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Welsh Affairs Committee

Cross-border provision of public services for Wales: follow–up

Tenth Report of Session 2009–10

Report, together with formal minutes, oral and written evidence

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The Welsh Affairs Committee

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Summary

This Report follows up a detailed inquiry into cross-border services in which we examined further and higher education, health and transport provision across the Welsh-English border. Policy divergence is a natural and intended consequence of devolution. Our original inquiry produced evidence that policy makers in Cardiff and London were failing to consider the impact of policy differences on people on either side of what is a long and porous border. As a consequence, some of those needing to cross the border for access to public services were receiving a poorer quality of service.

This follow-up inquiry has shown that many of the specific difficulties we identified have been resolved. Communications and consultation between the Welsh Assembly Government and the relevant UK Government departments appear to be much improved in these cases, although policy co-ordination in general remains variable. We believe that there is a need for a clear framework for routinely assessing and comparing the impact of new policies in each of the the four nations. There is a particular need for clarity about territorial extent in major policy documents. Too often, England-only policies are presented under a UK banner and the way in which they will interface with devolved responsibilities is not made explicit, and the converse is sometimes the case.

The cross-border liaison structures established in response to the difficulties we identified in our earlier Reports need to be sustained in order to have an enduring effect. Engagement at the local level is also vital. Since our earlier inquiry, there has been good progress in some areas of co-ordination and we note in particular the positive contribution that can be made by those Regional Ministers who are actively engaged in developing a strategic approach to service provision in their region. They are well placed to encourage a strategic approach to cross-border issues and to develop strong working relationships with Welsh Assembly Ministers and their officials. There remain, however, a number of outstanding issues in the specific areas we examined where progress has not been made.

Further and Higher Education

Higher education is in a period of change both in Wales and England. Welsh higher education institutions already receive a lower level of funding from the Assembly Government than those in England and the Department for Business, Innovation and Skills has a responsibility to ensure that Wales does not lose out even more from the changed focus of research priorities. We are not convinced that the Department properly considered devolution issues when developing this strategy. The amount of consultation and communication between the Welsh Assembly Government and the Department for Business, Innovation and Skills has clearly increased. We welcome the fact that the Minister is open to discussing the co-ordination of higher education policy at a Joint Ministerial Committee meeting and suggest that now is the time to do this, given the recent publication of the Welsh and the English higher education strategies.

We welcome the publication of revised guidance covering arrangements for cross-border further education. The Welsh Assembly Government has also assured us that it is fully involved in the Sector Skills Council relicensing process. It is vital for new structures to

enable the Sector Skills Councils to give due regard to territorial differences in skills policies and in the configurations and weightings of different sectors.

Health

A revised cross-border health protocol and accompanying financial transfer from England to Wales has resolved most of the outstanding disputes with regard to the commissioning and funding of hospital care in England for patients resident in Wales. Monitoring of the protocol's implementation will be a key issue as policy continues to develop and change on both sides of the border. This should be carried out in a way that is transparent to providers and patients. More needs to be done to raise public awareness of the differences in services they can expect to receive in England and Wales, as recommended in our earlier Report. The improvements in co-ordination at governmental level should be matched by transparency for patients and citizens. Foundation Trusts should be bound by the same dispute resolution procedure as other providers.

The replacement arrangements for Health Commission Wales must ensure a consistent, equitable, responsive and timely approach to the provision of cross-border specialist health services. The removal of one national body for specialist commissioning must not result in confusion of responsibility and unacceptable local variation of policy and practice. One way to achieve this may be through the adoption of common commissioning structures for rare conditions with England and we look forward to the outcome of current discussions on this subject.

There is a serious and persistent lack of comparative data on which to build any solid research comparing the performance of the NHS in the devolved nations. Ministers expressed little enthusiasm to tackle this situation, and we consider this to be a serious mistake given the acknowledged benefits of learning from different practice in each of the home nations of the UK.

Transport

We warmly welcome the decision to electrify the Great Western Main Line, as recommended in our earlier Report. The planned use of bi-modal electric/diesel trains should reduce disruption for passengers, and we were reassured to hear that electrification work will take place as a rolling programme along the whole length of the line, allaying concerns expressed in earlier evidence that electrification might extend only between Bristol and London. A solution has not yet been found to electrify the Wrexham-Bidston line, but we urge all parties to continue to work towards improvements, with electrification as the ultimate aim.

A substantial amount of money has now been promised to redouble the Swindon-Kemble line. This line is an important diversionary route between South Wales and London when the Severn Tunnel is closed. Its importance will be heightened during electrification work on the Great Western Main Line. We urge the Government to ensure that final costs are agreed as soon as possible so that work can begin.

In contrast, the Department for Transport appears to have washed its hands of any strategic responsibility for cross-border roads, which are not receiving the funding they

need through the existing system of regional prioritisation. The A483 is the clearest example of a road which is not important to the English region in which it is located, but is vital to those travelling between North and South Wales. This is a glaring case where the Secretary of State for Wales should seek to broker a common strategic approach between the Department for Transport and the Welsh Assembly Government.

A lack of positive engagement between the Department and the Welsh Assembly Government was highlighted in our Report on *Ports in Wales* and we are disappointed that the Department for Transport is unwilling to accept our recommendation that it should collaborate with the Welsh Assembly Government to develop a distinctive ports policy for Wales. Our inquiry found clear evidence that the needs of Welsh ports differ significantly from those in England. The Wales Office should take a proactive approach within Whitehall to promote engagement with the Welsh Assembly Government on these issues. The three Regional Ministers and the Welsh Assembly Minister should contribute their experience in a 'best practice' document to help ministers and officials in both administrations to get the most out of co-operation and shared learning across the border. This would be an appropriate issue for discussion between the Cabinet Secretary and the Permanent Secretary to the Welsh Assembly Government.

1 Introduction

1. Devolution has enabled Wales to develop its own distinct approach to public policy. Over the past decade, Wales has been able to tailor its approach to public services to meet the needs of its population. This has sometimes meant adopting a different approach from that in England, or alternatively, choosing to retain the status quo where provision across the border has changed. Such divergence is a natural and intended consequence of devolution. However, in recent years, our cross-border inquiries have produced evidence that policy makers in Cardiff and London were failing to consider the impact of policy differences on people on either side of what is a long and porous border. As a consequence, some of those needing to cross the border for access to public services were receiving a poorer quality of service

2. Over the past two years, we have conducted substantial and in-depth inquiries into the provision of cross-border public services for Wales. We identified a number of areas in which co-ordination between Whitehall and the Welsh Assembly Government needed to improve and published focused Reports on three aspects of cross-border issues:

- Further and higher education;
- Health; and
- Transport.

We received a response from the UK Government to the recommendations we made in each of our reports,[1] including an undertaking to improve co-ordination with the Welsh Assembly Government in each of these areas.

3. This Report returns to each strand of our cross-border inquiry to look at what progress has been made since we last took evidence. We wished to ensure that progress continues to be made in line with our recommendations and that robust structures for consultation and co-ordination are in place in order to ensure that policy formation in Wales and in England is subjected to a rigorous 'border-proofing' process in future.

Our inquiry

4. We issued a public call for evidence asking for updated evidence on cross-border services in July 2009. The written submissions we received are published with this Report. In autumn 2009, we took oral evidence from UK and Welsh Assembly Government Ministers in each of the three areas this Report examines. We also took evidence from the three English Regional Ministers whose regions border Wales in order to scrutinise more closely the local mechanisms for cross-border co-ordination. We are grateful for the assistance of our specialist advisors, Mr Rob Humphreys, Director, The Open University in Wales, Professor Marcus Longley, Professor of Applied Health Policy and Director of the

[1] Welsh Affairs Committee, Sixth Report of 2007-08, *The provision of cross-border health services for Wales: Interim Report*, HC 870; First Report of 2008-09, *Cross-border provision of public services for Wales: Further and higher education*, HC 57; Fifth Report of 2008-09, *The Provision of cross-border health services for Wales*, HC 56; Tenth Report of 2008-09, *Cross-border provision of public services for Wales: Transport*, HC 58. These Reports and associated Government responses are available on our website at www.parliament.uk/welshcom

Welsh Institute for Health and Social Care, and Professor Stuart Cole, Wales Transport Research Centre, University of Glamorgan.[2]

2 Further and Higher Education

Background

5. Responsibility for further education and higher education policy is devolved, but these matters are also closely inter-related with policy areas such as skills and research which are influenced by UK-wide decisions. In addition, there is a significant cross-border flow in both directions of further and higher education students. In 2005–06, 763 16-18 year olds living in Wales attended further education colleges in England and 760 travelled from England to Wales. The numbers for adult learners (aged 19 and over) were higher: 4,013 from Wales and 5,195 into Wales.[3] The Higher Education Funding Council for Wales (HEFCW) advised us that "One third of all Welsh domiciled full-time and sandwich undergraduate students […] studying in the UK were enrolled in England in 2007–08 […] and 38% of full-time and sandwich undergraduate students studying in Wales were from England".[4]

6. The purpose of our inquiry was to examine the issues affecting the quality and delivery of services to these students, and to others who might wish to attend education across the border. We also examined the distribution of research funding. We published our Report, *Cross-border provision of public services: Further and higher education,* in January 2009.[5] In it we made a number of recommendations relating to further education, higher education, research funding and overall policy coordination. The Government response to our Report was published on March 2009.[6]

Further education

7. Further education is post-16 education that is distinct from secondary school education and from university-provided higher education. It is primarily provided via tuition in further education institutions and through work-based learning. The Welsh Assembly Government plans and commissions further education in Wales. We noted in our previous Report that although the great majority of further education learners were recruited locally, on the basis of catchment areas, a significant number of learners chose to cross the border to study, usually because of geographical convenience or because of the specialist courses offered.[7] For example, Hereford College of Arts told us that it was the only specialist arts

[2] See the formal minutes of the Committee for Tuesday 13 October 2009 http://www.parliament.uk/parliamentary_committees/welsh_affairs_committee/wac_formal_minutes_08_09.cfm

[3] Welsh Affairs Committee, First Report of Session 2008-09, *Cross-border provision of public services for Wales: Further and higher education*, HC 57, para 11. These numbers relate only to attendance at FE colleges rather than schools.

[4] Ev 83

[5] Welsh Affairs Committee, First Report of Session 2008-09, *Cross-border provision of public services for Wales: Further and higher education*, HC 57.

[6] Welsh Affairs Committee, Second Special Report of Session 2008-09, *Cross-border provision of public services for Wales: Further and higher education: Government Response to the Committee's First Report of Session 2008-09*, HC 378.

[7] Welsh Affairs Committee, First Report of Session 2008-09, *Cross-border provision of public services for Wales: Further and higher education*, HC 57, para 11.

college in the West Midlands area, and that over ten per cent of the enrolled student body was currently domiciled in Wales.[8] We therefore examined and commented on the arrangements in place for learners wishing to study across the border. Another subject which we covered was the role of the Sector Skills Councils, given the key role of further education institutions in working with employers and learners to raise skill levels and thus develop the economy.

Cross-border arrangements

8. In our original Report, we noted that cross-border arrangements for further education learners seemed to be more focussed on the convenience of providers than of learners and concluded that the border acted as a barrier to some students in their search for the right course.[9] Although the Welsh Assembly Government and the Learning and Skills Council issued guidance on reciprocal arrangements to colleges wishing to recruit students from across the border, we concluded that the guidance from both bodies was unhelpful and inappropriate, and we urged authorities to see ease of access across borders as something to be encouraged.[10]

9. In its written evidence to our follow-up inquiry, the Welsh Assembly Government acknowledged that for some colleges in Wales, the local communities they serve reach beyond national boundaries and that there could also be some circumstances where colleges might wish to deliver further education outside their locality. It told us that it had updated its funding guidance to reflect these points.[11] Jane Hutt AM, the then Minister for Children, Education, Lifelong Learning and Skills, Welsh Assembly Government, gave us the assurance that Welsh Assembly Government officials were "working closely together to see that there is linkage and no border boundaries in terms of access to further education".[12]

10. The situation in England is not yet clear because of organisational changes which are underway. From April 2010, following the abolition of the Learning and Skills Council, England's colleges will be funded by local authorities for the education and training they provide to 16-19 year olds. The Young People's Learning Agency will assist local authorities with this task, and will publish guidance in the form of a National Commissioning Framework, setting out the core requirements for planning, commissioning, procuring, funding and accountability of education and training for 16-19 year olds. John Landeryou, Director, Further Education, Department for Business, Innovation and Skills said that the current arrangements in England did enable further education learners to cross the border if that was more convenient for them or if they wanted to attend a specialist course, and that although new guidance was being prepared, the intention was to continue to enable that freedom of movement.[13] However, the

[8] Ev 82

[9] Welsh Affairs Committee, First Report of Session 2008-09, *Cross-border provision of public services for Wales: Further and higher education*, HC 57, paras 15-17.

[10] *Ibid.*, para 12.

[11] Ev 116

[12] Q 93

[13] Q 185

Association of Colleges expressed concern that the new draft guidance did not reflect the undertaking given by Lord Young, Parliamentary Under-Secretary of State in the Department for Business, Innovation and Skills, that "commissioning should focus on the needs of the learner and be based on participation, rather than where learners are resident".[14] When we raised this with the Department for Children, Schools and Families we were told that the Department had agreed to reconsider the wording of its guidance as part of its consultation on the National Commissioning Framework.[15]

11. As part of the organisational changes being made in England, sub-regional groups of local authorities, designed to reflect travel-to-learn patterns, have been established to plan the provision of education and training. The Association of Colleges pointed out that these did not include any representation from local authorities in Wales or from the Welsh Assembly Government.[16] Jane Hutt told us that "we have taken it up with the Welsh Local Government Association so that they can look for ways in which we could broker that in terms of active liaison, if not representation".[17]

12. **Further education cross-border arrangements must enable learners to benefit from the most appropriate education for them and prevent the border from acting as a barrier. We welcome the publication of revised guidance by the Welsh Assembly Government and the undertaking of the Department for Children, Schools and Families to reconsider its guidance on reciprocal arrangements in border areas. We also welcome the intention of the Welsh Local Government Association to liaise with the English sub-regional groups which have been established to plan the local provision of education and training. We believe that these measures, if properly implemented, will support colleges in their recruitment and students in their search for the right course. We recommend that our successors in the next Parliament check that the arrangements are fully in place and are delivering effectively.**

Sector Skills Councils

13. Sector Skills Councils (SSCs) have been established over the last seven or so years to represent the skills and training interests of specific sectors of employment (including private, public and voluntary sectors) throughout the UK. They engage with employers, identify the current and future employment and skills needs of their businesses and develop a common framework of standards of competence to help employers identify the qualifications and training required for their area of employment. In our previous Report, we noted the important role played by Sector Skills Councils and questioned whether they were adequately resourced:

> Sector Skills Councils play a key role with regard to consistency and transferability of skills throughout the UK. We believe that they should play a bigger role in coordinating cross-border issues for employers arising from policy divergences. We are not convinced that the Sector Skills Councils are adequately resourced to fulfil

[14] Ev 61

[15] Ev 67

[16] Ev 61

[17] Q 95

their role, particularly when taking into account the need for each Sector Skills Council to have the capacity to give due regard to territorial differences in skills policies.[18]

14. Since that Report was published, a planned relicensing process has commenced in order to assess the capacity and capability of Sector Skills Councils to deliver.[19] John Landeryou told us that the Department for Business, Innovation and Skills had asked the UK Commission for Employment and Skills to consider the most appropriate configuration of Sector Skills Councils for the future and whether the current configuration of the 25 Councils was fit for purpose.[20] He confirmed that the Welsh Assembly Government was represented on the Sector Skills Council Reform and Relicensing Working Group and that the relevant Welsh Assembly Government Minister would be asked to sign off the recommendations arising from the review. With regard to whether the new structures would have sufficient capacity, and in particular the capacity to give due regard to Wales-specific policies, Mr Landeryou explained that the Welsh Assembly Government would have the opportunity to raise any concerns about capacity, and that "Thus far they have approved all the Commission's recommendations."[21] Rt Hon David Lammy MP, Minister of State for Higher Education and Intellectual Property at the Department for Business, Innovation and Skills, confirmed that "Any proposed changes to the [Sector Skills Council] network will need to have the full agreement of Government sponsors, including the devolved administrations" and explained that "In addition to the common UK agenda, each nation will separately fund activities specific to that nation's skills priorities".[22]

15. Leighton Andrews AM, Minister for Children, Education, Lifelong Learning and Skills in the Welsh Assembly Government, believed that whilst, in general, the process of developing new Sector Skills Council policy had included adequate consultation with the devolved administrations, "at official level there was concern during September [2009] that the Department for Business Innovation and Skills was preparing policy options related to Sector Skills Council restructuring in advance of full engagement with Wales and other devolved administrations who have a clear and legitimate interest given the UK-wide remit of Sector Skills Councils." This had resulted in a "robust letter" being sent to the Minister for Business, Innovation and Skills at DBIS, and that although no reply to this letter was received, the "subsequent management of the process by officials within the DBIS was inclusive of all devolved administrations". He further explained that because the review of Sector Skills Councils was focussing on the skills needs of employers rather than the actual provision of education and training, the reduction in the number of Sector Skills Councils contained in the *Skills for Growth* white paper "would not have any substantive impact on the policy and framework for transforming education and training provision in Wales", adding that "there is no reason to expect that a smaller number of bodies should not fulfil the SSC role successfully" and that in order to ensure that the Sector Skills Councils did not

[18] Welsh Affairs Committee, First Report of Session 2008-09, *Cross-border provision of public services for Wales: Further and higher education*, HC 57, para 24.

[19] Ev 62

[20] Qq 188-89

[21] Q 190

[22] Ev 67

become distracted from their core remit, he supported "the move to complete this complex process in as short a timeframe as possible".[23]

16. The review of Sector Skills Councils raises particular issues for Lifelong Learning UK, the Sector Skills Council responsible for the professional development of staff working in the lifelong learning sector. Its responsibilities cover not only further education and higher education, but also work-based learning, community learning and development, libraries, youth work and information services across the UK. It therefore covers policy under the remit of both the UK Government and the devolved administration. Mr Lammy told us that the Department for Business, Innovation and Skills was exploring options for bringing together the non-Sector Skills Council elements of Lifelong Learning UK with the further education quality improvement services provided by the Learning and Skills Improvement Service (which currently has an England-wide remit). He also stated that "officials from the four administrations have been working closely on the implications of the transition for the SSC relicensing process." He explained that because of the unique situation of Lifelong Learning UK, the deadline for consideration of its relicensing recommendation had been extended from January to September 2010 to allow time for full consideration of the options and for consultation with each of the four devolved administrations.[24]

17. **The Welsh Assembly Government has assured us that it is fully involved in the Sector Skills Council relicensing process and that it is confident that a smaller number of Councils can fulfil the existing remit. The Department for Business, Innovation and Skills, the Welsh Assembly Government and the UK Commission for Employment and Skills must ensure that the new structures enable Sector Skills Councils to give due regard to territorial differences in skills policies and in the configurations and weightings of different sectors.**

Higher education

18. The Welsh Assembly Government determines higher education policy in Wales and the Higher Education Funding Council for Wales (HEFCW) is responsible for the administration of funds from the Welsh Assembly Government for the provision of higher education in Wales. Wales is able to set its own student support and tuition fee regime, and the system which became operational in 2007 included a policy that all Welsh-domiciled students who studied at Welsh higher education institutions were entitled to a non-means tested, non-repayable fee grant. This was designed to attract more Welsh domiciled students to study and remain in Wales.

19. In 2008, the Welsh Assembly Government commissioned an independent review of higher education in Wales, chaired by Professor Merfyn Jones, Vice Chancellor of Bangor University, to consider the reform of student finance (on which he reported in September 2008); and the mission, purpose, role and funding of higher education in Wales (on which he reported in June 2009). In November 2008, the Minister announced that the first stage report had concluded that the existing system of student finance was no longer the most effective nor the most sustainable option and she therefore proposed that a significant

[23] Ev 124

[24] Ev 67

proportion of the resources currently devoted to the Tuition Fee Grant should be redirected to an enhanced system of Assembly Learning Grants. She explained that changes would be phased in, beginning with new students from the start of academic year 2010—2011.

20. In November 2009, the Welsh Assembly Government's new strategy for higher education, *For our Future* was announced.[25] The Minister told us that the twin goals of the strategy were "developing a buoyant economy and promoting social justice".[26] In her statement to the Assembly, she had said that:

> Our significant funding for higher education must be targeted to meet the Government's goals of achieving social justice and supporting a strong economy. It is crucial for the future success of higher education in Wales that, while building on the sector's strengths and recognising our universities' record of international excellence, we ensure that higher education in Wales contributes all it can to the economic, cultural and social life of Wales.[27]

21. One of the issues which were not clarified in the strategy was the exact use of funds made available by the withdrawal of the Tuition Fees Grant for Welsh-domiciled students studying in Wales. It did not specify how much of this would be used to develop a new bursary system for students most in need, and how any remaining funds might be distributed to the sector.

22. During our previous inquiry, the Department for Innovation, Universities and Skills was responsible for higher education in England, and for science policy and the UK Research Councils throughout the UK. These responsibilities now lie with the Department for Business, Innovation and Skills which was created in June 2009. When our previous Report was published, higher education policy in England was under review. In November 2009, the Department for Business, Innovation and Skills published its strategy for higher education, *Higher Ambitions,*[28] the key features of which included, as in the Welsh strategy, a focus on the economic contribution of the higher education and an emphasis on fair access.

23. Since higher education is a devolved matter, many of the proposals in *Higher Ambitions* apply only to England, but it also includes policy on research which applies throughout the UK. The strategy includes a move to greater research concentration, whilst recognising the need to support pockets of research excellence across a greater number of institutions, and a support for collaboration among universities so as to foster cooperation rather than competition. Alongside the new strategy, Lord Mandelson, Secretary of State for Business, Innovation and Skills, announced an Independent Review of Higher Education Funding and Student Finance to be chaired by Lord Browne of Madingley which would, amongst

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[25] Welsh Assembly Government, *For our Future: the 21st Century Higher Education Strategy and Plan for Wales*, November 2009.

[26] Q 80

[27] National Assembly for Wales, Record of Proceedings, 25 November 2009.

[28] Department for Business, Innovation and Skills, *Higher Ambitions: the future of universities in a knowledge economy*, November 2009.

other things, explore the desirability and feasibility of raising the fee cap for undergraduate students in England.[29]

Co-ordination of higher education policy

24. In our previous Report, we noted that because the higher education sector in England is much larger than that in Wales, policy changes made in England can impact on Wales.[30] The student flows from England to Wales are very significant for Welsh higher education institutions and for the Welsh economy and the pattern of these flows can change as a result of policy decisions made in England.[31] We expressed concern that there appeared to be no framework to ensure that future strategy was developed with due regard to the interdependencies of the higher education sectors of the four nations, and recommended that the UK Government should ensure that the devolved administrations were fully consulted before making any further decisions about higher education policy in England.[32] The evidence we received during this inquiry indicated that communications and consultation had improved. Higher Education Wales told us that "communication on policy between the Welsh Assembly Government and Whitehall departments has improved […] both at a Ministerial and officer level". It also welcomed "the direct links that have been forged between HEFCW and the Wales Office".[33]

25. Witnesses from both the Welsh Assembly Government and the Department for Business, Innovation and Skills assured us that there had been adequate consultation between the two bodies prior to publication of their respective higher education policies and that this level of communication would continue with regard to the fees regime consultation in England. Jane Hutt AM told us that the Welsh Assembly Government and the Department for Business, Innovation and Skills had worked "very closely together to ensure there was synergy" between the two policies[34] and that the Welsh Assembly Government would "look with interest to the outcome of the Browne review in terms of fees and funding" and consider any impact which the review might have on Wales.[35] David Lammy said that "Officials liaised consistently in the process of writing *Higher Ambitions* with the Welsh Assembly Government" and that it was "absolutely consistent with *For our Future*".[36] With regard to the English tuition fees consultation, he said that "Lord Browne has already indicated […] that he intends to take evidence and be in liaison with colleagues in the Welsh Assembly Government, and he has written, or is just about to write, to that effect".[37]

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[29] Independent Review of Higher Education Funding and Student Finance, launched on the 9th November 2009. http://hereview.independent.gov.uk/hereview/

[30] Welsh Affairs Committee, First Report of Session 2008-09, *Cross-border provision of public services for Wales: Further and higher education*, HC 57, para 53.

