â gweithio gyda Llywodraeth sydd ar y stepen drws, yw sicrhau bod y sgiliau ac yn y blaen gyda ni—dyna beth sy'n bwysig.

[184] Ym mha ffordd ym ni'n creu'r sgiliau hynny? Rŷm ni'n gwybod bod y colegau addysg bellach yn ystyried hyn ar hyn o bryd. Rwy'n gwybod yn bersonol beth y mae Coleg Caerdydd a'r Fro yn ei wneud ynglŷn â chynnal sgiliau i'r diwydiannau creadigol. O achos hynny, rŷm ni wedi cael stiwdios yn agor lan achos eu bod nhw'n hyderus eu bod nhw'n gallu cael y sgiliau sydd eisiau arnyn nhw.

[185] Y rhan arall o'r llun yw beth rŷm ni'n ei wneud i fynd mas i werthu Cymru. Mae yna swyddfeydd gyda ni dros y byd. Mae yna rywun gyda ni yn Nghaliffornia ar hyn o bryd—maen nhw yn San Francisco nid yn Los Angeles. Rŷm ni yn defnyddio'r actorion sydd gyda ni, er mwyn, wrth gwrs, sicrhau bod pobl yn gwybod am Gymru. Roedd yr Ewros y llynedd yn help mawr. Fe wnaethon nhw'n fwy nag y gallai unrhyw wleidydd ei wneud ynglŷn â chodi proffil Cymru. So, ar hyn o bryd, byddwn i'n dweud ein bod ni yn y sefyllfa orau rŷm ni

a source of skills available for them in order to ensure that they could be successful. We can't compete financially with people—Aston Martin mentioned that—but what we can do, in terms of working with the Government, is to ensure that the skills and so on are available, and that's what important.

How do we create those skills? We know that the further education colleges are considering this at present. I know personally what Cardiff and Vale College is doing as regards providing skills for the creative industries. Because of that, we have had studios opening up because they're confident that we have the skills that they need here.

Another part of the picture is what we are doing to go out to market Wales. We do have offices across the world. We have offices in California—they're in San Francisco, not in Los Angeles. We use the Welsh actors that we have, of course, to ensure that people know about Wales. We had the Euros last year; that was a great help. They did more than any politician could do to raise Wales's profile. So, at the present time, I would say that we are in the best position that we've ever been in, in terms of profile. The challenge now,

wedi bod ynnddi erioed. Yr her nawr, wrth gwrs, yw sicrhau ein bod ni'n adeiladu ar hynny.

of course, is ensuring we build on that.

[186] **Bethan Jenkins:** Yr ail gwestiwn ar sgiliau sydd gen i yw rhywbeth rydym ni'n ei drafod ar y pwyllgor rydw i'n ei gadeirio ar hyn o bryd, sef sgiliau yn y maes newyddiaduriaeth. Rydym ni wedi gweld bod papurau newydd yn cau, rydym ni wedi gweld bod dirywiad mewn plwraliaeth, ac rydym ni wedi gweld bod safleoedd gwe *hyperlocal* yn datblygu, ond, er enghraifft, yn fy ardal i—ac eraill ar y pwyllgor yma—mae'r *Port Talbot Magnet* wedi cau yn ddiweddar oherwydd nad ydyn nhw wedi gallu cynnal hynny.

Bethan Jenkins: The second question on skills I have is something that we're discussing on the committee I chair: skills in journalism. We've seen that newspapers are closing, we've seen that deterioration in plurality, and we've seen that hyperlocal websites are developing, but, for example, in my area—and the area of others on this committee—the *Port Talbot Magnet* has closed recently because they haven't been able to sustain that.

[187] Felly, mae nifer o bobl wedi dod gerbron y pwyllgor yn gofyn am ryw fath o help busnes i ddechrau busnes o ran newyddiadura. Maen nhw'n dweud eu hunain nad ydyn nhw'n feistri yn y maes yma. Maen nhw'n newyddiadurwyr; nid ydyn nhw'n bobl busnes. Pa fath o help ychwanegol efallai y gallai Llywodraeth Cymru ei roi i newyddiadurwyr sydd efallai wedi cael eu diswyddo gan bapur sydd wedi cau ond sydd am ddefnyddio'r sgîl hynny er mwyn creu newyddion cynhenid o Gymru am Gymru a'r byd?

So, a number of people have appeared before the committee asking for some kind of business assistance to start a business in terms of journalism. They say themselves that they're not experts in this area. They're journalists; they're not businesspeople. What kind of additional help could the Welsh Government provide to journalists who perhaps have been made redundant by a paper that's been closed but who want to use those skills in order to create Welsh news about Wales and the world?

[188] **Y Prif Weinidog:** Wel, fe fydden nhw'n cael yr un chwarae teg ag unrhyw un arall yn y byd busnes, os oes gyda nhw gynllun busnes sydd yn gadarn, wrth gwrs. Rŷm ni'n moyn

The First Minister: Well, they would be given the same opportunity as anybody else in the business world, if they have a robust business plan, of course. We want to ensure that there

sicrhau bod yna fwy o ffynonellau newyddion ar gael yng Nghymru. Mae'n wir i ddweud bod y byd yn newid ynglŷn â newyddion. Mae yna gwmp ynglŷn â nifer y bobl sydd yn darllen papur newydd, ac mae hynny'n mynd i barhau yn y pen draw—nid ydw i'n gweld hynny'n newid. Ond, wrth gwrs, bydd pobl wedi hynny yn dechrau cael eu manylion o ffynonellau digidol. Mae WalesOnline wedi bod yn llwyddiannus ynglŷn â gwneud hynny, er bod cwmp wedi bod yn y nifer sy'n darllen papurau newydd, ac mae'n hollbwysig bod pobl yn cael rhywle lle maen nhw'n mynd er mwyn cael newyddion o Gymru. Un o'r pethau rŷm ni wastad wedi'i ofni, wrth gwrs, yw os byddem ni mewn sefyllfa lle byddai pobl yn ffaelau cael newyddion am Gymru er eu bod yn byw yng Nghymru.

[189] Dros y blynyddoedd nesaf, beth fyddwn i'n moyn gweld wrth bobl yw dod lan â chynlluniau busnes newydd, *novel*, mewn ffordd, achos ni fyddai cefnogi papur newydd yn gweithio, yn fy marn i, achos mae papurau newydd yn dechrau cwmpo—ond ynglŷn â'r byd digidol, ynglŷn â sicrhau bod yna newyddiaduraeth dda ar gael i bobl—. Un o'r pethau sy'n digwydd yn America, wrth gwrs—yn sôn am *fake news*—yw bod yna gynnydd wedi bod yn y niferoedd sy'n darllen yn ddigidol y *New York Times* a'r *Washington Post* er mwyn eu bod nhw'n gallu darllen rhywbeth lle mae

are more news sources available in Wales. It's true to say that the world is changing as regards the way people receive news. There's been a decrease in the numbers of people reading newspapers, and I'm sure that that trend will continue—I don't see it changing. But, of course, people get their news from digital sources. WalesOnline has been very successful in doing that, although there has been a reduction in the number of newspaper readers, and it's all-important that people have news from Wales. One thing we've always been concerned about is that they would be in a position where they couldn't actually receive news of Wales and from Wales although they reside in Wales.

