



Cynulliad Cenedlaethol Cymru **The National Assembly for Wales**

Y Pwyllgor Craffu ar Waith y Prif Weinidog **The Committee for the Scrutiny of the First Minister**

Dydd Gwener, 19 Gorffennaf 2013
Friday, 19 July 2013

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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.

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.

Aelodau'r pwyllgor yn bresennol **Committee members in attendance**

David Melding

Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor)

Welsh Conservatives (Committee Chair)

Paul Davies	Ceidwadwyr Cymreig Welsh Conservatives
Ann Jones	Llafur (yn dirprwyo ar ran Kenneth Skates) Labour (substitute for Kenneth Skates)
Elin Jones	Plaid Cymru The Party of Wales
Eluned Parrott	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

**Eraill yn bresennol
Others in attendance**

Carwyn Jones	Aelod Cynulliad, Llafur (Prif Weinidog Cymru) Assembly Member, Labour (The First Minister of Wales)
Michael Hearty	Cyfarwyddwr Cyffredinol, Cynllunio Strategol, Cyllid a Pherfformiad, Llywodraeth Cymru Director General, Strategic Planning, Finance and Performance, Welsh Government
James Price	Cyfarwyddwr Cyffredinol, Yr Economi, Gwyddoniaeth a Thrafnidiaeth, Llywodraeth Cymru Director General, Economy, Science and Transport, Welsh Government

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

Siân Phipps	Clerc Clerk
Richard Johnson	Dirprwy Glerc Deputy Clerk
Graham Winter	Y Gwasanaeth Ymchwil Research Service

*Cynhaliwyd y cyfarfod yn Theatr Stiwt, Rhosllanerchrugog.
The meeting was held in the Stiwt Theatre, Rhosllanerchrugog.*

*Dechreuodd y cyfarfod am 9.43 a.m.
The meeting began at 9.43 a.m.*

**Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introductions, Apologies and Substitutions**

[1] **David Melding:** Good morning, everyone, and welcome to this meeting of the Committee for the Scrutiny of the First Minister. We are delighted to be at the Stiwt in Rhos. It is a building that obviously encapsulates many experiences and astonishing times in terms of the history of this community and the region. It is a particular pleasure that some of us have enjoyed an excellent working breakfast, and I would like to put on record our thanks to the staff for that. Ken Skates AM, the local Member, is here. Ken, we are delighted to be on your patch. Ken would otherwise have been on the committee, but he has been elevated to a greater status, in joining the Government. First Minister, you have deprived us of an excellent Member, who is very keen on scrutiny. [*Laughter.*] However, we have an even—I was going to say ‘even greater’ but I would have got into trouble if I had. Rather, we have someone who matches Ken’s scrutiny abilities fully in Ann Jones. Ann, we are delighted that you are able to

be a Member of this committee. You are our only north Wales Member, and that is very important to us. We were very keen to meet in north Wales for one of our sessions, and I do not think that we could have chosen a better place. I am sure that we will have a productive morning. I remind everyone that these proceedings will be conducted in Welsh and English. When Welsh is spoken, a translation is available. There is an audio broadcast of the meeting, which is going out now, and a transcript of proceedings will also be published. Due to the audio broadcast, I remind people that they must switch off their electronic equipment completely. Please do not leave your devices on 'silent', as that will interfere with our broadcasting equipment. I remind all witnesses and Members that they do not need to touch the microphones; they are operated automatically for us. I will also make the usual housekeeping announcements: we do not anticipate a routine fire alarm test, so, if we hear the alarm, please follow the instructions of the ushers who will help us to leave the building safely.

9.45 a.m.

Prosiectau Seilwaith Mawr yng Ngogledd Cymru—Sesiwn i Graffu ar Waith y Prif Weinidog
Major Infrastructure Projects in North Wales—Ministerial Scrutiny Session

[2] **David Melding:** Before we start with the questions to the First Minister, First Minister, do you want to introduce your team this morning?

[3] **Y Prif Weinidog (Carwyn Jones):** Diolch yn fawr, Gadeirydd. I'm chwith mae James Price, cyfarwyddwr cyffredinol yr economi, gwyddoniaeth a thrafnidiaeth, ac i'm dde mae Michael Hearty, cyfarwyddwr cyffredinol cyllid—a mwy na hynny erbyn hyn; gwn iddo gael teitl newydd ddoe.

The First Minister (Carwyn Jones): Thank you very much, Chair. To my left is James Price, director general for economy, science and transport, and to my right is Michael Hearty, director general for finance—and more than that by now; I know that he was given a new title yesterday.

[4] Mae'n bleser mawr dod yma heddiw i'r Stiwt yn y Rhos, rhywle sy'n hollbwysig i hanes yr ardal hon, ardal lofaol a Chymraeg ei hetifeddiaeth.

It is a great pleasure to come here today to the Stiwt in Rhos, somewhere that is vital to the history of this area, a coal-mining area with a Welsh language heritage.

[5] Os caf, hoffwn ddweud stori fach i ddechrau. Roeddwn ar fy ngwyliau yn Awstria tua thair blynedd yn ôl a phan ddes lawr i frecwast ar y bore cyntaf ffeindiais fod bron pawb yno yn siarad Cymraeg. Parti bws o'r Rhos oeddent, felly cefais gwrdd â llawer o bobl o Rhosllanerchrugog heb erfyn hynny mewn pentref o'r enw Niederau yn Awstria. Roedd hynny'n braf dros ben, er roedd rhaid imi fihafio yn well nag y byddwn efallai gwneud heb gwrdd â nhw.

If I may, I would like to tell a little story to start with. I was on holiday in Austria about three years ago and when I came down for breakfast on the first morning I found that almost everyone there was speaking Welsh. It was a coach party from Rhos, so I met many people from Rhosllanerchrugog without expecting to do so in a village called Niederau in Austria. That was extremely pleasant, although I had to behave better than I perhaps would have had I not met them.

[6] Dyma'r bobl sydd gyda fi, ac rwyf yn ddigon awyddus i dderbyn cwestiynau.

The First Minister (Carwyn Jones): These are the people who are with me, and I am eager now to take questions.

[7] **David Melding:** Thank you, First Minister, and welcome. May I say how grateful we were for the co-operation we had from your office to meet in north Wales? It does take a bit more organising, but I know that you shared our objective fully. It is very important that we

get out of Cardiff occasionally. We are involving the public and I am pleased to see quite a lot of people in the public gallery—a lot more than when we meet in Cardiff, it should be said. We have asked for questions from the public and they came in via Twitter and e-mail and various sources that I am not completely au fait with, but, anyway, we have had an excellent range of questions. It will be my happy duty this morning to put some of those questions that have come directly from the public to you, First Minister. I think, because it has worked so well this morning in terms of the questions that we have had in, that this is a model we will seek to follow in future. I ask Eluned Parrott to start us with the first range of questions.

[8] **Eluned Parrott:** Good morning, First Minister. I wonder whether, by way of introduction, you might be able to outline for us the Welsh Government's top priorities when it comes to economic infrastructure investment in north Wales.

[9] **The First Minister:** There are a number of priorities for us: improving the transport network is one, and improving the telecommunications network is another. Members will have heard me say on many occasions how much importance I attach to the issue of superfast broadband. Also, there is supporting the development of energy, because of the potential flow of income it can provide for many communities, investment in housing and social services, which is clearly important, developing or investing in the educational estate, if I can put it that way, and, of course, developing the enterprise zones.

[10] **Eluned Parrott:** If I can recall your memory to the report that you commissioned from Dylan Jones-Evans into funding for businesses in Wales, he also looked at the funding streams that are available for other kinds of projects. He noted that Wales is under-represented in many UK-wide funding streams. I wonder whether you can tell us what plans you have to engage with such initiatives as the Green Investment Bank to help you drive infrastructure investment for Wales.

[11] **The First Minister:** I met the chief executive of the Green Investment Bank a fortnight ago. We discussed various possibilities in terms of investment in energy projects particularly. However, it is worth reminding ourselves that the UK Government has said that the Green Investment Bank will be given powers to borrow from April 2015—so, we are still almost two years off—subject to public sector net debt falling as a percentage of GDP. That raises the possibility that the Green Investment Bank will only be able to start borrowing when things are improving in terms of the economy. Nevertheless, I met the chief executive and we discussed a number of potential possibilities for the future.

[12] **Eluned Parrott:** Do you think that we have become too reliant on such things as European structural funds for developing infrastructure? Do you think that we ought to be doing more to match structural funds with other funding sources, such as investment from the Green Investment Bank?

[13] **The First Minister:** I think that we do. If you look at the funding sources from the Welsh Government, some of which are supported by European structural funds, we have the SME growth fund, the Wales economic growth fund, the digital development fund and the loans to microbusinesses fund, among others. Structural funds are important to us, because they provide so much money. It would be a financial disaster for us if we did not have access to those European funds and if they were not replaced by something else. However, it would not be correct to say that we are entirely reliant on European structural funds, essential though they are, because we have, as a Government, several funding sources, examples of which I have just given.

[14] **Eluned Parrott:** Forgive me, I will refocus the question. I wanted to ask about how you use structural funds and other funding sources to develop infrastructure investment by the Welsh Government in Wales, as opposed to how you use that money to fund the private

sector and small businesses.

[15] **The First Minister:** European structural funds are clearly crucial in terms of infrastructure and investment for the future. It is not simply a question of support for business, but, of course, it is possible for us to use structural funds to invest in essential infrastructure for the future.

[16] **Eluned Parrott:** You have said in the Assembly on a number of occasions that you hope that this will be the last time that Wales is poor enough to require assistance from structural funds. What is the exit strategy?

[17] **The First Minister:** We do not anticipate that there will be a need for an exit strategy from this year onwards, but we would hope to see the same kind of principles applied when we no longer qualify for structural funds as we have seen elsewhere in Europe, particularly with the highlands and islands in Scotland, where there has been a transitional period, rather than there being a sudden stoppage in funding and then there being no opportunity to adapt. So, we would expect to see any exit strategy in the future based on the transitional arrangements that have been in place elsewhere in Europe in the past.

[18] **Eluned Parrott:** In order to enter into a transitional period, however, where we are no longer one of the most deprived regions and we are moving away from that, clearly there has to be an exit from having one of the poorest regions in Europe. There has to be a progression and a development. Presumably, in terms of infrastructure development, which is very much a long-term planning situation, there must be some kind of plan that says how we are going to use the European structural funds that we have now to move us to a position where we are moving into this transitional period, rather than being dependent.

[19] **The First Minister:** Yes. The structural funds are there, of course, to enable people to get opportunities, skills and apprenticeships, and to be able to use their skills to gain better paid jobs in the future—that much is true—and in order to provide the infrastructure that we need for the future. That is also true. It is also correct to say that the ambition has to be to get to a point where we no longer qualify. The figures are slightly distorted by the fact that many people living within the area that gets the highest level of structural funds work just outside that area. As a result, because GDP is counted based on where people work, not on where they live, those who live within the area that we used to call the Objective 1 area but work outside it are counted as a drain on the economic performance of the Objective 1 area. I am one of them, of course, living in Bridgend and working in Cardiff. That is the curious situation. Nevertheless, GDP has improved. Gross domestic household income, which is based on where people live rather than where they work, delivers a significantly higher figure. Again, that figure is moving in the right direction as well. However, we must get to a point, I accept, where we are looking more at a transitional period out of structural funds, rather than being reliant on them for a long period of time.

[20] **Eluned Parrott:** You have just said again that the ambition is to be in a position where we no longer qualify. My question is: where is the strategy that will make that ambition happen?

[21] **The First Minister:** You have the infrastructure investment plan as one part of the strategy. You have schemes such as Jobs Growth Wales, pathways to apprenticeships and the funds that are available to businesses to help them grow. You have seen the investment that we have either put in place or are putting in place for the future. One example is the redoubling of the Wrexham to Saltney junction railway line, which will help not just this part of Wales, but areas further west, I believe. There is the investment we have put into the reopening of the Ebbw valley line and the Vale of Glamorgan line and the commitment we have given to the Valleys metro concept. All these things will help to make it easier to attract

investment into areas that previously were seen as difficult to get to, physically. Add that to broadband, where the Superfast Cymru scheme will see 96% of premises having access to superfast broadband by 2015, that is crucially important in developing the economy of many parts of Wales that are still struggling with the legacy of the deindustrialisation of the 1980s.

[22] **Eluned Parrott:** I understand that, and there are some very exciting future developments that are currently being implemented, for example, as you say, there is the broadband development that is important in terms of our infrastructure; however, many of the things that you have just described are things that have been delivered with the current round of structural funds, and that has failed to lift us out of poverty. That means that we now qualify again for the next round of structural funds. What are you going to do that will be different and will mean that the next round of structural funds will be a success, where the last round of structural funds has not lifted us out of—

[23] **David Melding:** We are drifting into scrutiny of the use of EU cohesion funds, which are not irrelevant to infrastructure, but we do need to get back onto the main thrust, which is infrastructure. That includes the whole of Wales, not just the areas in receipt of EU funds.

[24] **Eluned Parrott:** Okay.

[25] **The First Minister:** We do recognise that there is a need to be more specific about where our infrastructure priorities are in our structural funds programmes. We have, of course, the infrastructure investment plan. Work is being taken forward at the moment that will help us to identify and align investment opportunities to ensure that we maximise the potential of the next round of EU funding post 2014. So, work is ongoing at the moment with a view to honing what we do in order to maximise further the potential that is there with European funds in the future.

[26] **Eluned Parrott:** It says in your paper,

[27] ‘We are making significant progress with the development of new and innovative financing options in support of the strategic infrastructure priorities set out in the WIIP.’

[28] What are those new and innovative financing options?

[29] **The First Minister:** Since the launch of the Wales infrastructure investment plan, we have seen an additional £900 million of investment planned between the last financial year and 2018-19. To give some examples, we have the local government borrowing initiative, which delivered £170 million of essential investment in local roads and will continue to do so until 2015, and there will be £200 million of additional investment in the twenty-first century schools programme over the course of the next three years. We are using a non-dividend investment vehicle to deliver £300 million to complete the dualling of the A465 by 2020. We are delivering £100 million of essential investment in housing through the Welsh housing partnership and, of course, we have the Welsh housing bond, which is a new mechanism providing more than £100 million of investment to finance social housing, which we believe will deliver over 1,000 affordable homes in the next four years.

[30] **Eluned Parrott:** In the Wales infrastructure investment plan, there is a stated commitment to producing a national plan for natural resources, which I think is now called the national development framework. When do you expect that to be in place, because that specific tactical plan is critical to the delivery of the strategy, surely?

[31] **The First Minister:** I suspect that it will come after the passage of the planning reform Bill because, in the planning reform Bill itself, we anticipate that we will put in place powers to enable Welsh Ministers to develop a national development framework. It was a

recommendation that was made by the independent advisory group on the Bill. Of course, the Bill itself will be presented in White Paper form before the end of the year.

