

Economic Development and Transport Committee Report under Standing Order 9.9: April 2004 to March 2005

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 2004 to the end of the spring term 2005.

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, Tamsin Dunwoody-Kneafsey, Lisa Francis, Elin Jones, Jenny Randerson and Carl Sargeant.
Chris Chapman, Brian Gibbons and Lynne Neagle were also members of the committee from April 2004 until 25 Jan 2005.

The Committee's Remit

3. 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.

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

The Committee's priorities.

5. The Committee's priorities were set out in its Forward Work Programme which was agreed at its meeting on 7 July 2004.

Meetings held

6. EDT held 16 formal meetings in 2004-5. It also held two formal joint meeting with the Welsh Affairs Committee (WAC) and attended three WAC meetings in London to carry out pre-legislative scrutiny of the Draft Transport (Wales) Bill. The Committee also met jointly with the Environment Planning and Countryside Committee to consider environmental directives in June 2004.
7. The Committee visited Finland in November 2004 to learn more about the provision of childcare in connection with its policy review into economic inactivity. It also looked at Finland's successful application of science and in particular, technology transfer, in connection with its forthcoming review of science policy in Wales.

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;

8. The Committee continued to take evidence on its first policy review into economic inactivity. They agreed previously that economic inactivity is one of the most critical issues facing the Welsh economy. It is also a wide ranging and complex issue and the Committee decided to focus on specific aspects of it. Having taken evidence on some of the barriers to economic activity the Committee took further evidence on issues surrounding transport, health and the impact of low skills. The Committee also considered the responses to its consultation which had been carried between December 2003 and March 2004.
9. The Committee found that cultural and attitudinal changes needed to be made across a wide range of areas and in its report the Committee recommended a number of practical measures which support this. The Committee published its report on 12 April 2005.
10. The Committee has devoted a lot of its time to transport issues during the year and has met representatives of the Strategic Rail Authority, Network Rail, the Office of Rail Regulation and Arriva Trains Wales. In particular it has carried out pre-legislative scrutiny of the Draft Transport (Wales) Bill and scrutiny of the Railways Bill which is covered later in this report. The Committee also contributed to the Welsh Assembly Government's own review of transport policy within Wales.
11. The Committee has taken a keen interest in the dualling of the A465 Heads of the Valleys Road and its impact on investment and economic activity along the Heads of the Valleys corridor. They considered a report from the Bevan Foundation on this and more recently have commented on the Minister's strategy for the Heads of the Valleys – 'Heads-we win'.
12. The Committee has also discussed and commented to the Welsh Assembly Government on a number of economic issues which include: the Wales Spatial Plan, Sustainable Development Action Plan, the future of Regional Selective Assistance, the Broadband Wales Strategy, the National Parks Review and the Review of the Creative Industries. The Committee also considered the implications of the Regional Aid Guidelines review and continues to take a keen interest in developments within the European Commission on this.

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

Regular scrutiny of Minister

13. 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.

14. 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.
15. 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

16. 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.
17. 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:

18. 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.
19. 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 plans to meet shortly with the Trade Unions representing staff affected by the merger as well as the CBI and WLGA.

S.O. 9.8 – other responsibilities

Legislation

20. The Committee has spent an increasing amount of time in this year scrutinising both Primary and Secondary legislation, much of it concerned with the transport portfolio.
21. A major part of this was their joint work with the Welsh Affairs Committee (WAC) on pre-legislative scrutiny of the Draft Transport (Wales) Bill. The Bill would have given the Assembly powers of direction and guidance over the SRA, as well as the power to enter into agreements with the SRA. This was the first time that a National Assembly Committee had worked formally with WAC and followed changes to both the House of Commons and Welsh Assembly rules.
22. The Committee hosted two meetings in Cardiff, inviting Members of WAC to its proceedings and Members attended three WAC meetings in London. The Committees

took evidence on the Bill from a range of organisations as well as the Under Secretary of State for Wales and the Economic Development and Transport Minister.

23. The Committees informally agreed the key issues surrounding the draft Bill and produced separate reports with broadly similar recommendations. This joint approach was recognised as a success by all involved in the process and the Committee hopes it serves as a model for future scrutiny of 'All Wales' Bills.
24. It should be noted that the House of Commons' provision for joint working with WAC only extended to the end of the current Parliament and it is hoped that this arrangement is made permanent in the new Parliament.
25. The Draft Transport (Wales) Bill would have given the Assembly powers of direction and guidance over the SRA, as well as the power to enter into agreements with the SRA. However on 25 November 2004 the UK Government introduced the Railways Bill which implemented the proposals of their White Paper *The Future of Rail* published in July 2004. The Draft Transport (Wales) Bill was amended and the devolved responsibility provided by the rail provisions in it were replaced by the Wales provisions in the Railways Bill. The Committee discussed both Bills with the Minister's officials. It had some concerns, in particular, about the Railways Bill and wrote to the House of Commons Bill Committee, all Welsh MPs, the Secretary of State and the National Assembly for Wales' Minister for Economic Development and Transport. The Railways Bill was subsequently adopted but the Transport Wales Bill did not progress through Parliament before the end of the session. The Committee very much hopes it is revived in the new Parliament.
26. The Committee has also considered and reviewed secondary and European legislation affecting Wales within the EDT portfolio. So far consideration of these has not needed to take up a lot of Committee time, but the Committee considered and commented on the Bus Services Operators Grant and the School Transport Bill. In June 2004 the Committee met jointly with the Environment Planning and Countryside Committee to consider a range of EU environmental directives that were likely to have an impact on business in Wales. In March 2005 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

27. 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 04-05.

Chris Gwyther
Chair