Over the next few years, what we would like to see is people coming forward with new, novel business ideas and plans, because supporting a newspaper wouldn't work, in my view, because of the decline in readership—but as regards the digital world, and ensuring that there is good journalism available for people—. One of the things that's happened in America—talking about fake news—is that there's been an increase in the number of people reading the *New York Times* and the *Washington Post* digitally, because they can read some kind of analysis. It's difficult at the moment, in the

yna ryw fath o *analysis* yn digwydd. world of journalism.
Mae'n anodd ar hyn o bryd, yn y byd newyddiaduraeth.

[190] **Bethan Jenkins:** Jest teilwra'r gefnogaeth, rwy'n credu, sydd ei angen, oherwydd roedd y *Caerphilly Observer* wedi dweud iddo gael rhyw fath o gefnogaeth gan Business Wales, ond nid hon oedd y gefnogaeth roedd e ei hangen, ac felly mae angen cael rhyw fath o gyngor unigryw iddyn nhw, a dyna, rwy'n credu, sydd yn rhywbeth, efallai, i Lywodraeth Cymru edrych mewn iddo yn y dyfodol.

Bethan Jenkins: Just tailoring support, I think, is what's needed, because the *Caerphilly Observer* said that it did get some kind of support from Business Wales, but it wasn't the support that it needed, and therefore we need some kind of unique advice for them, and I think that's something that the Welsh Government could look at in the future.

[191] **Y Prif Weinidog:** Mae hynny'n bwynt cryf, ac felly beth wnaif i, os gallaf i, yw ysgrifennu'n ôl at y Cadeirydd ynglŷn â hynny. Rydw i'n credu y byddwn i'n moyn ystyried hynny'n fwy manwl, wrth gofio'r ffaith bod y byd newyddiaduraeth yn newid yn gyflym a byddwn i'n moyn sicrhau bod yna ddigon o gefnogaeth ar gael i'r rheini sydd eisiau symud ymlaen i greu ffynonellau newydd o newyddion yn y pen draw.

The First Minister: That's a strong point. What I will do, if I may—I'll write back to the Chair and study this in greater detail, bearing in mind the fact that the role of journalism is changing very quickly. I would wish to ensure that there is sufficient support for those who want to proceed to create new sources of news ultimately.

[192] **Ann Jones:** Okay, thanks. We've moved into skills, so I'll move to Dai. You've got a set of questions on skills.

[193] **Dai Lloyd:** Ie, diolch yn fawr, Gadeirydd. Fel Cadeirydd y pwyllgor iechyd, yn naturiol, rydw i'n mynd i sôn am yr elfen o angen sgiliau i hybu'r genhedlaeth nesaf o weithwyr yn y maes, hynny yw gweithwyr yn y gwasanaeth iechyd a gwasanaethau gofal cymdeithasol hefyd, yn enwedig

Dai Lloyd: Yes, thank you very much, Chair. As Chair of the health committee, naturally, I'm going to talk about the element of requiring skills to promote the next generation of workers in the field: health workers and social care workers, particularly post Brexit. We all know

ar ôl *Brexit*. Rydym ni gyd yn deall bod yna ganran eithaf sylweddol o'n gweithwyr yn y gwasanaeth iechyd—nyrsys, meddygon ac ati—yn dod o du allan i ffiniau Prydain, ac, ar hyn o bryd, rydym ni'n brin o 400 o feddygon teulu yma yng Nghymru fach ac mae yna 40 y cant o swyddi gwag ymysg ein harbenigwyr ni yn ysbytai Cymru, felly rydym ni'n wynebu her sylweddol ar hyn o bryd, cyn i ni fod yn sôn am adael Ewrop.

[194] Nawr, mae'r pwyllgor iechyd, fel y byddwch chi'n gwybod, rwy'n siŵr—yn ddiweddar, rydym ni wedi cynhyrchu adroddiad ar recriwtio meddygol, ond mae'r un un math o argymhellion yn berthnasol i nyrsio a gyrfaoedd tebyg. Mae yna sawl ffynhonnell sy'n rhaid mynd ar eu holau. Yn y lle cyntaf, mae'r angen i ysbrydoli ein pobl ifanc i feddwl am iechyd a gofal cymdeithasol fel gyrfa, yn y lle cyntaf, ac yn ein hadroddiad ni rydym ni'n gofyn am ysgogi gwaith yn ein hysgolion ni o du'r ysgolion meddygol, yn y lle cyntaf, ond o ffynonellau eraill hefyd, i ysgogi ymwybyddiaeth bod yna yrfa lewyrchus, aeddfed a gwerthfawr allan fan yna yn ein gwasanaeth iechyd ni. Nid yw hynny wastad yn glir i bobl, ac rydw i'n credu bod eisiau cryn dipyn o hwb ar y weledigaeth yna i wneud yn siŵr ein bod ni yn gallu ysbrydoli'r genhedlaeth nesaf.

[195] Yn y cyd-destun yna, wrth gwrs, ar hyn o bryd, nid ydym ni jest

that quite a substantial proportion of our workers in the health service—nurses, doctors et cetera—come from outside of British borders. We're 400 GPs short at the moment in Wales, and 40 per cent of jobs amongst our specialists in Welsh hospitals are vacant. So, we're facing a significant challenge at the moment before we even mention leaving Europe.

Now, I'm sure you will know that the health committee recently produced a report on medical recruitment, and those kind of recommendations are relevant to nursing and similar careers. There are a number of sources that we should pursue. Firstly, we need to inspire our young people to think of health and social care as a career in the first place, and in our report, we ask that work should be carried out in our schools from the medical schools in the first place, but other sources too, to raise awareness that there is a mature, prosperous and valuable career available in our health service. But that's not always clear to people, and I think we need quite a bit of promotion of this vision in order to ensure that we can inspire the next generation.

In that context, of course, at present, we just don't produce a sufficient

ddim yn cynhyrchu digon o feddygon yma yng Nghymru. Un o'r argymhellion eraill yn yr adroddiad yma ydy'r angen i agor ysgol feddygol yn y pen draw yma ym Mangor. Byddwch chi'n gwybod, ers datganoli, rydym ni wedi cael ysgol feddygol newydd yn Abertawe, i fynd efo'r un yng Nghaerdydd, ond hyd yn oed pe bai'r ddwy ysgol feddygol sydd gyda ni rwan yn cynhyrchu pob meddyg yn dod o Gymru i fod yn feddyg yng Nghymru, nid ydy hynny'n dal yn ddigon i ddiwallu'r angen am feddygon yng Nghymru. Dyna pam mae eisiau ysgol feddygol arall yma yn y gogledd. Ond hefyd, fel rhan o hynny hefyd, rydym ni'n gwybod, tra bod y ganran ar hyn o bryd o fyfyrwyr meddygol yn ein dwy ysgol feddygol ni—mae yna lai na 30 y cant yn dod o Gymru. Hynny yw, mae gennym ni ddwy ysgol feddygol yng Nghymru, ond llai na 30 y cant o'r myfyrwyr sydd yn yr ysgolion hynny—dim ond 30 y cant, a llai, sy'n dod o Gymru i'w gymharu efo ysgolion meddygol yn—dywedwch, yn Lloegr, mae 80 y cant a mwy o'u myfyrwyr yn dod o Loegr, a'r un peth efo'r Alban: 55 y cant. Felly, os ydy'r gwledydd eraill yma'n gallu sicrhau bod canran llawer uwch o'u disgyblion mwyaf disglair nhw'n gallu dod yn fyfyrwyr meddygol yn eu gwlad eu hunain, pa waith rydych chi'n credu y gallwn ni fynd i gael gafael arno fo i wneud yn siŵr bod y canrannau o fyfyrwyr meddygol sydd gyda ni yn y ddwy ysgol feddygol ar hyn o bryd yn gallu cael eu cynyddu'n