[32] **Eluned Parrott:** We look forward to seeing that. If the national development framework is the tool by which you are going to be planning, co-ordinating and making sure that these infrastructure investments are working effectively together, what are you doing at the moment, in the interim, to make sure that any investments that you are making are fit for purpose and appropriate to the strategy?

[33] **The First Minister:** There are several ways. We have the spatial plan, of course, that has been in place for some years; we have planning guidance that we issued to local authorities; and, of course, we have the infrastructure investment plan itself. The purpose behind the plan is to draw together our capital spending in a coherent way and to make sure that it is understood that there is a structure in place in terms of capital spending for the future, so that people can see what we plan to do and the purpose of what we are doing. The national development framework will add to that, but it would not be right to say at the moment that, when it comes to planning on a national scale, there is a vacuum, because the plan itself is evidence of what already exists.

10.00 a.m.

[34] **Eluned Parrott:** So, the development framework will replace the Wales spatial plan.

[35] **The First Minister:** That is certainly one consideration that we are looking at.

[36] **Eluned Parrott:** How effectively do you think that the Welsh Government is working across the departmental silos to deliver the Wales spatial plan, or to deliver the infrastructure investments in this way?

[37] **The First Minister:** It is working very well. I know that Jane Hutt, as the Minister leading on the Wales infrastructure investment plan, has been in very close contact with Cabinet colleagues. There is also a role here, of course, for the often-mysterious delivery unit, which is often mentioned on the floor of the Chamber. One of its tasks is to ensure, where we have the infrastructure investment plan, which has to be delivered on a cross-cutting basis, that that is done. So, it has a role in ensuring that there is proper co-ordination between all departments, with a view to getting the outcome that we want through the plan itself.

[38] **Eluned Parrott:** One of the cross-cutting themes, perhaps, that is most challenging for the Welsh Government to deliver is tackling poverty. Obviously, infrastructure investments and how we drive economic growth across Wales and target particular areas where there are specific difficulties for communities, because of their lack of communication links in one form or another, is one of the biggest challenges, because that particular theme cuts across pretty much all of the Government departments. What can you do to make sure that the process is as smooth as possible and that the Ministers with responsibility for this area have access to the influence that they need to persuade and change, and to make things happen for the communities that they are most concerned with?

[39] **The First Minister:** It is important, of course, to co-ordinate not just the work of Ministers within the Welsh Government, but the UK Government and local authorities as well. We have, of course—I think that it was last month—published a third iteration of the delivery pipeline, and that details how investments at all levels of government can be brought together to provide a coherent infrastructure investment plan. So, it is not just a question of ensuring that there is co-operation between Government departments in Wales; it is important to ensure co-operation with other levels of government elsewhere.

[40] **Eluned Parrott:** Finally from me, we have talked about a Wales infrastructure investment plan, a national development framework, the Wales spatial plan and now also a pipeline. How do those fit together and which of those is the primary document that you are working to in order to help to drive a strategy? If you have four different plans, surely that would lead to confusion, rather than help you to deliver.

[41] **The First Minister:** They serve different purposes. In terms of the infrastructure investment plan, its purpose is to illustrate what the capital programme is for the next years leading up to 2019. The national development framework is a document that will look at where resources are, how they should be managed, and it will need to fit, of course, with the infrastructure investment plan itself. The pipeline is designed to ensure that we are able to draw together all levels of government with a view to ensuring that the projects that are mentioned, for example, in the infrastructure investment plan, are delivered. So, they all serve different purposes, although they are all linked together.

[42] **David Melding:** Ann, were you trying to attract my eye?

[43] **Ann Jones:** Yes, I have a question on the redoubling of the railway. I note that you said that it is one of the tools that you are going to use for the economy. However, in the latest statement that the Minister for Economy, Science and Transport, Edwina Hart, made to us on 18 July, she said that there has been a significant delay to the redoubling. How significant is the delay? Will you have to go back to the drawing board and redevelop your strategies?

[44] **The First Minister:** Perhaps, Chair, I could ask James to deal with that.

[45] **Mr Price:** You are quite right; the statement did make reference to significant delay. I think that the original announcement of funding for that scheme was made in 2008 or 2009. It is important for people to understand the context in which we operate with Network Rail. Currently, the infrastructure for rail in Wales is not a devolved matter. We, therefore, work with Network Rail to enhance a non-devolved package of infrastructure. So, our levers over Network Rail are possibly not quite as strong as we might like them to be. However, even the UK Government's levers over Network Rail are not that strong, because it is a company that is at arm's length from the Government.

[46] Having said that, we will not pay Network Rail for activity that it does not do, and Network Rail believes that that activity is important. So, I think that the Minister's comment in her statement that this work has slipped and that, basically, she is going to sort it out is a positive statement. Network Rail is aware that it needs to get that back on track. Network Rail is aware that it needs to bring the cost down on that. We can achieve potential wider benefits by reprogramming the work, and maybe we will get a bit more out of it than we would have originally done. However, there is a general issue there that says that the Welsh Government is getting better in terms of the way that it manages our infrastructure interventions on rail. So, I do not see it as a problem. What we are saying is that we need to sort it out. The important thing is that services have not yet been damaged in any way as a result of that investment not going in.

[47] **Ann Jones:** I will explore this later in the meeting.

[48] **David Melding:** You certainly can. First Minister, I said that we had a series of questions from the public, and I would like to put the first of them to you now. This question comes from Nigel Pugh, Robert Evans and Dr Craig Shuttleworth at the Red Squirrels Trust Wales. They ask: what is the Welsh Government doing to ensure that communities receive some benefits from infrastructure developments, for example, through direct financial payments to support wildlife projects, or the ownership of community-based renewable energy schemes?

[49] **The First Minister:** We see these things as exceptionally important. A few weeks ago, a statement was made by the renewables sector declaring that the minimum amount of benefit that communities should expect from renewables development would be £5,000 per MW. Recent developments in Wales have delivered a community benefit in excess of that, so it is important to remember that we are already in a position where some of them have delivered between £6,000 and £7,000 per MW. There is a need to ensure broader thinking in terms of how community benefits can be applied. There is a limit to the number of village halls that can be built and refurbished with money that comes from renewable energy.

[50] There are communities in Wales, such as Carno in Montgomeryshire, where bursaries are provided for students as they go off to study. It is important that communities think about how benefits could be applied, for example, whether environmental benefits could be applied for the protection of wildlife, which seems reasonable to me, or whether there are benefits in terms of providing skills training for local people. All these things are important, because we have energy resources that we export. It is absolutely crucial, as we are net exporters of energy, that there is a benefit to the communities that generate that energy. The declaration by the renewables industry is an important step in the right direction.

[51] **David Melding:** It is an important principle, and perhaps one that all Governments have not fully taken cognisance of since the second world war. If you have a regional or national infrastructure project on your doorstep, your community ought to have some direct benefit as well for living close by it, given that it would have a regional or national economic impact. This would encourage communities to buy into things, and perhaps to be more open in the planning process, in raising objections and seeing that it is part of a partnership of which they will get some of the benefit.

[52] **The First Minister:** I think that it is crucial, and there have been very good examples of this being done in some parts of Wales, but there has been variability in the approach of some companies in the past. However, the statement that has been made is very important so that communities can see that there is potentially a substantial financial benefit to them, which they can apply for the good of their communities in the future. It is a fairly new concept in many ways, but it is something that we have been very keen to push forward over the years.

[53] **David Melding:** Thank you, First Minister. I want to move on to look at some issues relating to energy in particular. I will ask Paul Davies to take us through these questions.

[54] **Paul Davies:** Rwyf eisiau gofyn rhai cwestiynau i chi ynglŷn â phrojectau seilwaith ynni. Rwy'n gwybod pa mor bwysig yw projectau fel hyn, oherwydd rwyf wedi gweld nifer o brojectau fel hyn yn digwydd yn fy etholaeth i, sydd wedi bod yn bwysig iawn i'r economi lleol yng ngorllewin Cymru. Fodd bynnag, cyn fy mod yn mynd ymlaen i wneud hynny, rwyf eisiau mynd yn ôl yn gyflym iawn i siarad â chi am gynllun gofodol Cymru. A ydych yn difaru na chafodd y cynllun hwnnw ei ddefnyddio, oherwydd rwy'n deall nad yw'r cynllun wedi newid ers 2008? Pe bai hynny wedi digwydd, a phe bai'r cynllun hwnnw wedi cael ei ddefnyddio yn y lle cyntaf, efallai y byddem wedi gweld mwy o fuddsoddi mewn mannau priodol. A ydych yn difaru hynny?

Paul Davies: I want to ask you some questions about energy infrastructure projects. I know how important such projects are because I have seen many such projects taking place in my constituency, which have been very important to the local economy in west Wales. However, before I go on to do that, I want to go back very quickly to talk to you about the Wales spatial plan. Do you regret that that plan was not used, because, as I understand it, that plan has not changed since 2008? Had that happened, and had that plan been used in the first place, perhaps we would have seen more investment in appropriate places. Do you regret that?

[55] **Y Prif Weinidog:** Mae'n bwysig ystyried y ffaith fod yn rhaid cryfhau'r strwythur—mae hynny'n wir. Mae'n wir dweud, lle rhoddir canllawiau i awdurdodau lleol—ac mae hefyd yn wir dweud bod yn rhaid cael cynllun datblygu lleol bob 10 mlynedd—nad oes modd cosbi awdurdodau lleol os nad ydynt yn gwneud hynny. Felly, mae'n bwysig dros ben, a dyna pam mae'r Bil cynllunio yn hollbwysig o ran hyn, i sicrhau, lle mae gennych gynllun gofodol—a lle mae gennych ganllawiau cynllunio yn cael eu rhoi i awdurdodau lleol—bod hwnnw'n cael ei ddilyn. Nid yw hynny wastad wedi bod yn wir yn y gorffennol. Fodd bynnag, nawr bod gennym y pwerau, ers 2011, i newid strwythur cynllunio yng Nghymru, mae hyn yn rhan o'r ffordd yr ydym yn meddwl ar hyn o bryd er mwyn cryfhau'r sefyllfa.

[56] **Paul Davies:** O ran projectau ynni, pa gynllunio ymlaen ydych chi'n ei wneud fel Llywodraeth pan ddaw hi i brojectau fel hyn? Deallaf y bydd y fframwaith datblygu cenedlaethol yn chwarae rôl mewn projectau o'r fath yn y dyfodol. Fodd bynnag, pa griteria ydych chi'n eu defnyddio fel Llywodraeth i sicrhau eich bod yn buddsoddi mewn projectau seilwaith priodol?

[57] **Y Prif Weinidog:** Rydym wedi cyhoeddi dogfen o'r enw 'Ynni Cymru: Newid Carbon Isel'. Mae'r ddogfen honno'n rhoi sylfaen o gefnogaeth o ran y ffordd ymlaen, yn ein barn ni, ynglŷn â thechnoleg ynni adnewyddadwy, ac mae hefyd yn sicrhau bod ffordd integredig o ddelio ag ynni yn y dyfodol. Felly, mae'r ddogfen honno gennym. Rydym hefyd yn gweithio gydag adrannau Llywodraeth y Deyrnas Unedig, fel yr Adran Ynni a Newid Hinsawdd, er mwyn sicrhau ein bod ni yng Nghymru yn cael y lles mwyaf o ddatblygiadau ynni yn y dyfodol. Felly, mae'r ddogfen ei hunan yn sylfaen, ac rydym yn adeiladu ar y sylfaen honno er mwyn sicrhau ein bod yn cael y lles mwyaf yn y dyfodol.

[58] **Paul Davies:** Rwy' derbyn nad oes gennych fel Llywodraeth gyfrifoldeb uniongyrchol dros lawer o'r strwythurau ynni newydd, efallai. Fodd bynnag, o ran y rôl yr

The First Minister: It is important to consider the fact that we must strengthen the structure—that is true. It is true to say that, where guidelines have been given to local authorities—and it is also true to say that you have to have the local development plan every 10 years—there is no way of penalising local authorities if they do not do that. Therefore, it is extremely important, and that is why the planning Bill will be so important in this context, to ensure that, where there is a spatial plan—and where you have planning guidelines given to local authorities—that is then followed. That has not always been true in the past. However, now that we have the powers, since 2011, to change the planning structure in Wales, this is part of the way in which we are thinking at present in order to strengthen the situation.

Paul Davies: In terms of energy projects, what forward planning do you as a Government do as part of these projects? I understand that that national development framework will play a role in projects such as this in the future. However, what criteria do you use as a Government to ensure that you invest in appropriate infrastructure projects?

The First Minister: We have published a document that is entitled 'Energy Wales: A Low Carbon Transition'. That document gives us the foundation for future support, in our view, as regards renewable energy technology, and it also ensures that there is an integrated way of dealing with energy issues in future. Therefore, we have that document. We are also working with United Kingdom Government departments, such as the Department of Energy and Climate Change, to ensure that we get the optimum benefit from future energy developments. Therefore, the document itself is the foundation, and we are building on that foundation to ensure that we get the optimal benefit in the future.

Paul Davies: I accept that, as a Government, you do not have direct responsibility for much of this new energy infrastructure, perhaps. However, in terms of the role that

ydych yn ei chwarae, a ydych yn teimlo bod y pwerau priodol gennych fel Llywodraeth ar hyn o bryd i ddatblygu ynni cynaliadwy?

[59] **Y Prif Weinidog:** Mae rhai pwerau gennym, ond nid digon. Rwyf wedi dweud sawl gwaith, fel y gŵyr Aelodau, bod yn rhaid i ni yng Nghymru gael yr un pwerau dros ynni â'r Alban a Gogledd Iwerddon. Yr eithriad yw ynni niwclear, yn ein barn ni, oherwydd mai dim ond un orsaf sydd gennym. Fodd bynnag, os ydym eisiau cael ffordd hollol integredig a strategol o ddelio ag ynni, mae'n rhaid i ni gael y pwerau i wneud hynny. Mae'r rhan fwyaf o orsafoedd ynni sy'n cael eu datblygu yng Nghymru yn dod o'r tu hwnt i bwerau Llywodraeth Cymru, a chredwn fod hynny'n wendid, a hefyd yn annheg. Nid oes gan bobl Cymru yr un hawliau dros eu hynni ag sydd gan bobl Lloegr, yr Alban a Gogledd Iwerddon.

[60] **Paul Davies:** Nodwch yn eich papur eich bod yn teimlo fel Llywodraeth eich bod o dan anfantais ddifrifol oherwydd nad yw rhai o'r pwerau hyn gennych. A allwch roi enghreifftiau o ble mae hynny wedi digwydd, lle nad oedd y pwerau gennych, lle y byddech wedi hoffi cael y pwerau hynny er mwyn datblygu projectau seilwaith ynni?