[31] *Ibid.*, para 60

[32] *Ibid.*, para 106

[33] Ev 89

[34] Q 67

[35] Q 70

[36] Q 146

[37] Q 147

26. David Lammy suggested that previous changes to the fees regime in England did not appear to have affected student flows between England and Wales, saying that:

> … there was some anxiety last time around in 2003–04 upon the introduction of fees. We have only had the first cohort of students come out but if you look at the evidence there has not been substantial change between the cross-border flow, which remains more or less equivalent …[38]

However patterns of change can take time to emerge, and Higher Education Wales stressed the need for continued consultation with regard to the English student fees review:

> The outcome of this review will have a substantial impact on universities in Wales in terms of comparable levels of investment and it is therefore crucial that potential policy responses to any change in the fee cap in England be modelled by the Welsh Assembly Government in the coming months.[39]

HEFCW pointed out that other factors, such as the introduction of a recruitment cap in England for entry in 2009–10, might affect cross-border movements.[40]

27. **The amount of consultation and communication between the Welsh Assembly Government and the Department for Business, Innovation and Skills has clearly increased, and both bodies appear satisfied that their respective higher education policies take appropriate account of cross-border issues. This level of engagement must continue, particularly in relation to the English review of student fees. We welcome the fact that the Minister is open to discussing the co-ordination of higher education policy at a Joint Ministerial Committee meeting and suggest that now is the time to do this, given the recent publication of the Welsh and the English higher education strategies.**

Higher education funding

28. The Welsh Assembly Government is free to decide how much of its block grant to allocate to higher education, via HEFCW. In our original Report, we noted that, since devolution, the different spending priorities of the Welsh Assembly Government and the Department of Innovation, Universities and Skills (now the Department for Business, Innovation and Skills) had led to a significantly lower level of funding for higher education institutions in Wales compared to those in England.[41] We pointed out that HEFCW data for 2005-06 indicated that there was a difference of £61million between the amount which the Welsh higher education sector received compared to what it would receive if it were funded on the same basis as the sector in England.[42] In response, the Welsh Assembly Government pointed to the existence of the Tuition Fee Grant in Wales and claimed that "Taken together, the level of HE institution funding and student finance is on a par with

[38] Q 148

[39] Ev 89

[40] Ev 83

[41] Welsh Affairs Committee, First Report of Session 2008-09, *Cross-border provision of public services for Wales: Further and higher education*, HC 57, para 62.

[42] *Ibid*., para 65.

levels in England".[43] In 2008-09 the Welsh Assembly Government made available some £451m to higher education institutions via HEFCW and approximately £346m was provided via student finance.

29. HEFCW has estimated the investment gap between universities in Wales and England for 2006-07 to have been between £55 million and £66 million, based on the grant in aid received by each funding council and the numbers of fundable students.[44] The submission from Higher Education Wales highlighted the continued existence of this funding gap, and the impact it was having on the sector:

> When the largest share of the underlying cost base of universities in Wales continues to be determined by agreements made at a UK level, in relation to pay and pensions, this clearly has an acute effect on institutions—especially in their infrastructure and capital investment programmes. The growth of the university investment gap is putting an enormous strain on the Welsh university sector's ability to compete in a cross-border market for student and academic staff, as we outlined in more detail in our initial evidence.[45]

Higher Education Wales sought a firm commitment from the Welsh Assembly Government to invest additional resources in the sector.[46] The Welsh Assembly Government submission stated that "funds released from the abolition of the Tuition Fee Grant would be invested in the [higher education] sector" and that "the new investment referred to will amount to approximately £31.4 million by 2015–16".[47] Jane Hutt AM told us that "I appreciate that the funding gap has been a major issue which, as Minister, I have been seeking to address, and I think the redirection of student finance has been a major policy provision which is going to enable that year-on-year investment in higher education as a result of redirecting student finance and introducing the Matched Funding Initiative."[48] She suggested that the additional Welsh Assembly Government resources would be explicitly linked to the delivery of the *For our Future* strategy, saying that whilst higher education institutions were autonomous, they had to be accountable for over £400 million of public money. She added that this was why the Assembly Government was developing a compact with the higher education sector, to "ensure that our investment delivers for the economy and for widening participation".[49]

30. In our previous Report, we noted that the introduction of a matched fundraising scheme for universities in England and the absence of any equivalent scheme in Wales, would inevitably increase the funding disparity between England and Wales. In July 2009, HEFCW announced the launch of a matched fundraising scheme in Wales, and explained that this would be achieved through "topslicing our recurrent funding in the absence of

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[43] Welsh Affairs Committee, Second Special Report of 2008-09, *The Provision of cross-border public services for Wales: Further and Higher Education: Government Response to the Committee's First Report of Session 2008-09*,HC 378, para 37.

[44] HEFCW, *The Funding Gap 2006/07*, www.hefcw.ac.uk

[45] Ev 89

[46] Ev 89

[47] Ev 116

[48] Q 75

[49] Q 81

additional funds".[50] Jane Hutt told us that this scheme had been "warmly welcomed" by the higher education sector, and that it was one of several ways of bringing in new sources of additional funding.[51]

31. **We welcome the acknowledgement of the higher education funding gap by the Welsh Assembly Government and its commitment to increasing government funding for the Welsh higher education sector. Higher education institutions need more certainty about the core funding available to them in order to maintain their basic infrastructure and compete successfully with other UK institutions. We expect the Welsh Assembly Government to provide specific details about how it intends to allocate funds released from the abolition of the Tuition Fee Grant, at the earliest possible opportunity.**

Research funding

32. Universities in Wales have two sources of research funding under the dual support system; the Welsh Assembly Government (via HEFCW) and the Department for Business, Innovation and Skills, primarily via the UK Research Councils, but also via other sources including the Technology Strategy Board. Welsh universities can apply to the Research Councils and compete with universities across the UK for a share of the funding. Research Councils award funding on the basis of academic excellence, and not on the basis of any territorial allocation. In our original Report, we noted that the higher education sector in Wales received a smaller share of UK research funding than would be expected from its relative size.[52] We also noted that research investment brought significant economic benefits to the surrounding localities and that if the funding discrepancy continued to grow, Welsh institutions would find it increasingly difficult to compete on an equal basis for research funding, and so there was a prospect of a downward spiral developing. To address this issue, we recommended that funds should be made available at a UK level to support the development of research capacity in economically deprived areas of the four nations.[53]

33. We heard that, since our earlier inquiry, representatives from the Welsh Assembly Government had visited all of the Research Councils as part of a six month study to investigate how Wales' share of Research Council income might be increased, and that a report had been produced, setting out the issues identified during the study.[54] HEFCW told us that it was continuing to work actively with the Research Councils to ensure that Wales was aware of new opportunities and the Research Councils were aware of Welsh interests. In addition, it explained it was working with Welsh universities "to address … the core problems (along with funding), namely, scale and scope of research groups, and research management".[55] Jane Hutt AM confirmed that Wales' proportion of Research Council

[50] Ev 83

[51] Q 79

[52] Welsh Affairs Committee, First Report of Session 2008-09, *Cross-border provision of public services for Wales: Further and higher education*, HC 57, para 86.

[53] *Ibid*., para 88.

[54] Ev 116

[55] Ev 83

income had remained about the same, saying that "in terms of income from Research Councils, it has risen from £23 million in 2001 to £44 million in 2007–08, but it has stayed […] at about 3 to 3.5% in recent years".[56]

34. The Department for Business, Innovation and Skills told us that Wales also received a proportionately smaller share of research funding from the Technology Strategy Board which was established in July 2007 to fund research and development in emerging areas of technology throughout the UK. The written submission from the Department for Business, Innovation and Skills stated that:

> In terms of collaborative R&D, the figures suggest that the total grants going to Wales from the Technology Strategy Board is around 3.5% of UK total. This is less than what might be thought their fair share, and has been the subject of discussions between the Technology Strategy Board and WAG …[57]

Jane Hutt AM described how the Welsh Assembly Government had been working with the Technology Strategy Board to discuss how Wales might increase its share of funding: [58]

> The Technology Strategy Board has very close working communications and meetings with senior staff. Also, to give an example, Iain Gray, the Chief Executive of the Technology Strategy Board, came to Wales and met many companies around Wales, looked at need and the ways forward we could take, and there have been meetings between our officials and indeed officials from the Department for the Economy and Transport.[59]

35. In its response to our previous Report, the Department of Innovation, Universities and Skills stated that the policy of allocating research on the basis of excellence remained "firmly in place", that the Government supported Research Councils in their aim of "funding excellence wherever it is located in the UK" and that "funding is awarded to those projects that are judged to be of the highest scientific merit, irrespective of geographical location".[60] However, the Department for Business, Innovation and Skills' *Higher Ambitions* strategy included an objective to strengthen the research capacity of universities and its translation into economic impact, and made three proposals for achieving this:

i. To concentrate research funding into fewer centres and encourage collaboration between universities;

ii. To reward institutions which could demonstrate a track record of delivering economic and social impact from their research;

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[56] Q 88

[57] Ev 64

[58] Q 98

[59] Q 92

[60] Welsh Affairs Committee, Second Special Report of 2008-09, *The Provision of cross-border public services for Wales: Further and Higher Education: Government Response to the Committee's First Report of Session 2008-09*,HC 378,, paras 46-49.

iii. To encourage stronger long term relationships between business and universities.[61]

36. There is a tension between the policy of upholding the Haldane principle of academic excellence, and that of using research to promote economic recovery. This concern was raised in the July 2009 Report of the House of Commons Innovation, Universities, Science and Skills Committee, *Putting Science and Engineering at the Heart of Government Policy*:

> Logically, the Government cannot support both the Excellence and Haldane Principles in their current form and be responsible for promoting science and engineering as a means of economic recovery and growth in the regions. The time is ripe for an unambiguous rationalisation of the two concepts. Researchers, industry, regional and national policy makers and the public have a right to know on what basis research funding is distributed both nationally and regionally; the rationale for funding decisions should be transparent and rigorous. The Government should adjust the framework for research funding and regional development so that it does not contain internal contradictions.[62]

37. The *Higher Ambitions* proposals specifically mention the Research Councils and the Technology Strategy Board, which clearly have a UK-wide remit. However, when asked whether the proposal to concentrate research related to the UK or to England only, David Lammy said that "It is for me to talk about England; it is for me to liaise with colleagues in Wales".[63] This appeared to indicate that he saw his research policy remit as England-only whereas in fact the Minister's remit as regards this aspect of research funding is UK-wide. In addition, *Higher Ambitions* states that the proposal to encourage greater economic and social impact would in part be achieved through HEFCE's new Research Excellence Framework, and made no mention of any equivalent arrangements for the rest of the UK, which again appeared to demonstrate a focus only on England.[64]

38. **Wales receives a smaller share of research council and Technology Strategy Board funding than would be expected from its relative size. We have heard from the Welsh Assembly and the Department for Business Innovation and Skills Ministers that talks have taken place to improve communications between these funding bodies and the Welsh higher education sector, but as yet it is too early to judge whether any tangible benefits will result from these talks.**

39. **In our previous Report, we concluded that Research Councils should not just follow excellence, but must also foster it, and recommended that funds be made available at a UK level to support the development of research capacity in economically deprived areas of the four nations. The Government rejected this recommendation, but nevertheless included in its strategy *Higher Ambitions* a proposal to concentrate research funds in centres which could demonstrate a track record of economic impact. This appears to re-introduce a linkage with economic development policy, which is for**

[61] Department for Business, Innovation and Skills, *Higher Ambitions: the future of universities in a knowledge economy*, November 2009, pp.15-16.

[62] Innovation, Universities, Science and Skills Committee, Eighth Report of Session 2008-09, *Putting Science and Engineering at the Heart of Government Policy*, HC 168, para 173.

[63] Q 156

[64] Department for Business, Innovation and Skills, *Higher Ambitions: the future of universities in a knowledge economy*, November 2009, p. 15.

the most part a devolved policy area. We ask the Department for Business, Innovation and Skills to explain how this criterion will be reconciled with the criterion of academic excellence, and how it will be integrated with the economic development priorities of the devolved administrations. The current systems for awarding funding already favour established institutions with a proven track record rather than ones with future potential, and the proposal to concentrate research funds appears likely further to limit the opportunities for Welsh higher education institutions to maintain and develop their research capabilities. Wales is starting from behind and looks likely to end up with even less.

40. **Some of the responsibilities of the Department for Business, Innovation and Skills are UK-wide and others relate only to England. The research proposals in Higher Ambitions are clearly written from an English perspective and make no reference to the other nations, even though the research remit of the Department for Business, Innovation and Skills is UK-wide. We do not believe that the Department properly considered devolution issues when developing this strategy. We recommend that the Department for Business, Innovation and Skills provide further details as to how it intends to apply the research funding proposals to the four nations. This information should be provided to the Committee and the matter also needs to be pursued via both ministerial and officials' meetings.**

Cross-border collaboration

41. In our previous Report, we were supportive of cross-border collaborative projects among higher education institutions since they could foster better cooperation and share excellence.[65] HEFCW told us that since the publication of our previous Report, the Auditor General for Wales had presented a report to the Welsh Assembly, *Collaboration between Higher Education Institutions*, and that the Welsh Assembly had agreed to examine the feasibility of increased collaboration with English higher education institutions close to the Welsh border. It had also agreed that HEFCW should update the Reconfiguration and Collaboration Fund guidance to encourage cross-border activity.[66] HEFCW commented on the growing importance of collaboration:

> … we see no sign of the current economic climate reducing interest in cross-border collaboration. On the contrary, our expectation is that growing financial pressures will encourage further economies of scale and scope, and a sharper focus on identifying the partners needed for effective delivery, and hence more, rather than less, cross-border collaboration.[67]

Higher Education Wales welcomed HEFCW's willingness to support cross-border university collaboration.[68]

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[65] Welsh Affairs Committee, First Report of Session 2008-09, *Cross-border provision of public services for Wales: Further and higher education*, HC 57, para 79.

[66] Ev 83

[67] Ev 83

[68] Ev 89

42. The Welsh Assembly's higher education strategy, *For our Future* made a number of proposals for achieving greater social justice and economic success, including the development of a regional dimension to the planning and delivery of higher education and promoting collaboration to increase the impact of research.[69] Jane Hutt confirmed the importance of future collaboration, saying that "we have internationally recognised, world-class research in Wales and we need to strengthen that, some of it cross-border, but much of it will be through collaboration".[70] *Higher Ambitions* also proposed greater collaboration to strengthen research capability, saying that "This will involve further development of multidisciplinary centres bringing together many areas of expertise, and building relationships between teams in universities and industry".[71] David Lammy said that greater collaboration would be necessary given the fiscal constraints likely over the coming ten years or so, and that:

> ...more collaboration over this next period, more co-operation and more working together is the thrust of what we are saying in *Higher Ambitions*, and that must include, of course, institutions in collaboration with institutions in Wales.[72]

43. **We strongly support cross-border higher education collaboration and welcome the measures being introduced by the Welsh Assembly Government and the Department for Business, Innovation and Skills to encourage such collaboration.**

Conclusion

44. **Communications and consultation between the Welsh Assembly Government and the Department for Business, Innovation and Skills appear to have improved since the assessment we made just over a year ago. We wait to see whether this will result in better co-ordinated policies in the future. We believe that there is a need for a clear framework for routinely assessing and comparing the impact of new policies in each of the four nations.**

45. **Higher education is in a period of change both in Wales and England. Welsh higher education institutions already receive a lower level of funding than those in England and the Department for Business, Innovation and Skills has a responsibility to ensure that Wales does not lose out even more from the changed focus of research priorities described in *Higher Ambitions*.**

[69] Welsh Assembly Government, *For our Future: the 21st Century Higher Education Strategy and Plan for Wales*, November 2009, pp.12-13.

[70] Q 86

[71] Department for Business, Innovation and Skills, *Higher Ambitions: the future of universities in a knowledge economy*, November 2009, p. 15.

[72] Q 152

3 Health

Background

46. Cross-border flows between England and Wales for the purposes of health care are significant. In 2008-09, approximately 20,000 people resident in England were registered with a GP in Wales and some 15,000 people resident in Wales were registered with a GP in England. Around 54,000 Welsh residents travelled to English hospitals for treatment, including both emergency and elective patients, and Welsh NHS Trusts admitted 11,500 residents from outside Wales. Over 200,000 Welsh out-patients receive treatment at English hospitals annually.

47. We chose to examine cross-border healthcare because we had heard of significant confusion amongst patients needing to travel across the border for treatment, for example in knowing what they are entitled to receive from their health service. We also heard that cross-border providers were being disadvantaged by the need to cope with two separate funding and commissioning schemes. We published our Report on *The Provision of cross-border health services for Wales* in March 2009. Our recommendations were focused on four main areas:

- Border-proofing of policy and practice;
- Clinical excellence as close to home as possible;
- Cross-border citizen engagement; and
- Transparent and accountable co-operation between localities, regions and governments.

The Government published its response to our Report in June 2009.

Border-proofing of policy and practice

48. Our previous Report concluded that:

> There is a clear lack of co-ordination between the UK and the Welsh Assembly Governments. There are potentially serious consequences of leaving individual organisations to cope with the tensions raised by different funding and commissioning arrangements for Welsh and English patients. The opportunity for financial pressure to impact on health service provision must be removed. It is unacceptable that individual providers and commissioners have been left to negotiate *ad hoc* solutions to problems caused by government-level decisions, apparently taken without regard for their impact on cross-border commissioning.[73]

[73] Welsh Affairs Committee, Fifth Report of 2008-09, *The Provision of cross-border health services for Wales*, HC 56, p.4.

Revised protocol for cross-border healthcare commissioning

49. One of the main issues raised during our original inquiry was the funding and commissioning arrangements for Welsh patients who travel to England for hospital treatment. Since 2005, English hospitals have moved to a tariff system ('Payment by Results' or PbR), whilst Wales has not. English providers told us that they were not being reimbursed for treating Welsh patients at the same rate as for English patients, which left them at a financial disadvantage, whilst Welsh commissioners said they had been instructed to continue to pay for treatment at historical rates, and had received no extra funding as a result of the move to a more expensive tariff system in England. Our Report recommended that an improved government-level protocol was essential to standardise and clarify arrangements and accountability mechanisms.[74]

50. The Government's response to our Report stated that although the divergence of the two systems "has been regarded as a natural and positive consequence of devolution it has brought with it implications for the administration, commissioning and funding of NHS services along the border".[75] Since devolution, a temporary protocol between the Government and the Welsh Assembly Government has governed reimbursement for patients treated across the border. This has been renewed annually. During the Committee's inquiry, negotiations were underway concerning a possible permanent protocol. However, the Government's Response to our Report announced a revised temporary protocol, which will run to 31 March 2011. This includes an additional transfer of money from the Department of Health to the Welsh Assembly Government:

> …the Department of Health will provide funding in the order of £12 million for 2009–10 to Welsh commissioners to pay English providers tariff prices under Payment by Results. This payment should help to remove the potential for tensions between commissioners and providers over pricing issues. The revised protocol also clarifies standards for access for patients.

The Government's response concluded that "the most significant and public cross border issues appear to have been resolved".[76]

51. During our follow-up inquiry, Mr Mike O'Brien MP, Minister of State for Health Services in the Department of Health, acknowledged that the revised protocol had only been in place for a relatively short period of time, and that "it would be perhaps over-optimistic for me to say it solved all the problems indefinitely but what we have is a two-year period to ensure that we have dealt with most of the issues around the funding".[77] The Minister denied that the additional payment of £12 million meant that Wales had been 'bailed out' financially, saying that both England and Wales had benefited from the deal:

> …we accept entirely that a Welsh patient should use services in England. However, we took the view that the tariff at which we would insist these services were paid for

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[74] *Ibid.*, para 81.

[75] *The Government's response to the House of Commons Welsh Affairs Committee report: The Provision of cross-border health services for Wales*, Cm. 7647, June 2009, para 2.

[76] *Ibid.*, paras 13 and 16.

[77] Q 101

> is higher than that for Wales, and that is the decision we made. It suits us and, therefore, for our reasons, for the reasons of the English NHS system, we took the view that rather than to have to go through the administrative hassle of negotiating each deal with the Welsh health authorities, it would be better to ensure that that funding was available because it enabled us then to run an administrative system which was less bureaucratic than it would otherwise be.[78]

52. The Minister said that arrangements would be reviewed regularly from now on and that future protocols would run "in three year periods in association with the spending reviews, so we can keep it up to date and ensure that we deal with problems as they arise".[79] Mrs Edwina Hart AM, Welsh Assembly Government Minister for Health and Social Services, agreed that "the protocol is working very well, but obviously we keep looking at the protocol all the time with our colleagues in the Department of Health to see if there are any further improvements that need to be made".[80]

53. Our follow-up inquiry had received evidence of continuing difficulties for patients receiving treatment across the border and we were concerned that the protocol should be monitored in a clear and transparent way. Mrs Hart acknowledged that awareness of the protocol was not yet universal: "there might be a misunderstanding of the situation the other side of our border on certain issues, not necessarily a fault of the protocol, just individuals working within the system. The protocol itself is working very well".[81] She said it would be helpful if any examples were drawn to her attention.

54. For those patients experiencing persistent difficulties, Bob Alexander, Director of NHS Finance, told us that the protocol included "a dispute resolution process which has an escalation path built into it",[82] so that problems which are not resolved at a local level can be brought up for formal discussion between the Department for Health and Welsh Assembly Government. The Department of Health Minister noted that a new border officials group including representation from the Welsh Assembly Government and the NHS in England was currently being established to monitor the protocol and identify any emerging problems.[83] This group is due to begin meeting "in the new year".[84]

55. **The revised cross-border health protocol and accompanying financial transfer from England to Wales has resolved most of the outstanding disputes with regard to the commissioning and funding of hospital care in England for patients resident in Wales. Monitoring of the protocol's implementation will be a key issue as policy continues to develop and change on both sides of the border. This should be carried out in a way that is transparent to providers and patients. We recommend that our successors return to this matter in the next Parliament.**

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[78] Q 133

[79] Q 101

[80] Q 269

[81] Q 271

[82] Q 103

[83] Q 104

[84] Q 116

Co-ordination between the Department of Health and the Welsh Assembly Government

56. In its evidence to this follow-up inquiry, the Department of Health states that although the revised cross-border protocol provides a framework for co-operation between the Department of Health and the Welsh Assembly Government, it "was not designed as the mechanism through which all issues relating to England/Wales cross-border health services would be addressed". It adds:

> The complexity and range of the operational issues affecting the delivery of cross-border health services may continue to increase as policy diverges over time. The Government agrees with the Committee that mechanisms are needed to maintain a systematic and ongoing review of the issues. […] The Government is investigating further options for establishing mechanisms to monitor and review policy divergence in health and social care.[85]

57. The Government's response to the Committee's report also refers to the establishment of "a cross border policy group, to meet at least quarterly, to address policy divergence as it arises and agree a process for resolution".[86] As we noted above, Ministers told us that this group had not yet met, but was expected to be established in the new year. Mrs Edwina Hart AM added that close attention would be paid to developments on both sides of the border:

> Can I say when we talk about changes, payment by results and tariffs, they are actually all changes in English policy which we have tried to accommodate with our arrangements with the Department of Health, not them accommodating us, may I say, and we do keep a very close eye on any changes. We do not want any unintended consequences at all and that will be the job of LHBs, particularly on the borders, to look at what issues might arise across the borders and they then need to report into us about whether we then need to raise issues with the Department of Health.[87]

58. **We welcome the commitments from Ministers in both England and Wales to evaluate the effects of their policies across the border and to establish a robust reporting structure so that local problems can be highlighted and resolved more swiftly in future.**

59. During our inquiry, we considered two specific examples of cross-border co-ordination in the field of healthcare: negotiations on the draft EU directive on cross-border health care and the provision of treatment for armed services personnel.