number of doctors in Wales. Another recommendation in our report is the need to open a medical school here in Bangor. As you know, since devolution, we've had a new medical school in Swansea, in order to match the one in Cardiff, but even if both of those current medical schools ensured that every doctor coming from Wales remained in Wales, it would still not be enough to meet the need for doctors in Wales. That's why we need another medical school here in north Wales. But also, as part of that, we know that whilst the percentage of medical students in our two medical schools—of those, fewer than 30 per cent come from Wales. That is, we have two medical schools in Wales, but fewer than 30 per cent of the students hail from Wales, compared to medical schools in, let's say, England, where 80 per cent and more of their students hail from England. It's the same in Scotland: the figure there is 55 per cent. So, if these other countries can ensure that a much higher percentage of their most brilliant pupils or students become doctors in their own country, what kind of work do you think can be done to ensure that the percentages of medical students we have in both medical schools at present can be significantly increased in order to meet the need? But, at the end of the day, we do need a facility here in north Wales in order to generate and produce more medical students.

sylweddol i fynd i ateb y gofyn? Ond, ar ddiwedd y dydd, mae angen cyfleuster yma yn y gogledd hefyd i fod yn cynhyrchu rhagor o fyfyrwyr meddygol wedyn.

[196] Ar ddiwedd y dydd, yn nhermau sgiliau meddygol a nyrsio, a ydych chi'n cytuno ar y ffordd yna ymlaen? Achos yn y bôn, mae eisiau cael gafael ar yr argyfwng yma sydd gyda ni wrth staffio ein gwasanaeth meddygol—nyrsio, ysbytai, a hefyd gofal cymdeithasol. Mae'r un math o bethau'n plethu i mewn i'r gyrfaeodd yna i gyd: yr angen i ysbrydoli'r genhedlaeth nesaf, ond hefyd yr angen i ddarparu digon o lefydd hyfforddiant hefyd.

[197] **Y Prif Weinidog:** Sawl peth yn fanna: wrth gwrs, rydym ni'n dal yn ystyried y sefyllfa ynglŷn â Bangor: a fyddai e'n bosib i gael ysgol feddygol ym Mangor. Wrth gwrs, un o'r pethau byddai'n rhaid i ni ei ystyried yw a ydyw e'n ymarferol i gael ysgol feddygol mewn ardal sydd â llai o bobl na'r ysgolion meddyginiaeth eraill sydd ar gael yn y Deyrnas Unedig. Mae hynny'n rhan o'r ystyriaeth sy'n cael ei wneud. Nid yw hynny wedi cael ei orffen eto, felly nid wyf wedi gweld unrhyw fath o adroddiad eto ynglŷn â hynny. Mae hynny'n dal i fynd.

[198] Rwyf wedi clywed wrth bobl, ac rwyf wedi gweld enghreifftiau lle mae yna fyfyrwyr o Gymru heb gael lle mewn ysgolion meddygol yng

So, at the end of the day, in terms of medical and nursing skills, would you agree with that approach and that way forward? Because, basically, we need to address the crisis that we have in staffing our health service—nurses, hospitals, and social services. All of that is intertwined in those careers—the need to inspire the next generation, but also the need to provide sufficient training places.

The First Minister: Several things there: of course, we're still considering the situation in terms of Bangor, and whether it would be possible to have a medical school in Bangor. Of course, one of the things that we'd have to consider is whether it's practical to have a medical school in an area that has far fewer people than the other medical schools in the UK. That will be part of the consideration being made. That hasn't been completed yet, so I haven't seen any kind of report yet about that. That's still ongoing.

I have heard from people, and I have seen examples where students from Wales haven't been able to get a place in Welsh medical schools, but

Nghymru, ond wedi cael cynnig o ysgolion meddyginiaeth yn Lloegr— rhai ohonyn nhw rwy'n adnabod, ac maen nhw'n blant galluog dros ben. Mae hi fel bod rhyw fath o feddylfryd wedi cael ei greu nawr nad yw hi'n bosib mynd i ysgolion meddyginiaeth Cymru o Gymru. Nid oes tystiolaeth gadarn gyda fi ynglŷn â hynny, ond rwyf wedi clywed a gweld hynny. So, rwy'n credu ei bod yn hollbwysig bod hynny'n newid, bod yr ysgolion yn gwneud yn siŵr bod yr agwedd hynny'n cael ei newid. Mae hynny'n hollbwysig, i ddechrau.

[199] Wrth gwrs, nid oes yr un gwasanaeth iechyd ar draws y byd sy'n gallu parhau heb eu bod yn recriwtio o rywle arall. Rydym ni wedi bod yn llwyddiannus o ran recriwtio, yn enwedig gyda hyfforddi, yma yng Nghymru. Nid yw hynny'n meddwl, wrth gwrs, nad oes yn rhaid inni hyfforddi mwy. Rwy'n deall hynny. Ond nid yw'n bosib, yn fy marn i, hyfforddi 100 y cant o'r doctoriaid sydd yn dod mewn i Gymru.

[200] Mae yna heriau ynglŷn â Brexit. Mae 5 y cant o'n doctoriaid ni yn dod o wledydd eraill yr Undeb Ewropeaidd. Unwaith eto, nid wyf yn mo'yn yr agwedd i gael ei greu lle byddai doctoriaid yn dweud, 'Peidiwch â mynd fanna achos mae ffÿs, nid oes pwynt, achos mae'n rhwyddach mynd i Ffrainc neu'r Almaen neu i Iwerddon.' Ni fyddai hynny o'n plaid ni.

have had offers from medical schools in England—some of them I know, and they are very bright students. It is almost as though there is some kind of mindset being created that it's not possible to go to medical school in Wales if you're Welsh. I don't have any robust evidence about that, but I've heard and seen that. So, it's vital that that changes, and that the schools ensure that that attitude is changed. That's very important, at the outset.

Of course, there's not one health service across the world that can continue without recruiting from other places. We've been successful in terms of recruitment, particularly in terms of training, here in Wales. That doesn't mean, of course, that we don't have to train more. I do understand that. But it's not possible, in my opinion, to train 100 per cent of the doctors who come into Wales.

There are challenges in terms of Brexit. Five per cent of our doctors come from other EU countries. Once again, I don't want an attitude created where doctors would say, 'Don't go there because there's a fuss, it's pointless, it's easier to go to France or Germany or Ireland.' That would not be in our favour.

[201] Un o'r pethau y mae'n rhaid i'r proffesiwn ei ystyried, yn fy marn i, yn enwedig ynglŷn â meddygon teulu, yw'r ffaith bod mwy a mwy o bobl eisiau gweithio fel *locums*. Nid ydyn nhw'n moyn bod yn llawn amser. Nid wy'n gweld bod *locums* mewn ysbyty yn rhywbeth sydd yn wendid, achos y ffaith taw dyna'r ffordd y mae rhai pobl eisiau gweithio. Nid ydynt yn ddoctoriaid ail reng—dyna'r ffordd y maen nhw'n dewis gweithio.