[61] **Y Prif Weinidog:** Rhoddaf ddwy enghraifft. Yr enghraifft gyntaf yw ynni'r môr. Ar hyn o bryd, oherwydd bod yr Alban, er enghraifft, yn rheoli system tystysgrifau ymrwymo i ynni adnewyddadwy, neu ROCs, sef y system o *subsidies* i ynni'r môr, gall gynnig mwy o arian i ddatblygwyr nag y gallwn ni yng Nghymru, er ein bod ni yng Nghymru mewn sefyllfa well o ran datblygu ynni'r môr. Felly, oherwydd nad yw'r cae cystadleuol yn wastad, rydym yn ffeindio bod yr Alban yn gallu datblygu ynni'r môr yn gyflymach na ni, oherwydd ein bod ynghlwm â'r un system â Lloegr. Dyna un enghraifft.

[62] Yr enghraifft arall yw'r system sydd o dan nodyn cyngor technegol 8. Yr hyn a ddigwyddodd gyda TAN 8, pan gafodd ei ddatblygu, oedd ein bod yn sylweddoli y byddai rhai rhannau o Gymru yn tynnu'r ceisiadau cynllunio i'w hardaloedd nhw yn fwy nag ardaloedd eraill. Yr hyn yr oeddem

you play, do you feel that you have the appropriate powers as a Government at present to develop sustainable energy?

The First Minister: We have some powers, but not enough. I have said several times, as Members will know, that we in Wales must have the same powers over energy as Scotland and Northern Ireland. The exception is nuclear energy, in our view, because we only have one station. However, if we want to have a totally integrated and strategic approach to energy, we must have the powers to do so. The majority of power stations that are being developed in Wales come from outwith the powers of the Welsh Government, and we believe that that is a weakness, as well as being inequitable. The people of Wales do not have the same rights over their energy as the people of England, Scotland and Northern Ireland.

Paul Davies: You note in your paper that you feel as a Government that you are under a serious disadvantage because you do not have some of these powers. Could you give some examples of where that has happened, whereby you did not have the powers, and where you would have liked to have had those powers in order to develop energy infrastructure projects?

The First Minister: I will give two examples. The first example is marine energy. At present, because Scotland, for example, is managing the renewables obligation certificates system, or ROCs, which is a system of subsidies for marine energy, it is able to offer developers more funding than we can in Wales, although we in Wales are in a better position as regards the development of marine energy. Therefore, because it is not a level playing field, we are finding that Scotland is able to develop marine energy more swiftly than we can, because we are attached to the English system. That is one example.

The other example is the system under technical advice note 8. What happened with TAN 8, when it was developed, was that we realised that some parts of Wales would attract planning applications to their area more than other areas. What we were trying to do was to ensure that we knew where those

yn ceisio ei wneud oedd sicrhau ein bod yn gwybod lle yr oedd yr ardaloedd hynny, ac wedyn sicrhau bod *limit* ar y datblygiad fydd yn cymryd lle yn yr ardaloedd hynny. Felly, ym mhob SSA yng Nghymru, rydym wedi rhoi *limit* er mwyn sicrhau nad oes gorddatblygu yn yr ardaloedd hynny. Gan fod pob datblygiad newydd dros 50 MW yn dod o dan Lywodraeth y Deyrnas Unedig, mae'r *limits* sydd yn yr SSAs wedi mynd mas drwy'r ffenest. Mae'n bosibl gorddatblygu nawr—ynni yn sir Drefaldwyn, er enghraifft—mewn ffordd na fyddai wedi digwydd os byddem wedi cael y pwerau yma yng Nghymru. Nid oes rhaid i Lywodraeth y Deyrnas Unedig gymryd unrhyw sylw o TAN 8. Gall ganiatáu datblygiadau anferth ym mhob rhan o Gymru sy'n mynd llawer ymhellach na'r hyn y byddem ni wedi eisiau gweld yn y Llywodraeth.

10.15 a.m.

[63] **Paul Davies:** Dywedoch yn gynharach eich bod wedi cael trafodaethau gyda phrif weithredwr y Banc Buddsoddi Gwyrdd. Pa fath o brojectau ydych wedi trafod gyda'r prif weithredwr? A oes gennych brojectau mewn golwg yn benodol i ogledd Cymru?

[64] **Y Prif Weinidog:** Ynni'r môr oedd un pwnc a drafodwyd. Rydym yn ceisio dod o hyd i ffordd rownd y ffaith ein bod ni mewn sefyllfa llawer gwaeth na'r Alban a Gogledd Iwerddon o ran yr arian y gallwn ei gynnig. Hefyd, gwnaethom drafod yr ynys ynni, sef y projectau a allai gymryd lle ar Ynys Môn; nid dim ond o ran Wylfa, ond y cyfleoedd sydd ynghylch ynni gwynt ac ynni'r môr.

[65] **Paul Davies:** Rydych wedi cyffwrdd ar Wylfa; pa rôl ydych chi'n ei chwarae fel Llywodraeth o ran denu project fel hyn i'r ynys?

[66] **Y Prif Weinidog:** Rydym wedi bod yn gweithio'n agos gyda Llywodraeth y Deyrnas Unedig ar hyn. Rwyf wedi cwrdd ag uwch-gynrychiolwyr o Hitachi. Hefyd, pan oedd hi yn Japan, fe wnaeth Edwina Hart gwrdd â phrif weithredwyr Hitachi. Mae rhai pethau wedi cael eu datganoli, sef sicrhau bod y sgiliau ar gael i Wylfa B yn y dyfodol.

areas were, and then ensure that there would be a limit on the development that would take place within those areas. So, in every SSA in Wales, we have imposed a limit in order to ensure that there is no overdevelopment taking place in those areas. Given that every new development exceeding 50 MW comes under the auspices of the UK Government, the limits in the SSAs have gone out of the window. Now it is possible to overdevelop—energy in Montgomeryshire, for example—in a way that would not have happened had we secured the powers here in Wales. The UK Government does not have to pay any attention whatsoever to TAN 8. It can grant major developments in every part of Wales that go much further than what we would wish to see as a Government.

Paul Davies: You said earlier that you have had discussions with the chief executive of the Green Investment Bank. What type of projects have you discussed with the chief executive? Do you have projects in mind specifically for north Wales?

The First Minister: Marine energy is one subject that we have been discussing. We have been trying to find a way around the fact that we are in a much worse position than Scotland and Northern Ireland as regards the funding that we can offer. We also talked about the energy island, which are the projects that could take place on Anglesey; not just in terms of Wylfa, but opportunities as regards wind energy and marine energy.

Paul Davies: You have touched on Wylfa; what role do you play as a Government in terms of drawing in projects of this kind to the island?

The First Minister: We have been working closely with the UK Government on this. I have met with senior representatives from Hitachi. Also, Edwina Hart, when she visited Japan, met with the chief executives of Hitachi. Of course, some things are devolved, namely ensuring that the skills are available for Wylfa B in the future. Coleg Menai has

Mae Coleg Menai wedi bod yn gryf iawn o ran datblygu'r sgiliau hynny ac rydym wedi bod yn gefnogol o'r ffaith ei fod eisiau sicrhau ei fod yn gallu gweithio gyda'r cwmni i sicrhau bod y sgiliau hynny ar gael yn y dyfodol.

[67] **Paul Davies:** Mae datblygu seilwaith y grid trydan yn bwysig iawn o ran projectau ynni. Pa rôl ydych chi'n ei chwarae fel Llywodraeth i sicrhau bod hynny'n digwydd? Mae pryderon ambell waith mewn rhai cymunedau ynglŷn â datblygiadau fel hyn. Pa rôl ydych chi'n ei chwarae fel Llywodraeth mewn materion fel hyn?

[68] **Y Prif Weinidog:** Rôl dylanwadu ydyw. Yn yr Alban, mae gan Lywodraeth yr Alban bwerau dros y grid. Nid yw hynny gennym yng Nghymru. Rwyf wedi cwrdd â'r Grid Cenedlaethol; rydym wedi siarad am y sefyllfa ym Mhowys a hefyd am y sefyllfa yn y gogledd, yn enwedig ar Ynys Môn. Ein barn ni yw y dylai fod system o les cymunedol i'r cymunedau sy'n cael eu heffeithio gan beilonau newydd. Nid yw hynny wedi bod yn iawn yn y gorffennol. Mae hynny'n un pwnc rydym wedi trafod mewn sawl cyfarfod.

[69] **Paul Davies:** Beth ydych chi'n ei wneud i geisio tawelu pryderon rhai o'r cymunedau yma? Fel Llywodraeth, a ydych yn gweithio gyda chymunedau? Mae'n bwysig ein bod ni'n gweld datblygiadau fel hyn os ydym am weld projectau seilwaith ynni yn datblygu yn y dyfodol.

[70] **Y Prif Weinidog:** Mae hynny'n iawn. Un o'r pethau rydym wedi bod yn gweithio gyda'r grid arno yw lleihau effaith y peilonau. A oes rhaid cael rhai sydd mor fawr â'r hyn a nodwyd y tro cyntaf? Rydym wedi dweud sawl gwaith y dylai'r ceblau gael eu claddu, lle gellid gwneud hynny. Rydym hefyd yn sicrhau bod unrhyw effaith ar gymunedau yn fach, ac yn llawer llai nag y byddai wedi bod pe na fyddwn wedi siarad â'r grid. Hefyd, rydym wedi bod yn siarad ag ef ynglŷn â chael lles cymunedol i'r cymunedau sy'n cael eu heffeithio gan beilonau newydd.

[71] **Paul Davies:** Gall projectau o'r math

been very strong in developing those skills and we have been supportive of the fact that it wishes to ensure that it will be able to work with the company to ensure that those skills are available in future.

Paul Davies: The development of the electricity grid infrastructure is important when it comes to energy projects. What role do you play as a Government in ensuring that that that happens? There are sometimes concerns in some communities regarding developments such as this. What role do you play as a Government in relation to issues such as this?

The First Minister: It is an influencing role. In Scotland, the Scottish Government has powers over the grid. We do not have that in Wales. I have met with the National Grid; we have discussed the position in Powys and the position in north Wales, particularly on Anglesey. Our view is that there should be a system of community benefit for those communities affected by new pylons. That has not been quite right in the past. That is something that we have discussed at a number of meetings.

Paul Davies: What are you doing to try to alleviate the concerns of some of these communities? Are you as a Government working with those communities? It is important that we see developments like this if we want to see these infrastructure projects developing in future.

The First Minister: That is right. One of the things that we have been working with the grid on is to alleviate the impact of the pylons. Do we have to have pylons that are as big as they had initially said they would be receiving? We have said a number of times that the cables should go underground, where it is possible to do so. We also ensure that any impact on the community is minimal, or should be much smaller than what it would have been had we not had discussions with the grid. We have also been talking about community benefit for those communities affected by new pylons.

Paul Davies: Projects of this kind can be

hwn fod yn broiectau mawr, wrth gwrs, ac mae'n bwysig, felly, ein bod yn gweithio gyda gwledydd eraill, er enghraifft. Beth ydych yn ei wneud a pha drafodaethau ydych chi'n eu cael gydag Iwerddon, er enghraifft—oherwydd mae rhai broiectau yn gallu cael effaith yno? Beth all y Llywodraeth ei wneud i weithio gydag Iwerddon i sicrhau bod broiectau o'r fath yn digwydd yn y dyfodol?

[72] **Y Prif Weinidog:** Mae gennym berthynas gref gyda Belfast a Dilyn. Ynni oedd y pwnc a gafodd ei drafod yng nghyfarfod y Cyngor Prydeinig-Gwyddelig fis diwethaf. Siaradwyd am y rhwydwaith ynni a'r farchnad ynni—nid yn unig ym Mhrydain Fawr, ond hefyd yng Ngogledd Iwerddon, y Weriniaeth a'r ynysoedd. Mae trafodaethau cyson gyda swyddogion o'r grid ynglŷn â'r cysylltiadau rhwng Cymru ac Iwerddon. Felly, mae'r cysylltiad yn un cryf ac yn un cyson.

[73] **Paul Davies:** O ran cyfleoedd economaidd penodol o ran ynni carbon isel, beth yw blaenoriaethau'r Llywodraeth yn y maes hwnnw, yn enwedig yma yn y gogledd?

[74] **Y Prif Weinidog:** Y blaenoriaethau yw sicrhau bod arian yn cael ei gadw yn y cymunedau lle mae'r broiectau hyn yn cymryd lle a sicrhau bod swyddi ar gael i bobl a bod ganddynt y sgiliau. Er enghraifft, gyda Wylfa B, mae potensial i Wylfa sicrhau rhyw £2.3 biliwn i'r gymuned leol, 6,000 o swyddi adeiladu ac 800 o swyddi parhaol. Mae hynny'n rhywbeth pwysig dros ben i'r economi ac i fywoliaeth unigolion yn yr ardal. O ran Gwynt y Môr, mae tua £80 miliwn o gytundebau wedi cael eu rhoi i gwmnïau yma yn y gogledd. Mae hynny'n hwb sylweddol iddynt, ac mae'r cwmnïau sy'n agos i borthladd Mostyn yn gallu sicrhau eu bod yn gwasanaethu project Gwynt y Môr o'r porthladd hwnnw.

[75] O ran y tymor hir, rydym wedi rhoi trwydded i'r project yn Ynysoedd y Moelrhoniaid, sy'n meddwl bod Cymru yn symud yn agosach at sicrhau bod gennym gynllun *tidal stream array*, i ddefnyddio'r term Saesneg. Os bydd hynny'n digwydd, dyna fyddai'r tro cyntaf y byddai hyn wedi digwydd yn y Deyrnas Unedig. Felly, mae'n

major projects, of course, and it is important, therefore, that we work with other countries, for example. What are you doing and what discussions have you had with Ireland, for example—because there are some projects that could have an effect there? What can the Government do to work with Ireland to ensure that such projects run in future?

The First Minister: We have a strong relationship with Belfast and Dublin. Energy was the subject that was discussed at the British-Irish Council meeting last month. The energy network and the energy market were discussed—not only in Great Britain, but in Northern Ireland, the Republic and the islands. There are frequent discussions with officials from the grid on the connections between Wales and Ireland. Therefore, the link is strong and there is regular contact.

Paul Davies: With regard to specific economic opportunities in relation to low-carbon energy, what are the priorities of the Government in this field, particularly in north Wales?

The First Minister: The priorities are to ensure that money is retained in the communities where these projects take place and ensure that jobs are available and that they have the skills. For example, with regard to Wylfa B, there is the potential for Wylfa to secure some £2.3 billion for the local community, 6,000 construction jobs and 800 permanent jobs. That is something that is exceptionally important to the economy and to the livelihoods of individuals in the area. With Gwynt y Môr, some £80 million of contracts have been given to companies here in north Wales. That is a significant boost for them, and the companies that are around Mostyn docks can ensure that they service the Gwynt y Môr project from that port.

In the long term, we have licensed the project in the Skerries, which means that Wales is moving closer to ensuring that we have a tidal stream array scheme. If that happens, it will be the first time that this has happened in the United Kingdom. Therefore, it is extremely important that we can demonstrate that we are leading the way with regard to

bwysig dros ben ein bod yn gallu dangos ein bod yn arwain y ffordd o ran projectau o'r fath. such projects.