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[85] Ev 73

[86] *The Government's response to the House of Commons Welsh Affairs Committee report: The Provision of cross-border health services for Wales*, Cm. 7647, June 2009, para 24.

[87] Q 287

Draft EU directive on cross-border health care

60. In December 2006, the European Commission published a draft directive on cross-border health care. The Directive is intended to clarify patients' rights to be treated in another member state and to be reimbursed for such treatment by their home nation (i.e. by the NHS in the case of the UK). In particular, the Directive in its current form would not allow Member States to operate any prior approval process for patients wishing to receive treatment abroad, unless "the outflow of patients would seriously undermine or be likely to seriously undermine the financial balance of the Member States' social security system, and/or the planning, delivery and maintenance of medical and hospital services".[88] The Directive has been subject to much debate amongst member states and has not yet been agreed.

61. We heard from a number of NHS trusts that prior approval is still a requirement for patients crossing the border from Wales. For example, North Bristol NHS Trust has service level agreements with 14 GP practices identified as 'cross border' by Monmouthshire Local Health Board. Five of these allow referrals across the border. For all other activity, either within the Monmouthshire LHB service level agreement or for non-contracted activity elsewhere in Wales, there is a requirement to obtain prior authorisation for each elective episode of care.[89] The draft EU directive, in its current form, would not prevent member states from continuing to operate prior approval processes across internal borders. The Department of Health Minister commented that, if enacted, it would therefore "have little effect" on the relationship between England and Wales.[90]

62. Healthcare within the UK is largely devolved, but EU negotiations are a reserved matter. In July 2009, the National Assembly for Wales European and External Affairs Committee published an Interim Report of its scrutiny inquiry into the Draft Directive on Patients' Rights in Cross-border Healthcare. It highlighted the importance of the Directive in the context of the UK's devolved healthcare system and called for Wales to be given a voice in negotiations:

> It is critical that the final Directive takes account of the devolution of most aspects of healthcare to Wales in the UK. The Committee wishes to see the final Directive—in line with the proposed Amendment 20 of the European Parliament—giving full recognition of de-centralised healthcare in the UK and entitlement being determined in Wales. The Committee seeks reassurance from the Welsh government that they will make this point strongly to the UK Government to ensure it is reflected in the UK negotiating position in the Council.[91]

The Assembly Committee was told that Welsh Ministers and UK Ministers had been in close correspondence on the draft Directive, including agreeing a set of shared UK-wide negotiating objectives which had been the basis of the initial UK position. It recommended

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[88] Proposal for a Directive of the European Parliament and of the Council on the application of patients' rights in cross-border healthcare (SEC(2008) 2163; SEC(2008) 2164; SEC(2008) 2183).

[89] Ev 106

[90] Q 112

[91] National Assembly for Wales, European and External Affairs Committee, *Interim Report of scrutiny inquiry into Draft Directive on Patients' Rights in Cross-border Healthcare*, July 2009, p.9.

"continued high levels of engagement between the UK Government and the devolved administrations as negotiations progress".[92]

63. Ministers told us that Wales's views were being taken into account in continuing negotiations on the draft Directive on cross-border health care. The Department of Health stated that it had been assisted by the Wales Office in this process.[93] Mrs Edwina Hart AM, Welsh Assembly Government Minister for Health and Social Services, agreed that "We have had excellent discussion with English ministers who are taking this forward in terms of the contact at health level with the previous Minister, Dawn Primarolo, and the current Minister and we have been properly included in all discussions, I have to say, with the Department of Health on these European issues".[94]

Treatment of veterans

64. The provision of treatment for armed services personnel is a particularly topical issue at present, given the UK's recent and ongoing involvement in conflicts in Iraq and Afghanistan. In order to ensure there is suitable provision for veterans, the Welsh Assembly Government needs to co-operate with the Ministry of Defence. The relationship between the Welsh Assembly Government, the Department of Health and the Ministry of Defence is overseen by a Partnership Board which meets approximately three times a year. The responsibility for provision of health and rehabilitation services for serving personnel lies with the Defence Medical Services, through which service personnel receive primary care and various rehabilitation services. Secondary care is provided by the NHS.[95]

65. Veterans community mental health services are currently being piloted in six mental health trusts, including Cardiff. In Wales, a National Task and Finish Group was set up and chaired by Dr Jonathan Bisson during 2009 to develop a Draft Service Specification for Mental Health and Wellbeing Services for Veterans in Wales. In its evidence, the Department of Health gave an undertaking that "The findings from these initiatives will be formally shared through the MoD/UK Departments of Health Partnership arrangements, including Wales, and will allow other mental health services to be effectively geared towards meeting the needs of veterans".[96]

66. Mrs Edwina Hart AM, Minister for Health and Social Services in the Welsh Assembly Government, arranged for us to receive a detailed briefing from senior officials in her department on the innovative ways in which Wales is providing for veterans and the particular challenges involved, which we found extremely valuable. Mrs Hart told us that her department had "had some difficulties in organising meetings with the Veterans Minister […] Obviously in terms of issues on veterans we have pursued a very vigorous policy in Wales in terms of military liaison […] we have been very proactive in the context of the Health/MoD Partnership Board within the UK and what the MoD is looking for".[97]

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[92] *Ibid.*, pp.13-14.

[93] Q 114

[94] Q 283

[95] Ev 80

[96] Ev 80

[97] Q 279

67. We suggested that there could be benefits in bringing together the four administrations of the UK in a forum on veterans' issues to share the examples of best practice in Wales which we had heard about. The Minister responded that:

> I have to say I think that is a first-class idea because I think it would be helpful for us to have those type of discussions across the piece. We find enormously helpful our health ministers' meetings now, particularly on the issue of pandemic flu, and veterans' health needs would also be a very useful discussion for health ministers to have collectively and with ministers with responsibility for veterans, because I think it is quite clear now that when you speak to the public, they are very concerned about the needs of veterans. We have seen more of them coming home and they recognise that more services need to be provided in a very integrated format.[98]

68. **We were pleased to hear examples of excellent cross-border co-ordination, including in negotiations on the draft EU Directive on cross-border health care. We consider that the sharing of best practice across the four home nations of the UK can improve the provision of services for the whole population and we would urge further work in this area, including the establishment of a dedicated forum to share experience on the treatment of veterans. The development of a clearer regional focus within England, including Regional Ministers and Regional Select Committees, may well provide a more sophisticated level of comparison on a variety of issues. This would be particularly helpful to all-Wales policy making and scrutiny and we urge the Cabinet Secretary and the Permanent Secretary to the Welsh Assembly Government to ensure that this is built into future developments.**

Clinical excellence as close to home as possible

69. Our Report on cross-border health services concluded that:

> Cross-border movements between England and Wales have been a fact of life for many years. There is no practical or realistic prospect of diverting these well established cross-border flows, nor would it be desirable to do so. For these reasons, healthcare providers in England and Wales need to maintain close links to ensure that patients receive the treatment they need regardless of their country of residence.[99]

North Wales and North West England

70. The flow of patients across the border between North Wales and North West England was a particular focus of our earlier inquiry. That inquiry was prompted in part by a proposal that patients in North Wales who required specialist neurology services should travel to South Wales, rather than across the border to Liverpool. However, an independent review by Mr James Steers recommended that neurology services should continue to be provided for these patients at the Walton Centre in Liverpool.

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[98] Q 280

[99] Welsh Affairs Committee, Fifth Report of 2008-09, *The Provision of cross-border health services for Wales*, HC 56, p.3.

71. Reflecting on this experience, Mrs Edwina Hart AM, Minister for Health and Social Services in the Welsh Assembly Government said that the Steers review was:

> …the best thing I have ever done in terms of a review because it has given clarity to services within north Wales and certainly clarity to services within south Wales, where we had some very difficult issues between Cardiff and Swansea, of course, regarding neurosurgery which have now been successfully resolved. The good news about the Steers Review is that the new services are now much closer for people with Parkinson's Disease, muscular dystrophy, multiple sclerosis and stroke, and those will be closer to home and they will be safe services. […] Of course, it was a very difficult time because people are always upset when you talk about service change. At the end of the day I think we have got the best of both worlds and enhancement of services.[100]

72. Cross-border travel for healthcare, including this type of specialist care, is particularly significant in North Wales/North West England and some 26,000 Welsh resident patients received a Finished Consultant Episode in an English Hospital in the North West during 2007-08. Evidence submitted to the follow-up inquiry by the Regional Minister for North West England, Mr Phil Woolas MP, stated that "The North West SHA [Strategic Health Authority] believes that the revised protocol has moved things on positively, particularly elective care. The NHS is now building on the protocol and resolving outstanding issues around primary care and PbR [Payment by Results]". The submission outlines the enhanced co-ordination mechanisms that now exist in the region:

> To improve cross-border coordination the Western Cheshire PCT has joined the Central Wales-West Midlands Cross Border Health and Social Care group. The PCT is also the link with NW Specialised Services and National Secure Mental Health as lead PCT on cross-border issues. Cross-border swine flu arrangements are in place and there is regular information exchange on issues.[101]

73. In oral evidence, Mr Woolas evaluated the success of these local initiatives and agreed that there was more work to do:

> The advice I got in the run-up to this meeting was that the involvement of the PCT is helping to improve matters but they are still focusing on some areas that I mentioned, in particular swine 'flu. Also worth mentioning, to be helpful, is that in our part of the world the geography is such that the Countess of Chester hospital is the main centre, and the problem we have had in the past, which still exists to some extent, is the awareness of patients on GP referrals.[102]

He added his view that the role of the new Regional Ministers would help to resolve any ongoing cross-border issues:

> What having a Regional Minister does, hopefully, is enable policies to be better co-ordinated at the local level, because if one takes the Health Service, of course we have

[100] Q 302

[101] Ev 104

[102] Q 105

> the regional SHA as the main body with PCTs, specialists, mental health, we have the Alder Hey children's hospital, for example, in the North West which is the main provider for North and North East Wales for some of the most difficult and emotive cases, so what one is able to do is make sure as best one can that health policies and social care policies in this area, but it may be also transport, are better co-ordinated. I would not claim that it was systematic and comprehensive, but I would claim that the presence of a Regional Minister forces that question to be asked, whereas it did not before.[103]

74. **We were pleased to take evidence for the first time as part of this inquiry from the relevant English Regional Ministers and agree that they are well placed to increase awareness of cross-border issues within their regions. We note that the challenges and opportunities are quite different in relation to North Wales and the North West region, Mid-Wales and the West Midlands, and South Wales and the South West region. We are particularly encouraged to hear of local initiatives to improve co-ordination between North Wales and North West England where the flow of patients across the border is significant.**

Reorganisation of the NHS in Wales

75. The re-organisation of NHS Wales, which was still being discussed in March 2009, when our earlier Report was published, came into operation on 1 October 2009. The previous NHS Trusts and 22 Local Health Boards (LHBs) are being merged into seven new Local Health Boards, each responsible for the totality of primary, community and secondary health services in their area. Cancer and some other specialist clinical services, the Ambulance Service and Public Health Services remain the responsibility of separate, all-Wales NHS bodies.

76. This reorganisation may have implications for cross-border services. For example, fewer, larger LHBs on the border potentially reduces the lines of communication and scope for local variation, and increases the managerial and other capacity of the responsible health bodies in Wales. On the other hand, there is some concern that the larger bodies will be more remote from the populations they serve, be less concerned with cross-border issues, and will (in most cases) have to relate to more local authorities than was the case previously, making co-ordination across the health and social care divide more difficult.

77. We asked Ministers what would be the impact on cross-border provision of the amalgamation of Welsh Trusts and LHBs bordering England into just three multi-purpose bodies, serving north, mid and south-east Wales. Mr Mike O'Brien MP, Minister of State for Health Services, did not foresee any problems. He said that his Department had been aware of the pending reorganisation when the revised protocol was negotiated and that it had therefore taken account of the changes.[104]

78. In her evidence, Mrs Edwina Hart AM, Minister for Health and Social Services in the Welsh Assembly Government, observed that the implementation of NHS reorganisation in

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[103] Q 111

[104] Q 118

Wales had taken account of cross-border issues: "We have asked the Local Health Boards to look particularly at their cross-border arrangements now because they have only been formed since 1 October and we do not want to lose any of the expertise they might have had previously within them now as we go into a new structure to make sure they are really on top of the issues here". Mr Paul Williams, Director-General, Health and Social Services added that "we have a meeting in the next couple of weeks with our new health boards just to address any particular issues that might arise, so we are actually pre-empting any issues in terms of making sure that we are having the new boards fully aware of any potential issues that may be there".[105] **We request an update on the progress of discussions with the new health boards in Wales regarding cross-border issues.**

Continuing policy divergence

79. We note that further organisational changes in the Welsh NHS are likely in the coming years. A new strategic approach to primary, community and mental health services is currently a high priority, with a Director in each LHB charged with this particular role, and a major national policy initiative led by Dr Chris Jones, Chair of Cwm Taf LHB. This is also a major feature of service re-design in England. The aim is to effect a major shift in provision and control of services away from hospital-based care to the community, which will have profound implications for the management of long-term conditions, emergency and out-of hours care, admission and discharge arrangements, and the relationship between health and social care. As this unfolds, it may result in quite different patterns of provision between England and Wales, potentially adding complexity and uncertainty for health and social care staff and patients and their families who may have parts of their care provided in England, and other parts in Wales.

80. In addition, the present financial climate is likely to have an impact on the provision of services. Whilst the NHS in both countries will face similar financial challenges in the next three years, the responses may be quite different, with services being rapidly altered. This may further complicate the jobs of GPs, social workers, discharge liaison staff and others who need to coordinate the care of the patients and clients across the border. Staff may be under pressure to scrutinise more closely 'discretionary' payments to other NHS bodies, and care will be needed to ensure that no delays are created in specialised patient care, and that perverse incentives relating to cross-border services are avoided.

81. In order to address these issues, we were told of a co-ordination group bringing together the North West, South West and West Midlands SHAs with their counterparts in Wales. The Welsh Assembly Government told us that a sub-group of this group meets quarterly and "It gives a good overview of the operational issues that need to be discussed. Not in every case will policy be discussed before it is implemented, but if there are any unintended consequences, as you suggest, then this group will take them back and work them through".[106]

82. **There is likely to be continuing divergence in the structures of NHS services in England and Wales in the coming years. We were pleased to hear that a co-ordinating**

[105] Qq 293-94

[106] Q 291

group bringing together the North West, South West and West Midlands SHAs with their counterparts in Wales has been established to identify any potential problems at an early stage. This group will need to maintain its initial impetus to ensure any unintended consequences are recognised and dealt with swiftly. It is important for the remit of this group to be clear and that it should be able to look beyond health issues to ensure there is a joined-up approach across policy areas. For example, the violence reduction programme in Cardiff shows benefits for the NHS, which is devolved, and criminal justice, which is not. We request a regular update on the work of the co-ordinating group.

Specialist care for rare conditions

83. People requiring tertiary care for rare conditions are more likely to need to travel further, including across the border for treatment. In addition to the established cross-border flow between North Wales and Liverpool for specialist neurology services, evidence was given to our previous inquiry by the Muscular Dystrophy Campaign, which said that arrangements for commissioning treatment for ultra-rare conditions needed to be reviewed as the criteria for treatment differed in Wales and England and Welsh patients had experienced difficulties in gaining authorisation to be treated across the border.

84. In follow-up evidence, the Muscular Dystrophy Campaign stated that patients in both England and Wales were still experiencing delays and difficulties receiving treatment across the border. For example, it noted that the Neuromuscular Centre in Winsford, England, is funding some Welsh patients to receive treatment in England, because Welsh commissioners refuse to pay for this. The Campaign added that there has been a "significant decline in services" in Wales over the past year and that "The provision of cross-border health and social care services varies greatly and there are many cases where an inconsistent, haphazard approach by Local Health Boards and Health Commission Wales is evident".[107]

Health Commission Wales

85. The recent reorganisation of the NHS in Wales has resulted in the abolition of Health Commission Wales (HCW) which had previously been responsible for securing specialised health services in Wales. The LHBs and Welsh Assembly Government are currently designing the detailed mechanisms for replacing it. Mrs Edwina Hart AM, Minister for Health and Social Services in the Welsh Assembly Government, said:

> I see the demise of HCW as something that I am absolutely relieved about because there have been so many difficulties with the organisation around commissioning issues, patient issues, and I am very pleased that we are going to our new arrangements. Obviously we will have a few central issues that we will retain at the centre with what I consider to be the daughter of HCW and they will deal with the very specialist end, but I think the new arrangements between the new LHBs will work very well because they are practical people, they are used to dealing with these

[107] Ev 94

> patient issues on the ground, they are used to patient care pathways and I think that will be much easier for patients to understand.[108]

On the specific issue of muscular dystrophy treatment, she added "I think it is fair to say, and I am absolutely prepared to acknowledge, that there were not the clear care pathways that there should have been in this particular area, and we will be resolving these matters".[109] **We request a follow-up briefing on muscular dystrophy services for Welsh patients before the summer recess.**

Common commissioning structures

86. The Government's response to our previous Report stated that "The National Specialised Commissioning Team have had initial discussions with colleagues in Wales about the feasibility of Welsh commissioners utilising the contracting model used for commissioning rare neuromuscular services for English patients".[110] In evidence to our follow-up inquiry, Ministers stated that these discussions were ongoing, and Mr Bob Alexander, Director of NHS Finance described them as "very inclusive: there is a lot of representation from not just Wales but the other devolved administrations, and there is a lot of clinical engagement".[111] He reported that discussions were progressing "fairly well".[112]

87. In supplementary evidence, the Minister of State at the Department of Health elaborated that:

> The National Specialised Commissioning Team, which provides support to the NCG [National Commissioning Group], have offered to assist Welsh commissioners in commissioning services for Welsh patients by sharing with them the contracting model used for commissioning specialised neuromuscular services for English patients. I understand that they have already had initial discussions with colleagues in Welsh Local Health Boards (LHBs) and have indicated that they are willing to continue these discussions if the LHBs feel they would be useful.[113]

88. **The new arrangements for commissioning specialised health services in Wales will need to ensure that the removal of one national body for specialist commissioning will not result in confusion of responsibility and unacceptable local variation of policy and practice. The replacement arrangements for Health Commission Wales must ensure a consistent, equitable, responsive and timely approach to the provision of cross-border specialist health services. One way to achieve this may be through the adoption of common commissioning structures for rare conditions with England and we look forward to the outcome of current discussions on this subject.**

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[108] Q 298

[109] Q 318

[110] *The Government's response to the House of Commons Welsh Affairs Committee report: The Provision of cross-border health services for Wales*, Cm. 7647, June 2009, para 25.

[111] Q 119

[112] Q 121

[113] Ev 80

Cross-border citizen engagement

89. It is now universally accepted that patients and service users need to be enabled to play a greater role in the care they receive. The formal mechanisms for achieving this vary between England and Wales, at operational, institutional and strategic levels. There are also differences in information sources and complaints procedures. Such differences are not problematic in themselves, but they nevertheless have the potential to disempower patients. Our previous report found that patients on both sides of the border are generally unaware of the potential for divergence between the Welsh and English health services and recommended that:

> Better information for patients must be made available, particularly in immediate border areas where the choice of a Welsh or English GP may have implications for later care. […] We recommend that the Department of Health include citizen engagement and patient ownership of cross-border services in negotiations with the Welsh Assembly Government to ensure that English residents' rights to contribute to Welsh services are protected by the Welsh patient engagement process, just as the rights of Welsh patients are protected in the structure of Foundation Trusts.[114]

Raising awareness

90. The Government's response to our Report stated that "patients are able to exercise choice when registering with a GP. If patients were forced to register with a GP in their own country, many would find their new GP would be considerably further away than their current one, reducing their access to high quality primary care".[115] However, the Department of Health acknowledged that patients were not generally aware that choosing a GP on one side of the border might affect later referrals for secondary or specialist treatment. It stated that "Officials from the Department of Health will work with colleagues in the Welsh Assembly Government and the NHS to improve patient awareness of the implications of GP registration".[116]

91. During the follow-up inquiry, Ministers were unable to provide any concrete examples of steps that had been taken to improve patient awareness, although Mrs Edwina Hart AM, Welsh Assembly Government Minister for Health and Social Services said "enhancing patient knowledge and understanding about services is something that we all look to enhance. […] We have considered perhaps a website of information for people cross-border and others and those are issues that are ongoing in terms of discussion".[117]

92. Both the Welsh Assembly Government and the Department of Health have also expressed a desire to involve citizens other than patients with the decision-making processes and help to shape local delivery. This has been a major plank of government policy in England and Wales, but those on the border are faced with two entirely different systems for such engagement (LHB stakeholders, Community Health Councils,

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[114] Welsh Affairs Committee, Fifth Report of 2008-09, *The Provision of cross-border health services for Wales*, HC 56, p.4.

[115] *The Government's response to the House of Commons Welsh Affairs Committee report: The Provision of cross-border health services for Wales*, Cm. 7647, June 2009, para 5.

[116] *Ibid*., para 14.

[117] Q 310

Foundation Trust Governors, LINk, PCT mechanisms, etc.). In addition to raising patient awareness of service differences, it would be helpful if citizens wishing to engage with these bodies were guided through the relevant structures.

93. **More needs to be done to raise public awareness of the differences in services they can expect to receive in England and Wales, as recommended in our earlier Report. The improvements in co-ordination at governmental level should be matched by transparency for patients and citizens.**

Accountability of Foundation Trusts

94. As we noted earlier in this Report, the new cross-border protocol includes a dispute resolution process for patients who are not satisfied with the treatment they receive across the border. However, the Government's response to our previous Report acknowledges that the independent status of Foundation Trusts means that these hospitals are not bound by the protocol, recognising "that further work will be required to embed Foundation Trusts, who have other reporting responsibilities, within the current disputes resolution procedure. However, it is expected that the principle will still be applicable". The Government adds:

> The Department of Health monitors the performance of Foundation Trust membership very closely and believes that, where it works well, it is a good model. The development of patient and community involvement needs to be seen as part of the culture change and service transformation which we are working towards. It is a fundamental characteristic of health reform.[118]

95. In contrast, evidence from the Muscular Dystrophy Campaign states that "There is little accountability when failures relating to cross border issues occur and greater transparency in the system is urgently required."[119] In evidence to our follow-up inquiry, Mr Mike O'Brien MP, Minister of State for Health Services in the Department of Health, told us that "work is ongoing" to resolve the issue of accountability of Foundation Trusts.[120] Supplementary evidence from the Minister indicated that "Discussions with Monitor about work to include English Foundation Trusts in the cross-border protocol's dispute resolution process are underway and I will write again to the Committee once I have further information on this point".[121]

96. **Foundation Trusts should be bound by the same dispute resolution procedure as other providers. The Department of Health should ensure that Welsh patients treated in English hospitals have the same rights to raise a dispute as those resident in England and vice versa. The criteria should relate to fairness to the citizen and not the convenience of the respective bureaucracies.**

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[118] *The Government's response to the House of Commons Welsh Affairs Committee report: The Provision of cross-border health services for Wales*, Cm. 7647, June 2009, paras 31 and 45.