One of the things that the profession has to consider, in my opinion, in terms of GPs, is the fact that more and more people want to work as locums. They don't want to be full time. I don't see that locums in hospitals are a weakness, because of the fact that that's the way people want to work. They are not second-rate doctors—that's the way that they've chosen to work.

[202] Yr her arall i feddygon teulu yw'r ffaith bod llai a llai o'r rhai newydd sy'n dod mewn i'r proffesiwn eisiau prynu mewn i bractis—maen nhw mo'yn bod ar gyflog. Ac, wrth gwrs, mae yna gonsŷrn wedyn gyda'r doctoriaid sydd wedi prynu i mewn i bractis a fyddan nhw'n cael rhyw fath o arian yn ôl. Rwy'n deall hynny. Ond, unwaith eto, nid wyf yn ei weld yn wendid nad yw pobl eisiau prynu i mewn i bractis er mwyn bod yn ddoctoriaid, ond eu bod nhw'n mo'yn bod ar gyflog.

The other challenge for GPs is the fact that fewer and fewer of the new ones coming into the profession want to buy into a practice—they want to be salaried. And, of course, there is a concern among doctors who have bought into a practice as to whether they will get any return. I understand that. But, again, I don't see it as a weakness that people don't want to buy into a practice in order to be doctor, but they want to be salaried.

[203] Mae'r byd yn newid. Rydym yn niwtral ar hwn. Nid ydym o blaid un model na'r llall. Bydd y model contractwyr yn rhan bwysig o weithredu yn y pen draw. So, mae yna sawl peth fanna i ni eu hystyried fel Llywodraeth, ond hefyd, wrth gwrs, i'r proffesiwn i'w hystyried yn y pen draw.

The world is changing. We are neutral on this. We are not in favour of one model or the other. The contractor model will be an important part of the action we take ultimately. So, there are several things for us to consider as a Government, but also for the profession to consider at the end of the day.

[204] **Dai Lloyd:** Diolch am hynny. Jest un pwynt bach—yr elfen bwysicaf

Dai Lloyd: Thank you for that. Just one minor point—the most important

yn hyn oll ydy gwneud yn siŵr ein bod ni'n gallu hyrwyddo'r genhedlaeth nesaf, fel rydych wedi crybwyll, a'r gwaith yn ein hysgolion ni, rwy'n credu. Mae'n bwynt rydym yn gwneud yn yr adroddiad yma, sef bod angen i'n hysgolion meddygol ni ac eraill—hynny yw, y gwahanol gymdeithasau meddygol ac ati—fynd i mewn i'n hysgolion ni i'w gwneud hi'n glir i'n pobl ifanc ni ei bod hi'n berffaith bosib dod yn feddyg, bod yn nyrs, bod yn *physiotherapist*, neu fod yn beth bynnag rydych chi eisiau bod. Achos, ar hyn o bryd, fel rydych chi wedi crybwyll eisoes, mae yna ryw fath o feddylfryd nad ydym ni'n ddigon da, o gymharu efo pobl sy'n dod allan o ysgolion bonedd Lloegr pan mae'n dod i gyfweiliad meddygol. Ni ddylai hynny fod. Mae angen hyfforddi ein pobl ifanc ni i fod jest mor hyderus ac unrhyw un arall mewn cyfweiliad meddygol, ac nid jest bryd hynny, wrth feddwl bod yn feddyg—mae angen trefnu am flynyddoedd cynt, i wneud yn siŵr bod y CV yna'n llenwi lan efo pethau sydd yn berthnasol i brofiad meddygol a nyrsio yn y dyfodol. Felly, mae yna gryn dipyn o waith i'w wneud i allu ysbrydoli ein pobl ifanc ni i fod yn feddygon a nyrsys y dyfodol.

[205] **Y Prif Weinidog:** Rwy'n credu bod hynny'n iawn. Un o'r pethau sydd efallai wedi newid—pan oeddwn i yn yr ysgol, os oedd rhywun yn dda mewn gwyddoniaeth, meddyginiaeth oedd y safon aur. Roedd pawb yn

element in all of this is to make sure that we are able to promote the next generation, as you've just said, and to focus on the work in our schools. It is a point that we make in our report, that we need our medical schools and others—that is, the various medical associations and so on—to go into our schools to make it clear to our young people that it is perfectly possible to be a doctor, to become a nurse, to be a physiotherapist, or to become whatever you want to be. Because, at the moment, as you've already mentioned, there is some kind of mindset that we're not good enough compared with people who come out of the English public schools when it comes to the medical interview. That shouldn't be the case. We need to train our young people to be just as confident as anybody else at a medical interview, and not just then, when deciding to become a doctor—it takes years of preparation to fill that CV with experiences relevant to becoming a doctor or a nurse in the future. So, we do need to do a lot of work to inspire our young people to become doctors and nurses in the future.

The First Minister: I think that's right. One of the things that has changed is—when I was in school, if someone was good in science, medicine was the gold standard. Everybody wanted to become a doctor because that was

mo'yn bod yn feddyg achos bod hynny'n cael ei ystyried fel rhywbeth a oedd yn werthfawr iawn. Mae yna fwy o gystadleuaeth nawr. Mae'r byd digidol yn rhoi cyfleon. Mae cyfrifiadureg yn rhoi cyfleon, wrth gwrs, i bobl ifanc—lle, ar un adeg, efallai y bydden nhw wedi mynd i mewn i feddyginiaeth neu ddeintyddiaeth, nawr mae opsiynau eraill gyda nhw.

considered as something that was very valuable. There is more competition now. The digital world offers opportunity. Computing gives opportunities to young people—where, at one time, perhaps they would have gone into medicine or dentistry, now they have other options.

[206] So, mae yna bwynt, rwy'n credu, ynglŷn â dweud efallai y dylai'r ysgolion meddyginiaeth ystyried ym mha ffordd y gallan nhw hybu eu hunain a nid meddwl, 'Wel, felly, mae pobl yn mynd i ddod atom ni'.

So, there is a point there, I think, in terms of saying that, maybe, the medical schools should consider how they can promote themselves and not just think, 'Well, people are going to come to us'.