[76] **David Melding:** Before we move on to our next subject, Elin, did you just want to ask a supplementary question on an energy matter to the First Minister?

[77] **Elin Jones:** Ydw, diolch, Gadeirydd. Hoffwn godi ddau fater. Yn gyntaf, yn eich ymateb o ran y Grid Cenedlaethol a gwendid y grid hwnnw yn nifer o leoedd—yn enwedig bod ynni yn cael ei gynhyrchu yn sylweddol mewn ambell fan yng Nghymru, ond bod y galw am ynni mewn mannau eraill o Gymru—un o'r cynlluniau cyffrous sy'n cael ei drafod ar hyn o bryd yw cysylltiad grid ar wely'r môr rhwng y gogledd—Ynys Môn, siŵr o fod, a sir Benfro—ac i mewn i'r rhwydwaith yn y de. Dywedoch eich bod yn ceisio dylanwadu ar benderfyniadau'r Grid Cenedlaethol; pa ddylanwad ydych yn ceisio ei roi ar y Grid Cenedlaethol yng nghydestun y syniad hwnnw a'r project penodol hwn? Felly, a yw'r Llywodraeth yn cefnogi buddsoddiad o'r fath?

Elin Jones: Yes, thank you, Chair. I would like to raise two matters. First, in your response with regard to the National Grid and the weakness of that grid in a number of places—particularly that substantial amounts of energy are generated in some areas of Wales, but the demand for energy comes from other parts of Wales—one of the exciting schemes that is currently being discussed is a grid connection on the sea bed between north Wales—probably Anglesey and Pembrokeshire—and into the network in south Wales. You said that you were trying to influence the decisions of the National Grid; what influence are you bringing to bear on the National Grid in the context of that idea and this specific project? Therefore, does the Government support such investment?

[78] Rwyf wedi treulio teirawr yn y car y bore yma i gyrraedd yma o Geredigion, ac felly rwyf wedi gwrandao ar y newyddion yn weddol fanwl. Mae'n amlwg bod Llywodraeth y Deyrnas Gyfunol ar hyn o bryd yn rhoi anogaeth eithaf sylweddol i ddatblygiad ffracio fel modd o greu ynni, ac y mae wedi cyhoeddi heddiw cymhelliant trethiannol i ddatblygu ffracio. Pa rôl ydych chi fel Llywodraeth yn ei gymryd o ran gweithio gyda Llywodraeth y Deyrnas Gyfunol i hyrwyddo, neu beidio, datblygiad ffracio yng Nghymru, ac yng ngogledd Cymru yn benodol o ran y cyd-destun heddiw?

I have spent three hours in the car this morning to reach here from Ceredigion, and so I have listened to the news fairly carefully. It is clear that the United Kingdom Government is currently giving quite significant support to the development of fracking as a method of generating energy, and it has announced today a tax incentive to develop fracking. What role do you play as a Government with regard to working with the United Kingdom Government to promote, or otherwise, the development of fracking in Wales, and particularly in north Wales in the context of today's meeting?

[79] **Y Prif Weinidog:** Rydym, wrth gwrs, yn cefnogi unrhyw fuddsoddiad yn y grid yng Nghymru er mwyn sicrhau ein bod yn gallu cael lles allan o brojectau ynni. Wrth gwrs, mae hynny'n rhywbeth yr ydym yn ei drafod yn fanwl gyda'r grid ar hyn o bryd.

The First Minister: We are supportive, of course, of any investment in this grid in Wales in order to ensure that we can derive benefit from energy projects. Of course, that is something that we are discussing in detail with the grid at present.

[80] O ran ffracio, mae'r system trwyddedu yn system Brydeinig, ac mae'r system cynllunio yn dod o dan, fwy neu lai, Llywodraeth Cymru yn fy marn i. Rydym wedi sicrhau ein bod yn ystyried ffracio mewn ffordd ofalus iawn. Nid yw hynny'n

With regard to fracking, the licensing system is a British system, and the planning system comes under, more or less, the Welsh Government in my view. We have ensured that we consider fracking very carefully. That is not going to change. I have noticed that

mynd i newid. Rwyf wedi sylwi fod llawer o geisiadau wedi dod mewn i am *boreholes* er mwyn edrych ar ffracio. Mae ceisiadau o'r fath yn tueddu i fod mewn ardaloedd eithaf pert, megis ardaloedd o ddiddordeb gwyddonol arbennig. Felly, mae'n rhaid i ni fod yn ofalus ynglŷn â'r ffordd rydym yn delio â ffracio. Nid wyf yn credu y byddai'n beth call i roi drws agored i ffracio; mae'n rhaid i ni ystyried y dechnoleg newydd mewn ffordd ofalus a synhwyrol.

many applications have come in for boreholes in order to look at fracking. Such applications tend to be in relatively attractive areas, such as sites of special scientific interest. So, we have to be careful about the way in which we deal with fracking. I do not think that it would be sensible to leave an open door for fracking; we have to consider the new technology in a careful and sensible way.

[81] **Elin Jones:** I ddod yn ôl i'r ateb ar y grid cenedlaethol, gwnaethoch ddweud eich bod yn gefnogol i unrhyw ddatblygiad yng Nghymru o ran datblygu'r grid. Felly, o ran y syniad gweddol ifanc o'r cysylltiad grid ar wely'r dŵr rhwng y gogledd a'r de, a ydych yn fwriadol yn dylanwadu ar y Grid Cenedlaethol i gynnwys buddsoddiad o'r math hwnnw yn ei raglen buddsoddi?

Elin Jones: To back to the response on the national grid, you said that you were supportive of any development in Wales to develop the grid. So, in terms of the relatively new concept of a grid connection on the sea bed between north and south Wales, are you actively seeking to influence the National Grid to include such investment in its investment programme?

[82] **Y Prif Weinidog:** Rydym wedi bod yn siarad gyda'r grid ynglŷn â sawl peth, ac mae hwnnw'n un ohonynt.

The First Minister: We have talked to the grid about many things, and that is one of them.

[83] **Elin Jones:** Felly, rydych yn gefnogol.

Elin Jones: So, you are supportive.

[84] **Y Prif Weinidog:** Byddem yn fodlon ystyried unrhyw beth sydd yn helpu i gryfhau'r grid yng Nghymru, ac sy'n gallu sicrhau ein bod yn gallu datblygu mwy o ffyrdd o greu ynni heb gael effaith ormodol ar gymunedau.

The First Minister: We would be willing to consider anything that helps to strengthen the grid in Wales, and that ensures that we can develop more ways of creating energy without having too great an impact on communities.

[85] **David Melding:** This brings us on nicely to our second question from a member of the public. This is from Arfon Jones, who I understand is in the public gallery, so we are very grateful to you. Why is it not possible for Wales to have its own energy national grid, and for the country ultimately to be energy self-sufficient?

[86] **The First Minister:** That is against the trend of what is happening elsewhere in Europe. There is a GB national grid. The Irish grid is integrated between north and south. Northern Ireland is not part of the GB grid. In Europe, there are exchanges of energy between many different sovereign states. The trend has been to have larger rather than smaller energy networks. However, the point is how we get the most benefit for our communities from our ability to sell the energy that we export, if I can put it that way. That is a challenge. One of the ways of meeting that challenge is via the statement of community benefits that has come from the renewables sector.

[87] **David Melding:** Thank you, First Minister. We will now move on to questions relating to economic development, and I will ask Elin Jones to lead the way.

[88] **Elin Jones:** Brif Weinidog, mae gennyf ambell gwestiwn i chi ar y parthau

Elin Jones: First Minister, I have a couple of questions for you on the north Wales

menter yn y gogledd. Mae tri parth menter: yn sir Fôn, Glannau Dyfrdwy ac Eryri. A allwch amlinellu i ni beth yw eich gweledigaeth a'ch dymuniad ar gyfer y parthau menter hyn dros y pum mlynedd nesaf?

[89] **Y Prif Weinidog:** Sicrhau swyddi, wrth gwrs, yw'r prif reswm. Mae gennym y parth menter ar Lannau Dyfrdwy, sydd yn symud ymlaen yn gyflym dros ben. Mae lwfansau ar gael yno nad ydynt ar gael ym mhob parth menter yng Nghymru. Mae parth menter Ynys Môn yn symud ymlaen yn gyflym hefyd. Er enghraifft, mae llawer o fusnesau wedi gofyn am help gydag ardrethi busnes. Mae'r parth menter Eryri damaid bach y tu ôl i'r rhai eraill, ond mae *masterplan* wedi cael ei ddatblygu'n awr er mwyn sicrhau bod hynny yn symud ymlaen hefyd. Gofynnaf i James roi mwy o fanylion.

enterprise zones. There are three enterprise zones: in Anglesey, Deeside and Snowdonia. Can you outline to us what your vision and aspiration is for these enterprise zones over the next five years?

The First Minister: Securing jobs, of course, is the main reason. We have the enterprise zone on Deeside, which is moving ahead very quickly. Allowances are available there that are not available in every enterprise zone in Wales. The Anglesey enterprise zone is also moving forward very quickly. For example, many businesses have asked for assistance with business rates. The Snowdonia enterprise zone is a little behind the others, but a masterplan has now been developed to ensure that that also moves forward. I will ask James to provide more detail.

[90] **Mr Price:** I think that it is important to realise that the enterprise zones are all in different areas and they are trying to do different things. They are at very different stages. The Deeside enterprise zone is in an area where there is a significant amount of businesses already, and significant manufacturing businesses, and, because it is not in the highest level of assisted area, enhanced capital allowances are available in that area. That is an important thing for people to understand. Enhanced capital allowances are not available in heavily assisted areas, because we can provide more money in those areas anyway.

10.30 a.m.

[91] Enhanced capital allowances occur within a state aid framework. Once you have reached that state aid framework, you cannot go above that amount. So, because, in other areas, enhanced capital allowances are not available, it does not make it any less attractive to be there. So, in Deeside, work is moving apace—both infrastructure work in terms of flood prevention, but also significant work in terms of looking at shared apprenticeship schemes with different companies who all want to take on apprentices, but might not be of significant scale themselves, so they are trying to create a scheme whereby they can move apprentices from one company to another. I know that there are a number of real investment projects actively looking at that area in terms of inward investment.

[92] In Anglesey equally, there is a significant amount of interest, not just linked to Wylfa and the energy island, but also wider projects. With regard to Snowdonia, that is, basically, a different proposition. The Snowdonia proposition is one that might be 10 to 15 years, perhaps even 20 years, in the development, because what that is trying to do is to create a new lifeline for that community and a new lifeline for that area of Wales where, as a result of the current decommissioning, if we do not do anything, the prospects will not look very good.

[93] The real positives on that, however, are that we are making good progress with both the Nuclear Decommissioning Authority and a number of other statutory bodies. There are a significant number of companies that are interested in taking forward quite interesting projects there, but, because of the long-term nature of some of the regulatory issues, we have not seen that much active development on the ground yet. However, that simply reflects that enterprise zones are doing different things in different areas of Wales.

[94] **Elin Jones:** Diolch. Rwyf yn derbyn bod natur y tair ardal yn wahanol iawn. Gaf i ofyn i chi yn benodol, felly, am y parth menter yng Nglannau Dyfrdwy? Fe wnaeth cadeirydd y parth menter hwnnw roi tystiolaeth i un o bwyllgorau'r Cynulliad, gan ddweud bod consŷrn bod yr ardal honno'n cystadlu gyda gogledd-orllewin Lloegr a bod y datblygiadau parth menter yng ngogledd-orllewin Lloegr yn symud yn gyflymach a bod ganddynt gwell adnoddau y tu ôl iddynt. Sut ydych chi'n ymateb i feirniadaeth o'r fath? A ydych chi'n meddwl ei bod yn deg neu beidio? Mae gennyf un cwestiwn arall ar barthau menter. Fe gyfeiriodd y Prif Weinidog at y ffaith bod gan rhai busnesau ddiddordeb yn y parth menter yn Sir Fôn, er enghraifft, oherwydd cymelliadau ardrethi busnes. Sut ydych yn ymateb i'r feirniadaeth weddol gyffredinol o barthau menter eu bod yn gallu symud datblygiad economaidd mewn mannau eraill, o bosibl yng Nghymru, i mewn i'r parth menter, ac felly bod yr parthau hynny yn gallu bod ar draul ardaloedd eraill ac y gall *displacement* yn digwydd ac felly na fydd y budd ychwanegol net yn wahanol o gwbl?

Elin Jones: Thank you. I accept that the nature of those three zones is very different. May I ask you specifically, therefore, about the Deeside enterprise zone? The chair of that enterprise zone gave evidence to an Assembly committee stating that there was concern that that area was competing with the north-west of England and that the enterprise zone developments in north-west England were moving more quickly and had better resources behind them. How do you respond to such criticism? Do you think that it is fair or not? I have one other question on enterprise zones. The First Minister referred to the fact that some businesses are interested in the Anglesey enterprise zone, for example, because of business rate incentives. How do you respond to the quite general criticism of enterprise zones that they can move economic development in other areas, possibly in Wales, into the enterprise zone, and therefore those enterprise zones can be at the expense of other areas and displacement can happen and therefore the net gain is no different?

[95] **Mr Price:** Do you want me to take that? I will take those in no particular order, but I will start with the last question. The displacement issue is a very real one and one that we need to be aware of, but it is one that we were aware of right from the very beginning. The Welsh Government took an approach that is quite different from that in England. We did not say, 'Let us put all of these enterprise zones where all the business is already, or maybe marginally up the road from where the business is already', as all that would then happen is that business would move half a mile up the road. The evaluations of the enterprise zones that were done in the UK in past decades indicate that mostly what happened was a series of displacements. We were very clear from the beginning that we did not want to do that. Partly as a consequence of that, some of the enterprise zones we have are longer in the making, because we are trying to create something that is additional to Wales and something that was not there before. So, by definition, it will take longer.

[96] In terms of the comments about Deeside, I do not think that they are fair at all. It is true to say that Wales can offer a package of support that is competitive with that of any other part of the UK. Actually, at the moment, it is competitive with nearly all of Europe. Equally, we can turn around those offers of support quicker than any other part of the UK. We have recently worked with a number of businesses that have written in and confirmed that to be the case. If the enterprise zone board has ideas that it wants to take forward, which it does, those ideas can be delivered as quickly as is needed. Nothing is holding any development back. In terms of working with business, we are at least as responsive as—in fact, I would say we are more responsive than—the UK. It is really not my place to say this, but there are a number of cases where UK enterprise zones were said to be succeeding, but proposed investments have fallen the way of not being delivered. There were a couple of big aerospace ones that were announced but that went away recently, in and around Gloucester. Could you please remind me of the business rates question?

[97] **Elin Jones:** It was in relation to the displacement issue, so I think that it has been answered.

