

## **Economic Development and Transport Committee Report under Standing Order 9.9: April 2005 to March 2006**

### **Introduction**

1. The Economic Development and Transport Committee is one of the Assembly's seven subject committees. This report is made under Standing Order 9.9 which requires subject committees to report to the Assembly from time to time on their progress in fulfilling their forward work programme. This report covers the activities of the Committee from April 2005 to the end of the spring term 2006.

### **Membership of the Committee**

2. The current members of the Committee are: Chris Gwyther (Chair), Leighton Andrews, Alun Cairns, Andrew Davies (Economic Development and Transport Minister), Janet Davies, Alun Ffred Jones, Carl Sargeant and Kirsty Williams.

3. Tamsin Dunwoody, Lisa Francis and Elin Jones were also members of the Committee from April 2005 until 25 Jan 2006.

### **The Committee's Remit**

4. The Committee's remit is based on the portfolio of the Minister for Economic Development and Transport which currently embraces:

- Innovation and enterprise;
- Industrial policy and business support;
- Inward investment, promotion of indigenous companies and regional development;
- Transport;
- Energy;
- Tourism;
- Strategic co-ordinating responsibility for ICT;
- Structural Funds.

5. This includes oversight of the Welsh Development Agency (WDA) and the Wales Tourist Board (WTB).

### **The Committee's priorities**

6. The Committee's priorities were set out in its Forward Work Programme which was agreed at its meeting on 14 July 2005.

### **Meetings held**

7. EDT held 18 formal meetings in 2005-6. All meetings were held in public.

8. In May 2005 the Committee met in Powys to discuss the Mid Wales economy. The Committee heard the views of public sector bodies in the region on issues facing the economy generally; then discussed issues facing the manufacturing sector with representatives from local companies. A report outlining the Committee's findings was submitted to the Minister for Economic Development and Transport following the meeting.

## **Work and Achievements**

### **SO 9.7(i) - contributions to the development of the Assembly's policies within the fields for which the Assembly Minister is accountable to the Assembly;**

9. The Committee published its report on Economic Inactivity in April 2005. It began its review in December 2003 and took evidence from local authorities, community regeneration organisations, training providers and trade unions as well as undertaking visits to projects. The Committee recognised that the problem of economic inactivity in Wales was complex, and was anxious to undertake a review that would lead to positive action. Consequently, while initially it sought wide-ranging views, it chose to focus its main attention on some key issues. A total of 26 recommendations were put forward and all except one were accepted by the Welsh Assembly Government.

10. The Committee began to take oral evidence for its review of science policy in Wales in October 2005. They decided to undertake the review because science expenditure in Wales lagged significantly behind the rest of the UK, and whilst Wales had well-developed policies to promote innovation, these were of limited value if they were not underpinned by a healthy science base. As this was a complex and wide-ranging issue but one of crucial importance for Wales, the Committee appointed Dr Robin Fears as expert adviser to the review, and enlisted the support of a 'Reference Group' of representatives from a small number of key outside organisations to advise on Terms of Reference and identify organisations to give oral evidence. A written consultation exercise was carried out between August and September 2005 and the Committee finished hearing oral evidence in March. The final report is due to be published in the summer.

11. The Committee has also discussed and commented to the Welsh Assembly Government on a number of economic issues which include: the Energy Route Map; WAVE: Wales a Vibrant Economy; and the Regional Aid Guidelines.

### **SO 9.7(ii) - keeping under review the expenditure and administration connected with their implementation.**

#### **Regular scrutiny of Minister**

12. The Committee regularly scrutinises the Economic Development and Transport Minister who has at each main meeting provided a written report detailing latest developments within his area of responsibility. Discussions of these reports have formed a major part of most meetings.

13. The Committee also receives regular analytical reports on the economy in the form of the Quarterly Economic Report for Wales and the Quarterly Statistical Bulletin and a six-monthly report on the operation of the Regional Selective Assistance scheme.

14. Discussions on the various policy issues referred to under the section above relating to the development of policy also contain an element of scrutiny and these have not been mentioned separately here.

## European Structural Funds

15. The Committee continues to consider it a priority to ensure that maximum benefit is achieved for Wales from the European Structural Funds programmes. It has regular discussions on these with the Economic Development and Transport Minister, as well as receiving regular quarterly reports from the Chief Executive of the Wales European Funding Office and from the Chairs of the Programme Monitoring Committees.