11:30

[207] Mae'n rhaid inni fynd mas a dweud wrth bobl beth yw e. Ac, wrth gwrs, mae meddygaeth yn radd sydd yn cael ei ystyried fel gradd sydd yn anodd—ac mae e, a dylai fe fod. Mae yna lot o waith. Ar un adeg, roeddwn i'n byw mewn tŷ yn llawn o fyfyrwyr meddygaeth. Roedden nhw'n gweithio yn galed dros ben. Ond hefyd dweud, 'Wel, mae'n anodd, ond mae pobl yn ei wneud e'. Gyda rhywun sydd â'r gallu i'w wneud e, maen nhw'n gallu ei wneud e. Rwy'n credu weithiau bod pobl yn meddwl, 'Wel, meddygaeth, mae hynny'n anodd dros ben, so, felly, mae cyfrifiadureg, y byd digidol, peirianeg'—sydd wedi dod yn fwy poblogaidd dros y blynyddoedd. Nawr yw'r amser efallai i feddygaeth

We have to go out there and tell people what it is. Of course, medicine is a degree that is considered to be very difficult—and it is, and it should be. There's a lot of work. At one stage I lived in a house full of medical students, and they worked very hard indeed. But also say, 'Well, it's difficult, but people do it'. When someone has the ability to do it they can do it. I think some people think, 'Well, medicine, that's very difficult, therefore computer science or the digital world or engineering', which has become more popular over the years. Now is the time, perhaps, for medicine to say, 'Well, we can't just depend on people coming to us. We have to go out there and tell people and spread the word about what

feddwl, 'Reit, wel, rydym ni'n ffaelu medicine is, and explain to young jyst dibynnu ar bobl sydd yn mynd i people what they need to do, and ddod atom ni drwy'r amser. Mae'n then, of course, what we can get out rhaid inni fynd mas a dweud wrth of the profession as well.'

bobl beth yw meddygaeth—esbonio i blant beth sydd eisiau iddyn nhw i'w wneud, ac wedyn, wrth gwrs, beth y gallwn ni ei gael mas o'r proffesiwn hefyd.'

[208] **Ann Jones:** Jayne, on the health service.

[209] **Jayne Bryant:** Thank you, Chair. I think it's important—following on from Dai's question—that we show young people that there are exciting jobs within the NHS, and rewarding jobs at that, but I think it's also important that we develop the skills of those going into the NHS and saying that there's a role for those more experienced NHS workers to, sort of, pass on their skills before they retire. I think that's something we should be looking at, and also to try to keep that skilled workforce, and perhaps looking to make them work a little bit more flexibly before they leave. I just wonder if you could expand on what the Government's doing to look at those workers nearing the end of their career in the NHS.

[210] **The First Minister:** It's an interesting idea. I'm a great fan of people going into schools and explaining what they do to youngsters. Careers advisers can go so far, but there's no better way of explaining how a profession works than for it to be explained to people by those who are in it. That's something for us to ponder on—how do we better use the skills of those in a particular profession in order to inspire the generations that are to come after them? If I could consider that and write to the committee in terms of how we might look to encourage that, and if I could approach it in that way, then that's what I'll do.

[211] **Jayne Bryant:** Thank you.

[212] **Ann Jones:** Okay. David.

[213] **David J. Rowlands:** I think, First Minister, that we're all mindful of the fact that, for some decades now, vocational education has been seen as somehow inferior to other modes of further education. What steps is the Welsh Government taking to tackle this now outdated view of

apprenticeships?

[214] **The First Minister:** Referring back to 1999 again, those of us who were there will remember the education and training action group, and, at that stage, the principle sought to be established was parity of esteem between the academic and the vocational. It wasn't possible, to my mind, for it to happen at that point because there was still such a rigid division between schools and FE colleges. Those divisions have broken down over the years. In some parts of Wales, of course, tertiary education is the norm. In other parts of Wales, there are vocational courses—the BTECs or other qualifications—being delivered through schools now. So, youngsters aren't forced to make a decision as to whether to go to college or stay in school; they can study vocational subjects in school. I think that's the key to it. Now, he and I will have a different view on what I'm about to say, but part of the problem was grammar schools and what happened in the post-war settlement, where there was a rigid division. The idea was that there would be grammar schools, technical schools and secondary moderns, and they would all be the same, but they weren't in reality. The 11-plus ruled, as far as a child's future was concerned. We've gone away from that, but, of course, then we still had a situation where we had comprehensives and technical colleges. That division was there, and that's blurred over the years, and that's something that I very much welcome.

[215] **David J. Rowlands:** Well, I wouldn't agree with you on the rigid situation with regard to secondary and grammar schools in that I moved from a secondary to a grammar school myself. But we've heard, worryingly, in the Economy, Infrastructure and Skills Committee that schools are reluctant to promote apprenticeships over traditional further and higher education routes. Now, given that this is a very crucial moment in a pupil's decision making as to where they're going to take their careers, what can the Welsh Government do to change this—if you'll forgive the pun—school of thought?

[216] **The First Minister:** Well, first of all, we judge schools not according to the results that they produce alone but the education that they offer generally to students. We measure schools according to what they add to a student's education. I can only offer the example that I've seen in the school my son is in, where there are a number of vocational subjects that are made available post 14, between 14 and 16 at key stage 4, delivered in that school through the medium of Welsh, and there is no difficulty in that school in terms of the mixture between BTECs and GCSEs. I think that's important—to

break down the barriers between different qualifications. If you have vocational subjects delivered in what is traditionally seen as an academic setting, you help then to create that parity of esteem that has eluded Governments for so long.

[217] **Ann Jones:** It's quite interesting that David went from a secondary modern school up to a grammar school. I went the other way. [*Laughter.*] But there we go. So, it shows that it's not always the way. I've got two people—is it on skills? Yes, it's on skills. Then David wants one on apprenticeships, don't you? So, John on skills.

[218] **John Griffiths:** In terms of parity of esteem, First Minister, I think one encouraging thing is that I think there's much stronger collaboration, co-operation and joint working between further education and higher education. In Newport, for example, there's a proposal to relocate Coleg Gwent to a city-centre campus on University of South Wales Newport campus land so that they would take forward much of their work jointly together. Would you see that as one way of showing that parity of esteem can be effectively addressed, building progression routes from FE to HE in a very effective way?

[219] **The First Minister:** Yes, but I'm also aware of how controversial this can be. People, schools particularly, are attached to their sixth forms and feel that, if they lose their sixth forms, they're losing an important part of what they are. We've seen that happen across Wales. But, yes, in principle, it has to be right that the more seamless the transition is between post-16 and post-18, the better it is. One of the reasons why FE colleges have looked at delivering degree courses is because, quite often, they will have students there who lack the confidence to travel further and go to a university. For them, the setting is right in terms of taking things forward, building their own confidence and building towards a degree and achieving a degree. So, it has to be right in principle that the more seamless the transition—and if that means a new building—. I speak generally now, not specifically, so it's not seen as Welsh Government involvement in any decision in the future, but it has to make sense that the more seamless the provision, the easier it is for the student.

[220] **John Griffiths:** Just to make clear, Chair, that it doesn't necessarily involve a tertiary system—it's relocation in terms of what the current infrastructure is for education in Newport. It's a physical relocation, but it wouldn't affect sixth forms.

[221] **The First Minister:** Well, again, there's been a blurring in the past few years of course provision between FE and HE. The division is not set in stone. Yes, of course, HE have very high-level postgraduate courses that they would deliver, they have research that's important, but it doesn't mean that the boundaries necessarily have to be that rigid. Universities are different in terms of the way they're structured. I understand why they do it—they protect the status that they have. Universities are a hugely important part of our economy. That doesn't mean that we can't look at ways of making the transition more seamless between FE and HE.

[222] **Ann Jones:** Okay. Russell.

[223] **Russell George:** Like you, First Minister, I'm a fan of professions going into schools to talk to students and young people, and that includes businesspeople as well going into talk about being self-employed as a positive life option as well. Do you think that students in schools get independent careers advice now?