[119] Ev 94

[120] Q 93

[121] Ev 80

Transparent and accountable co-operation between localities, regions and governments

97. Our original Report recommended that:

> The decision-making process on each side of the border needs to be more coordinated, more coherent and more transparent. There needs to be a better and more public interface between the Department of Health and the Welsh Assembly Government.[122]

Learning from devolution

98. The Government's response to our Report stated that:

> While the core principles of the National Health Service apply across the UK an inevitable and healthy consequence of devolution has been some divergence in health policy between England and Wales. Such divergence is entirely appropriate and to be welcomed. It provides an opportunity for each country to develop policies better attuned to their needs and circumstances. It also allows the NHS in different countries to innovate and experiment with different models for the provision and organisation of healthcare services, within a common framework of NHS principles, and to learn from each other in doing so.

It added that "The benefits [of devolution] have outweighed the minor administrative challenges of managing the consequences of the differences".[123]

99. During our previous inquiry, Mr Ben Bradshaw MP, then Minister of State for Health Services in the Department for Health, gave as an example of divergent policies the free prescriptions and hospital car parking available to patients in Wales. He said that English health spending had prioritised treating people faster and better, rather than on subsidising free car parking as in Wales: "In Wales, you have to wait much longer for your operation, you have to wait much longer in A&E".[124] On 1 October 2009, the current Secretary of State for Health, Andy Burnham MP, announced that car parking charges in England would also be scrapped, bringing England into line with Wales and Scotland.

100. We asked Ministers if this was an example of learning from devolution. Mr Mike O'Brien MP, Minister of State for Health Services, said that

> It is a choice [...] in England we have taken the view that we might move incrementally now to start to give in-patients the right to a car park and also to have a certificate to allow a visitor to park a car in the car park without having to pay. But that is going to be phased in, and in the meantime our view is that the priority for us is providing the hospital services and getting waiting lists down. […] It is the sort of decision that ministers, whether in the Welsh Assembly Government or the UK

[122] Welsh Affairs Committee, Fifth Report of 2008-09, *The Provision of cross-border health services for Wales*, HC 56, p.4.

[123] *The Government's response to the House of Commons Welsh Affairs Committee report: The Provision of cross-border health services for Wales*, Cm. 7647, June 2009, para 8.

[124] 1 April 2008, "Free hospital parking under way", http://news.bbc.co.uk/1/hi/wales/7323027.stm

> Government—the English Government in the sense of this particular issue, the English Health Service—have to make.[125]

101. We asked the Welsh Assembly Government Minister whether Wales had also learned from practice in England. She said:

> I think we have looked with interest at what the Scots have done and what the Northern Irish have done and they have all looked with interest at us. It is a mutual learning process and the fact that we do have good relationships at official and ministerial level allows us to explore numerous issues about how we can benefit patients within our different countries.[126]

Comparative data

102. Despite the enthusiasm that was expressed in our evidence for 'learning from devolution', studies comparing patients' experience in the four UK nations are relatively scarce and research is hampered by the fact that statistics are rarely published in a comparable form. The Welsh Assembly Government Minister described attempts at comparison as "a bit like apples and pears".[127] For example, a recent study by the Nuffield Institute on efficiency levels in the NHS comparing England, Scotland, Wales and Northern Ireland was challenged on the grounds that it was not comparing like with like and that it was judging the devolved administrations against a standard defined for the English NHS.[128]

103. In our follow-up evidence session, Mike O'Brien MP, Minister of State in the Department of Health, told the Committee that the different ways in which data was collected represented a fundamental challenge to any comparative studies. He concluded "you would have to do considerable research to bottom out that data and to try to make comparisons. How far it would get you and what you really learn from it I am not sure".[129] However, Mr O'Brien did think that further research into patient experience would be worthwhile:

> …one of the issues that we would want to take forward as part of the cross-border officials group that is going to be set up in due course which we mentioned earlier is looking at how we can research to look at comparative patient experience in the Welsh and English NHS to see where we can look at that patient experience at a basic level and see how it can be improved.[130]

The Welsh Assembly Government Minister indicated that similar research was also underway in her department.[131]

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[125] Q 130

[126] Q 312

[127] Q 313

[128] The Nuffield Trust for Research and Policy Studies in Health Services, *Funding and Performance of Healthcare Systems in the Four Countries of the UK Before and After Devolution*, January 2010.

[129] Q 138

[130] Q 142

[131] Q 316

104. **There is a serious and persistent lack of comparative data on which to build any solid research comparing the performance of the NHS in the devolved nations. Ministers expressed little enthusiasm to tackle this situation, and we consider this to be a serious mistake given the acknowledged benefits of learning from different practice in each of the home nations of the UK. We strongly recommend that they reconsider their approach and find ways of working together to that end.**

Conclusion

105. **Many of the acute problems we identified in our earlier Report on cross-border access to health services appear to have been resolved. In particular, the revised protocol for cross-border healthcare commissioning should ensure that Welsh patients continue to receive treatment across the border where this is the most convenient solution. However, it is likely that health policy in Wales and England will continue to diverge in future. The Department of Health and Welsh Assembly Government will need to ensure that the cross-border liaison structures they have established in response to recent difficulties are sustained in order to have an enduring effect. Long term monitoring must be carried out in a way that is transparent and accountable to providers and patients.**

4 Transport

Background

106. The Welsh economy is sustained and developed by transport links across the border. The primary cross-border routes are the South Wales to London road and rail corridor and in the north where the West Cheshire, Wirral and North East Wales area forms a sub-region with shared economic, social and environmental interests. In more rural areas, such as mid-Wales, the social importance of cross-border links is significant.

107. Our Report on cross-border transport services, studying road, rail and air connections, was published on 17 July 2009.[132] In it we noted that responsibility for transport policy is fragmented. The Welsh Assembly Government now has significant responsibility for transport in Wales. The Department for Transport has responsibility for the UK network as a whole, but also acts as the England funding body for some matters which in Wales are funded by the Welsh Assembly Government. In both England and Wales local authorities play an important role. During the inquiry we found that some improvements to the cross-border transport network were being held back because of a failure to co-ordinate policy between these parties.

Rail

108. A large part of our inquiry was devoted to rail services, where we found that improvement schemes should be evaluated strategically across a wider region, rather than only on their local benefits and that there is significant scope for greater co-ordination of

[132] Welsh Affairs Committee, Tenth Report of 2008-09, *Cross-border provision of public services for Wales: Transport*, HC 58.

the different rail franchises. In the past, there has been a general failure to predict the increase in rail passenger demand and in consequence insufficient rolling stock is available on certain routes, particularly at busy times.

Electrification

109. A key recommendation of our Report was that Government should plan for earlier electrification of the Great Western Main Line than had been contemplated, and that electrification should be implemented along the whole length of the line from Swansea to London. Some of our evidence had suggested that any electrification scheme could cover England only, running between London and Bristol. We strongly recommended against this course of action, which we concluded would be ill-advised given the marginal costs of extending electrification into Wales and the economic benefits of doing so. We also recommended that electrification of the Wrexham-Bidston line should be a priority.

110. Shortly after the publication of our Report, on 23 July 2009, the Transport Secretary, Lord Adonis, announced plans to electrify the main rail route between London and Swansea. The Government's full response to the Committee's Report was published on 5 November 2009.[133] In it, the Government repeated its commitment to electrify the full length of the Great Western Main Line within 8 years and stated in particular that the Severn Tunnel did not present a technical obstacle to completion of this work. It added that it would continue to work with the Welsh Assembly Government on electrification of the Wrexham-Bidston line, but that the estimated costs of the work were currently prohibitively high.

Great Western Main Line

111. The Government's response to our Report on Cross-border transport states that the decision to go ahead with electrification of the Great Western Main Line followed detailed discussions with the Welsh Assembly Government Deputy First Minister and Minister for the Economy and Transport, Ieuan Wyn Jones AM. It notes that electrification will reduce minimum journey times between London and Swansea by 19 minutes and the introduction of the new Super Express trains will increase capacity on intercity services during the morning peak hour by at least 15%. The Government gives a commitment to "continue to work closely with the Welsh Assembly Government as plans to implement electrification are developed".[134]

112. In evidence to our follow-up inquiry, the Department for Transport said that work on electrification was still at an early stage, but that it had shared draft specification for works with the Welsh Assembly Government and asked for input.[135] The Welsh Assembly Government expressed the view that its relationship with the Department for Transport had improved since we first took evidence, and that the work on electrification had been a

[133] Welsh Affairs Committee, Ninth Special Report of 2008-09, *Cross-border provision of public services for Wales: Transport: Government Response to the Committee's Tenth Report of Session 2008-09*, HC 1099.

[134] Welsh Affairs Committee, Ninth Special Report of 2008-09, *Cross-border provision of public services for Wales: Transport: Government Response to the Committee's Tenth Report of Session 2008-09*, HC 1099, p.3.

[135] Q 243

particularly good example of co-operation and consultation.[136] Mr Ieuan Wyn Jones AM, Deputy First Minister and Minister for the Economy and Transport, said that he was hopeful that these structures were embedded for the future. He concluded that "provided there is a strong ministerial steer then those relationships will continue well".[137]

113. The Department for Transport indicated that the timetable for the work on the Great Western Main Line remains as announced and is expected to be completed on schedule by 2017. We were told that Network Rail is currently "developing their proposed contracting strategy on how to best deliver the electrification project".[138] The Department also confirmed that "the electrification would be done in a single process from London to Swansea, it would not be staged as perhaps there were some rumours earlier that work would go to Bristol and then move elsewhere and come back, it would be done as a rolling programme along the Great Western Main Line".[139]

114. We were particularly interested in the use of bi-modal electric/diesel trains on the line. The Department for Transport told us that bi-modal Super Express trains will make up just under 50% of the train sets for the Great Western Main Line.[140] These trains will be able to run on non-electrified diversionary routes as well as to continue the service after the work is complete to destinations on non-electrified track south of Bristol and west of Swansea.[141] Their use should also mean that passengers do not need to change trains while the work is carried out and only part of the line has been electrified, so that "passengers will have a seamless through journey".[142] However, representatives of First Great Western were more cautious, saying:

> …the industry has not yet reached that detailed stage of planning. However, the intention is to have a mixture of solely electric trains and bi-mode trains. If we get to a position where the bi-mode trains have arrived and are available for use, and some, but not all, of the route, is electrified, I would expect us to take advantage of the electrified network wherever possible, because, in performance terms, it is better and more environmentally friendly, so we would be keen to use it.[143]

115. **The development of the proposal for electrification of the Great Western Main Line is an example of good communication between Wales and Whitehall. We particularly welcome the planned use of bi-modal electric/diesel trains, which should reduce disruption for passengers, and that electrification work will take place as a rolling programme along the length of the line. We urge our successors in the next Parliament to continue to monitor progress on this work, which promises significant economic benefit to South Wales.**

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[136] Q 192

[137] Q 193

[138] Ev 115

[139] Q 243

[140] Ev 115

[141] Q 242

[142] Q 246

[143] Q 24

Wrexham-Bidston

116. Electrification of the Wrexham-Bidston line would have a significant economic benefit for North Wales. The Government's response to our earlier Report noted that high costs for the work were currently a barrier; however, follow-up evidence submitted by the Welsh Assembly Government stated that it was still keen to look at the business case for other improvements to the line and that MerseyTravel and Taith were working jointly on this project.[144] Ieuan Wyn Jones AM, Deputy First Minister and Minister for Transport and the Economy in the Welsh Assembly Government, said:

> My current understanding is that both Merseyrail and TAITH are looking at other proposals now short of electrification which will improve the track in terms of reliability and frequency of services rather than electrification. I think that Network Rail have been asked to look again at the costings to see whether they can reduce them and perhaps have a scheme which is affordable and then we can come back and have a look at it.[145]

117. The Parliamentary Under-Secretary of State at the Department for Transport confirmed that funding for this work would not be forthcoming from the UK Government: "The Department's perspective is that for schemes which are essentially of local or regional priority, we expect the regions to bring forward schemes in order to demonstrate that they have demand sufficient to support them for a number of years before we will look at including them in the franchising process".[146] Nevertheless, Stephen Wolstenholme, Acting Divisional Manager, Rail Support and Communication in the Department for Transport, added that regular liaison was taking place with the Welsh Assembly Government on this issue and that electrification could be an option in future:

> Electrification is really a means to an end, not an end in itself, and it tends to be particularly good for busy main lines and for intensive urban networks. At the moment this service has one train an hour and I think it is a two-coach train. I think the best prospects are very much looking at it as an incremental case, and the responsibility for specifying the frequency of services rests with the Welsh Assembly Government. There are options in the first instance to increase that frequency and look at the way that demand builds up and looking in the longer term to more affordable solutions, perhaps to the issue of through services to central Liverpool of which we recognise the importance.[147]

118. **We urge all parties to continue to work towards improvements in the Wrexham-Bidston service, with electrification as the ultimate aim to provide a service fully integrated into the Merseyrail commuter system. Any other solution will mean passengers between Liverpool and Wrexham still have to change trains.**

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[144] Ev 121

[145] Q 204

[146] Q 254

[147] Q 254

Electrification of other cross-border lines

119. In October 2009, Network Rail published its final Electrification Route Utilisation Strategy (RUS). This identifies one scheme serving Wales (the Great Western Main Line) as currently of sufficient economic benefit to justify electrification, with the business case for Severn Tunnel junction to Gloucester—the Severn Tunnel Diversionary Route—being subject to further examination. The RUS includes sixteen separate electrification schemes in Scotland.

120. The Welsh Assembly Government has made a case for more lines serving Wales to be electrified. As part of this follow-up inquiry, we held a joint evidence session with the Enterprise and Learning Committee of the National Assembly for Wales, which was conducting an inquiry into Future Railway Infrastructure in Wales. The submission from the Deputy First Minister to that Committee's inquiry states:

> I believe that all diversionary lines for the Great Western Main Line should be electrified simultaneously [with the Great Western Main Line], and there should also be a further rolling programme to electrify all rail lines in and into Wales once this is complete.[148]

In evidence to us, the Minister said:

> …we have got an announcement now in relation to Swansea, which is the first time there has been an acknowledgement by the Department for Transport that we need to electrify lines in Wales. It will be the first time that we will see electrification in Wales. That opens the door for us to be looking at future schemes. I do not think that should be the last scheme that we should be pursuing in terms of electrification. Clearly there is the North Wales Main Line but also some of the Valleys Lines which we think now should be looked at and, if I may say so, even those alternative routes to South Wales because if you have got an electrified line to Swansea then the Swindon-Kemble line, which is an alternative route, should also be electrified in our view so that it can make optimum use of the new rolling stock.[149]

The Minister acknowledged that no feasibility study for electrification of the North Wales line had yet been carried out, but indicated that this was something the Welsh Assembly Government would pursue in future.[150]

121. The Department for Transport told us that affordability would be key in any future schemes and added that the use of bi-modal electric/diesel trains might mean that diversionary routes would not need to be electrified.[151] Representatives of First Great Western agreed that a balance would need to be struck:

> From an operational perspective, it would be much more desirable to have the diversionary route electrified as well [but] It is difficult to justify electrifying a railway

[148] National Assembly for Wales, Enterprise and Learning Committee, *Future Railway Infrastructure in Wales*, EL(3)-21-09.

[149] Q 195

[150] Q 198

[151] Q 209

> purely for diversionary capability. One has to look at the day-to-day use of a railway line. If you were to combine the diversionary use with daily use, in due course, you may well find that it is something that could be done during future stages of the electrification process. It is right that you raise that issue, as it is one that will have to be explored in more detail between now and the introduction of the new trains.[152]

This was a view supported by representatives of the regional transport consortia in Wales, who agreed that "The amount of investment required is so big that any Government would have to weigh that against all the other transport challenges that it faces".[153] Arriva Trains Wales confirmed "there is no assumption that there will be further electrification of our network at the moment".[154]

122. In its final Report on *Future Rail Infrastructure in Wales*, the Enterprise and Learning Committee of the National Assembly for Wales concluded that the Welsh Assembly Government should continue to lobby for the electrification of the railway network serving Wales, with the first priorities being the diversionary lines between South Wales and London, the Cardiff area network—including the Valleys Lines—and the North Wales Mainline.[155]

123. **Our joint evidence session with the National Assembly for Wales Enterprise and Learning Committee was extremely productive and we look forward to continuing links between scrutiny committees in Parliament and the Assembly in order to explore our complementary interests. We support the view of that Committee that the Swindon–Gloucester–Severn Tunnel Junction diversionary line between South Wales and London is strategic to Wales and should be considered for electrification.**

Swindon-Kemble line

124. The main diversionary route for South-Wales London services when the Severn Tunnel is closed for maintenance runs from Swindon via Kemble and Gloucester. The Committee's previous inquiry, including a visit to the Severn Tunnel, confirmed that the Tunnel would remain operational well into the medium term, but that regular closures for maintenance would nevertheless be necessary. During this follow-up inquiry, First Great Western told us that work is underway to reduce the amount of disruptive engineering work at weekend necessitating diversion.[156] However, we also heard that although the Tunnel would be suitable for electrification, this will require a longer closure for the work to be completed.[157]

125. At present this line has a single track section between Kemble (Gloucestershire) and its junction with the Great Western Main Line west of Swindon station, severely restricting its capacity. The remainder of the route to Gloucester is double track. In 2008, the Office of

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[152] Q 35

[153] Q 62

[154] Q 26

[155] National Assembly for Wales Enterprise and Learning Committee, *Future Railway Infrastructure in Wales*, January 2010, paragraph 19.

[156] Q 5

[157] Q 243

Rail Regulation did not include funding for the relaying of double track on the Kemble route as part of the capacity needs of the High Level Output Statement 2009–2014. In our Report on Cross-border transport we recommended that the route should be redoubled. In its response, the Government stated that it was "committed to working with the rail industry to make the case for redoubling".[158]

126. During our inquiry, it was reported that funding had been secured for redoubling the Swindon-Kemble line. In response to an Oral Question in the House on 28 January 2010, the Parliamentary Under-Secretary of State for Transport, Chris Mole MP said that departmental officials were working closely with Network Rail to "introduce a scheme that is affordable within the resources available to the region". In supplementary evidence he clarified that funding was limited to £45m and that:

> Network Rail is working to decide if it is able to deliver the improvement within that sum. The Department, in conjunction with the Region, are due to consider a report on this work and will assess the timescales within which Network Rail feel confident to deliver the project in the most safe and efficient manner. If the costs are affordable and if funding is agreed, the Department considers that the work could be finished by the end of 2012/early 2013 but this date is not yet agreed with Network Rail. Should all go well then the route would be usable by trains to and from South Wales that may need to be re-routed whilst the electrification wires are put up.[159]

127. Funding for redoubling will come from the Regional Funding Allocation for the south west and will be diverted from the Westbury bypass road scheme which was refused planning permission earlier this year. The evidence we received from Rt Hon Jim Knight MP, Regional Minister for South West England, stated that he had a key role "Brokering solutions between the Department for Transport (DfT) and the South West region to enable delivery of redoubling of the Swindon to Kemble rail line". It adds:

> The Regional Ministers' role complements the executive responsibilities of Departmental Ministers and Ministers representing Scotland and Wales by focussing on joining up regional delivery in England and ensuring effective coordination across boundaries. The Council of Regional Ministers (CRM) provides a forum for Regional Ministers and Ministers representing the devolved administrations to work together to discuss economic issues of common concern, taking action and making interventions where appropriate.[160]

128. Mr Knight told us that the Swindon-Kemble redoubling was "probably the best example in the five or six months that I have been Regional Minister of us effectively working together and using the Regional Minister role to secure funding for a project that clearly is of importance beyond the region, in particular to Wales". He described the process which had taken place:

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[158] Welsh Affairs Committee, Ninth Special Report of 2008-09, *Cross-border provision of public services for Wales: Transport: Government Response to the Committee's Tenth Report of Session 2008-09*, HC 1099, p.5.

[159] Ev 115

[160] Ev 106

> …with the Strategic Leaders Board for the South West and the Regional Development Agency for the South West, wrote to the Chairs of both of those bodies to encourage them to reallocate the money that was lost to the Westbury bypass scheme, which is on the A350, because that failed to get planning consent, and I am pleased to say that the RDA and Strategic Leaders Board agreed that the regional funding allocation should then go to the Swindon-Kemble line and we therefore secured around £45 million worth of funding for the redoubling so that piece of work can be part of the package of the electrification of the line from London-Swansea.[161]

129. **£45 million has now been promised to redouble the Swindon–Kemble line. The Regional Minister for the South West had a key role in securing this funding and we congratulate him on his engagement and commitment to this issue. The importance of this line as a diversionary route when the Severn Tunnel is closed will be heightened during electrification of the Great Western Main Line. We urge the Government to ensure that final costs are agreed as soon as possible so that work can begin.**

High Speed Rail

130. In August 2009, after the completion of our earlier inquiry, Network Rail published its 'New Lines' study to examine the strategic case for expansion of the railway network.[162] It found that a new high speed rail line between London and Scotland, following a route through the West Midlands and the North-West of England, would more than pay for itself and almost eradicate domestic air travel. This planned route is known as HS2 (HS1 is the existing high speed link to the Channel Tunnel).

131. Although HS2 would not go to Wales, the regional transport consortia emphasised the importance of ensuring connections to North Wales from any new high speed link running northwards from London. TAITH told us that they had concerns "that north Wales might be cut off from discussions on the prospects for electrification [which had] to ensure that north Wales—and, for that matter, mid Wales—are not disadvantaged regarding connections. We would not want to undo the good work over a number of years of TAITH's predecessor, the north Wales economic forum, in supporting the key Holyhead to London service".[163] TraCC added that "In Wales, unless High Speed Two has a connectable interchange around Birmingham so that you can connect to north and mid Wales, it will not be of much use to us".[164]

132. **A new high speed rail link running between London and Scotland can have benefits for North Wales if connections are managed properly. We urge the UK and Welsh Assembly Governments to work with Network Rail to ensure that these plans are factored in at an early stage.**

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[161] Q 239

[162] *Meeting the capacity challenge: The case for new lines*, Network Rail, August 2009.