16. The Committee is also concerned about the future of these funds post 2006 and has regularly discussed the Welsh Assembly and UK Government's position on this.

### **SO 9.7(iii) - keeping under review the discharge of public functions in those fields by public, voluntary and private bodies:**

17. The Committee receives regular reports from and holds discussions with the Chair and Chief Executive of the Welsh Development Agency and the Wales Tourist Board. The Committee has considered and commented on both these agencies' strategic plans and also the Minister's priorities for their business planning.

18. Following the First Minister's announcement to merge the WDA and WTB into the Welsh Assembly Government on 14 July 2004, the Committee has regularly scrutinised the Minister on the options for arrangements following the merger as well as on the legal powers and processes required. The Committee has regularly discussed the need for the work of both organisations to maintain a customer focus and meet the needs of business in Wales. They have also raised a number of detailed issues surrounding the transfer of staff and terms and conditions as well as the cost to the Welsh Assembly Government of effecting the merger and supporting the current pension schemes. The Committee also met with the Trade Unions representing staff affected by the merger as well as the CBI and WLGA.

19. In June 2005 the Committee met with representatives of the Department for Transport to discuss the letting process for the Greater Western Franchise. The Committee was concerned that the Welsh Assembly Government had not been consulted prior to the issue of the Invitation to Tender (ITT) document and felt that it did not reflect the Welsh Assembly Government's policies for the development of rail services in South Wales, given that over 60 per cent of peak capacity between Swansea and Cardiff is provided by the Great Western franchise. The Chair wrote to the Secretary of State for Transport setting out the Committee's concerns.

### **S.O. 9.8 – other responsibilities**

#### Legislation

20. The Committee regularly receives a schedule of secondary legislation proposed by the Welsh Assembly Government, from which Members identify any items they consider should be scrutinised by the Committee, and has scrutinised a number of items of secondary legislation this year, mainly associated with the merger of the WDA and WTB into the Welsh Assembly Government.

21. Four Bills were referred to the Committee following the plenary debate in June on the Queen's speech to Parliament. The Committee had already carried out extensive pre-legislative scrutiny of the Draft Transport (Wales) Bill in conjunction with the Welsh Affairs Committee (WAC) and produced a formal report of their conclusions in July 2004. The Clauses relating to the railways in Wales were subsequently removed from the Transport (Wales) Bill following announcement of the UK Government's plans for reorganisation of the railways and publication of the Railways Act 2005. As there were no further changes to the Bill the Committee did not have anything to add to its original report.

22. The Road Safety Bill was considered by the Committee on 28 September 2005 and a report laid before the Assembly on 14 October.

23. In a Cabinet Statement in January 2006 the Minister for Economic Development and Transport announced that the Tourism Accommodation (Wales) Bill had been withdrawn. Proposals would be taken forward in the context of the Government of Wales Bill, once it completes its passage through Parliament.

24. The Committee considered the Legislative and Regulatory Reform Bill on 16 March. Members raised a number of concerns, particularly in relation to the scope of the Bill's powers in conjunction with the Government of Wales Bill, and requested an opportunity for further scrutiny. This is due to take place on 3 May.

25. The Committee has spent an increasing amount of time considering European legislation affecting Wales within the EDT portfolio. So far the Committee has considered and commented on the State Aid Road Map; the Green Paper on Energy Efficiency and the TV without Frontiers revised Directive. In January 2006 the Committee identified priorities for further scrutiny from the European Commission's annual work programme. These will be built into their work programme at the appropriate time.

#### Economic Development and Transport Budget

26. EDT has been closely involved with setting the priorities for the Assembly's economic development budget each year and commented on the Minister's budget proposals for 2005-06.

#### Public Appointments

27. Chris Gwyther and Janet Davies have been the Committee's nominees for public appointments.

28. In March 2006 a motion was passed in plenary which delegated the appointment of a National Assembly for Wales Member to the Rail Passengers' Council to EDT Committee. The Committee subsequently agreed to delegate the decision to a sub-committee of EDT, consisting only of the two Members who are the Committee's nominees on public appointments. The sub-committee is due to meet in April.

**Chris Gwyther**  
**Chair**