[224] **The First Minister:** Yes, I think they do, but there is a limit to how far that advice can go. When I was at school, careers advice tended to come from PE teachers who had reached a certain age, which I have probably at this stage—they therefore offered careers advice. The careers advice that I had in school was basically that there are only five subjects worth doing in university, if that's where you're going. The world is broader than that now. That was the general view at the time. My parents had the same views, so it was hardly anything unusual. I think it's a combination. Careers advisers know where to look and know where to direct and know how to tailor advice, but there's no substitute for listening to somebody who's actually been there. I think it's particularly true in business. What I've seen over the years with the development of young entrepreneur schemes, the development of competitions every year, where schools help to develop businesses, is that that's helped us to create a generation now that's far more entrepreneurial in practice than ever it was in the past.

[225] Again, when I was in school, the idea that somebody would set up their own business would have been seen as madness, because why would you do that when you've got these options in front of you that are far more secure? We never lacked entrepreneurial flair; it's just that we lacked the structure to actually put it into place. What I've seen now with young people is that they're far more willing to take a risk, and far more willing to set themselves up in business and make a go of it. A lot of that is to do with the

fact that the structure around encouraging that talent has changed for the better over the years.

[226] **Russell George:** And do you think Careers Wales needs to be scrapped, have additional resource, or neither?

[227] **The First Minister:** Well, we want to make sure that there's a proper system in place for careers advice. These are issues that are under constant consideration.

[228] **Ann Jones:** Okay. David, we're going to move on to apprenticeships, and I know you've got a specific on apprenticeships.

[229] **David Rees:** I'll keep it to one question. The apprenticeship levy—the tax, basically, introduced by the Westminster Government on major companies employing people with a turnover of about £3 million. There are many companies in Wales paying this and basically seeing it as a tax that they get no returns for. What discussions is your Welsh Government having with those companies to look at how they can benefit from development and training, and building apprentices as a consequence? If I understand it, that levy goes to the Treasury and comes back to the Welsh Government as part of the block grant, and not necessarily hypothecated for any particular training or apprenticeship development. So, how are you working with those companies who are paying this levy—many tens and hundreds of thousands of pounds for some of them—to ensure that they're able to benefit from apprenticeships and are taking that forward?

[230] **The First Minister:** Detailed employer guidance has been published that provides detail on individual apprenticeships and how to access them. We have established a team of apprenticeship levy managers. We've had over 200 inquiries from employers indicating an interest in recruiting apprentices, so we know that the interest is there. It's too early to say yet, given the fact that it's only been in place for, what, three months, to see what the impact will be. We don't agree with it in the first place; we're clear about that. We don't think it achieves what it's meant to achieve. It appears to me to be more of an employment tax than creating a fund of money that genuinely involves promoting apprenticeships. There are better ways of doing it.

[231] In terms of who we are talking to at the moment, we are talking to some of the public sector employers—some devolved, some non-devolved—and those discussions are ongoing individually with employers or via the

Confederation of British Industry to see how we can try to make the scheme work for them, even though it's not a scheme we would have put in place.

[232] **Ann Jones:** Okay, thank you. I'm going to conclude the major part of the meeting now, and I'm going to move on very briefly to our next item, which is just topical questions.

11:43

Sesiwn Graffu ar Waith y Gweinidog: Materion Amserol Ministerial Scrutiny Session: Topical Matters

[233] **Ann Jones:** There are three Members who have indicated. So, Bethan first.

[234] **Bethan Jenkins:** Yes, I wanted to ask a topical question based on the impact on jobs in the arts sector in relation to the report out recently on Literature Wales. You would have seen that Damian Walford Davies provided a damning view of the report, saying that it was a misunderstanding and a misrepresentation of Literature Wales and that the report was a disgrace and injurious to the sector. This was a report by Medwin Hughes. I wondered whether you had a response to this, given that it's actually caused quite a bit of a conflict in quite a small sector here in Wales, and whether I could understand when the Government are going to be responding to this report that your Cabinet Secretary, Ken Skates, commissioned, and when we can see some sort of solution to this issue. When Ken Skates came to my committee and spoke about this, he was lauding the fact that 800 people had responded to this particular consultation, more than many Government consultations. So, I think, with that in mind, there will be quite some interest in the response, and so I'm wanting to see what progress you've made since these comments have been made—quite vocally, I should say—in the national media here in Wales.

[235] **The First Minister:** I'm aware of the comments. Over the years, one of the things I've noticed is that it's a small sector but comments can often be quite strong when they're made. Look, we'll consider all the comments that are made as part of our response. There's no date yet, as far as I'm aware, in terms of when that response will be delivered, but we'll consider all the comments that are made, including the consultation responses and comments, clearly, that are made publicly.

[236] **Ann Jones:** Okay, thanks. David.

11:45

[237] **David Rees:** Thank you, Chair. As you know, steel is very important to me and my constituency, and this week we've seen the UK Government's Ministry of Defence highlight the fact that it's going to purchase steel from Sweden for its latest naval ships, and not necessarily from the UK. I think there is an important aspect there. What discussions are you having with the Prime Minister, and will you remind her that, in fact, there's a British steel industry that should be supported or defended by the UK Government? I appreciate the Welsh Government's support, but, if the UK Government's going to continue to actually undermine it by going elsewhere, it's not going to be very helpful.

[238] **The First Minister:** No. That's true. The—*[Inaudible.]* We look to frame the tendering process in terms of procurement, as far as we are concerned, as much as we can, to ensure that we are able to give Welsh businesses a fair opportunity to compete. I'll put it no more strongly than that. It's for the UK Government to explain why they took the decision that they did, but it seems to sit uncomfortably with the idea that we look to sustain and provide jobs in our own local communities. I don't know whether they'll say it was a specific type of steel they were after or not, but we do know that one of the points that was made when the difficulties arose at Tata was that we needed to have a strategic steel industry in order, at the very least, to provide the materials we needed for our own defence sector. This seems to cut across what was being said then.

[239] **David Rees:** Well, will you remind her, when you meet her, that one of the actions that the Welsh Government has taken is to look at the investment in research into the steel sector and how we can actually make such steel, and that is being done here, so that she can actually come to the UK industry for that specialist steel?

[240] **The First Minister:** Yes. Research is hugely important. We are aware, of course, of Swansea University's success and interest in that regard. Again, more needs to be said, to my mind, by the UK Government in support of the steel industry. I have to say that, when David Cameron was Prime Minister, he was supportive. I'd say that about him. He was supportive. He was supportive vocally, he was supportive behind the scenes, and he was taking action—and Sajid Javid the same, actually, I've got to say. That seems to have drifted. The

sense that we get is that it drifts, and a kind of lack of interest now because it's assumed that the steel sector is secure forever and a day. No industry is ever in that position, so I think it is important that the UK Government is more vocal in terms of supporting the steel industry.

[241] **David Rees:** Can I just add—

[242] **Ann Jones:** Nick, on this point.

[243] **David Rees:** —more than more vocal. He needs to do something.

[244] **Ann Jones:** On this point, Nick.

[245] **Nick Ramsay:** Yes. Again, that's really concerning if that support that was offered before for the steel industry has drifted. So, I am pleased that the Welsh Government is liaising—well, will be liaising—with the UK Government on this. I know procurement's a huge issue. You mentioned the problems of balancing the tendering process on the one hand with making sure that Welsh firms get the contracts. What work is being done there to give a local weighting? I know that, in the past, I've been involved with a firm in Chepstow—an engineering firm—that was very pleased at the feedback it had from the Welsh Government when it was applying for public contracts, but it found it very difficult to compete with the larger firms, particularly at the early stage of the procurement process. So, is there a greater degree of local weighting given these days?