[98] Symudaf ymlaen, felly, i ofyn cwestiynau ichi am fand eang. A yw cynllun Superfast Cymru, gyda BT, yn cael ei wireddu fel yr amlinellwyd? Os felly, gallai hynny arwain at ddatblygiad sylweddol iawn o ran band eang i'r rhan fwyaf o gymunedau yng Nghymru. Hoffwn ofyn ichi hefyd am y 4% o dai a fydd yn weddill wedi i'r cynllun hwn gael ei wireddu. Beth yw cynlluniau'r Llywodraeth ar gyfer y 4% o dai a gweithleoedd na fydd yn gallu cael mynediad at Superfast Cymru ar ôl y ddwy flynedd nesaf? O ystyried bod gennym y potensial i gynyddu band eang yn sylweddol i 96% o dai, y sialens i Lywodraeth yw sicrhau bod busnesau'n gwneud defnydd o botensial y band eang ychwanegol. Felly, beth yw cynlluniau'r Llywodraeth i annog defnydd ac i ddatblygu gallu busnesau i weithio mewn ffordd wahanol, wrth ystyried cyflymder y band eang a fydd ar gael i gymaint o fusnesau erbyn 2015?

[99] **Y Prif Weinidog:** Dechreuaf drwy siarad am y cynllun ei hun. Mae'n wir i ddweud na fydd pob tŷ yng Nghymru yn gallu cael mynediad at wasanaeth band eang yn 2015. Un ffordd o ymdrin â hynny yw edrych ar sut i greu'r gwasanaeth hwnnw drwy ddefnyddio lloerennau. Efallai y gall James roi manylion inni am hynny.

[100] Mae llawer o fusnesau eisoes am weld band eang, a chredaf y byddant yn barod i'w ddefnyddio pan fydd ar gael. Yn bersonol, credaf fod band eang yn bwysig dros ben, gan ei bod, i'r ganrif hon, yr hyn oedd rheilffyrdd i'r bedwaredd ganrif ar bymtheg. Hynny yw, os gallwch gael mynediad at y system, gallwch wneud busnes llawer yn well. Rwy'n credu bydd yna llawer o fusnesau a phobl yn gweld cyfle i greu busnesau yn yr ardaloedd lle maent yn byw, yn hytrach nag yn meddwl bod yn rhaid iddynt symud i rywle arall i wneud hynny, oherwydd eu bod yn gallu cysylltu i rwydwaith sy'n rhoi mynediad iddynt at bobl ledled y byd. O ran egwyddor, felly, mae'n bwysig dros ben ein bod yn cymryd y cyfle hwn yng Nghymru i greu system sy'n rhoi cysylltiadau i gymunedau a oedd, yn

I will move on, therefore, to ask you about broadband. Is the Superfast Cymru scheme, with BT, being realised as outlined? If so, that could lead to a very significant development in terms of broadband for the majority of communities in Wales. I would also like to ask you about the 4% of houses that will remain after the scheme is realised. What are the Government's plans for the 4% of homes and workplaces that will not be able to access Superfast Cymru after the next two years? Given that we have the potential to increase broadband significantly for 96% of homes, the challenge for Government is to ensure that businesses make use of the potential of that additional broadband. Therefore, what are the Government's plans to encourage use and to develop the ability of businesses to work in a different way, given the speed of broadband that will be available to so many businesses by 2015?

The First Minister: I will start by talking about the scheme itself. It is true to say that not every home in Wales will be able to have access to broadband by 2015. One way of dealing with that is to look at how to create that service by using satellites. Perhaps James can give us some details on that.

Many businesses already want to see broadband, and I think that they will be ready to use it when it is available. Personally, I think that broadband is very important, because, to this century, it is what the railways were to the nineteenth century. That is, if you can access the system, you can do business in a much better way. I think that many businesses and people see an opportunity to create businesses in the areas where they live, rather than thinking that they have to move somewhere else to do that, because they can connect to a network that gives them access to people all over the world. In principle, therefore, it is very important that we take this opportunity in Wales to create a system that provides links to communities that were, historically, difficult to link with because of roads and the

hanesyddol, yn anodd cysylltu â hwy oherwydd heolydd a daearyddiaeth Cymru. Os oes gennych fynediad at fand eang, nid oes ots lle'r ydych chi. Yr unig beth sy'n bwysig yw bod gennych fynediad at fand eang, a nid yw mor bwysig cael mynediad at heolydd mawr na rheilffyrdd. Gofynnaf i James i ymhelaethu ar y bobl a'r busnesau na fydd yn gallu cael mynediad at fand eang yn 2015.

geography of Wales. If you have broadband access, it does not matter where you are. The only thing that is important is that you have broadband access, and it is not as important to have access to major roads or railway lines. I will ask James to expand on the people and the businesses that will not have broadband access by 2015.

[101] **Mr Price:** The first thing to say is that 96% is an estimate. We do not know what the figure is going to be. It may be a whole lot more than 96%; it might be slightly less than 96%. What will determine exactly what that figure is within the contract is a value-for-money calculation. We have a figure—and I honestly cannot remember it off the top of my head—that says what it is worth paying under that contract per premises passed. If an estimate for a particular property or group of properties goes above that figure, that particular contract is deemed to be not good value for money and we will not pass those premises.

[102] It is probably also worth mentioning that, assuming that it is 4%, it will not be distributed, necessarily, in the parts of Wales that you might imagine that it would be. There may be a couple of premises right in a city centre that could be within that percentage. That could be for things as bizarre as a local authority saying that a footpath is not wide enough so the cabinet cannot go where it needs to go and, therefore, a different solution is required, and the different solution is too expensive. It is for a series of complicated, detailed local reasons that we do not know exactly where that is going to be and that this is an estimate.

[103] However, we are committed to finding ways to solve that, and the really positive thing is that technology is moving on at such a pace. There are new technologies being brought online all the time. There are a couple of companies in mid Wales that are doing something with wireless and microwave links, which they believe could plug a significant proportion of this 4% gap. They are not waiting to find out where the 4% is; they are driving their business forward and making it available at commercial rates, which they believe that people will want to draw down anyway.

[104] So, we are actively looking at it. We do not know exactly where they are going to be. We already have schemes like the broadband support scheme that could be tailored and rolled out to provide for the gap of whatever is left, but I am not concerned that there will be a problem in our delivering for that gap.

[105] **David Melding:** I think that Eluned and Paul would like to ask supplementary questions on this section. I will start with Eluned.

[106] **Eluned Parrott:** With regard to the roll-out of broadband, one of the issues that face hard-to-reach communities is how quickly their local area will be signed off in the commercial programme so that they will then be released to any Welsh Government assistance. How are you making sure that those areas are released as quickly as possible, because although we are expecting a number of communities to be affected in rural north Wales, there are communities in the centre of Cardiff that are affected by very poor broadband speeds, and what they do not want to do is to have to wait until 2016, when the commercial roll-out is complete, as a whole, to be able to access other kinds of support from the Welsh Government?

[107] **Mr Price:** Again, I cannot pretend to have the full detail on this, but I am aware of the exact issue that you are raising, and the Minister has taken steps to ensure that that is not

the issue that it would have been at one point. So, you are quite right, and from a commercial standpoint, you would say, 'Let's wait and see what the broadband contract delivers, and then we'll fill in the gaps afterwards'. However, someone could be waiting a long time before there is a solution. So, what we have looked to do is to programme in the work much more clearly, and most people in Wales will now be aware of when their area is being passed—not all areas, but most people will be aware. I believe that what we have done is to have a minimum time period that people will not have to wait beyond to know where they are. If they are above that minimum time period, they can draw down from the broadband support scheme. So, we are still rolling out the broadband support scheme. It was extended, and there will be an announcement shortly on a replacement scheme with clearer criteria dealing with just the issue that you have raised.

[108] **Paul Davies:** A gaf i ddod yn ôl â chi'n gyflym iawn i'ch polisi ar barthau menter? A gaf i eglurhad wrthyhych ynglŷn â'r arian rydych yn ei fuddsoddi mewn parthau menter, oherwydd mae'r cynllun buddsoddi yn seilwaith Cymru yn awgrymu y bydd rhyw £46 miliwn yn cael ei fuddsoddi a bod y £46 miliwn hwnnw yn rhan o £125 miliwn? Fodd bynnag, rwy'n deall ers y datganiad hwn bod swyddogion wedi cadarnhau taw amcangyfrif yw'r ffigur o £125 miliwn. A allwch gadarnhau heddiw taw dyna'r ffigur iawn o ran yr hyn rydych yn ei fuddsoddi mewn parthau menter?

Paul Davies: May I bring you back very quickly to your policy on enterprise zones? May I have an explanation from you as regards the funding that you are investing in enterprise zones, because the Wales infrastructure investment plan suggests that some £46 million will be invested and that that money will be part of £125 million? However, I understand that, since this statement was made, officials have confirmed that that figure of £125 million is an estimate. Can you confirm today that that is the correct figure for your investment in enterprise zones?

10.45 a.m.

[109] **Mr Price:** I think that you are referring to evidence that was given during the Finance Committee inquiry by my Minister, as well as by Rob Hunter, the finance director. It is correct to say that the figures that were put in the Wales infrastructure investment plan were estimates. I do not think that that is unreasonable, given what we are doing, in essence, is creating environments in which businesses can operate, and then co-investing alongside businesses as they grow. It is impossible to say exactly what businesses will invest in any given area. It is also important to say that that £155 million is not a cap of the investment either. If some of the bigger inward investment projects come off, we could easily exceed that many times over. Depending on the speed at which, say, grade A offices in the Cardiff enterprise zone are taken up, for each building, that would be about a £50 million investment. Therefore, what you had in there is a core estimate of some of the basic building blocks, but it is no more and no less than that. I suspect that the overall figure will end up being higher than that.

[110] **Paul Davies:** But, at the moment, the £125 million is an estimate.

[111] **Mr Price:** It is a forecast and planned estimate.

[112] **David Melding:** We will now move on to questions relating to transport. Before I ask Ann Jones to lead us through this section, I will put the next question that has come from members of the public. This one comes from Dafydd Morgan, Judith Griffith and *Cymru Culture* magazine. They ask: what is the Welsh Government doing to improve road and rail transport links between north and south Wales?

[113] **The First Minister:** Let us deal with rail first. The situation is much better than it was at the start of devolution in 1999, when I do not think that there was a single train that ran

north-south. There is the two-hourly service that runs between Cardiff and Holyhead, and there is an express service that runs in either direction every day, which gets to Bangor in three hours and 45 minutes. The redoubling of the section between Wrexham and Saltney junction will help to speed the trains up past Wrexham General as well. On the rail network, two hours and 45 minutes between Wrexham General and Cardiff is probably faster than it has ever been, I suspect. Therefore, north-south rail links along the eastern side of Wales—the western side is more difficult, as we know—have improved tremendously.

[114] On road links, we have to bear in mind that, in this part of Wales, many people will tend to look at going either down the M6, or, indeed, down the border, to travel to Cardiff. We do not have control over the roads, obviously, as soon as the border is crossed, and Hereford is a clear pinch point, because of the lack of a bypass there. I have to say that our tendency these days is to travel up to this part of the world via the A470 and the A483. The Four Crosses bypass has been completed, and the Newtown bypass is forecast to begin at the beginning of 2015. Regarding the A470, there have been improvements in terms of the bypass at Cwmbach Llechryd, the Porthmadog bypass, plans for Caernarfon to Bontnewydd, and the improvements that are taking place at Gelligemlyn and Maes yr Helmau to Cross Foxes, as well as the improvement that took place between Dolwyddelan and Pont-yr-Afanc.

[115] Therefore, it is right to say that no major new road will be built north-south, but a substantial amount of investment is being put in to improve the difficult parts of the A470, and, of course, to improve the rail network.

[116] **David Melding:** Thank you, First Minister. Ann Jones has the next questions.

[117] **Ann Jones:** First Minister, I want to come back to the issue about this redoubling of the Saltney to Wrexham line. If I take what Mr Price said the first time, I think that he was trying to say that there are other players in this partnership as well, and that they are not playing by the same rules as we want to play by. That is twice now that that has been cited as a major component—the major piece in the jigsaw—and yet the Minister, in her statement, says that she will review the processes and decision making behind the rail infrastructure project. Therefore, is the Welsh Government having a rethink about that, or is it the fact that Network Rail and others are being difficult, or is it a combination of both? I think that we need to know. If we are going to be clear about improving access to north Wales, then I think that we need to know what the state is, and how long. This was first introduced in 2008, and we are now in 2013, with a significant delay. When exactly are we going to see this redoubling?

[118] **Mr Price:** The honest answer to that is that I cannot be completely specific yet, because what we are trying to do is to pin down Network Rail for a specific and deliverable timetable. Before I go into that, on what that will achieve, I think that it will shave off something like 19 to 20 minutes from the overall journey time north-south. That is the further benefit that will be delivered as a result of that scheme.

[119] As someone who has been involved in transport, on and off, for quite a long period of time, I think that what we have basically seen is a period when Network Rail was going around collecting projects. It was saying, 'We will deliver these projects for you if you agree to fund them'. I do not think that its processes were good enough to be clear about when it could deliver them. Frankly, it is not just a Wales issue; it is right across the UK. If you look at the press coverage this morning, you will see that there is some criticism of Network Rail in terms of how well it is actually delivering. That was the historic position.

[120] All that the Minister's statement is saying is that it is not that we are not doing the project, but that we are going to have a look at the processes behind how that project has been approved, to look and see if we can get a better contractual agreement, and to look and see if

we can get better value for money. We may even be able to stretch out the improvements so that they are bigger than currently planned and achieve better journey times or some other wider benefits. All the statement reflects is a degree of honesty that dealing with Network Rail in the past has not been that easy. Our relationships with it now are much better, but we need to hold it to account in terms of its delivery.

[121] **Ann Jones:** With that as the background, then, First Minister, how is your Government engaging with the UK Government, Network Rail and other operators that have to come into play to secure some modernisation of the rail network in north Wales?

[122] **The First Minister:** We are doing so in several ways. First of all, there is the question of the north Wales main line. One of the concerns that we had about the south Wales main line was that if it was not electrified in time, inter-city trains would not travel further than Bristol or possibly Cardiff. The same applies to the north Wales main line. If electrification is not forthcoming in a reasonable amount of time, you can see that trains will terminate in Crewe or possibly in Chester, with all passengers having to change to travel along to Holyhead. Clearly, that would not be acceptable in future. We are, therefore, pressing the case for electrification of the north Wales main line as well. Officials have established a working group. It includes officials from the Department for Transport, Network Rail, Taith, the Mersey Dee Alliance, the Rail Freight Group and the train operating companies. The purpose of that group is to develop the strategic context to support the case for modernising the rail network across the whole of north Wales. That work is also being informed by the north-east Wales integrated transport taskforce.

[123] **Ann Jones:** However, if Network Rail is being difficult over the redoubling of the line—I see that you are shaking your head, but it is my belief that Network Rail is being difficult over redoubling. We have the aspiration to work together, but if you have a partner that is not going to do so, or does not see it that way, what can we do? For example, with HS2, it has been said that access to north Wales is via Crewe, but the First Minister has just alluded to the fact that if we do not have electrification, people will change at Crewe, and that is what is going to happen under HS2, as I see it. If we have a difficult partner, how are we going to get that modernisation through?