[163] Q 49

[164] Q 59

Rail passenger forecasts

133. In our Report, we criticised forecasts which have not predicted the significant rise in rail passenger demand over the past decade. This has led to overcrowding on many lines, as franchises did not include enough room for growth. In Network Rail's recent draft Great Western Route Utilisation Strategy (RUS), an increase in demand on the Great Western Main Line of up to 41% over 10 years is predicted, equivalent to around 3.3% per annum. This compares to allowances within previous franchises of around 1-2% per year. In its report on the draft Route Utilisation Strategy, the Enterprise and Learning Committee of the National Assembly for Wales welcomed the assumptions made about future growth in passenger demand and in particular that commuting flows in the Cardiff area could continue to grow at a higher rate than previously forecast. It noted that growth could exceed the levels forecast and should be closely monitored.[165]

134. Our witnesses acknowledged that previous growth estimates had generally been wrong. Ieuan Wyn Jones AM, Deputy First Minister and Minister for the Economy and Transport in the Welsh Assembly Government, admitted "we have all underestimated the increase in traffic".[166] He added "Can I just say how difficult it is to forecast. As an example, at the time we were celebrating the millionth passenger on the Ebbw Vale-Cardiff line, that was the time when we thought we would have reached 400,000. Forecasting is quite difficult".[167] However, Chris Mole MP, Parliamentary Under-Secretary of State in the Department for Transport, thought that the current forecasts were robust and was confident that planned infrastructure could meet demand. He added that "It is much better to be in the situation where we have got more passengers rather than a declining number of people using the railways".[168]

135. **Forecasts of rail passenger numbers have historically underestimated the growth in demand, leading to overcrowding on many services. While forecasts have been adjusted upwards more recently, they should be comprehensively reviewed to ensure that planned infrastructure meets demand. We expect that our successors in the next Parliament will ensure that the Secretary of State for Transport keeps them informed of changes in the forecasting techniques.**

Severn Tidal

136. Our previous Report recommended that the opportunity should be taken to consider an above ground rail crossing as part of any work on a Severn Tidal barrage. The Government's response stated that "existing links have the capacity to meet the forecast increase in demand over the next two decades" and that transport links were not therefore being considered as part of the feasibility study on Severn tidal power. It noted that technical limitations would also need to be taken into account: "A road or rail link on a barrage across the Severn estuary would not necessarily be a cost effective solution as it

[165] National Assembly for Wales, Enterprise and Learning Committee, *Response to Network Rail's consultation on the Route Utilisation Strategy for Wales*, 17 July 2008.

[166] Q 206

[167] Q 207

[168] Q 255

would need to be elevated to provide adequate clearance for vessels to pass through locks".[169]

137. The submission from the Regional Minister for the South West, Rt Hon Jim Knight MP, stated that the Minister was closely involved in "considering the impacts of Severn Tidal Power options on existing transport networks and opportunities for new networks, at appropriate stages throughout the project's development".[170] In evidence, the Minister stated that "The current assessment is that there is not the need, and that is probably assisted by the Swindon-Kemble redoubling somewhat, but my understanding is that should that need be demonstrated subsequently and the decision made to use the barrage solution for the tidal project, there would be nothing to stop something being developed along the barrage if that was felt desirable at the time".[171]

138. Other witnesses thought this view short-sighted. First Great Western told us that a new crossing would certainly be needed to carry any new TGV-style high speed rail line from London, "and although there is no immediate prospect that that will happen, it is an aspiration of many people, which we share. You would almost certainly want to provide a second rail crossing at the time that you were providing that infrastructure".[172]

139. **Although not all design options would be suitable for transport use, the Government must not miss the opportunity of considering new transport links as part of any Severn Tidal project. Given the size of the project, it would be very short sighted to limit the planning horizon for such links to only 20 years.**

Road

Road Improvement works

140. Our previous Report found that roads which are important to those travelling between Wales and England are not receiving investment because they are not seen as local priorities for the English regions. A key example is the A483 north-south trunk road, which runs across the border several times and presents difficulties in maintaining road surface quality and road width along its whole length. We urged the Secretary of State for Transport to review these arrangements and to establish open and transparent arrangements that clearly engage the Department and the Welsh Assembly Government in a joined-up and strategic approach to forward planning. However, the Government's response to our Report stated that funding for road schemes would continue to be allocated according to regional priorities.

141. Evidence submitted by the Welsh Assembly Government to our follow-up inquiry reported that Welsh Assembly Government officials meet regularly with their counterparts at the Department for Transport to discuss cross-border routes that are considered of

[169] Welsh Affairs Committee, Ninth Special Report of 2008-09, *Cross-border provision of public services for Wales: Transport: Government Response to the Committee's Tenth Report of Session 2008-09*, HC 1099, p.4.

[170] Ev 106

[171] Q 248

[172] Q 34

strategic importance to Wales and concluded "It is hoped that a way forward for funding improvements to these routes will shortly be agreed".[173] However, in oral evidence, the Welsh Assembly Government said that little progress had been made:

> On the A483 section, we regard it as a strategically important north-south route and, therefore, for us it would be a priority. We have said that in our Trunk Road Forward Programme and it is even in the National Transport Plan. The problem is that part of the road, as you know, is in England and that is funded not by the Department for Transport but by the Regional Authority. Your report makes it clear that you would like to see better understanding between us and the Regional Authority to deliver that. Until that Regional Authority is prepared to prioritise that road and work with us on a joint funding scheme then I am afraid we are in difficulty.[174]

142. The Deputy First Minister said that there were a number of other cross-border road schemes that the Assembly Government would like to develop, but that it was prevented from doing so because it had been unable to secure a matching commitment from the relevant regional authority on the other side of the border. He commented that:

> I do not think there has been enough done in my view because the current relationships, which we are developing, are broadly government-to-government between ourselves and DfT. I am pretty sure that there will be a range of areas where we have failed to make progress on cross-border issues, particularly on roads, and we will need to improve our links with Regional Ministers as distinct from DfT ministers.[175]

He concluded that "the discussions now probably need to be with Regional Ministers responsible for the area to see if we can get some movement".[176]

143. In the light of the Deputy First Minister's comments and the role of the regional minister for South West England in securing funding for the Swindon-Kemble line, we asked whether Regional Ministers could also intervene where road schemes have not secured funding. Chris Mole MP, Parliamentary Under-Secretary of State at the Department for Transport, was not supportive of this approach, commenting: "regional ministers have to tread a little carefully in not over-directing our colleagues within the regions as to what they should prioritise within their RFAs [Regional Funding Allocations]. Very much in the way I am sure the Welsh Assembly Government would not take too kindly to us telling them what to do".[177] He told us that his department was unlikely to intervene in these matters: "Ever since we established the regional funding allocation process it has been our view that we should devolve those decisions to the regions in order to take their advice on what the priorities within their regions are. We would hope and expect them to have a dialogue with neighbouring regions and nations".[178]

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[173] Ev 121

[174] Q 214

[175] Q 202

[176] Q 217

[177] Q 264

[178] Q 259

144. In supplementary evidence, the Minister told us that he would seek a meeting with the Regional Minister for North West England to discuss the case of the A483 specifically. However, he cautioned that "We have been very clear that it is for each region to decide their own transport priorities and we should not look to impose certain schemes on them". He added:

> Last year we asked regions to refresh their original RFA advice and the indicative funding envelopes were extended three years to 2018–19. The North West region's advice was received in February 2009 and the Government responded in July 2009, accepting it in full. In neither the original nor latest RFA round did the region take the opportunity to allocate funding to this road.[179]

While we understand the need for regional ownership of regional planning, there are strategic issues that go beyond the region, just as there are strategic issues that go beyond Wales. Some strategic routes are too important to leave to regional authorities. The A483 is the clearest example of a road which is not important to the English region in which it is located, but is vital to those travelling between North and South Wales. We request an update on the outcome of the meeting between the Department for Transport Minister and the Regional Minister to discuss the A483, so that we can consider this issue further.

145. **The Department for Transport appears to have washed its hands of any strategic responsibility for cross-border roads, such as the A483, which are not receiving the funding they need through the existing system of regional prioritisation. Given the lack of any interest in resolving this issue on the part of the Department for Transport, we urge regional ministers to take the lead by emphasising the benefits of cross-border engagement to their regions and the Secretary of State for Transport to take ownership of strategic issues. This is a glaring case where the Secretary of State for Wales should seek to broker a common strategic approach between the Department for Transport and the Welsh Assembly Government.**

Severn Bridge tolls

146. During our follow-up inquiry and as part of a package of measures to help citizens and businesses deal with the recession, the Government decided to freeze tolls for cars and goods vehicles crossing the Humber bridge. This resulted in calls from businesses in Wales and south west England for similar action with respect to the Severn bridge. For example, the Freight Transport Association argued that the decision to freeze tolls in one region but not another meant that Government was sending out mixed messages and discriminating against regional businesses in South Wales.[180] Cars crossing the Second Severn Crossing into Wales currently pay £5.40, while light goods vehicles pay £10.90. Cars crossing the Humber pay £2.70, while light goods vehicles pay £4.90. Heavy goods vehicles pay up to £16.30 to cross the Severn and up to £18.30 to cross the Humber.

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[179] Ev 115

[180] 'Government accused of penalising Welsh drivers', *Western Mail*, 29 October 2009.

147. The Department for Transport has said that it is difficult to compare the two bridges as the Humber is owned by local authorities while the Second Severn Crossing is owned by a concessionaire. Ministers told us that the tolls are fixed by primary legislation, but that they would be prepared to consider whether a freeze would be warranted.[181] **We note that proposals for a change to the legislation governing the Second Severn Crossing have recently been raised in order to allow motorists to pay by credit card and we urge the Government to consider any changes to the toll structure as part of this proposal.**

Traffic Commissioner

148. Traffic Commissioners have responsibility in their area for the licensing of the operators of Heavy Goods Vehicles and of buses and coaches, the registration of local bus services and granting vocational licences and taking action against drivers of HGVs and PSVs. There are seven regional Traffic Commissioners in Great Britain, appointed by the Secretary of State for the Transport. One of the traffic areas is Wales and the West Midlands, with its headquarters in Birmingham. The Local Transport Act 2008, which was passed by Parliament during the Committee's original inquiry into cross-border services, included a provision which would allow a 'pool' of Commissioners able to act in any traffic area in England and Wales to be created at some future point, although a single Traffic Commissioner will continue to be appointed in Scotland. The Department for Transport has said that this would be a practical step, which would allow Commissioners "to be deployed flexibly across boundaries where there are particular workload pressures".[182]

149. Our Report criticised this move and called for a dedicated Traffic Commissioner for Wales. Evidence submitted by the Welsh Assembly Government to our follow-up inquiry stated that it would continue to pursue this matter:

> The Deputy First Minister wrote to Lord Adonis on 23 March 2009 setting out the case for a separate Traffic Commissioner with responsibility for the Wales Traffic Area as well as an office. Officials from the Welsh Assembly Government will be meeting the Department for Transport shortly to discuss the setting up of an office in Wales for the existing Traffic Commissioner (who covers both Wales and the West Midlands). This is the first step in achieving a dedicated Traffic Commissioner for Wales.[183]

150. In supplementary evidence, the Department for Transport stated that its view had not changed:

> At present, the Government still does not believe that the overall volume of this 'local' work supports the establishment of a dedicated traffic commissioner and traffic area office in Wales. For example, in 2008-9, the traffic commissioner and deputy commissioner held 109 public inquiries involving Welsh licence holders. This compares to 308 in the North East, 240 inquiries held in the Western traffic area and 205 in Scotland. In the West Midlands, there were 188 inquiries, which explains why

[181] Qq 218-19

[182] Welsh Affairs Committee, Tenth Report of 2008-09, *Cross-border provision of public services for Wales: Transport*, HC 58, para 112.

[183] Ev 121

> the joint traffic area is based in Birmingham, not Wales. However, my officials are in discussion with colleagues in the Welsh Assembly Government about this issue.[184]

151. **We repeat our view, shared by the Welsh Assembly Government, that there should be a dedicated Traffic Commissioner for Wales. We do not accept the Department for Transport's argument that the location of a Commissioner should be determined solely by the annual caseload (which might mean that Scotland had no Commissioner). Wales has developed distinct transport policies which means that it is not appropriate to treat the country as simply another region of England.**

Air

Public transport links to airports

152. Many Welsh passengers rely on airports in England, either due to geographical proximity or because Cardiff Airport does not serve the destinations they need. However, our inquiry found that public transport links from Wales to Liverpool, Manchester and Birmingham airports are inadequate, generating significant cross-border road traffic, which could be transferred to buses or trains. Efforts to improve the situation have been held back due to the lack of any cross-border strategic view or associated funding and regional authorities seem unwilling to look beyond their own borders.

153. The Government's response reported that new rail links to Birmingham airport had been established and that discussions were underway in the Cross Border Forum about rail links to Manchester and Liverpool, but stated that bus links are a matter for local authorities.[185] Evidence from the Welsh Assembly Government pointed to additional improvements to the Arriva Trains service to Manchester Airport. It added:

> We will need to work with the Regional Transport Consortia and the bus industry to look at how we may be able to improve links by bus or coach services, in particular to airports such as Liverpool and Manchester. This might include extending the provision of TrawsCambria services.[186]

154. Evidence from Chester Renaissance and the Mersey Dee Alliance called for further investment in cross-border transport links between North Wales and North West England, including better links to Liverpool Airport. Chester Renaissance refers to the Committee's recommendation for a dedicated funding stream for cross-border bus links to airports in its Report on Cross-border transport as one way of encouraging further provision.

155. In its evidence, the Department for Transport stated that, for bus and coach travel, "most delivery will be through local and regional authorities and the private sector". However, it did note that work was in hand to explore increasing the use of public transport links to airports:

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[184] Ev 115

[185] Welsh Affairs Committee, Ninth Special Report of 2008-09, *Cross-border provision of public services for Wales: Transport: Government Response to the Committee's Tenth Report of Session 2008-09*, HC 1099, para 24.

[186] Ev 121

> ...we have commissioned a joint DfT/regional study considering road and rail access to/around Manchester for freight and passengers. We have also developed a programme of work to generate a range of options to improve the passenger and freight end-to-end journeys through international networks. This initiative includes a project on Low Carbon Transport to Airports project which will investigate how the uptake of low carbon transport methods to airports can be improved, making best use of existing capacity. This project focuses on Heathrow, Gatwick, Stansted, Manchester, Luton and Birmingham airports.[187]

The Department also notes that the development of rail links to airports in England was discussed at the September 2009 meeting of the rail Cross Border Forum.

156. **Since our earlier inquiry there has been some improvement to the cross-border rail services between Manchester and Birmingham airports and Wales. There remains, however, a significant need for more frequent and convenient services as well as better integration of bus and rail services. We look forward to further updates on the progress of the Department for Transport's work in this area.**

Inward travel

157. Our cross-border transport inquiry found that opportunities for the promotion of Wales as a destination for inward visitors are being missed and the potential economic benefits of existing air services are not being maximised because airports, local authorities and VisitWales are not working with a common purpose. Evidence from Birmingham and Liverpool Airports suggested that their attempts to create links with Welsh tourism bodies (including VisitWales, now part of the Welsh Assembly Government, and the privately owned North Wales Tourism), for example by offering stalls in their airports at reduced prices, or by creating websites aimed at foreign visitors, had not been met with enthusiasm.[188]

158. In his evidence to the follow-up inquiry, Ieuan Wyn Jones AM, Deputy First Minister and Minister for Transport in the Welsh Assembly Government, said that the message of our earlier inquiry had been taken back to VisitWales. He highlighted the 2010 Ryder Cup as a key opportunity to promote Wales as a destination and said that work was focusing on this objective.[189] **We agree with the Welsh Assembly Government that the 2010 Ryder Cup will be a key opportunity to market Wales as a destination for inward travellers.**

Ports in Wales

159. Although it was not part of our original cross-border inquiry, our recent inquiry into Ports in Wales was prompted by our examination of cross-border transport issues. Ports are vitally important economic resources for Wales, playing a key role in the movement of both freight and people and providing essential international trade links. We therefore

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[187] Ev 115

[188] Welsh Affairs Committee, Tenth Report of 2008-09, *Cross-border provision of public services for Wales: Transport*, HC 58, paras 149-151.

[189] Q 226

undertook a separate inquiry into their development in Wales and published our Report in October 2009.[190]

160. Our inquiry concluded that Welsh ports are under-exploited resources that could play a much greater role in Wales's economic development. Ports policy is a reserved matter falling within the remit of the Department for Transport, but many policy areas which have a significant influence on port operations, such as transport facilities and services, economic development and land use planning, are the devolved responsibility of the Welsh Assembly Government. We found that the Department for Transport and Welsh Assembly Government have very different approaches to port development. The former supports an approach that lets the market lead investment, whilst the latter supports greater government engagement. A fully co-ordinated approach to ports policy is necessary to ensure that their economic benefit is maximised and that port operators, local authorities and others have shared and coherent objectives.

161. We received the Government's response to our Report in January 2010.[191] In general, we were encouraged by the positive tone of the response, which acknowledged the challenges that face the sector in Wales and expressed a willingness to work with the Welsh Assembly Government and the Wales Office. We were concerned, however, that the Department for Transport's responses to some of our recommendations suggested that work remains to be done to achieve this shared vision. In particular, we are disappointed that the Department is unwilling to accept the recommendation that it should collaborate with the Welsh Assembly Government to develop a distinctive ports policy for Wales. Our inquiry found clear evidence that the needs of Welsh ports differ significantly from those in England. Crucially, most Welsh ports have spare capacity, in contrast to those in England.

162. Another key recommendation of our Report was that Wales should take advantage of the growing cruise market. We uncovered persuasive evidence that some investment in port facilities will be needed to do this and that it will not be provided by cruise operators or port companies as the rate of return is insufficient, the benefits being largely to the local economy. The Department's response that "ports are expected to operate in a competitive market without subsidy" does not address the difference in the economic context in Wales compared to the UK as a whole. While the Government's response states that it believe relationships between the Department for Transport and the Welsh Assembly Government are working well, we believe there is more to be done.

163. **We are disappointed that the Department for Transport is unwilling to accept our recommendation that it should collaborate with the Welsh Assembly Government to develop a distinctive ports policy for Wales. Our inquiry found clear evidence that the needs of Welsh ports differ significantly from those in England.**

Conclusion

164. **Since our earlier inquiry, there has been good progress in some areas of co-ordination between the Welsh Assembly Government and the Department for**

[190] Welsh Affairs Committee, Fifteenth Report of 2008-09, *Ports in Wales*, HC 601.

[191] Welsh Affairs Committee, Third Special Report of 2009-10, *Ports in Wales: Government Response to the Committee's Fifteenth Report of Session 2008–09*, HC 308.

Transport, particularly in rail where we warmly welcome work on electrification of the Great Western Main Line. We consider that the role of the regional minister can be an important driver of increased communication and co-operation, for example in the case of the Swindon-Kemble rail redoubling. However, this is in contrast to the situation with ports, where the distinct needs of the Welsh economy have not yet been recognised, and with roads, where the Department seems to have washed its hands of any strategic responsibility. This suggests that parts of the Department, at an operational level, are inflexible in their approach to policy development and unwilling to engage positively with their Assembly colleagues.

5 Conclusion

165. Our original cross-border inquiry revealed a lack of co-ordination between authorities in England and Wales that led, in some cases, to a poorer quality of service for those crossing the border for healthcare or education or using cross-border transport. In many of these cases, the specific difficulties we identified have largely been resolved. There remain, however, a number of outstanding issues which have not progressed and are highlighted in this follow-up Report. We urge both the relevant UK government departments and the Welsh Assembly Government to renew their efforts to address these persistent problems.

166. Co-ordination of policy between individual Whitehall departments and the Welsh Assembly Government is variable. There is a particular need for clarity about territorial extent in major policy documents. Too often, England-only policies are presented under a UK banner and the way in which they will interface with devolved responsibilities is not made explicit, and the converse is sometimes the case. These are issues we intend to consider in more detail in our forthcoming Report on *Wales and Whitehall*.

167. Cross-border engagement at the local level is also vital. Since our earlier inquiry, there has been good progress in some areas of co-ordination and we note in particular the positive contribution that can be made by those Regional Ministers who are actively engaged in developing a strategic approach to service provision in their region. They are well placed to encourage a strategic approach to cross-border issues and to develop strong working relationships with Welsh Assembly Ministers and their officials.

168. It is likely that policy will continue to diverge in future in all the areas we have considered. The UK and Welsh Assembly Governments will need to ensure that the cross-border liaison structures they have established in response to the difficulties we identified in our earlier Reports are sustained in order to have an enduring effect. Communications and consultation appear to be much improved. This should result in better co-ordinated policies in the future. We believe that there is a need for a clear framework for routinely assessing and comparing the impact of new policies in each of the four nations.

169. We urge our successors in the next Parliament to continue to monitor progress in all the areas we have examined during our inquiry into the provision of cross-border public services, to ensure that the arrangements which have been put in place in response to our Reports are delivering effectively.