[246] **The First Minister:** Beyond that, there are two things, to my mind, that can be done. Yes, you can take it so far in terms of the way that the rules are framed in terms of weighting, but there are two other things that have proven to be successful over the years, particularly, but not exclusively, in the food sector. The first one is to get businesses in the same field to work together so that they're able, combined, to provide the kind of service that's required. What we saw in the food sector—. I remember years ago, we were looking at getting Welsh beef into the NHS. The problem was that there was no-one who could do it in Wales. There was nobody who could supply day in, day out, week in, week out, month in, month out. That was resolved by working with companies in the field, so that, together, they could provide that supply. Secondly, of course, it's important that public authorities are able to construct contracts in such a way that they can perhaps be broken down in order to give smaller companies the ability to bid for parts—what will be parts of contracts rather than one large contract. It tends to be more

expensive, but that doesn't mean it shouldn't be done. One of the issues that I came across when I was rural affairs Minister was people forever saying to me, 'Well, you see, the French—they take no notice at all of the Official Journal of the European Union', or procurement, was nothing—[*Inaudible.*] Well, actually, they did. But what they did was, instead of having a school meals contract, there was an onion contract, a potato contract—all perfectly legal but below, then, the limit at which there had to be an open tendering process. So, there was nothing wrong with what they were doing, it's just that they were cleverer. Now, that's shaped our thinking over the last few years, and what we've seen is, of course—we've seen far more success in local procurement over the past few years, particularly in the public sector, through being innovative in the way that the contracts are offered, are tendered, but also innovative in terms of working with businesses so that they can work together to be successful in obtaining contracts, where, working on their own, they'd struggle because of their size.

[247] **Nick Ramsay:** More onion contracts.

[248] **The First Minister:** Well—. [*Laughter.*]

[249] **Ann Jones:** Okay. We're not going to go into that. I've got three more topical questions that have been indicated. I'm taking no more after the three, because we are now getting close to the time limit. So, I've got John Griffiths, Huw Irranca-Davies, and Simon Thomas. So, short questions please, and perhaps short answers.

[250] **John Griffiths:** Yesterday's announcement of the inward investment by CAF, the Basque company, into Newport, is very welcome, First Minister. I wonder if you could say briefly whether Welsh Government will ensure that some of the further advantages that could flow from that, in terms of attracting further inward investment, and making sure that local companies, supply chain, and so on, benefit from the investment, take place.

[251] **The First Minister:** That's an important part of the discussions that we've been having. It's exciting news, because this is a first for us. This is a sector that, traditionally, has not been represented in Wales. They've seen Wales, they've seen Newport, as an ideal place for them to come. They see the UK as a place for growth for the products that they'll be producing there in the future, and there's potential there for more jobs to be established. We want to make sure that the skills pipeline is there, that as many of those jobs are available to local people, and also, of course, that the supply chain is

robust.

[252] **Ann Jones:** Okay. Thank you. Huw.

[253] **Huw Irranca-Davies:** Thank you, Chair. My topical question goes right back to the beginning, and it's really to do with how much the announcement yesterday on the Bill will inhibit the ability of Welsh Government and other Governments around the UK to get on with not only routine business, but also radical thinking of the type we need to deliver things like the future generations and well-being Act. So, for example, issues such as producing a network of the infrastructure for an electrified fleet of cars and transport—or whether it's energy efficiency, driving up to the scale that we want. Do you worry that, because of the announcement yesterday, it will simply overwhelm both the civil service in Wales, but also the ability of Government Ministers to think, 'Where should we be in five years', 10 years', time?

[254] **The First Minister:** No, it won't overwhelm our civil servants. Yes, it is a challenge, because, fundamentally, governments are there to deliver public services, but, in the background, sits Brexit. And it's an important issue, and hugely important that it's got right. But one thing I can assure Members is that it doesn't sit there at the expense of areas of delivery—manifesto delivery, as far as we're concerned—and dealing with some of the issues that he's described. In terms of electric cars, that's a huge growth area, potentially, in the future. We have to make sure that our automotive industry is—forgive the pun—geared up for it, because we don't want to end up with an automotive industry that is still dealing with internal combustion engines at a time when the world is moving towards electric. So, we need to be part of that technology. We need a network of places where people can charge their cars. Part of the problem at the moment is that there's no consistency. Different cars have different sockets, and it's all quite—. As somebody who drives a hybrid, the reality is that, in most places, I can't hook up. That will have to be resolved in the future as it was with video recorders years ago. At this stage, there's no one model that works for all cars.

[255] But the overall point is quite simply this: are we in a position where Brexit is dominating to the extent that we are not focused on public service delivery? The answer to that is 'no'. Public service delivery remains the most important thing in our minds.

[256] **Ann Jones:** Okay. Thank you. Finally, Simon Thomas.

[257] **Simon Thomas:** Diolch, Dirprwy Lywydd. Ac, wrth gwrs, un o'r penderfyniadau mwyaf rydych chi wedi'i gwneud fel Cabinet yn ystod y flwyddyn neu ddwy diwethaf oedd y penderfyniad i beidio â rhoi gwarant i gefnogi cynllun Cylchffordd Cymru ym Mlaenau Gwent. Heb fynd yn ôl i'r rhesymau dros hynny nawr, rwyf jest eisiau edrych ar beth mae hwn yn ei ddweud ynglŷn â phethau yn mynd ymlaen, achos, yn deillio o hynny, mae dau beth. Yn gyntaf oll, mae gyda ni yn y Pwyllgor Cyllid ddiddordeb gwybod beth yw *implications* y penderfyniad yna, o ran defnyddio technegau ariannu mewn ffordd ddyfeisgar, os liciwch chi, gan eich bod chi wedi penderfynu bod rhoi arian neu warant yng nghyd-destun Cylchffordd Cymru yn *on book*, fel mae'n cael ei ddisgrifio. Mae hwnnw efallai yn gwestiwn o ran dulliau eraill o ariannu a chefnogi cynlluniau wrth fwrw ymlaen.

[258] So, y cwestiwn cyntaf yw: a ydych chi wedi edrych, felly, dros y portffolio, ar y rhychwant o waith sydd gyda chi a phrosiectau tebyg sydd gyda chi fel Llywodraeth, gan sicrhau nad yw'r broblem yma'n mynd i godi mewn cyd-destun arall? Yr ail gwestiwn sy'n deillio o hynny yw penderfyniad y Llywodraeth wedyn—nid fel cwmni preifat, ond y Llywodraeth ei hunan—i fuddsoddi £10 miliwn y flwyddyn dros 10 mlynedd ym Mlaenau Gwent yn y

Simon Thomas: Thank you, Deputy Presiding Officer. Of course, one of the biggest decisions that you have taken as a Cabinet during the past couple of years was the decision not to give a guarantee to support the Circuit of Wales in Blaenau Gwent. Without going back over the reasons for that, I just want to look at what it tells us about how things will go forward, because, arising from that, there are two issues. First of all, in the Finance Committee, we're interested in learning what the implications of that decision will be for using financial mechanisms in an innovative way, if you like, because you've decided that giving money or a guarantee in the context of the Circuit of Wales would be 'on-book', as it's described. And there is perhaps a question then in terms of alternative methods of funding schemes in proceeding forward.