[124] **The First Minister:** The difficulty that we have is that rail in Wales is incredibly complex in the way that it is administered, unlike in Scotland, in the sense that we do not control the budget for Network Rail. We are not responsible for maintaining the rail network. We can spend money on the rail network, and we have done so, but it would not be right to say that rail is devolved. We have come some way in terms of improving things. Back in 1999, there were several different franchises: effectively, this part of Wales was part of the north-west of England in terms of rail, and Aberystwyth and the central Wales railway were seen as part of the midlands and so on. At least we have one franchise in Wales now, although the problem is that we do not control the franchise completely. There are quite complex discussions taking place around that for the future at the moment. Would we like to assume responsibility for rail? The answer to that is, probably, ‘yes’. However, the crucial question is money. What we could not do is take responsibility for the rail network in terms of its maintenance if a proper amount of money had not been set aside by the UK Government to pay for that. The Scots did that, of course. The concern that we would have is that, in taking over the responsibility for rail, we would end up with an insufficient settlement to provide the kind of maintenance that the people of Wales would expect. That is where we are at the moment. There are complexities in the way that rail is dealt with in Wales, but we will continue to press the case with Network Rail.

[125] I should mention the Wrexham to Bidston line as well. Again, it is a line that is right for electrification, we believe. There are issues as well with ensuring that there is a sufficiently regular service to Liverpool and Manchester airports in particular, to ensure that

level of connectivity. So, it is not simply a question of the main line; Wrexham to Bidston is also in the mix. The Conwy valley line is more difficult in terms of justifying electrification, but that line can probably manage without electrification in a way that the main line cannot. This is where we are in terms of what we are doing with the UK Government.

[126] **Ann Jones:** On HS2, as I have just mentioned, direct services using high-speed trains are being considered for many other towns and cities further north in England and into Scotland. Yet, as I alluded to, for access to north Wales, you have to change at Crewe. Will I, in my lifetime, travelling on rail, be able to travel between London and Holyhead on a fast train without having to take myself and all my baggage off at Crewe, which I have had to do so many times? I am grateful to the Welsh Government for the fact that I can travel from Rhyl to Cardiff every week without having to get off the train—that is, provided that Arriva trains does not decamp me somewhere for another reason. I can now travel on one train. So, will I be able to travel on HS2? What will your Government do to make sure that people like me, people from north Wales, can access those high-speed trains without having to change trains?

[127] **The First Minister:** That is a very difficult question to answer. I would hope, Ann, that you have many years left, so—[*Laughter.*]

[128] **Ann Jones:** You might not hope that when I have finished with my questions. [*Laughter.*]

[129] **The First Minister:** The reality is that an HS2-style railway is many, many years off as far as north Wales is concerned. What is crucial, though, is that there is a way to ensure that there is a fast, electrified service all the way from Euston, so that people do not have to change trains in Crewe, and so that they can have that through-service as it exists now. We have this curious situation now where a diesel locomotive is bolted onto the train in Crewe because of the lack of electrification beyond there. That is not going to last in the future, especially given the fact that rail technology, particularly in terms of motive technology, is almost entirely based on electricity now. There are very few countries these days that rely on diesel as the main source of power for trains. They are almost all electrified in almost every other country. Britain has not been very good at investing in railways, unlike, for example, France over the years.

[130] I cannot promise you a HS2-style link—that is not within my control—but I think that it would be realistic and fair for there to be a faster, electrified, through-train from Euston all the way to Holyhead.

[131] **Ann Jones:** The serious point of my question—I probably should not be so flippant—was that I wanted to know that the Welsh Government is batting for Wales, in the same way as has happened in Scotland and Northern Ireland, and you have given me an assurance that will happen.

[132] I will move on to road infrastructure, particularly the A55 in north Wales. It is fair to say that the A55, when it is good, is very good, but, when it is poor, it is horrid. We seem to have some horrid examples at times. A lot of it is around pinch points. I notice that the investment that your paper refers to includes the Conwy tunnel, but, forgive me, I thought that the Conwy tunnel, because it is part of the trans-European network, required maintenance. Therefore, it is not, for me, an ‘additionally’. I want to see additional investment in north Wales, for example in refuge areas.

11.00 a.m.

[133] On the pinch points, you mentioned the Britannia bridge and the congestion on that bridge. What is happening at Aston Hill, Deeside? Coming into Wales from England, we are

on a four-lane superhighway, and then suddenly we drop down to a two-lane, 50 mph zone—well, the speed limit is not necessarily the issue, but certainly the two lanes after Aston Hill. There were plans to progress that forward, but they seem to have halted. That is a major pinch point, and that puts tourists off coming along. However, it is also a major pinch point for businesses. If manufacturers cannot get their goods in and out of Wales at that point on the roads, they start to want to relocate even further east than Deeside. So, what is going to happen to that, and how are we going to make that a pleasant journey from England into Wales?

[134] **Mr Price:** If we look at the whole of the A55 and take the three bullet points that you—

[135] **Ann Jones:** I have a couple more as well, but carry on.

[136] **Mr Price:** Okay. The A55 as a whole, on average, performs quite well, but there is a series of pinch points and issues with it, and I think that you have raised most of them. One of the key issues is that it was originally built as a two-lane road, rather than as a three-lane road. Furthermore, it does not have a hard shoulder. When you do not have breakdowns, that is not a problem, but the moment that you have a breakdown, that tends to cause significant issues, particularly at the eastern end, where the traffic flows are much heavier. That is why, a few years ago, the traffic officer model was introduced, to try to get people off the road, primarily, actually, to provide personal safety rather than network resilience.

[137] The biggest issue in the Minister's statement that we are trying to deal with at the moment is to provide refuges. That is to say, non-continuous hard shoulders anywhere we can without having to move structures, because as soon as you move structures, you are into hundreds of millions of pounds. That, obviously, might be a very long-term aspiration, but not something that is necessarily affordable now, and even if it were, it would take probably 10 years to deliver. So, over the next two years, we are going to put in a series of non-continuous hard shoulders, or refuges, particularly along the eastern end of the A55, which should allow for breakdowns, if there are any, to be pulled off the road very quickly, to allow better throughput on that road.

[138] In terms of the Drome Corner stuff and the Aston Mead activity, the scheme is under way at the minute, exploring what the options are to help to alleviate those issues. The conclusions broadly look like a series of integrated transport interventions, plus a couple of targeted road interventions as well, and they, again, are referenced in the Minister's statement and will be worked up into schemes that will be delivered in future years—hopefully as quickly as possible.

[139] The previous scheme, of course, was quite controversial and was perceived as being potentially significantly over the top, and residents very near the scheme were quite anti it, but that does not mean that no scheme is required. So, we are looking again at all of that, and doing so quickly.

[140] We then move to the Britannia bridge, and I am sure that the First Minister might want to come in on this as well. Purely from a transport perspective, what we are looking at, again as a quick solution, is to see whether we can perhaps get tidal flow on that bridge, which would basically mean that you would run at three lanes rather than two. So, you would go with the flow of traffic, and you get two lanes going with the flow of traffic and you switch it around, morning and afternoon in terms of the rush hour. We did some work on that the last time I was in transport, and it looks like it is deliverable, but we are looking at that again, and that, too, was at least alluded to in the Minister's transport statement under the pinch points.

[141] I think that those are the main points along the A55.

[142] **The First Minister:** In terms of the Britannia bridge, of course, the Minister did announce at the start of the year that there will be a study into the congestion there, with a view to looking at some options for how that might be alleviated in the future.

[143] **Ann Jones:** One of the perceptions in north Wales—and it takes those of us who represent north Wales constituencies and the region a long time to try to explain to people how we are not left out—is that everything is spent in south Wales first. I am playing devil's advocate here, more than anything else. There is going to be roughly £1 billion in road improvements to the M4 to alleviate congestion around the Cardiff and Newport area. I know what will happen. In my postbag, when people know that we have had this discussion, it will be, 'Why can't we have that in north Wales for the A55?' I realise that funding does not always follow like that, but are we taking the congestion on the A55 as seriously as we are taking the congestion around Cardiff and Newport?

[144] **The First Minister:** Yes, and the example there on the Britannia bridge is being looked at. When it comes to the issue of borrowing powers, quite often the example of the M4 relief road is mentioned, but that is not the sole reason for borrowing powers. That is probably the biggest project, because the traffic flows are far heavier along the M4, of course, than along the A55. There is a particular pinch point. The road is also older; large parts of the M4 are far older than parts of the A55. We do have an issue around Newport with the Brynglas tunnels—they have certainly been there as long as I can remember, so they were probably built at some time in the 1960s. It would be very difficult simply to enlarge them, so other plans have to be looked at. Further along the M4, we have the Port Talbot overhead section, built, again, to a standard far lower than what would be built these days, with slip roads that are very short. As a result, there is congestion at that end of the motorway, and because it is an overhead section, it is very difficult to widen it—with houses on one side and cliffs on the other. So, obviously that is an issue there.

[145] To people who ask, 'Is the money being spent in the south?', I would say that the most acute problem on the Welsh road network is on the M4 east of Cardiff. We have problems on the western distributor road of Cardiff, where the road has been built with no hard shoulder and a cheap surface. There are issues further along the M4 to the west. There are issues on the A55—the Britannia bridge is one, and the eastern section of the A55 is another. They will be dealt with. In the same way, we realise that there are problems on the network away from the main highways. The A483 is one of these. That is why the Newtown bypass is scheduled to be built at the beginning of 2015 to help to alleviate traffic there. It is simply a question of targeting the money at the areas that are the biggest priorities at the moment. It is certainly the case that there are occasions on the A55 when there are traffic problems, but the biggest problem at the moment is the eastern section of the M4. That does not mean, of course, that there are no problems on the A55; I know that full well. It is simply a case of trying to deal with the most difficult problems first.

[146] **Ann Jones:** Okay. If I may, Chair, I have just one question that is slightly transport-related—

[147] **David Melding:** I am sure that you can sneak it in.

[148] **Ann Jones:** I am sure that I can. On using bicycles as a mode of transport and the vexed issue of shared surfaces, is your Government going to create dedicated cycle paths and dedicated pedestrian walkways, so that people who have a disability do not have the additional problem of cyclists coming up behind them? A cyclist, in all honesty, may ring the bell, but if you are deaf, you will not hear it. Shared surfaces seem to be the panacea now—we all talk about shared surfaces—but there are some inherent dangers to shared surfaces.

Will you seriously look at the equality impact of shared surfaces?

[149] **The First Minister:** It is an important point. We have the Active Travel (Wales) Bill, of course, which is looking at promoting walking and cycling. The thinking has tended to be on the need to move cyclists off the roads for their own safety, but moving them on to where there are pedestrians, unless the cycleway is wide enough, is the equivalent of moving them onto pavements. There are inherent difficulties there. I think that what we need to do in the future is examine scenarios where there is sufficient separation between cyclists and walkers. If you look at the Swansea cycle path, for example, particularly at the western end, you will see that it is very congested with pedestrians. If you are a cyclist, you have to weave in and out of them. That can be just as bad. We will need to give some thought to how we can practically separate pedestrians from cyclists. However, having dealt with the safety of cyclists, what we need to ensure is that we do not then compromise the safety of pedestrians.

[150] **Ann Jones:** So, you will look at that. Everything will have an equality impact assessment.

[151] **The First Minister:** Yes.

[152] **Ann Jones:** Thank you. Thanks, Chair.

[153] **David Melding:** First Minister, we have another question from a member of the public. This one comes from Samantha Witts and Peter Gilbey. They asked: what is the Welsh Government doing to encourage other forms of renewable energy as an alternative to wind, such as tidal power and micro hydro schemes?

[154] **The First Minister:** We have a scheme called ‘Ynni’r Fro’, which is designed to assist microschemes, and that is moving forward at the moment. We have provided financial assistance to prototype marine energy projects, such as the project in St Justinian, off the Pembrokeshire coast. In terms of the current situation with the energy generation market, it is right to say that, as I mentioned earlier, there is a difficulty in terms of how much money we can give in subsidy to marine in a way that we would want. With regard to onshore and offshore wind developments, they are subject to the same regime. At the moment, what the energy companies are saying to me is that marine energy is still very much in its infancy, whereas wind technology is a mature technology. The way to ensure that marine energy catches up, whether it is wave or tidal, is to be able to invest in prototype projects that work. We have done that, but we cannot invest the money that we would want to because we do not control the subsidy regime in the way that we would want. An energy mix is important. Renewable energy is not all about wind, whether it is onshore or offshore, but that mix is important. We have, particularly in the south, one of the most powerful tidal ranges in the world—the second highest in the world. I think that it is 10m. Being able to harness that—the Severn barrage is one proposal that would seek to harness that—would help greatly in terms of generating energy in the future.

[155] **David Melding:** Do you think that we are doing enough on the micro scale? I was at a conference in Germany a couple of weeks ago—it was not on energy, incidentally—and when travelling around Germany, it is so visible. As you go through the towns and villages of southern Germany where I was, you can see the number of microschemes in people’s back gardens, the solar panels on their roofs and their use of microhydro. That is something that may be more feasible in south Wales and the Valleys areas, but there are a lot of mountains up here as well with communities close to them.

[156] **The First Minister:** It is true that Germany is further ahead in terms of renewable energy development. What we try to do, of course, is make the planning system more flexible, in terms of encouraging microgeneration as well. However, so much of it depends on the

market and the price that people can get for the energy that they generate themselves. At the moment, with electricity market reform, things are not clear. It is not clear, for example, what—as the phrase has it—the ‘strike price’ will be for electricity. All this lack of clarity at the moment is making it more difficult to encourage microgeneration, because the margins are so tight in terms of people’s ability to be able to sell what they generate into the network.

[157] **David Melding:** The last couple of questions I will put to you relate to the environment. The first question is on flooding, and we know that there have been a number of really serious flooding events in north Wales over the last few decades. I wonder what importance the Government places on protecting vulnerable homes and infrastructure—we have just heard about road and rail in north Wales—from flood risk.

[158] **The First Minister:** We are investing £180 million during the lifetime of this Government in flood defence schemes. On top of that, we are going to get £60 million from the European regional development fund, which we hope will continue, given the prospects of a referendum here in the next few years. It will mean that something like 1,800 miles of defences will be put in place. To give one example, two years ago we saw the start of work on the Colwyn Bay coastal defence improvement scheme. That has had £16 million in total. That defends not just the town of Colwyn Bay, but the north Wales main line as well. It is an extremely important scheme, given what we know in terms of what is happening with climate change.

[159] The difficulty has been in assessing which areas are most at risk, because we have seen flooding events in the past two years in areas that were not thought to be at risk of flooding—St Asaph being one of them. When I visited St Asaph, there was a substantial bank along the river Clwyd. Where the Elwy comes in was where the flooding occurred and it happened in the space of a day. When I got there the following day, the river was back to its normal level. That kind of event is very difficult to predict, especially given that it was an area where there was a defence system already in place.