Conclusions and recommendations

Further and Higher Education

Further Education

1. Further education cross-border arrangements must enable learners to benefit from the most appropriate education for them and prevent the border from acting as a barrier. We welcome the publication of revised guidance by the Welsh Assembly Government and the undertaking of the Department for Children, Schools and Families to reconsider its guidance on reciprocal arrangements in border areas. We also welcome the intention of the Welsh Local Government Association to liaise with the English sub-regional groups which have been established to plan the local provision of education and training. We believe that these measures, if properly implemented, will support colleges in their recruitment and students in their search for the right course. We recommend that our successors in the next Parliament check that the arrangements are fully in place and are delivering effectively. (Paragraph 12)

2. The Welsh Assembly Government has assured us that it is fully involved in the Sector Skills Council relicensing process and that it is confident that a smaller number of Councils can fulfil the existing remit. The Department for Business, Innovation and Skills, the Welsh Assembly Government and the UK Commission for Employment and Skills must ensure that the new structures enable Sector Skills Councils to give due regard to territorial differences in skills policies and in the configurations and weightings of different sectors. (Paragraph 17)

Higher education

3. The amount of consultation and communication between the Welsh Assembly Government and the Department for Business, Innovation and Skills has clearly increased, and both bodies appear satisfied that their respective higher education policies take appropriate account of cross-border issues. This level of engagement must continue, particularly in relation to the English review of student fees. We welcome the fact that the Minister is open to discussing the co-ordination of higher education policy at a Joint Ministerial Committee meeting and suggest that now is the time to do this, given the recent publication of the Welsh and the English higher education strategies. (Paragraph 27)

4. We welcome the acknowledgement of the higher education funding gap by the Welsh Assembly Government and its commitment to increasing government funding for the Welsh higher education sector. Higher education institutions need more certainty about the core funding available to them in order to maintain their basic infrastructure and compete successfully with other UK institutions. We expect the Welsh Assembly Government to provide specific details about how it intends to allocate funds released from the abolition of the Tuition Fee Grant, at the earliest possible opportunity. (Paragraph 31)

5. Wales receives a smaller share of research council and Technology Strategy Board funding than would be expected from its relative size. We have heard from the Welsh Assembly and the Department for Business Innovation and Skills Ministers that talks have taken place to improve communications between these funding bodies and the Welsh higher education sector, but as yet it is too early to judge whether any tangible benefits will result from these talks. (Paragraph 38)

6. In our previous Report, we concluded that Research Councils should not just follow excellence, but must also foster it, and recommended that funds be made available at a UK level to support the development of research capacity in economically deprived areas of the four nations. The Government rejected this recommendation, but nevertheless included in its strategy Higher Ambitions a proposal to concentrate research funds in centres which could demonstrate a track record of economic impact. This appears to re-introduce a linkage with economic development policy, which is for the most part a devolved policy area. We ask the Department for Business, Innovation and Skills to explain how this criterion will be reconciled with the criterion of academic excellence, and how it will be integrated with the economic development priorities of the devolved administrations. The current systems for awarding funding already favour established institutions with a proven track record rather than ones with future potential, and the proposal to concentrate research funds appears likely further to limit the opportunities for Welsh higher education institutions to maintain and develop their research capabilities. Wales is starting from behind and looks likely to end up with even less. (Paragraph 39)

7. Some of the responsibilities of the Department for Business, Innovation and Skills are UK-wide and others relate only to England. The research proposals in Higher Ambitions are clearly written from an English perspective and make no reference to the other nations, even though the research remit of the Department for Business, Innovation and Skills is UK-wide. We do not believe that the Department properly considered devolution issues when developing this strategy. We recommend that the Department for Business, Innovation and Skills provide further details as to how it intends to apply the research funding proposals to the four nations. This information should be provided to the Committee and the matter also needs to be pursued via both ministerial and officials' meetings. (Paragraph 40)

8. We strongly support cross-border higher education collaboration and welcome the measures being introduced by the Welsh Assembly Government and the Department for Business, Innovation and Skills to encourage such collaboration. (Paragraph 43)

Conclusion

9. Communications and consultation between the Welsh Assembly Government and the Department for Business, Innovation and Skills appear to have improved since the assessment we made just over a year ago. We wait to see whether this will result in better co-ordinated policies in the future. We believe that there is a need for a clear framework for routinely assessing and comparing the impact of new policies in each of the four nations. (Paragraph 44)

10. Higher education is in a period of change both in Wales and England. Welsh higher education institutions already receive a lower level of funding than those in England and the Department for Business, Innovation and Skills has a responsibility to ensure that Wales does not lose out even more from the changed focus of research priorities described in Higher Ambitions. (Paragraph 45)

Health

Border-proofing of policy and practice

11. The revised cross-border health protocol and accompanying financial transfer from England to Wales has resolved most of the outstanding disputes with regard to the commissioning and funding of hospital care in England for patients resident in Wales. Monitoring of the protocol's implementation will be a key issue as policy continues to develop and change on both sides of the border. This should be carried out in a way that is transparent to providers and patients. We recommend that our successors return to this matter in the next Parliament. (Paragraph 55)

12. We welcome the commitments from Ministers in both England and Wales to evaluate the effects of their policies across the border and to establish a robust reporting structure so that local problems can be highlighted and resolved more swiftly in future. (Paragraph 58)

13. We were pleased to hear examples of excellent cross-border co-ordination, including in negotiations on the draft EU Directive on cross-border health care. We consider that the sharing of best practice across the four home nations of the UK can improve the provision of services for the whole population and we would urge further work in this area, including the establishment of a dedicated forum to share experience on the treatment of veterans. The development of a clearer regional focus within England, including Regional Ministers and Regional Select Committees, may well provide a more sophisticated level of comparison on a variety of issues. This would be particularly helpful to all-Wales policy making and scrutiny and we urge the Cabinet Secretary and the Permanent Secretary to the Welsh Assembly Government to ensure that this is built into future developments. (Paragraph 68)

Clinical excellence as close to home as possible

14. We were pleased to take evidence for the first time as part of this inquiry from the relevant English Regional Ministers and agree that they are well placed to increase awareness of cross-border issues within their regions. We note that the challenges and opportunities are quite different in relation to North Wales and the North West region, Mid-Wales and the West Midlands, and South Wales and the South West region. We are particularly encouraged to hear of local initiatives to improve co-ordination between North Wales and North West England where the flow of patients across the border is significant. (Paragraph 74)

15. We request an update on the progress of discussions with the new health boards in Wales regarding cross-border issues. (Paragraph 78)

16. There is likely to be continuing divergence in the structures of NHS services in England and Wales in the coming years. We were pleased to hear that a co-ordinating group bringing together the North West, South West and West Midlands SHAs with their counterparts in Wales has been established to identify any potential problems at an early stage. This group will need to maintain its initial impetus to ensure any unintended consequences are recognised and dealt with swiftly. It is important for the remit of this group to be clear and that it should be able to look beyond health issues to ensure there is a joined-up approach across policy areas. For example, the violence reduction programme in Cardiff shows benefits for the NHS, which is devolved, and criminal justice, which is not. We request a regular update on the work of the co-ordinating group. (Paragraph 82)

17. We request a follow-up briefing on muscular dystrophy services for Welsh patients before the summer recess. (Paragraph 0)

18. The new arrangements for commissioning specialised health services in Wales will need to ensure that the removal of one national body for specialist commissioning will not result in confusion of responsibility and unacceptable local variation of policy and practice. The replacement arrangements for Health Commission Wales must ensure a consistent, equitable, responsive and timely approach to the provision of cross-border specialist health services. One way to achieve this may be through the adoption of common commissioning structures for rare conditions with England and we look forward to the outcome of current discussions on this subject. (Paragraph 88)

Cross-border citizen engagement

19. More needs to be done to raise public awareness of the differences in services they can expect to receive in England and Wales, as recommended in our earlier Report. The improvements in co-ordination at governmental level should be matched by transparency for patients and citizens. (Paragraph 93)

20. Foundation Trusts should be bound by the same dispute resolution procedure as other providers. The Department of Health should ensure that Welsh patients treated in English hospitals have the same rights to raise a dispute as those resident in England and vice versa. The criteria should relate to fairness to the citizen and not the convenience of the respective bureaucracies. (Paragraph 96)

Transparent and accountable co-operation between localities, regions and governments

21. There is a serious and persistent lack of comparative data on which to build any solid research comparing the performance of the NHS in the devolved nations. Ministers expressed little enthusiasm to tackle this situation, and we consider this to be a serious mistake given the acknowledged benefits of learning from different practice in each of the home nations of the UK. We strongly recommend that they reconsider their approach and find ways of working together to that end. (Paragraph 104)

Conclusion

22. Many of the acute problems we identified in our earlier Report on cross-border access to health services appear to have been resolved. In particular, the revised protocol for cross-border healthcare commissioning should ensure that Welsh patients continue to receive treatment across the border where this is the most convenient solution. However, it is likely that health policy in Wales and England will continue to diverge in future. The Department of Health and Welsh Assembly Government will need to ensure that the cross-border liaison structures they have established in response to recent difficulties are sustained in order to have an enduring effect. Long term monitoring must be carried out in a way that is transparent and accountable to providers and patients. (Paragraph 105)

Transport

Rail

23. The development of the proposal for electrification of the Great Western Main Line is an example of good communication between Wales and Whitehall. We particularly welcome the planned use of bi-modal electric/diesel trains, which should reduce disruption for passengers, and that electrification work will take place as a rolling programme along the length of the line. We urge our successors in the next Parliament to continue to monitor progress on this work, which promises significant economic benefit to South Wales. (Paragraph 115)

24. We urge all parties to continue to work towards improvements in the Wrexham-Bidston service, with electrification as the ultimate aim to provide a service fully integrated into the Merseyrail commuter system. Any other solution will mean passengers between Liverpool and Wrexham still have to change trains. (Paragraph 118)

25. Our joint evidence session with the National Assembly for Wales Enterprise and Learning Committee was extremely productive and we look forward to continuing links between scrutiny committees in Parliament and the Assembly in order to explore our complementary interests. We support the view of that Committee that the Swindon–Gloucester–Severn Tunnel Junction diversionary line between South Wales and London is strategic to Wales and should be considered for electrification. (Paragraph 123)

26. £45 million has now been promised to redouble the Swindon–Kemble line. The Regional Minister for the South West had a key role in securing this funding and we congratulate him on his engagement and commitment to this issue. The importance of this line as a diversionary route when the Severn Tunnel is closed will be heightened during electrification of the Great Western Main Line. We urge the Government to ensure that final costs are agreed as soon as possible so that work can begin. (Paragraph 129)

27. A new high speed rail link running between London and Scotland can have benefits for North Wales if connections are managed properly. We urge the UK and Welsh Assembly Governments to work with Network Rail to ensure that these plans are factored in at an early stage. (Paragraph 132)

28. Forecasts of rail passenger numbers have historically underestimated the growth in demand, leading to overcrowding on many services. While forecasts have been adjusted upwards more recently, they should be comprehensively reviewed to ensure that planned infrastructure meets demand. We expect that our successors in the next Parliament will ensure that the Secretary of State for Transport keeps them informed of changes in the forecasting techniques. (Paragraph 135)

29. Although not all design options would be suitable for transport use, the Government must not miss the opportunity of considering new transport links as part of any Severn Tidal project. Given the size of the project, it would be very short sighted to limit the planning horizon for such links to only 20 years. (Paragraph 139)

Road

30. While we understand the need for regional ownership of regional planning, there are strategic issues that go beyond the region, just as there are strategic issues that go beyond Wales. Some strategic routes are too important to leave to regional authorities. The A483 is the clearest example of a road which is not important to the English region in which it is located, but is vital to those travelling between North and South Wales. We request an update on the outcome of the meeting between the Department for Transport Minister and the Regional Minister to discuss the A483, so that we can consider this issue further. (Paragraph 144)

31. The Department for Transport appears to have washed its hands of any strategic responsibility for cross-border roads, such as the A483, which are not receiving the funding they need through the existing system of regional prioritisation. Given the lack of any interest in resolving this issue on the part of the Department for Transport, we urge regional ministers to take the lead by emphasising the benefits of cross-border engagement to their regions and the Secretary of State for Transport to take ownership of strategic issues. This is a glaring case where the Secretary of State for Wales should seek to broker a common strategic approach between the Department for Transport and the Welsh Assembly Government. (Paragraph 145)

32. We note that proposals for a change to the legislation governing the Second Severn Crossing have recently been raised in order to allow motorists to pay by credit card and we urge the Government to consider any changes to the toll structure as part of this proposal. (Paragraph 147)

33. We repeat our view, shared by the Welsh Assembly Government, that there should be a dedicated Traffic Commissioner for Wales. We do not accept the Department for Transport's argument that the location of a Commissioner should be determined solely by the annual caseload (which might mean that Scotland had no Commissioner). Wales has developed distinct transport policies which means that it

is not appropriate to treat the country as simply another region of England. (Paragraph 151)

Air

34. Since our earlier inquiry there has been some improvement to the cross-border rail services between Manchester and Birmingham airports and Wales. There remains, however, a significant need for more frequent and convenient services as well as better integration of bus and rail services. We look forward to further updates on the progress of the Department for Transport's work in this area. (Paragraph 156)

35. We agree with the Welsh Assembly Government that the 2010 Ryder Cup will be a key opportunity to market Wales as a destination for inward travellers. (Paragraph 158)

Ports in Wales

36. We are disappointed that the Department for Transport is unwilling to accept our recommendation that it should collaborate with the Welsh Assembly Government to develop a distinctive ports policy for Wales. Our inquiry found clear evidence that the needs of Welsh ports differ significantly from those in England. (Paragraph 163)

Conclusion

37. Since our earlier inquiry, there has been good progress in some areas of co-ordination between the Welsh Assembly Government and the Department for Transport, particularly in rail where we warmly welcome work on electrification of the Great Western Main Line. We consider that the role of the regional minister can be an important driver of increased communication and co-operation, for example in the case of the Swindon-Kemble rail redoubling. However, this is in contrast to the situation with ports, where the distinct needs of the Welsh economy have not yet been recognised, and with roads, where the Department seems to have washed its hands of any strategic responsibility. This suggests that parts of the Department, at an operational level, are inflexible in their approach to policy development and unwilling to engage positively with their Assembly colleagues. (Paragraph 164)

Formal Minutes

Tuesday 2 March 2010

Members present:

Dr Hywel Francis, in the Chair

Mr David Jones Alun Michael

Draft Report (*Cross-border provision of public services in Wales: follow-up*) proposed by the Chairman, brought up and read.

Ordered, That the Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 169 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Tenth Report of the Committee to the House.

Ordered, That the Chairman make the Report to the House.

Written evidence ordered to be published on 20 October, 10 and 23 November was ordered to be reported to the House for printing with the Report.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned until Tuesday 9 March at 9.45 a.m.

Witnesses

Monday 23 November 2009

Page

Mike Baghsaw, Commercial Director, **Michael Vaughan**, Head of Franchise and Stakeholder Management, Arriva Trains Wales, **Mark Hopwood**, Managing Director, **John Pockett**, Manager for Wales, First Great Western — Ev 1

Councillor Ron Davies, Chair, **Michael Whittaker**, Executive Officer, TAITH, **Councillor Trevor Roberts,** Chair, **Gareth Roberts**, Ceredigion County Council, **Christopher Wilson**, Co-ordinator, TraCC, **Richard Workman**, Lead Chief Officer, SWWITCH, **Councillor Jeff James**, Vale of Glamorgan Council, **Anthony O'Sullivan**, Caerphilly County Borough Council, Chair SEWTA Directorate, SEWTA — Ev 10

Tuesday 1 December 2009

Ms Jane Hutt, AM, Minister for Children, Education, Lifelong Learning and Skills, and **Dr Dennis Gunning,** Director, Skills Higher Education and Lifelong Learning, Welsh Assembly Government — Ev 20

Thursday 3 December 2009

Mr Mike O'Brien MP, Minister of State for Health Services, Department of Health; **Mr Bob Alexander**, Director of NHS Finance, and **Mr Phil Woolas MP**, Minister for the North West, Regional Minister — Ev 28

Mr David Lammy MP, Minister of State for Higher Education and Intellectual Property, **Mr John Neilson,** Director, Research Base, **Mr Michael Hipkins**, Director, Student Finance, and **Mr John Landeryou**, Director, Further Education, Department for Business, Innovation and Skills — Ev 36

Tuesday 15 December 2009

Mr Ieuan Wyn Jones AM, Deputy First Minister and Minister for the Economy and Transport, **Mr James Price**, Director for Transport and Strategic Regeneration, **Mr Martin Stevenson,** Head of Transport Policy and Legislation Unit, **Mr Tim James**, Director for Integrated Transport and **Ms Tracey Burke**, Director, Economic Renewal Programme, Welsh Assembly Government — Ev 43

Chris Mole MP, Parliamentary Under-Secretary of State for Transport, and Mr Stephen Wolstenholme, Acting Divisional Manager, Rail Support and Communication, Department for Transport and Mr Rt Hon Jim Knight MP, Minister for the South West — Ev 49

List of written evidence

List of Reports from the Committee during the current Parliament

Session 2009-10

First Report	The Proposed National Assembly for Wales (Legislative Competence) (Culture and other fields) Order 2009	HC 40
Second Report	Proposed National Assembly for Wales (Legislative Competence) (Housing) Order 2009 relating to Domestic Fire Safety	HC 142
Third Report	Work of the Committee 2008-09	HC 154
Fourth Report	The Proposed National Assembly for Wales (Legislative Competence) (Local Government) Order 2009	HC 36
Fifth Report	Review of the LCO Process	HC 155
Sixth Report	Proposed National Assembly for Wales (Legislative Competence) (Housing and Local Government) Order 2010, relating to Sustainable Housing	HC 186
Seventh Report	The Proposed Legislative Competence Order relating to School Governance	HC 274
Eighth Report	The Proposed Legislative Competence Order relating to Transport	HC 273
Ninth Report	Welsh prisoners in the prison estate: follow-up	HC 143
Tenth Report	Cross border public services for Wales: follow-up	HC 26
First Special Report	Proposed National Assembly for Wales (Legislative Competence) (Health and Health Services and Social Welfare) Order 2009: Government Response to the Committee's Fourteenth Report of Session 2008-09	HC 198
Second Special Report	The National Assembly for Wales (Legislative Competence) (Environment) Order 2009: Government Response to the Committee's Twelfth Report of Session 2008-09	HC 243
Third Special Report	Ports in Wales: Government Response to the Committee's Fifteenth Report of Session 2008–09	HC 308
Fourth Special Report	Proposed National Assembly for Wales (Legislative Competence) (Housing) Order 2009, relating to Domestic Fire Safety: Government Response to the Committee's Second Report	HC 305
Fifth Special Report	The proposed National Assembly for Wales (Legislative Competence) (Local Government) Order 2009: Government Response to the Committee's Fourth Report	HC 411
Sixth Special Report	The Proposed Legislative Competence Order relating to School Governance: Government Response to the Committee's Seventh Report	HC 419
Seventh Special Report	The Proposed National Assembly for Wales (Legislative Competence) (Culture and other fields) Order 2009: Government Response to the	HC 420

	Committee's First Report	

Session 2008-09

First Report	Cross-border provision of public services for Wales: Further and higher education	HC 57
Second Report	Globalisation and its impact on Wales	HC 184 –I, II
Third Report	Proposed National Assembly for Wales (Legislative Competence) (Agriculture and Rural Development) Order 2008	HC 5
Fourth Report	Work of the Committee 2007-08	HC 252
Fifth Report	The provision of cross-border health services for Wales	HC 56
Sixth Report	Proposed National Assembly for Wales (Legislative Competence) (Social Welfare) Order 2009	HC 306
Seventh Report	Legal Services Commission Cardiff Office	HC 374
Eighth Report	Potential Benefits of the 2012 Olympics and Paralympics for Wales	HC 162
Ninth Report	The proposed National Assembly for Wales (Legislative Competence) (Welsh Language) Order 2009	HC 348
Tenth Report	Cross-border provision of public services for Wales: Transport	HC 58
Eleventh Report	English Language Television Broadcasting in Wales	HC 502
Twelfth Report	Proposed National Assembly for Wales (Legislative Competence) (Environment) Order 2009	HC 678
Thirteenth Report	Digital Inclusion in Wales	HC 305
Fourteenth Report	Proposed National Assembly for Wales (Legislative Competence) (Health And Health Services And Social Welfare) Order 2009	HC 778
Fifteenth Report	Ports in Wales	HC 601
First Special Report	The proposed draft National Assembly for Wales (Legislative Competence) (Housing) Order 2008: Government Response to the Committee's Seventh Report of Session 2007–08	HC 200
Second Special Report	Cross-border provision of public services for Wales: further and higher education: Government Response to the Committee's First Report of Session 2008-09	HC 378
Third Special Report	Proposed National Assembly for Wales (Legislative Competence) (Agriculture and Rural Development) Order 2008: Government Response to the Committee's Third Report of Session 2008-09	HC 410
Fourth Special Report	Globalisation and its impact on Wales: Government Response to the Committee's Second Report of Session 2008-09	HC 538
Fifth Special Report	The National Assembly for Wales (Legislative Competence) (Social Welfare) Order 2009: Government Response to the Committee's Sixth	HC 605

	Report of Session 2008-09	
Sixth Special Report	Legal Services Commission Cardiff Office: Government Response to the Committee's Seventh Report of Session 2008-09	HC 825
Seventh Special Report	Proposed National Assembly for Wales (Legislative Competence) (Welsh Language) Order 2009: Government Response to the Committee's Ninth Report of Session 2008-09	HC 1024
Eighth Special Report	Digital Inclusion in Wales: Government Response to the Committee's Thirteenth Report of Session 2008-09	HC 1050

Session 2007-08

First Report	Energy in Wales: follow up inquiry	HC 177
Second Report	The proposed Legislative Competence Order in Council on additional learning needs	HC 44
Third Report	Work of the Committee in 2007	HC 325
Fourth Report	The proposed National Assembly for Wales (Legislative Competence) Order in the field of social welfare 2008	HC 257
Fifth Report	The proposed draft National Assembly for Wales (Legislative Competence) (social welfare and other fields) Order 2008	HC 576
Sixth Report	The provision of cross-border health services for Wales: Interim Report	HC 870
Seventh Report	The proposed draft National Assembly for Wales (Legislative Competence) (Housing) Order 2008	HC 812
First Special Report	The proposed Legislative Competence Order in Council on additional learning needs: Government response to the Committee's Second Report of Session 2007-08	HC 377
Second Special Report	Energy in Wales – follow-up inquiry: Government Response to the Committee's First Report of Session 2007-08	HC 435
Third Special Report	The proposed National Assembly for Wales (Legislative Competence) Order in the field of social welfare 2008: Government Response to the Committee's Fourth Report of Session 2007-08	HC 715

Session 2006-07

First Report	Work of the Committee in 2005-06	HC 291
Second Report	Legislative Competence Orders in Council	HC 175
Third Report	Welsh Prisoners in the Prison Estate	HC 74
First Special Report	Government Response to the Committee's Second Report of Session 2006-07, Legislative Competence Orders in Council	HC 986

Session 2005-06

First Report	Government White Paper: Better Governance for Wales	HC 551
Second Report	Proposed Restructuring of the Police Forces in Wales	HC 751
Third Report	Energy in Wales	HC 876-I
Oral and written Evidence	Energy in Wales	HC 876-II
Fourth Report	Future of RAF St Athan	HC 1129
Fifth Report	Current Restructuring of the Police Forces in Wales	HC 1418
Oral and written Evidence	NHS Dentistry in Wales	HC 771-i
First Special Report	Government Response to the Committee's Second and Third Reports of Session 2004–05, Manufacturing and Trade in Wales and Public Services Ombudsman (Wales) Bill	HC 433
Second Special Report	Government Response to the Committee's Fourth Report of Session 2004-05, Police Service, Crime and Anti-Social Behaviour in Wales	HC 514
Third Special Report	Government Response to the Committee's First Report of Session 2005-06, Government White Paper: Better Governance for Wales	HC 839
Fourth Special Report	Government Response to the Committee's Second Report of Session 2005-06, Proposed Restructuring of the Police Forces in Wales	HC 1431
Fifth Special Report	Government Response to the Committee's Third Report of Session 2005-06, Energy in Wales	HC 1656
Sixth Special Report	Government Response to the Committee's Fourth Report of Session 2005-06, Future of RAF St Athan	HC 1657
Seventh Special Report	Government Response to the Committee's Fifth Report of Session 2005-06, Current Restructuring of the Police Forces in Wales	HC 1695

Oral evidence

Taken before the Welsh Affairs Committee

(enlarged by the Enterprise and Learning Committee, National Assembly for Wales)

on Monday 23 November 2009

Members present

Dr Hywel Francis MP, in the Chair

Nia Griffith MP	Alun Michael MP
Siân James MP	Hywel Williams MP

The following members of the Enterprise and Learning Committee, National Assembly for Wales also attended, in accordance with Standing Order Number 137A(3):

Christine Chapman AM	Gareth Jones AM
Jeff Cuthbert AM	David Melding AM
Paul Davies AM	Jenny Randerson AM
Nerys Evans AM	

Witnesses: **Mike Bagshaw**, Commercial Director, **Michael Vaughan**, Head of Franchise and Stakeholder Management, Arriva Trains Wales, **Mark Hopwood**, Managing Director, **John Pockett**, Manager for Wales, First Great Western gave evidence.

Q1 Chairman: (*Through an interpreter*) The Committee looks forward to collaborating on this inquiry. We want to ensure that we carry out our work well and appropriately. In the past, we have collaborated very successfully with a number of committees of the Assembly, and I am sure that this inquiry will also be a success.

Q2 Gareth Jones: (*Through an interpreter*) We extend a warm welcome to you and we are pleased to have the opportunity to collaborate like this. There is so much talk about House of Commons committees in Assembly committees, but it is special that we can come together with the most important people in the field and have an opportunity to scrutinise jointly. We should do a lot more of it, but time will tell. To turn to our scrutiny session, we extend a warm welcome to the representatives of the train companies. On behalf of Arriva Trains Wales, we have Mike Bagshaw, the commercial director, and Michael Vaughan, the head of franchise and stakeholder management. Here to represent First Great Western are Mark Hopwood, the managing director, and John Pockett, the manager for Wales. On behalf of all Members, from Parliament and the Assembly, I thank you for your written evidence. Contrary to normal practice, there is no time for us to hear a presentation, but I emphasise that we are grateful for the written evidence that we have received. I am sure that, through questioning, we will get more details and information. I am looking forward to this discussion.