So, my first question is: have you looked, over the portfolio, at the range of work that you have and similar projects that you have as a Government to ensure that this problem doesn't arise in another context? And the second question arising from that is the Government's decision subsequently—not as a private company, but the Government itself—to invest £10 million a year over 10 years in Blaenau Gwent in the automotive

maes *automotive*, gobeithio, yn fodern, fel rydych chi newydd ateb i Huw Irranca-Davies, ond fe wnaeth Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol gadarnhau wrth y Pwyllgor Cyllid yr wythnos diwethaf bod yr arian yna—arian cyfalaf—a nad oedd yn arian newydd, ond yn arian a oedd yn dod, yn y lle cyntaf, o gyllideb Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith, sydd yn gofyn y cwestiwn o ble, felly, rydych chi'n mynd i ddwgyd yr arian yna—efallai bod 'dwgyd' yn air rhy gryf. O ble rydych chi'n mynd i ddwyn a mynd â'r arian yna o rhywle arall tu fewn i'r portffolio hwnnw? A ydych chi'n gallu rhoi ateb heddiw ynglŷn â'r ddau beth yna?

[259] **Y Prif Weinidog:** Wel, ynglŷn â'r ail beth, wrth gwrs, mae yna gyllideb gan y Gweinidog ei hunan, ac, wrth gwrs, mae fe yn ystyried pob blwyddyn lle dylai'r arian yna fynd ac yn ystyried prosiectau blwyddyn ar ôl blwyddyn. Yr ymrwymiad rŷm ni wedi'i wneud, wrth gwrs, yw sicrhau bod yr arian, yn y pen draw, ar gael i'r prosiect hwn—arian sydd lan i nawr heb wedi cael ei roi i unrhyw brosiect arall. Yn gyntaf, wrth gwrs, mae'r cwestiwn o *on balance sheet* ac *off balance sheet* yn rhywbeth rŷm ni wastad yn ei ystyried. Gyda'r prosiect hwn, roedd yn anarferol iawn. Beth roeddem ni moyn oedd sicrhau ein bod ni'n siarad gyda'r cwmni, ein bod ni'n gallu ystyried beth roedden nhw ei wneud, ond, ar ddiwedd y dydd, ar ôl ystyriaeth fanwl, roedd yn

field, hopefully in a modern way, as you've just replied to Huw Irranca-Davies, but the Cabinet Secretary for Finance and Local Government confirmed to the Finance Committee last week that the capital funding was available, and it wasn't new funding, but it came from the Cabinet Secretary for the Economy and Infrastructure in the first place, which then asks the question of from where are you going to pinch that money? Perhaps 'pinch' is too strong a word. Where are you going to actually get that money from, and take it from somewhere else in that portfolio? Can you give a response today on those things?

The First Minister: Well, in terms of the second one, the Minister has his own budget and he considers every year where that money should go and considers projects year on year. The commitment that we made is to ensure that the money will be available for this project—funding that hasn't been given yet to any other project. First of all, of course, the question of on balance sheet and off balance sheet is something that we always consider. With this project, it was very unusual. What we wanted to do was to ensure that we spoke to the company and that we could consider what they were doing, but, at the end of the day, after considering this in detail, it was evident to me and also to the Cabinet that there was too much risk,

amllwg i mi a hefyd i'r Cabinet bod y risg yn ormodol. excessive risk.

[260] **Simon Thomas:** A ydych chi hefyd yn hyderus nad yw'r problem yn mynd i godi mewn cyd-destun arall sy'n debyg o ddigwydd?

Simon Thomas: And are you confident that the problem won't arise again in a different context?

[261] **Y Prif Weinidog:** Wel, ie, mas o'r gwaith oedd wedi codi erbyn nawr. Y ffordd mae'r system yn gweithio yw, mae'r ONS, os ydyn nhw'n penderfynu rhoi'r penderfyniad i Eurostat, nid ydyn nhw'n gallu rhoi ateb i chi nes ar ôl i'r contractau gael eu harwyddo. Erbyn hynny, wrth gwrs, mae'n rhy hwyr. Dyna beth yw'r broblem. So, mae'n rhaid i chi fod yn hyderus iawn nad oes risg ar y dechrau yn lle bod rhywun yn dweud, 'Wel, efallai bod yn risg', neu 'Mae yna fwy o risg', achos erbyn hynny mae'n rhy hwyr. So, gwnaethom ni ystyried hynny i gyd a gwnaethom ni'r penderfyniad yna. Mae'r penderfyniad yna yn mynd i aros. Os oes yna strwythur arall yn cael ei gynnig, os oes yna brosiect arall, wrth gwrs, rŷm ni wastad yn agored i weld ym mha ffordd gallwn ni ystyried unrhyw fath o brosiect yn y dyfodol.

The First Minister: Well, yes, because of the work that's gone on before now. The way the system works is that the ONS, if they decide to give the decision to Eurostat, they can't give you an answer until after the contracts are signed. By then, of course, it's too late. That's the problem. So, you have to be very confident that there's no risk at the outset instead of someone saying, 'Well, maybe there is a risk', or 'There's more risk', because by then it's too late. So, we considered that and we made that decision. The decision is going to remain. If there is another structure that's proposed, and if there is another project, then, of course, we're always open to see in what way we can consider any kind of project in the future.

[262] **Ann Jones:** Okay. I'm having no more now because we're going to finish on time. So, thank you very much. That brings the public part of our meeting, I think, to a close. I want to thank the First Minister and his officials, and, as usual, we'll send you a transcript to check for accuracy. I also want to thank the public gallery, and I hope they found it interesting. I know it's only just a snapshot of the work that does go on in committees. I want to thank the staff of the management centre and also the university for accommodating us. As a committee, we don't travel lightly because we have

to bring technicians with us and security and police. I want to say thank you to all of those people who travel with us when we go out and about. I think it's important that we do. And there's one person I did want to make reference to who isn't actually in the hall at the moment, but we'll put it on record anyway: Inspector Ian Mckenzie. This is his last public engagement as support in committees. He retires within the next week, so I wanted to say thank you to him.

[263] **Simon Thomas:** He's in the back.

[264] **Ann Jones:** He's in the back. Is he sitting down? All right, okay. I wanted to say thank you very much. Thank you very much for all your support and help over the time you've been with us looking after the committee. So, thank you all very much.

11:58

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd
o'r Cyfarfod**

**Motion under Standing Order 17.42 to Resolve to Exclude the Public
from the Meeting**

Cynnig:

Motion:

*bod y pwyllgor yn penderfynu that the committee resolves to
gwahardd y cyhoedd o weddill y exclude the public from the
cyfarfod yn unol â Rheol Sefydlog remainder of the meeting in
17.42(vi).*

*accordance with Standing Order
17.42(vi).*

Cynigiwyd y cynnig.

Motion moved.

[265] **Ann Jones:** And then if the committee can now agree, under Standing Order 17:42, we'll go into private session. Okay, thank you. So, we've moved that. So, if we could just have the public gallery cleared, that would be great. Thank you.

Derbyniwyd y cynnig.

Motion agreed.

*Daeth rhan gyhoeddus y cyfarfod i ben am 11:59.
The public part of the meeting ended at 11:59.*