11.15 a.m.

[160] We remember as well the flooding that took place in Ceredigion and what happened there. That was such a powerful event. I know the area well. When I heard that the village of Tal-y-bont had flooded, my first question was: where is the river in Tal-y-bont? There is no river there; to me it was a stream, but the flooding was so powerful—

[161] **Elin Jones:** There are two of them.

[162] **The First Minister:** Yes, there is the Leri, of course, but it is not the biggest river in the world.

[163] **Elin Jones:** No.

[164] **The First Minister:** When we saw the flooding, and we saw the flooding of caravans at the Dyfi estuary, the point was made to me that had the defences not been there—because defences were in place—the caravans would not have been in the water, flooded, they would have been in the sea, such was the power of the flooding event.

[165] In the modelling that Natural Resources Wales will have to look at over the next few years will be the need to assess some communities in a new light, to see whether the defences that are already there will be sufficient, given what we are seeing now, which is extremely short, but extremely powerful, flooding events at a level that previously was not seen.

[166] **Ann Jones:** With regard to St Asaph, and previously the Towyn floods along the

north Wales coast, which I was involved with in another life, I think that people were very grateful for the instant recognition and the help that communities get, but it is now, some six or seven months on from the flooding in St Asaph, that people are coming back into their homes, rebuilding their lives and communities, and they are quite worried whether there will be a short-, medium- or long-term effect. I know that £180 million is going in, over the lifetime of the Government, until 2016, so that is good, but it is about reassurance and clearing debris away from rivers, making sure that any future planning issues in areas are looked at. In St Asaph, there is a bridge that is of considerable concern, which is the one that is almost level with the road. So, obviously, the structure of the bridge is much lower down. So, there is nowhere for the water to go, other than to come up and over. So, the people who live alongside that bridge are now quite worried. However, it is about future planning and how we all work that together. A lot of communities want to see some real action in terms of planning. I think that the planning guidance needs to be looked at. They need to be reassured that local authorities will not allow more development on areas that are already problematic.

[167] **The First Minister:** I agree. We have TAN 15, of course, and I remember introducing TAN 15 in the middle of the last decade, and TAN 15 is predicated on a one in 1,000 year flooding event, and it was seen by many at the time as too extreme. Of course, now we know that it possibly might not have gone far enough. The difficulty we have is that we have many houses that are in the areas most at risk of flooding. They are there, and some of them have been there for a century or more, and they cannot be moved anywhere else, but it is crucial that we do not continue to build in the C2 areas, as they are called in TAN 15, because what tends to happen is that houses are built, defences are not put in place and, when flooding occurs, it is local government and the Welsh Government that have to pick up the tab. That, clearly, cannot be right in the future. So, unless mitigation measures can be put in place, development should not take place in areas that are most at risk. The difficulty comes in trying to assess what those areas are, because after what happened in St Asaph and north Ceredigion, there has to be constant revision of those areas that are thought to be most at risk.

[168] **Ann Jones:** Will that be ongoing?

[169] **The First Minister:** Yes. Natural Resources Wales will keep on doing that.

[170] **David Melding:** We will now turn to the final question from members of the public. This is from Jonathan Bevan and Allan Higgs. What is the long-term legacy for Wales from the wind and nuclear power industries, including the whole lifetime carbon footprint of these industries, including, manufacturing, construction, operation and de-commissioning? I think that it is fair to say that some people are suspicious of some sectors, in the sense that you do not get the full carbon evaluation of what is involved in that technology, such as the embedded concrete or whatever.

[171] **The First Minister:** That much is true. Any apparatus for generating power is bound to have a carbon footprint in its manufacture. That is inevitable. Some have virtually no footprint when they are generating energy—wind is one such example. So, clearly, there is a carbon footprint that exists in the building of Wylfa B; that much is true.

[172] However, I will make a more general point. We have, of course, sustainable development as our central organising principle, which sounds vaguely Stalinist at times. Over the years, we have overemphasised what is an important part of sustainability, namely the environmental side, and not emphasised enough the social and economic side. We need to have an environmentally acceptable future, and that much is true, but it cannot be a future that excludes job creation and sustainable communities.

[173] My family's roots are in the upper Amman valley where, out of 6,500 people, 2,500 men worked in the mines when they were operational. When I was a little boy, the area was

ringed with coal tips, some of which were 300 feet high. As the tips were removed and the area made much greener and nicer, the jobs went as well and, as a result, the social and economic pillars were eroded even as the environmental pillar was improved. I think that all of these things have to go together. There will be times when we have to accept that the need to create sustainable communities and jobs in an area will be as important as looking at the carbon footprint, even though minimising the carbon footprint is important. A prime example of this is the steelworks in Port Talbot. There is no doubt that the environmental sustainability of the area would be hugely improved if it was not there, but then 10,000 jobs would go with it. Balancing these things is crucial for the future. I was in New Zealand two years ago and, while I was in Wellington, I met two young lads who used to work at Anglesey Aluminium, but are now working in Queensland, because that was the only place that they could get a job. I do not want that to happen to the people working at Wylfa.

[174] **David Melding:** I have a final question on waste and the treatment of waste. Perhaps you could update us on the progress of the north Wales residual waste treatment programme, and also what the Government's general response is to what are sometimes quite understandable public concerns about the siting of particular waste facilities near their neighbourhoods.

[175] **The First Minister:** There are five local authorities, of course, that are part of the project. They are looking to treat around 150,000 tonnes per annum of non-recyclable residual waste. It has been the case for many years that there has been a hierarchy of waste disposal. Reuse, recycling and composting come at the top, and, towards the bottom, we have energy from waste, then incineration, and then, right at the bottom, landfill. We are running out of landfill sites—that much is true—but the difficulty is that we are not in the situation where everything can be recycled. So, there will need to be a way of dealing with waste that is non-recyclable. In my view, the best way of doing that is to use it to create energy through energy from waste. Inevitably, that means that people will be concerned if any such facilities are sited near them, but the same also applies to landfill. Waste has to be disposed of somehow and somewhere, but it is important that communities get assurances about facilities that might be located next to them. The latest health studies seem to indicate that when it comes to energy from waste, they are not particularly polluting in terms of what they release into the air. Until we get to a situation where every single thing can be recycled, we will always need to find a way of disposing of that waste that cannot be recycled. This has to be put into context, of course, that, at the start of this century, we were recycling around 4% in Wales of waste arisings. We are now recycling over half. That shows that a lot of progress has been made, but it also shows that a substantial amount of waste still has to be dealt with in a way that does not involve reuse, recycling or composting.

[176] **David Melding:** We have talked quite a bit during the course of this morning's meeting about community buy-in and community benefit. It has always struck me that when it comes to waste facilities, some in particular excite a public reaction—incineration, for instance, always excites quite a public reaction—and part of the problem is that there is no obvious direct benefit to a community to having a particular facility sited in its neighbourhood. For those of us who live in very middle-class areas, which do not usually have these facilities sited in them, for one reason or another, should we not be paying a bit of a premium when another area agrees to have, or the planning process requires them to have, these facilities sited near them? Should there not be a more direct benefit to those communities through lower energy tariffs or investment in the community or something? They seem to lose both ways, do they not?

[177] **The First Minister:** There is no reason why that should not happen. If we are promoting it in terms of renewable energy, why not do it, of course, with energy generated in this way? One of the issues that we are wrestling with in terms of the planning reform Bill is what we do with section 106 of the Town and Country Planning Act 1990, which, as

Members will be aware, deals with community benefit from planning development. We have been looking at how we might be able to extend that, but it does rub up against the community infrastructure levy, which is not devolved—for no sensible or logical reason. However, it creates a limit on how far we can push the issue of community benefits via this planning Bill or the planning Bill that will come after it in the future. However, in principle, there is no reason why a community benefit should apply to one form of energy generation and not to another.

[178] **David Melding:** Thank you, First Minister. That concludes the session this morning with you and the questions that we wanted to put to you. We are very grateful for your attendance. I think that we have had a very productive session, and I am delighted that it has been held here in the Stiwt in Rhos in north Wales. Thank you very much. I understand that you now have to leave, so we wish you well with your further public duties today.

[179] I suggest that we take a five minute comfort break now. We will then have item 3, which is the open-mike session, in which the members of the public who have sat through that session will have an opportunity to put things directly to us, or to reflect on the First Minister's answers. That may influence the report that this committee submits on this meeting. We will just break for five minutes. Thank you.

*Gohiriwyd y cyfarfod rhwng 11.27 a.m. a 11.35 a.m.
The meeting adjourned between 11.27 a.m. and 11.35 a.m.*

Sesiwn Hawl i Holi Open-mike Session

[180] **David Melding:** The Committee for the Scrutiny of the First Minister is now back in session. We are delighted with the public engagement that we have had this morning, both in terms of the number of people who have attended and the number of questions that were submitted. Those questions were put in the course of the first session that we had with the First Minister. We now have an opportunity for the public to put questions to us, which I hope will be related to the subject matter discussed this morning, although we are prepared to listen and take a fairly wide interpretation of that, or to reflect succinctly on anything that the First Minister said, perhaps trying to suggest ways in which we may weigh the evidence and put certain matters in the report of this meeting that we will prepare. We are here to listen to your concerns. There is a microphone. Please state your name and, if relevant, any organisation you represent. I remind you—this is not a warning, but a sign of how seriously we take this—that this is still officially and formally part of our committee meeting, so a record will be kept of this part of the session as well. It is, therefore, very important that you tell us your name. With that, I hope that someone is going to put their hand up. We will start with the gentleman over there.

[181] **Mr Wynn:** My name is Phil Wynn, and I am a county councillor at Wrexham County Borough Council. I have three points to make. One is that I am deeply concerned that some sort of announcement has been made about the Saltney rail infrastructure improvements. It would be interesting to know the detail of those and whether they have been put back once again. My belief was that that work was meant to commence fairly soon.

[182] The other point that I wish to make is that I was at a meeting a month ago with the director of BT in Wales on the roll-out of superfast broadband throughout Wales. It was quite an interesting meeting in that a lot of the local businesses from the Wrexham industrial estate were invited. I can understand those businesses being frustrated by the fact that, millions of pounds having been spent on rolling this programme out, one of the largest industrial estates in Europe cannot get access to BT superfast broadband. From my discussion with the director,

the cost of resolving the problem runs into thousands of pounds, not hundreds of thousands. I think that it is deeply embarrassing for this country that we cannot resolve that problem quickly, because it is just a bureaucratic problem in relation to state aid being doubly delivered in the industrial estate. As a scrutiny committee, I would like to think that you will put pressure on whichever Minister to deliver a quick solution, because that is deeply embarrassing for this country.

[183] Also, Wrexham, like all other authorities, has submitted a bid for the capital programme for ‘Vibrant and Viable Places’. Obviously, it is crucial that Wrexham is successful; no doubt every other county would say the same. What I am deeply frustrated about is that those who do not succeed will see the moneys that are currently spent in their areas being taken away and spent in the areas that are successful. The ward that I represent covers the south-west Wrexham regeneration area. I was at a meeting last night and had to explain to a lot of residents that the scheme was dead, even though the scheme was meant to run to 2018 and beyond. The scheme has been diminished due to the funds that are going into this scheme and there are people living in one street who have had their roofs and front doors replaced, while those in the next street have not. They feel that, because of some arbitrary political decision, robbing Peter to pay Paul, they will be denied the same rights as their neighbours. I would, therefore, like to think that somebody from the Welsh Government will come and explain to the residents why they have been denied this, should Wrexham fail in its bid come September.

[184] **David Melding:** Thank you for those points. I think that the latter point relates more to regeneration policy, although it is a capital programme. We could pass on the view that the result of targeting, presumably, means that some places in receipt of those funding programmes at the moment are going to lose out, and your misgivings about that. The other two points go to the heart of what we have discussed, and I am sure that we will want to reflect those issues in our report. Do any Members want to say anything in particular? I think that we want to hear what the public wants to say, so we are not necessarily going to respond to everything. It helps us to give weight to the evidence that we have heard, and I think that the first two points that you made were clearly issues that we were concerned about in our questions. It is good to get that confirmation that you are concerned as well. Did you want to come in on this, Eluned?

[185] **Eluned Parrott:** I just wanted to let you know that, on the superfast broadband roll-out, another Assembly committee has been scrutinising this recently, namely the Enterprise and Business Committee, which I sit on. I sympathise entirely, because I represent a region that includes central Cardiff, and there is a large patch of central Cardiff where many students and academics live that has among the slowest broadband speeds in Wales. They have not been included in the commercial roll-out, and have been given a list of difficulties that have prevented progress from being made. That is why I asked the question about how we can be sure that areas will be released from the commercial roll-out quickly, so that we can move to the non-commercially viable roll-out as quickly as possible, so that businesses such as those that you mentioned have the quickest possible access. It is something that we will follow up, and, as I say, that other committee will be reporting on this, so I would encourage you to have a look at the transcript. We scrutinised Ann Beynon yesterday, in fact.

[186] **David Melding:** Did you want to comment, Elin?

[187] **Elin Jones:** Yes. On the regeneration point that was made, I think that it is probably appropriate for us to make a comment in our report on that, because of the capital investment that had been aligned to the regeneration projects and regeneration areas. In a number of cases, that has been quite dramatically and drastically cut and changed by the Welsh Government. Wrexham is one area, and I have an area in my own constituency, in Aberystwyth, which has seen considerable overnight change to a capital investment

programme that had been quite a long time in planning in these regeneration areas.

[188] **David Melding:** Thank you for that. There we are. I do not win all the battles on the committee, as you can tell. We will no doubt want to reflect on that subject as well. I see that the lady in the front there has a question.

[189] **Ms Dawes:** My name is Linda Dawes. I am a member of an organisation called Wrexham Residents Against Power Scheme, or WRAPS. We have been formed to launch an objection to an application to build a huge gas-fired power station on land that is adjacent to the community of Is-y-coed. The route that has been identified for a line of new pylons—and I should say that the pylons are taller than Wrexham cathedral—connecting the power station to the national grid, cuts across farmland and open countryside, and is very close to some very precious areas, such as Erddig, Bangor-on-Dee racecourse, Pontcysyllte aqueduct, and the Plassey centre, which is a real hub for tourism in the area. Added to that, this power station will add a further 50,000 tonnes of carbon dioxide emissions into the environment of the area, which, as I have said before, is largely farmland.

[190] Comments have been made this morning, which is why I am reflecting on what has been said, about the benefits that any energy scheme should bring to communities. This project brings no benefits to the communities—none that have been demonstrated so far. There are no benefits to the industrial estate, as more building will need to be done for the power station to supply the industrial estate directly. At the moment, that is not in place. It certainly will not bring jobs to the area, because, once it is up and running, very few people will be needed to run the power station, whereas the tourist industry, which will be affected, at the moment supplies huge numbers of local people, including youngsters, with jobs and a wide variety of skills. I think that that is something else that has been referred to this morning: that we need to provide that sort of employment.