Q3 Chairman: (Through an interpreter) I have a relatively simple question to begin with. How do you work with the Assembly Government, the Department for Transport and Network Rail to ensure that the network is successful and appropriate? In addition, do you work with the Regional Minister for the South West in England?
Mr Pockett: (*Through an interpreter*) We have a cross-border franchise and First Great Western provides services from south Wales to London, in addition to the services from Cardiff to Taunton and to Portsmouth. We meet regularly with officials from the transport department of the Government here in Cardiff, and my colleagues meet with Department for Transport officials in London. Over the past two years, the working arrangements between us and the Government in Cardiff have improved immensely. We meet regularly to discuss whatever needs to be discussed. No-one is afraid of picking up the phone or of raising issues with me, Russell or Mark's office. I hope that that answer is of some assistance to you.
Mr Bagshaw: I echo those points. At Arriva Trains Wales, we work closely with the Welsh Assembly Government and the Department for Transport. We meet with the Assembly Government on an almost weekly basis to discuss the various transport plans in Wales, and we discuss capacity provision, looking to the longer term. We also meet regularly with the Department for Transport. There is a cross-border forum at which representatives from the Welsh Assembly Government, the Department for Transport and other stakeholders meet to discuss cross-border services, at which issues of capacity and timetabling are relevant to both Governments. So, we have a very close working relationship. We are planning carefully how we cater for the ongoing growth that we are seeing in passenger numbers across Wales and on the English borders. We are currently in discussions with the Department for

Transport and the Welsh Assembly Government about how we can provide more capacity, where funding is available and develop the policies in the national transport plan.

Q4 Alun Michael: (*Through an interpreter*) Thank you. It is a pleasure to be here in the constituency on a Monday like this. Can we cut to the heart of the issue on the First Great Western service between Cardiff or Swansea and London? When will the experience of travellers between Cardiff or Swansea and London improve? When are we going to be able to depend on trains arriving at advertised times? How will you increase capacity? I say this against the background of what I consider to be a real problem with the measures of performance and a degree of complacency. It comes as a shock when you travel to places like Yorkshire or the north-east and discover that longer journeys can be simple, pleasant and on time. The north-west service used to be as bad as the south Wales service, but it has greatly improved, although ours has not. When can we expect to see the dependable improvements that other parts of the country have experienced?

Mr Hopwood: There has been a substantial improvement in punctuality on the London to south Wales services. There is more work to be done, but we are now running more services punctually on that key route than before. A key part of the First Great Western franchise was to bring in additional capacity, and the five-coach trains that had been introduced into traffic at the end of the last decade have been taken out of the franchise and replaced by longer high-speed trains. So, if you look at our current high-speed train fleet, you will see that it now has 54 train sets, whereas for most of the period since those trains were brought into traffic many years ago, the Great Western route operated with just over 30. So, there has been a substantial increase in capacity. As far as working with Network Rail is concerned, there are many things that we are doing to carry on driving improvements in performance. Our high-speed train fleet is delivering the best levels of reliability in terms of the rolling stock that we have ever seen. That is significantly helped by the new engines in the high-speed train fleet, and they have all been refitted over the past three or four years. There is more work to be done, particularly at the London end of the route, where it is most congested. The development of Reading station, with the four additional mainline platforms, will make a substantial difference to capacity and performance. We are working with Network Rail on other smaller-scale schemes, such as ensuring that high-speed trains from south Wales get more priority than they currently get against the Heathrow Express trains coming out of the airport. There are many other smaller schemes of that nature that will help to improve performance. Our customers are telling us that they have seen a difference in performance; the number of complaints is substantially lower and our national passenger survey results have improved. So, there is evidence of improvement, and our punctuality has often been as good, and sometimes better, than the punctuality of the services on the London-to-Yorkshire inter-city operation.

Q5 Alun Michael: I must be singularly fortunate when I travel to the north-east and singularly unfortunate when I use your services. I have some sympathy for current management, because I acknowledge that things have moved from the singularly awful to the poor and unpredictable, and that, in itself, is an improvement. Do you accept that there is still a long way to go before we have the dependable service that there is in other parts of the country? Do you also accept that weekend services, particularly on Sundays, are often particularly poor, and that you end up with an additional hour of travelling and then being late on top of that? We have seen south Wales services being merged with west country services, which means that the trains are vastly overcrowded, but it is presumably a saving to the company. Things are still not at an acceptable level, are they?

Mr Hopwood: The punctuality of First Great Western services is now better on the whole than the national average. On whether there is more to be done, I have already acknowledged a few times that we accept that there is more work to be done and that we are getting on with doing that. As far as weekend engineering work is concerned, there is a lot of work being done between train operators and Network Rail, which is also facilitated by the Department for Transport. Lord Adonis, as Secretary of State for Transport, has shown a personal interest in the work as regards reducing the amount of disruptive engineering work at weekends, and to try to ensure that we can operate the normal advertised services on a greater number of weekends. As many Committee members will be aware, the Severn tunnel closures that we have had—and there was one this weekend, for example—led to our London to south Wales service diverting via Gloucester. A key constraint in those diversions is the single-track railway between Swindon and Kemble, which means that we have to combine our London to Cheltenham service with the London to south Wales service; that is not to save money, but for capacity reasons. First, that deprives Cheltenham of a through service to London, but it also slows down the south Wales service. A lot of positive progress has been made over the last nine months or so, after the disappointment of the double-tracking scheme not being included in the periodic settlement for the railway industry over the next five years, and local authorities are diverting funds from road schemes to progress double-tracking further. Many of us in the industry are confident that, despite the initial disappointment, we may well see that scheme completed. We have two targets on this: first, to avoid the need for the diversions, which Network Rail is making progress on; and secondly, when they do occur, to make them less disruptive.

Q6 Jeff Cuthbert: I endorse the comments welcoming this excellent opportunity to meet with our colleagues from the Welsh Affairs Select Committee for joint scrutiny. My main question is to you both, but I suggest that First Great Western

answers it first in order to give Arriva Trains Wales an opportunity to consider its response. I will also ask my supplementary question now in order to save time, Chair. The main question is: to what extent is the planning for new railway infrastructure adequately integrated with the provision of rolling stock? My supplementary is directed very much at Arriva Trains Wales, because my particular concern is the Valleys lines, which are well-used for commuter travel into Cardiff, and specifically the Rhymney valley line. Many millions of pounds of public money has been invested over the last few years to lengthen platforms, and improve signalling and infrastructure on these lines, all with the intention of allowing you to run trains of up to six cars at peak times. That has not happened. Some of those platforms have been lengthened for more than two years, so the infrastructure is in place, but my constituents complain to me regularly that they are packed in like sardines at peak times. When we will see six-car trains on the Valleys lines, particularly in the Rhymney valley, and especially at peak times? To conclude, Chair, when I travel back from London I often entertain myself by buying a copy of *Private Eye*. In an article from the edition of 13–27 November, under the heading 'Signal Failures, with Dr B. Ching'—I will not use his colourful language, because this is on the record and I do not want to cause offence—it says that Arriva Trains Wales has 60 of Britain's 'poorest' carriages, shall we say? *Private Eye* uses a different word, and goes on to say that Arriva will not provide any new trains by the time its 15-year franchise ends in 2018. The article then criticises the Association of Train Operating Companies. Is this true? I assume that it is referring to pacer trains, but it links to my supplementary question on rolling stock, and I would be grateful for an answer on that.

Mr Hopwood: As requested, I will answer first. As far as First Great Western is concerned, and particularly looking at our services into Wales, there has been good co-operation on rolling stock provision and network capacity. For us, things are perhaps more straightforward than for other operators—we already operate quite long trains into Wales on the high-speed network, with eight vehicles and the two power cars giving a total of 10. Generally, where capacity is capable of accommodating those trains, it is capable of accommodating all the smaller trains as well. That works in our favour. Away from this part of the world, there are examples where we have had to work on infrastructure upgrades to provide for the longer trains that we need, and we have been able to do that as well. As far as the future is concerned, the infrastructure is generally in place for us to provide more capacity on local services into Wales. The next key event for us in looking at where infrastructure provision and trains come together in the context of capacity will be the replacement of our high-speed train fleet. It is proposed that the replacement trains, which will be called the super-express trains and which have been ordered by the Department for Transport from Hitachi, will have 26-metre vehicles. Currently, we use 23-metre vehicles. So, they will be longer at their maximum length than our current trains. There is already a stream of work, which we are co-operating with but that is led by Network Rail and the Department for Transport, to ensure that the infrastructure in south Wales and England is capable of accommodating those trains. That work has started, although the trains will not enter passenger service until 2016.

Mr Bagshaw: I will respond on the points about capacity, but it might be worth first putting this in the context of the franchise that Arriva Trains Wales operates. The Wales and borders franchise was let in 2003 by the Strategic Rail Authority. It was let on a minimal basis. There was no real investment, it made little provision for passenger growth, and there was no provision for new trains—very little investment was envisaged in the franchise. That was the policy at the time. Thankfully, the reality has been very different. There has been investment by the Welsh Assembly Government and Arriva in the franchise. There has been additional rolling stock, longer trains on some routes and investment in stations. We are continuing to work with the Welsh Assembly Government to deliver its national transport plan and the growth in passenger numbers we are seeing in Wales. You raised the issue of our trains being relatively old. The average age of our fleet is 16 years. Yes, it is an old fleet, which was known when the franchise was let. Although they are old trains, we have spent some money on making them a lot more reliable. We are now one of the most reliable train operators in the UK. We are the fourth most punctual train service in the UK. So, despite the fact that the trains are old, a lot of effort is being made to ensure that the trains are reliable for the passengers. You raised a specific point about the Rhymney valley line and the six-car platforms. The decision on whether to run longer trains in the Valleys will be made by the Welsh Assembly Government. Funding would be needed to operate longer trains on those services to provide that extra capacity. We are working very closely with the Welsh Assembly Government on delivering all its aspirations in the national transport plan. We are discussing with it the funding and the timing of funding for those developments, but the actual decision as to when longer trains will operate will be one for the Welsh Assembly Government.

Q7 Jeff Cuthbert: So, Arriva Trains is just waiting on a decision from the Welsh Assembly Government. Is that what you are telling us? I have heard that the extra rolling stock exists, but is being used elsewhere on the network. Is that the case?

Mr Bagshaw: All the rolling stock we have available to us now is being used. Going forward, we obviously need to talk to the Welsh Assembly Government about how the rolling stock is deployed and what the aspirations are for running more services and more frequent services.

Q8 Jenny Randerson: My question is specifically to representatives from Arriva Trains, but representatives from First Great Western might wish to comment from their perspective. In your

evidence, you say: 'we believe a root and branch review is required to ensure that future development and investment in railway infrastructure is based on sound strategies which address actual need and provide the best value for money.' You have just indicated the basis on which the current franchise was let. That comes as no surprise to me. However, do you think that it was let on a worse basis than any other franchise across the country? The franchises were let at much the same time, and the Strategic Rail Authority was clearly working to a different agenda at the time. Can you tell us what you mean by that rather coded comment on the need for a root-and-branch review? Is that a comment on the Assembly Government's transport planning, or is it a reference to the origins of the current franchise?
Mr Bagshaw: We are keen that the agenda is moved on. There is an appetite for investment in rail infrastructure and for developing rail, and that is a positive thing. We, like everyone else, are keen to ensure that investment is made in the right places, that it delivers the best value for money, and that it encourages passenger growth. That requires close dialogue between the train companies, Network Rail and the Welsh Assembly Government.

Q9 Jenny Randerson: You refer to 'a root and branch review'. Are you suggesting that the Assembly Government's transport strategy, which was produced very recently, is not the result of good thought and planning?
Mr Bagshaw: No, that is not what we are implying at all.

Q10 Jenny Randerson: Your comment refers to the rubbish franchise that was let in 2003.
Mr Bagshaw: The franchise in 2003 was let at the minimum cost, which was the agenda at the time. Today, thankfully, the reality is very different. We are now setting out to see how we, in conjunction with Network Rail, can best deliver the aspirations that the Welsh Assembly Government has set out in its national transport plan. That is what we mean by 'a root and branch review', which we will do in order to develop those aspirations.

Q11 Jenny Randerson: Your evidence refers to the question of whether the Assembly Government will get additional powers over infrastructure, and you say that that needs to be done in tandem with better planning. Would it help or hinder you if the Assembly Government had additional powers over infrastructure? For the benefit of colleagues who were not here last week, we heard evidence at the last meeting from Transport Scotland, which said that cross-border issues were not an issue in Scotland at all because of the way in which it runs the system.
Mr Bagshaw: We have a number of lines that go across borders, indeed far more than in Scotland, so it is a key issue. On the development of the infrastructure, we know that the Welsh Assembly Government has a close working relationship with Network Rail, as it does with us, and we work very closely together. We do not have a strong view as to how that may change in the future, but the important issue is that all parties work together to deliver the right thing for the travelling public.

Q12 Jenny Randerson: Does First Great Western want to comment on any of those issues?
Mr Hopwood: You referred to Transport Scotland. From the perspective of the railways and the train operating companies, Wales's geography is quite different from that of Scotland. We at First Great Western believe, based on the numbers that we have produced, that we carry just under 25 per cent of the passengers travelling into Cardiff in the morning and out of Cardiff during the evening peak period. To compare that with Scotland, Virgin Trains, for example, on the west coast or east coast lines, is an important provider of long-distance services, but it provides a much smaller number of seats for travel-to-work journeys into and out of Glasgow and Edinburgh. Our experience is slightly different, as there was quite a large investment in our franchise in respect of rolling stock and stations. As Members will be aware, we do not have a role in managing stations in Wales; all the stations that we call at are maintained and operated by Arriva Trains Wales. We have been able to have constructive dialogue about the future of our services in a way with which we feel comfortable. The main structural issue with our franchise is the provision of capacity and the specification of local services in Bristol, south Wales and the west of England. However, I am pleased to say that we have had some positive discussions with the Department for Transport, in which the Welsh Assembly Government has been involved and of which it is well aware.

Q13 Nia Griffith: I would like to explore your views about using Network Rail's current forecast for future growth as a guide for future investment and whether the currently planned infrastructure improvements will meet demand. To put this in context, we have an increased number of passengers, which is great news, but we have also had steep hikes in ticket prices. Therefore, people feel that you are getting a lot of extra income, but they want to see fully-staffed stations; they want to see places like Kidwelly getting a more regular service with more trains stopping at the station and not just passing through; and they also want to see an improved Sunday service. If you want to go to see a match from Llanelli, or if you are trying to get to Cardiff or London for a big event, it is no good because the first train does not run until 11.30 a.m. Do those forecasts match up to what you believe needs to be done? What additional things might you be able to do?
Mr Bagshaw: I will respond to that. We are working closely with Network Rail. You mentioned some specific examples in west Wales, where currently the infrastructure is limited, with single sections of line between Swansea and Llanelli. There are plans for that section of line to be doubled.

Q14 Nia Griffith: That work is starting today, is it not?

Mr Bagshaw: I believe that some of the preparation work is starting today. The project will take a little longer. I cannot recall the exact timescales. The positive aspect is that that will release a key bottleneck on our network that constrains a lot of the timetable. This will give us a lot more flexibility to run the train services at different times or to better cater for passenger needs. That is a positive step forward. We will work with the Welsh Assembly Government to look at service provision in the future. You mentioned Sunday services. We are planning to revise the service on Sunday in west Wales this December to ensure better connections with the rest of the rail network and a better spread of services to provide better journey opportunities. That will come into play from the December timetable change. In addition to that, we are working closely with Network Rail to try to reduce the amount of disruption that we see because of engineering works so that we can run more services on Sunday mornings so that we reduce the number of occasions where passengers are required to travel on buses. Engineering work is essential and, inevitably, there will need to be some disruption at certain times. We are seeking to hold Network Rail to account, particularly on its commitment to a seven-day railway, so that we can make Sunday a day on which people can make journeys easily by rail.

Mr Hopwood: I would support a lot of what Mike has said. We work closely with Network Rail, and we support its rail utilisation studies, in relation to both the work that goes into them and some of the outputs. As I said earlier, the track capacity provision will allow us to grow the business quite substantially with regard to what is in place in south Wales. In relation to providing a service from south Wales to London, the key challenge is very much at the east end of the route, as the London and Thames valley area is very much at capacity. In the very long term, if we are to provide the service that many people in south Wales quite rightly aspire to, we will need to split the current train service into two so that there is an express service to south Wales and that places like Reading, Didcot and Swindon have a separate service. That is a long-term aspiration and there is certainly no capacity to provide for that at the moment. That is one of the challenges in the long term for the rail industry to look at. A seven-day railway is important. It is true to say that Network Rail's engineering activity has not caught up with people's travelling habits on a Sunday. Network Rail now understands that and we will see engineering work being moved away from weekends into weekday nights and there will be a rapid acceleration of some of the technological improvements that will allow one railway line to be renewed while the other is kept open. Currently, they are both closed. You will see the benefit of that in the next few years when the train service will be allowed to continue to run, whereas it might not be able to do that at the moment. As is the case with Mike at Arriva Trains Wales, we are pushing Network Rail quite hard to achieve that as quickly as possible.

Q15 Nia Griffith: Is there a commitment to keep staff at the stations that are currently staffed because that is important in terms of people's safety and comfort when travelling?

Mr Bagshaw: The answer is, yes.

Q16 David Melding: I would like to probe on the issue of franchises, if that is the correct plural. Obviously, when your companies bid for them, you responded to the terms of the franchises that were advertised and there was competition, and that is what you do. So, in a sense, you must feel slightly frustrated about some of our questions on what we may see as inadequacies in the franchise system. However, we are trying to make recommendations that will improve public services and value for the public pound, so, in general, should the length of the franchise be related to the level of investment? I specifically want to ask Arriva Trains Wales if it was surprised about a 15-year franchise with essentially a 'do nothing' commitment on investment. You rightly pointed out that you had invested, but that that had taken you beyond the strict terms of the franchise. Should not investment fit a bit more into the terms of the franchise? Surely, in any future rounds, should we not be more aware of likely passenger growth and how that would affect the franchise system? Perhaps we could start with Arriva and the fact that it has a 15-year 'do nothing' franchise.

Mr Bagshaw: As I said before, although it was let as a 'do nothing' franchise, there has been investment from both sides. Arriva has invested because over that 15 years, we can get a payback, whereas, with a shorter franchise, we may not have been able to make that investment. Some of the things that we invested in included a new depot at Machynlleth, improved customer information screens, better security, ticket gates and many other initiatives on which we would probably not have received the same level of payback with a shorter franchise. Long franchises provide a greater opportunity to invest, which is positive.

Q17 David Melding: The First Great Western franchise is significantly shorter, so has that had an effect on investment decisions? For example, the current engines are being refurbished, but the new engines will not be here until after this franchise period runs out.

Mr Hopwood: That is right. Ours is a seven-year franchise, with the opportunity to earn a three-year extension. We committed at the start of the franchise to a large amount of investment, which was built into the franchise. Some of that investment was specifically asked for, but all bidders were required to produce proposals on some of it. Unique to FirstGroup plc was the fact that we said that we would make additional investment. That has been committed to in the franchise. There is always a slight dilemma about this subject. For example, having a long-term franchise gives you that opportunity to invest more and to recover that investment over a longer time, but clearly the longer the franchise, the more uncertainty there is about

things like passenger income and about what the requirements of customers and stakeholders will be at the end of the franchise. All of us can look around the UK at the moment and reflect on how things have changed in quite a short period of time. There are a number of things about our franchise—which most people thought were sensible when the original specification was written in 2005—that we would now have done differently. That is a challenge. In fairness to the Department for Transport, we have been able to accommodate changes that have happened with some degree of flexibility, so we are talking to the Department for Transport about provision of additional capacity, which was never part of our original franchise. We are also managing the considerable changes to the infrastructure that will happen on our patch, even though they were not part of the original franchise specification. That is our position.

Q18 David Melding: I would like to ask both witnesses if they think that the franchise that they secured in 2003 and 2006 respectively—if I have got those dates right—was technically fit for purpose at the time.

Mr Bagshaw: At the time, there was no vision of investment in the franchise and it was let on a low-cost basis. Obviously, Arriva bid for the franchise on that basis. Thankfully—

Q19 David Melding: I must say that these are technical questions and you should not infer from what I am saying that I think that you are to blame. We are looking at the technical nature of the franchise that was let to you and why the passenger-growth assumptions in particular, which are now common currency, were not anticipated in any way.

Mr Bagshaw: Obviously, we are now looking at this with the benefit of hindsight. We have seen some spectacular growth, which clearly was not envisaged at the time and we are now responding to that by looking forward and planning how we are going to allocate rolling stock. With a good working relationship with the Welsh Assembly Government, we are able to do that and we are able to plan, even though the original franchise was fairly pessimistic in its outlook for rail travel. Clearly, the increased popularity of rail travel that we are now seeing was not envisaged, but, thankfully, we now have policies in place that seek to address that trend going forward.

Mr Hopwood: As far as First Great Western is concerned, I would concur with a lot of that. One of the challenges has been that of growth, particularly outside London, where commuting fares generally are much lower. We are very often faced with the challenge that the times when we need additional rolling stock are quite limited, so there is not a commercial case for having a vehicle that, very often, will only work one loaded journey in the morning and one in the evening. So, it becomes a question on which the Government has to work with us to address. Certainly on our local services in this area, particularly into Bristol, where there is quite a lot of commuting from south Wales, as well as from other parts of England, there are phenomenally high levels of growth, which is providing an interesting challenge for us

Q20 Hywel Williams: (*Through an interpreter*) I have a question to First Great Western specifically about the electrification of the south Wales main line. What do you foresee will be the effects of that? Will there be problems? Will there be any disruption to the service while the work is undertaken, and, if so, how will you deal with that?

Mr Hopwood: I think that we have to be realistic and say that there will be some disruption, but Network Rail is currently developing its plans for how it will electrify the route. Certainly, if one looks back over the last 20 to 25 years at electrification in the UK, at routes such as the east coast main line and other electrification schemes, a very large amount of that work took place without disrupting train services because masts and so on were installed overnight and existing engineering blockades were used. However, there will be some disruption. The challenge for us is to make sure that Network Rail uses the technology that it has available to it as effectively as possible and keeps disruption to a minimum. We have other work planned with Network Rail on the route and one of the challenges is to make sure that we make best use of the planned engineering possessions. If you take Reading, for example, in an earlier answer I talked about some of the upgrade work at Reading and one of the things that the project team at Reading is doing is building some of the electrification work into its projects so that you will not have two separate disruptive events at Reading. By taking that approach, we will minimise disruption. We have some diversionary routes available. That will lead to some extension of journey times, but, by and large, it will keep customers on trains and customers tell us that if they are going to have some disruption, they would much rather stay on the train, even if it means that they are diverted, than get off and get on a bus. So, we will certainly try to follow that approach.

Q21 Hywel Williams: (*Through an interpreter*) I also asked you what the likely impact of the electrification of the line would be. Is there any good news?

Mr Hopwood: Sorry, I thought that you meant the impact of the works. The overall impact of electrification clearly will be very positive. When you combine the electrification of the infrastructure with the delivery of the new super-express trains, you are going to see some reductions in journey times. It looks likely that those reductions will be in the region of 20 minutes on the fastest trains from Swansea to London. As I said earlier, the trains will themselves have more capacity. They will be able to accelerate more rapidly away from stations and attain 125 mph more effectively. An area for discussion that we have already kicked off with the Welsh Assembly Government is how we can exploit the high-speed capability of the trains on the existing infrastructure to greater effect. Many of you may know that once our high-speed trains get into Wales,

we do not use their 125 mph capability, so we will want to look at whether we can change that. Each individual thing that we do is unlikely to add more than one or two minutes, but if you do several of those things between Paddington and Swansea, you will deliver worthwhile improvements.