[191] Therefore, we have a scheme that will bring no benefits, does not answer a need and is absolutely opposed by all the communities that will be affected by it. We would like to ask the Assembly what influence you could exert, or have—should you listen to our arguments—on the Planning Inspectorate, and on London, to ensure that this project, at least, gets the scrutiny that it needs, which is very close, and perhaps put to it another scheme that could be more beneficial to the area, which this certainly is not. Thank you very much.

[192] **David Melding:** Thank you for that. I realise how passionately you are advancing the case, and the impact that it is likely to have on your community. I do not know whether Members wish to say anything in response. It clearly reflects on several themes this morning. One is the powers that have been devolved—I suspect that that power station comes under England-and-Wales planning, and is not devolved to the Welsh Government, although we will check. There is the whole issue of community involvement and benefit, which we spent quite a lot of time on. Do Members want to reflect any further? We will cover these issues in the report, without question.

11.45 a.m.

[193] **Ann Jones:** Chair, I wish to say something about community benefit. Ms Dawes is quite right. When we talk about community benefit, people see pound signs and a new community centre or something being built. It is right to say that we should look at community benefit, and that we should talk about communities and wider tourism areas. Tourism is the big one, if this is going to have a negative effect. In any report that is written, there should always be—

[194] **David Melding:** There should be a frank assessment, should there not?

[195] **Ann Jones:** Yes, there should be a frank assessment. Sometimes, we get drawn into things. When we talk about 5,000 MW of power, everyone focuses on that and the eye comes off the ball in terms of the negatives. There should be a section on factors for and against in any report.

[196] **Ms Dawes:** I wish to make one point, because it is germane to this morning's conversation. One of the things that have been said this morning is that we are an exporter of energy. It is clear that this power station is going to be built to export energy, as there is no local need, which is another reflection on what the benefits are for the community. I think that that is very important. If something that is going to be built in our area is going to produce something that is mostly to be sold—and I believe that that is something that was said this morning—we can see nothing for those of us who live there, for the whole area or for the youngsters who are employed at the moment in the tourism industry.

[197] **David Melding:** It has been confirmed by our staff that this is not devolved. However, this is a huge issue, and I believe that most of the parties in the Assembly think that these issues should be devolved. This is simply because the Welsh Government, the Assembly and fora like this are the natural places that people will come to now. Most people in the community would probably be mystified that it is not the Welsh Government, but the UK Government, that decides this. There is a big issue there. If we are going to have proper community engagement, the community has to be confident that it can engage with the appropriate level of Government. I believe that the First Minister mentioned TAN 20, in terms of the priorities that the UK Government can have, which may not be aligned specifically to the ones that the Welsh Government has and the ones that most people have most knowledge of and think are most relevant to them. I am keen to take another question. I have two. We will have the young man at the back, and then we will come over to you, sir.

[198] **Mr E. Jones:** My name is Ellis Jones and I would like to know why there was no mention of biofuel developments in north Wales while we were talking about renewable energy earlier on, and if there are any plans to develop biofuel in north Wales.

[199] **David Melding:** 'I do not know' is the answer. We usually have a look at the available evidence that has recently come from the Welsh Government. We then reflect, in our questioning, the most recently stated priorities. So, I suspect that there are no major schemes at the moment related to north Wales, or at least we did not pick them up. Elin, do you have any light that you could throw on this issue?

[200] **Elin Jones:** It will not be light, but it will be an observation. There is an ongoing debate about the use of land for food production and fuel production. On the whole, the Welsh Government has come down in favour of food production, although Wales is a reasonably heavily wooded country, in terms of timber. North Wales, in particular, has a big timber resource, both on publicly owned estate and on farmland. In general, I do not think that we make enough of the energy resource that is in our existing woodland. That is something that Natural Resources Wales and the private forestry sector need to exploit more, in terms of fuel production and renewable energy production from timber.

[201] **David Melding:** I will bring in Eluned in a minute. Mr Jones, did you have anything in particular in mind, which you think that we should look at, when you put that question to us?

[202] **Mr E. Jones:** Not particularly, no. I think that it is worth looking at as we need to look at all renewable sources of energy. If we can look across the whole board, we can see the pros and cons of every system.

[203] **David Melding:** I understand.

[204] **Eluned Parrott:** When it comes to large-scale biofuel production, I do not think that Wales has the capacity to produce the fuel. Although we are a wooded country now, if we were burning wood in the kind of volumes that we used to burn coal, then, frankly, we would not be a wooded country for very much longer. I am aware, though, that some of the enterprise zones are looking at the potential for biofuels. For example, in the Haven waterway zone in Pembrokeshire, one of the things that they are looking at is importing wood chips in huge ships and then rail-freighting them to some of the old coal-fired power stations. That is a possible development. However, as Elin said, we have to ask ourselves this question: to what extent is this desirable and are there other, more readily, renewable sources of fuel than trees that take 50 or 100 years to grow?

[205] **David Melding:** We move on to the gentleman back over here with the yellow shirt.

[206] **Mr Hargreaves:** My name is Robert Hargreaves and I am representing the Shrewsbury and Chester rail users' association. I tend to be the Wrexham area representative. I just want to say that I am very concerned to hear that the redoubling between Wrexham and Saltney is yet again delayed. I sincerely hope that it is not going to be another five-year delay. I understand that there is a big problem between the Assembly and Network Rail. My own opinion is purely this: if Network Rail was a private business, with the way it is reacting, it would have gone bust. I think that it is very poor and very bad.

[207] In Wrexham, we are having the new superprison, with 2,000 inmates arriving shortly. Currently, Wrexham has only one train each way between Chester and Shrewsbury. We were hoping that the redoubling would have gone ahead much quicker to bring the inmates' families into Wrexham, which would, coming by train, be kind of neutral. I sincerely hope that the delay does not have a bad effect on bringing the prison to Wrexham.

[208] **David Melding:** Thank you for that. I am absolutely sure that one of the major things that we will put in our report to the First Minister is this issue and the need to have leadership and resolution.

[209] We now move to the lady there in the middle.

[210] **Ms Gill:** My name is Edna Gill and I am from the Road Haulage Association. We welcome the news that the First Minister is saying that he is going to invest an extra £25 million in the A55 over the next two years to keep it fit for purpose. We ask that he also considers the addition of heavy goods vehicle parking and rest facilities for the additional drivers who will be travelling along that road.

[211] **David Melding:** That issue has been raised a few times over the years. When I was on the economy and transport committee in the last Assembly, I remember it being raised. It is really quite important that there are suitable rest facilities for the safety of the drivers and all road users.

[212] **Ann Jones:** I think that that is a very good point. I represent the Vale of Clwyd and we have done some surveys and work and been told that the optimum place for people to stop is roughly around that central part of the A55. It is about tachographs going backwards and forwards to the ports, to Holyhead. It is very difficult sometimes, and people say, 'We don't want the lorry park alongside our part of the A55; why can't you go somewhere else?' The public is still to be brought along with us on that, but I certainly think that we should have proper facilities for road haulage. There is quite an issue around the safety of lorry drivers who just park themselves up in a lay-by somewhere, especially when they are isolated. You will get lorry drivers who talk to each other and try to park together for a bit of security. So, we owe it to them as well from that angle. We should be putting something in the report about

the lorry-park issue. I know that two or three planning applications have gone in and have been turned down by local authorities, but I think that there needs to be an overall, strategic look at where we put facilities for those who are transporting haulage on the roads.

[213] **David Melding:** There is a gentleman at the back and then a gentleman at the front who want to speak.

[214] **Mr Edwards:** My name is Callum Edwards. I am a student at Aberystwyth, and I live just down the road in Ruabon. As you can imagine, I use the railway quite a lot to get between the two places, and it is still quite a disjointed network in Wales, with most of the plans being for the north-south route from Holyhead to Cardiff, which means that students coming back from Aberystwyth who want to access the north-south route end up having to wait for an hour at Shrewsbury. That is something that I have highlighted to Arriva quite a few times. However, my contribution is not just on that.

[215] The reissuing of the rail franchise is approaching quite fast and, obviously, it is not a devolved issue, but I am sure that the Welsh Government could look at the pros and cons of a not-for-profit railway. I would like to see what the Welsh Government comes up with as an alternative to having a monopoly-run service in Wales.

[216] **David Melding:** We have the Member who represents Aberystwyth here, as if by magic. Elin, you will want to reflect on that, I am sure.

[217] **Elin Jones:** Yes, and there are several questions that I could have asked the First Minister this morning about the A487 as a road going north and south through Ceredigion and the rail network into Aberystwyth, but because this was a session on north Wales, I decided not to. However, if I had known that you were in the audience, I would have definitely—

[218] **Ann Jones:** You have been an honorary north Walian for today, have you not?

[219] **Elin Jones:** I have used the connection between Wrexham and Aberystwyth and between Cardiff and Aberystwyth, and the irony is the fact that the First Minister mentioned that there is a three and three-quarter hour route from Cardiff to Bangor by rail, but it takes four hours and 15 minutes from Cardiff to Aberystwyth by rail, even though Aberystwyth is geographically half the distance that Bangor is from Cardiff. So, I know the issues that you raise very well.

[220] I was slightly disappointed in the railway announcement that the Welsh Government Minister for transport made yesterday. There has been an infrastructure development and investment on the Cambrian line to allow trains to pass, so that you could have an hourly service. It has been a long-time campaign by the university, students, me and others in Aberystwyth to have an hourly connection between Aberystwyth and Shrewsbury. It has been a Government commitment to introduce that from 2015, and that would allow better connection times in Shrewsbury, as you have alluded to. However, unfortunately, the Minister's statement yesterday seemed to step back slightly from that and referred only to the possibility of more frequent trains for tourism purposes—tourism trains in particular. So, I think that that is an area that the report from us could reflect, because this is about connections between different parts of Wales. People want to come to Aberystwyth as students—

[221] **David Melding:** People from Aberystwyth want to go to Wrexham.

[222] **Elin Jones:** Yes, people from Aberystwyth sometimes want to go to Wrexham as well. So, I think that it would be good to make sure that the connections around the railways are working in every part of Wales—where we still have railways, of course.

[223] **David Melding:** Thank you for that point. I understand that the Enterprise and Business Committee is about to have an inquiry on the rail franchise. Eluned, are you on that committee?

[224] **Eluned Parrott:** I am, yes.

[225] **David Melding:** There we are. So, you have another Member here who will take that forward, but we will ensure that that comment is passed on to the committee.

[226] We will go to the gentleman at the front.

[227] **Mr D. Jones:** Thank you, Mr Melding. I live in the Dee valley, through which runs the A5, the major east-west route until the A55 was built. It is still a busy road. The gentleman behind me talked about biofuels. The number of forestry lorries that are taking massive loads of timber down that road from the forestry to the Kronospan factory in Chirk is very significant at present. The planting in the immediate post-war period, which I remember, is now being harvested and new, faster-growing trees are being put in to replace them, so the biofuel thing is going to be there for ages.

12.00 p.m.

[228] I think that we should not forget the A5. It also serves a very rural, a deeply rural hinterland. People often forget that there are these deeply rural hinterlands, not only in Powys, but also in the counties of Conwy, Denbighshire and Wrexham. I think that that must be considered as something on which there is an impact. They depend on health services at a distance. I would not want to have a heart attack in Cerrigydrudion, and I would advise you not to, simply because of the time it takes to get to the nearest hospital. It does not matter if the ambulance is there in four minutes, it takes a time.

[229] I would also say that, within here, there is reference to social housing as part of infrastructure. Two hundred new homes are being built in north Wales, which is excellent, but I wonder how many of them are what are called ExtraCare houses for the elderly, because what they are replacing are the residential homes that, previously, were run by the local authority. So, they are not technically new homes. People who used to be inappropriately placed in residential homes are now much more appropriately placed in these ExtraCare homes, but this is not the type of accommodation needed by younger couples to prevent rural depopulation.

[230] **David Melding:** Thank you, sir. Can you give your name?

[231] **Mr D. Jones:** Yes. My name is David Jones, and I chair the Denbighshire Voluntary Services Council, and I would like to make a plea that the Assembly does not forget the third sector. There are dangers that people patronise us and say how wonderful we are, but do not do anything in terms of supporting us, except to cut our funding year upon year.

[232] **David Melding:** Well, as someone who used to work in the third sector before becoming a politician, I say 'hear, hear' to that.

[233] **Mr D. Jones:** I was aware of that.

[234] **David Melding:** I would just say that you are quite right; the First Minister's paper does talk about social infrastructure, but, as a committee, we decided that we wanted to focus on energy, economics and such related matters. However, your point is well made about the need for more homes, particularly homes that are fit for purpose for people as they grow

older.

[235] Then there is the A5 and heavy traffic. I think that this is a common theme in rural communities, especially when there is a lot of logging and other rural enterprises. So—

[236] **Elin Jones:** I think that it is also unfortunate sometimes that there is a tendency, when we discuss east-west connections, to be talking about the M4 and the A55. When it is north-south connections, we talk about the A470 and the A483. There is also the A487 and a number of other roads. We all fall into that trap, and it is important that we remember the other roads that are part of the Welsh network, and every part of it should be important and should be reflected in this committee's report. I am just about to go on the A5 over to north-west Wales.

[237] **Mr D. Jones:** You will notice that it is a historic route. That is the label put on it by the trunk roads agency—hysterical is the word, but historical is what they call it. [*Laughter.*]

[238] **David Melding:** We are getting towards the end of the session, unless anyone else is very keen to attract my eye—I think that we have probably taken all the questions that people wanted to put.

[239] **Mr Hargreaves:** Could I just add an addendum?

[240] **David Melding:** Oh, you have convinced me. Addendum away. [*Laughter.*]

[241] **Mr Hargreaves:** This is Robert Hargreaves again. Without wishing to bore you, sir, I would like to comment on the redoubling. I will be very quick about it. I note that, in Gowerton, the line there is currently being redoubled. If I am correct in my thinking, this was discussed in the Assembly less than three years ago, and yet it is going ahead. I do not want to say that this is a north-south split, but I would point out that what happens in the south for Gowerton perhaps should have gone ahead with Wrexham long before now. Thank you.

[242] **David Melding:** Okay, I think that that is forceful and tactful, and we will reflect on that point. I am sure that we all picked up this slightly disjointed position between the Welsh Government and Network Rail, and that, if it is a priority, you want an outcome and not an excuse. I think that is the bottom line on that.

[243] That concludes the open-mike session. I must thank members of the public most heartily, because we have had an excellent range of questions that were really interactive, and it is very pleasing that we have had that sort of response, which was every bit as good as the response we had to the invitation to put questions via the internet. Thank you very much indeed. That concludes the public meeting, and I must ask members of the public in the gallery now to leave. We will just reflect on the evidence before we depart. Thank you all very much for your attendance this morning.

*Daeth rhan gyhoeddus y cyfarfod i ben am 12.05 p.m.
The public part of the meeting ended at 12.05 p.m.*