Q22 Hywel Williams: (*Through an interpreter*) My supplementary is perhaps a layman's question. Since electrification brings all sorts of economic gains, will it be implemented at the same time along the length of the line, or will you start at the London end or the Maidenhead end, or will you start at the Swansea end? I am sure that there is some value in starting at the Swansea end or the Maidenhead end if the work does not take place along the whole line at the same time.
Mr Hopwood: That is probably a question that we will have to ask Network Rail to answer. I think that not even Network Rail has decided on the detailed plan for electrification, but it is worth pointing out that our current fleet of trains does not have any capability to operate under the electrified network. In reality, therefore, the infrastructure is only a part of the equation, and we will not be able to use the electrified infrastructure until the new train fleet has arrived. Some of the new trains will be electric trains that are designed only to operate on the electric network, while others will be bi-mode, and they will be capable of operating away from the electrified network. Our through service to Carmarthen and our summer services to Pembroke Dock would use bi-mode trains, which would be capable of using the electrified infrastructure even if the whole route is not electrified.

Q23 Nia Griffiths: I think that you have answered my question. As the line is electrified, the use of those bi-mode trains will mean that people will not have to change trains, but will be able to stay on the same train from London right through to west Wales. Is that correct?
Mr Hopwood: Yes, that is correct.

Q24 Nia Griffiths: Will you be using those bi-mode trains from the beginning of the electrification process, from when the very first bit is done from London to Reading, for example?
Mr Hopwood: Your questions are very interesting, and, if I am honest, the industry has not yet reached that detailed stage of planning. However, the intention is to have a mixture of solely electric trains and bi-mode trains. If we get to a position where the bi-mode trains have arrived and are available for use, and some, but not all, of the route, is electrified, I would expect us to take advantage of the electrified network wherever possible, because, in performance terms, it is better and more environmentally friendly, so we would be keen to use it.

Q25 Nerys Evans: (*Through an interpreter*) With regard to your priorities for the electrification of other lines in Wales, we heard evidence from the Deputy First Minister that he wants to see every line into and out of Wales, as well as every line within Wales, electrified. What is your response to that? Arriva Trains Wales, you say in your evidence that there are benefits to be had from electrifying Valleys lines, but Network Rail doubts that there is an economic case for doing that. Why is there a difference of opinion on that?
Mr Pockett: (*Through an interpreter*) I believe that which lines are electrified is a matter for the Government. Our interest, and a cause of great joy for us, is that the decision was taken in London to electrify the entire line between London and Swansea, and we welcome that. For other lines, however, I believe that it is a matter for Government, whether here or in London.
Mr Bagshaw: I would echo the point that it is a matter for Government, but Arriva Trains Wales will certainly work closely to look at opportunities for further electrification in Wales, such as diversionary routes on the south Wales mainline, the Valleys line and the Wrexham to Bidston line. This is a decision for Government, but we would support any investment in electrification on our network.

Q26 Nerys Evans: (*Through an interpreter*) So, you are not working on any long-term plan where electrification is a major factor in the network in Wales—you are only working according to the basis of your current contract.
Mr Bagshaw: That is correct—there is no assumption that there will be further electrification of our network at the moment.
Mr Hopwood: As far as First Great Western is concerned, once the electrification of the main line has been completed, it would allow us to operate the vast majority of our London services with electric trains. We have started explorative discussions with the Department for Transport about the changes we might want to make to our local train network to exploit electrification to enable as many of those routes as possible to operate electric trains. It is worth reflecting on the fact that if you take the Cardiff to Portsmouth service, for example, once the current electrification plans are delivered, although those trains will be diesel trains, a large chunk of the mileage that they will operate on will be under overhead electrification or the third rail system in the Portsmouth and Southampton area. So, one is inevitably led to the conclusion that if we were to work with Network Rail to fill in the small amounts of track that are left we could convert further services to electric operation, with obvious benefits. Those are discussions that we have already started.

Q27 Paul Davies: My question is for Arriva Trains Wales, and it is to do with the north-south route. In your written evidence to us, you say that from an operational, customer service point of view, you feel strongly that improvements in line speeds on the Marches line should be pursued as soon as possible. What speeds and journey times from north to south will be possible after the planned line-speed improvements?
Mr Bagshaw: This subject is currently being reviewed by us, the Welsh Assembly Government and Network Rail. It is a key aspiration for the

Welsh Assembly Government to reduce travel times between north and south Wales, and we are currently exploring the best ways to do that. The issues are about the type of rolling stock, the line speeds, the signalling capability and bottlenecks such as those between Wrexham and Chester, where there is only a single section of track. Currently, we have a mixture of trains on that route; some of them have a top speed of 90 mph, and some have a top speed of 100 mph. The maximum line speed is 90 mph, and given that many of our trains have 100 mph capability, there is an opportunity to improve the journey time if line speeds are improved. However, that needs to be looked at along with signalling and the timetabling of other services. It needs to be looked at as part of a package, and we are working on that very closely with the Assembly Government and Network Rail, because it is a key aspiration of the Welsh Assembly Government to bring north and south Wales closer together in terms of journey time.

Q28 Paul Davies: When do you envisage these improvements taking place.
Mr Bagshaw: The infrastructure work may take some time, because it would require investment; I know that Network Rail is carrying out quite a detailed review of what needs to be done to achieve the aspirations. We are looking at aspirations to improve the rolling stock and the journey times on that corridor as well. So, we are looking at a range of measures—some of them will be in the shorter term and some will be in the longer term.

Q29 Paul Davies: So, it could be five years before the improvements take place?
Mr Bagshaw: It is likely to be a staged approach—there might be things that we can do as early as next December if we are able to prune the timetable to bring some type of journey time improvements. However, investment in the infrastructure is likely to take longer than that. So, I think that we will see gradual, year on year, improvements in the service between north and south Wales, but it will be a phased approach rather than everything happening in one go.

Q30 Christine Chapman: I have a specific question about light rail. What role do you see for light rail schemes in Wales, and how should these be integrated with investment in heavy rail?
Mr Bagshaw: It is not something that Arriva Trains Wales has looked at closely, but light rail could have a role in urban transport. If there is a case where light rail could provide a better solution to existing heavy rail services, we would be supportive in developing those options and in looking at the best overall solution. However, we have not been involved in any detailed study on light rail at this stage.

Q31 Christine Chapman: May I pursue that? In its paper, Arriva Trains Wales talks about workable options being presented when available, so I am not quite clear who would be proactive in this—would it be the Government or you? How would it come together?
Mr Bagshaw: It is more likely to be the Government. Any investment in light rail would be significant, so it is something that would be led by Government, but as a train operator we would happily participate in those discussions and look at the best solution overall to the transport needs in that area.

Q32 Christine Chapman: What are the advantages and disadvantages of converting the Valleys lines, for example, and local services to light rail?
Mr Bagshaw: There are some advantages in light rail, particularly in urban areas where better frequency can be achieved at a more affordable cost. Heavy rail plays a more important role in longer journeys, particularly in reducing journey times. So, it needs to be looked at as part of a package, recognising the needs of people making short journeys who want a frequent and convenient service, as opposed to those making slightly longer journeys, where journey time is perhaps more important.

Q33 Siân James: (*Through an interpreter*) Good afternoon and welcome. Which passengers would benefit the most if the Swindon to Kemble line was re-doubled?
Mr Hopwood: I will answer that question. As to who would benefit the most, it is most likely to be the local customers and the longer-distance, regular customers of that route. However, as we discussed earlier, the route is also important as a strategic diversionary route when the Severn tunnel is not available, or when any of the infrastructure between Bristol and Newport is not available. So, there are much wider benefits than just to the immediate, regular customers of that service. If we had a double track on that route, one of the immediate benefits is that it would allow us to operate a faster service to south Wales because we could operate a local service at the same time that we were diverting the south Wales express services.

Q34 Siân James: There has been a lot of evidence about the dependency on the Severn tunnel, which is in a good state of repair, as I am reassured continually by Network Rail. However, we are very dependent on that tunnel remaining open and remaining in useful life. What are your views on the need for a second Severn rail crossing?
Mr Hopwood: As for whether it is justified entirely by the condition of the Severn tunnel, I do not believe that there is a need for a second Severn crossing in the short to medium-term. If you opened the question to wider issues around capacity and journey time, and you were to provide a second Severn rail crossing as part of a substantial increase in capacity through investment, then it would play a part. One of the things that we mentioned briefly in our evidence was a new high-speed line, and although there is no immediate prospect that that will happen, it is an aspiration

of many people, which we share. You would almost certainly want to provide a second rail crossing at the time that you were providing that infrastructure.

Q35 Siân James: So, you are providing a much more long-term future for rail in that way. In the Welsh Affairs Committee, we looked at the situation up to 2025 and 2030, and we were thinking in the much longer term. In your opinion, how important is the electrification of the Severn tunnel diversionary route?

Mr Hopwood: As you probably know, there is currently no proposal to divert that route. That means that we will have to allocate our rolling stock carefully so that, in the future, when engineering works are carried out, bi-mode trains are allocated to south Wales services. There is a potential issue in that if we have to deal with emergency engineering work or an unforeseen short-term closure, we would either have to terminate the train or provide a diesel locomotive to drag the electric train along the route via Gloucester. From an operational perspective, it would be much more desirable to have the diversionary route electrified as well. That is not just an issue for that route—it is also an issue for the route via Newbury, which is also, occasionally, used as a diversionary route for south Wales. In due course, we would want to explore that. It is difficult to justify electrifying a railway purely for diversionary capability. One has to look at the day-to-day use of a railway line. If you were to combine the diversionary use with daily use, in due course, you may well find that it is something that could be done during future stages of the electrification process. It is right that you raise that issue, as it is one that will have to be explored in more detail between now and the introduction of the new trains.

Q36 Nerys Evans: (*Through an interpreter*) The Committee has heard evidence about a concern with regard to problems as the number of people using trains increases and due to an increase in the amount of freight being transported by rail. How are you planning to prevent those problems from arising?

Mr Bagshaw: That is a key area. Track capacity on many routes is limited, and there are parts of our network that are very congested, which limits the opportunities to run more passenger and freight services. It is something that Network Rail has picked up in its rail utilisation strategies, identifying areas where capacity is critical, and there are plans to invest in the infrastructure at some locations. We talked earlier about the links between north and south Wales, via Newport and Shrewsbury. That is one route on which the signalling is limited, and with further increases in freight and passenger services, we may find that capacity is insufficient, and we may need to look at improving the signalling and making other improvements to the infrastructure. I mentioned the single section of track between Chester and Wrexham that is also a bottleneck. Network Rail is aware of that. Again, we are looking at where growth across the network will happen, and with Network Rail, we are looking at where investment is needed to provide better infrastructure.

Mr Hopwood: I echo what Mike has said. Trying to run 125 mph passenger trains on the same railway as 60 mph freight trains is not always a great combination, but a lot of work has been done to add capacity—the route from Didcot to Swindon, for example, now has additional loops for freight trains compared to some years ago. The work with Network Rail will continue, and in the very long term, the issue that you raised in your question will be one of the factors that will be driving us towards dedicated, high-speed lines. That is some time away, so we have to use the infrastructure that we have as effectively as possible.

Q37 Gareth Jones: (*Through an interpreter*) You may be glad to know that that was the last question in this part of the scrutiny session. On behalf of both committees, which have had the opportunity to ask searching, and sometimes difficult, questions, thank you very much for your response. The information that you have shared with us will be fed in to the reports and further reviews of the House of Commons and the National Assembly. We had invited one other company, but it was not able to attend this morning. Thank you for your attendance, and we wish you well in your very important work that you undertake from day to day. Thank you very much.

Witnesses: **Councillor Ron Davies**, Chair, **Michael Whittaker**, Executive Officer, TAITH, **Councillor Trevor Roberts**, Chair, **Gareth Roberts**, Ceredigion County Council, **Christopher Wilson**, Co-ordinator, TraCC, **Richard Workman** Lead Chief Officer, SWWITCH, **Councillor Jeff James**, Vale of Glamorgan Council, **Anthony O'Sullivan**, Caerphilly County Borough Council, Chair SEWTA Directorate, SEWTA

Q38 Gareth Jones: (*Through an interpreter*) We will move on to the second part of item 2, the evidence session on the future railway infrastructure in Wales. We extend a warm welcome to representatives from the regional transport consortia who have joined us. You know the background to this. This is a special joint meeting between the Welsh Affairs Committee of the House of Commons and the National Assembly for Wales. Before I refer to the representatives who have joined us, I would like to thank you for your detailed written evidence, which we have had the opportunity to read. There will be no introduction; we will move directly to the questions. I apologise that we are running a little late. On behalf of both committees, I extend a warm welcome to representatives from Taith, Councillor Ron Davies, the chair of Taith, and Michael Whittaker, its executive officer. From the mid Wales transport consortium, TraCC, we are joined by Councillor Trevor Roberts, the chair, and Christopher Wilson, the co-ordinator for TraCC. A warm welcome to you. From the South-West Wales Integrated Transport Consortium, SWWITCH, we welcome Richard Workman, its lead chief officer. From the South-East Wales Transport Alliance, we are joined by its chair, Councillor Jeff James from the Vale of Glamorgan Council, and Anthony O'Sullivan from Caerphilly County Borough Council, the chair of the SEWTA directorate. I welcome you on behalf of both committees. Thank you for the evidence that you have submitted to us. I now turn to Jenny Randerson, who has the first question.

Q39 Jenny Randerson: Good morning. In your written evidence, you have all expressed support in principle for the idea of the Assembly gaining additional powers over the railways. Could you explain what would be the main advantages from a regional transport planning point of view of the Assembly having direct responsibilities for specifying the outputs required of Network Rail and having the additional funding required to do that?

Gareth Jones: You do not need to touch the microphones.

Mr Whittaker: I just want to come back on the point about the transport plans. We have a public transport group that meets regularly with Arriva Trains Wales and Virgin West Coast. There would be advantages in the strategic planning of the regional transport plans, the national transport plan and the commitments in '*One Wales*' so as to co-ordinate investment. It is one thing for the Committee to look into infrastructure in Wales, but people still have to get to and from the train station, and that is within the purview of the consortia and their constituent local authorities in delivering the regional transport plan. Unlike our colleagues over the border in England, where there are four transport consortia, Wales has the opportunity to achieve that close integration. The Committee will be able to make recommendations on that.

Mr Wilson: From TraCC's point of view—although everyone will probably give the same answer—it is the logistics of it all. The Assembly Government has additional powers and has a big role to play on rail, as well as in other areas, and just having that ability to talk to the integrated transport unit, in this case, would be a big help to us. It would make handling the various relationships with the various partners a lot easier. TraCC has a regional rail partnership that is attended by Assembly Government officials, Network Rail and Arriva, for example. We try to deal with the issues in that forum. It brings people together, and so that would be the real benefit.

Q40 Jenny Randerson: That is interesting. We heard evidence from Transport Scotland to the effect that cross-border issues were not of concern and the rail networks were perfectly integrated. However, the Assembly Government chose not to seek additional powers under the Railways Act 2005 because it felt that cross-border issues were a factor. There are more trains running between Wales and England than there are between Scotland and England, but are there any legitimate cross-border issues, and is it possible to plan effectively across borders?

Mr Davies: May I come in here? In north Wales, we already have the Mersey-Dee alliance, which covers north-east Wales, and we discuss our work with them. In fact, it is one of our aims to create a new link to the airports at Liverpool and Manchester, which also serve north Wales, and we work across the border to achieve that.

Mr Whittaker: Our chair has just written to the chair of the Office of Rail Regulation in connection with the proposals that you heard about in evidence from Arriva Trains Wales—that is, their application to run additional services through to Manchester airport from Manchester Piccadilly from the December 2009 timetable. Unfortunately, I understand that there is some resistance to that. Given the equipment that the Assembly Government provides through the franchise, and the considerable revenue payment, it would make sense for the service to run to the airport and back—and not just a couple of times in the morning and again late at night, but right around the clock. That would make sense at a Wales and a UK level as an effective use of assets, as well as providing an improved service from the airport to north Wales.

Mr G. Roberts: Over the years since the rail Bill was introduced, we have found that border locations such as Shrewsbury are fundamental to the rail network because so many trains meet there. Unless there is Welsh input to investment decisions, there is some evidence to suggest that Network Rail has a tendency to view the Welsh network as peripheral to its core business. That is very much contrary to what we find on the ground from consultation through the consortia. A Welsh network should develop trains that can connect mid Wales especially to the rest of the UK. Unless we or the Assembly Government has a greater say in investment, and guide Network Rail

on what is needed at locations such as Shrewsbury, Newport and so forth, where we can connect into the main network, there are cross-border issues that are fundamental to how we are looking at rail at present.

Q41 Siân James: (*Through an interpreter*) A warm welcome to friends old and new. As key stakeholders—and I know this from first-hand experience—you have a key role in driving forward rail development in your regions. What role do you think the regional transport consortia and regional transport plans play in the future planning and delivery of railway infrastructure schemes in Wales?
Mr Workman: The consortia play a vital role in identifying which improvements are necessary from the ground level up, in the context of a whole-network approach. It is important not only that there is a business case but also that the case is developed with the public generally. The SWWITCH area, for instance, covers a large geographical area in which 650,000 people live. We have to assist in how we deliver rail services across the region to residents and businesses through identifying local constraints on how the infrastructure could be improved. That clearly needs to be in the context of what is happening across Wales and across the UK, taking a whole-network approach. Our businesses tell us that. The local consortia are ideally placed to identify those local issues within the context of what is happening in Wales overall.
Mr James: To support that, I think that the consortia are unique in having a three-way partnership, including the Welsh Assembly Government and councils. It is a great strength to have councils working together and with the Welsh Assembly Government, and there have been great examples of that. I cannot take credit for it as I have been a member of SEWTA for only a year, but I have seen the programmes that have been delivered in my area and in others, and I have also seen the ambition that the consortia have for improvements and investment. I would say that the national and regional transport plans reflect that ambition. It is an exciting opportunity to have that three-way working happen.

Q42 Siân James: In TAITH's evidence, you talk about the formalisation of that. Do you see that perhaps the Welsh Assembly Government should formalise its relationship with you as regional transport consortia?
Mr James: It is difficult to say whether it should be formalised because it works very well at the moment to some extent because of the degree of flexibility in it. It depends on what formalising would mean in reality, rather than just the concept.

Q43 Siân James: I will give you a quick example. When organisations such as FirstGroup plc have a formal consultation, are we certain that information comes to you and that you are formally consulted every time? I am not necessarily convinced that you are.
Mr James: I totally agree with you.
Siân James: Good.
Mr O'Sullivan: We would certainly welcome a degree of formalisation—perhaps councillor James is being a bit too modest—and I think that that is also the case with our members. The key with the development of SEWTA is the increasing role that members have taken. Members wish to drive the agenda and they would certainly welcome an interface with you on a biannual basis, or whatever is appropriate, so that you could sensibly discuss the issues that affect you all. That is a forum that is currently missing. On the role of the consortia in delivering the infrastructure that you asked about earlier, it is a great feather in the Assembly Government's cap and in SEWTA's cap that the Ebbw valley railway has been delivered. It is the first new railway in the UK in 40 years. Recently, it carried its millionth passenger. So, on the basis of 'If we build it, they will come', that will happen. The consortium had a key role to play in that. The Ebbw valley railway runs through several different local authority areas, and there is integration with park-and-ride facilities, as a key part of the strategy to get people onto rail. SEWTA has been able to deliver park-and-ride sites around all the stations, it has an interface with local communities, it has popular local support, and that has driven the whole thing. It has been very pleasing to see it. It was not without its teething problems, but if you are treading new ground after 40 years, you will experience that, but an awful lot was learned in the process that can be sensibly built upon.
Mr T. Roberts: Thanks very much for the opportunity to come here. On the formalisation, I understand that the Assembly Government is carrying out a review at the moment. We have an officer who has been having discussions with the consortia.
Mr Whittaker: I hope that that will be taken into account, because the consortia have made reference to the working relationship with the train operating companies, the Welsh Assembly Government and Network Rail. The consultation on the national transport plan has just closed, and it and the regional transport plan are now before the Government, having been submitted in September. Together with the Committee's work, they provide an opportunity, as councillor Jeffrey James said, for a tripartite arrangement from planning through to delivery. Examples of the delivery of rail projects have been quoted and, in the case of north Wales, there was the introduction of real-time information screens for customers. It is a testament to the strength of the constituent authorities, but we need the methods that Andrew Davies referred to recently at the North Wales Economic Forum to do with smart collaboration. Wales is not a big country, but we can play to the strengths of our key individuals. You have a lot of them around this end of the table this morning to do that. It is a chance that should not be missed because it does not come around too often.

Q44 Gareth Jones: Just to be clear, Trevor, there is an ongoing consultation, is there?

Mr T. Roberts: Yes, there is a review going on at the moment. The officer from the Assembly Government is coming to us on 4 December. The Government is in discussion with our officer at the moment.

Q45 Chairman: (Through an interpreter) Good afternoon. My question is about forecasting. We all know how difficult it is to forecast future growth and to make such forecasts robust. What are your views on Network Rail's forecasts for growth, as a guide to future investment?

Mr G. Roberts: What we have seen so far from the forecasts of Network Rail, particularly for rural lines, is that it takes a low-growth view. However, when opportunities are given to people to travel, we find that the forecasts are exceeded by quite a lot. That has been demonstrated by the Ebbw valley line, where the original forecasts were exceeded. The Network Rail forecasting system tends to play down the extent to which rail and other factors can change the country rapidly; it is not taken into consideration. It is a very slow, ponderous system, and many investment decisions are made on the basis of these forecasts. If they had been more accurate, infrastructure and service provision would have been delivered far earlier. The case for better provision in Wales would have been made.

Gareth Jones: Thank you for those general thoughts.

Mr James: I would say that it is a classic case of the point made earlier about the methodology used to arrive at these predictions not satisfying the ambitions of the consortia. There is an opportunity to explore how Network Rail arrived at that position. Was it being cautious in its business case, looking at the risk? The consortia are looking to be ambitious for Wales and for transport. So, there is an issue to do with better understanding and communication between the two sides.

Q46 Chairman: Do you have the opportunity to challenge these predictions and the methodology?

Mr James: I would not say that we have an opportunity to challenge them. We have meetings to which Network Rail is invited where we ask questions, but the methodology is never really discussed.

Mr Whittaker: I would like to add to that, when the route utilisation programme and the rail planning assessment came forward, the consortia was not on the core reference group, although we were part of the wider stakeholder group. That would support the points that my colleagues, the chairs of the other consortia, have made. Again, that is something that would reflect the data and the experience of local authorities' economic development departments and data from the Assembly Government, that we are all members of our respective spatial plan areas in Wales.

Mr Workman: There is also the point that the role of the regional consortia is to promote sustainable travel within and throughout Wales. In consortia such as SWWITCH, at the moment, only 1% of total journeys are made by rail, which is considerably below the national average. As I said, there are large populations, and the consortia must play a role in promoting opportunities. Obviously, that must be on the basis of a proper business case, but there are opportunities out there that the consortia can help to drive forward. There are examples in our area, such as the Fishguard line, where a lot of work has been done to demonstrate that there is an economic case. So, occasionally, those statistics need not necessarily to be challenged, but to be bolstered by other, aspirational views, while recognising that each case has to have a fully thought out business case.

Q47 Gareth Jones: Those are well-made points.

Chairman: It almost sounds as though you are implying that we ought to have municipal or public ownership of our transport system. [Laughter.] That is a rhetorical question.

Mr Workman: As an officer, I would not say that. [Laughter.]

Gareth Jones: It was a rhetorical question, apparently, so we can move on quickly.

Q48 Nia Griffith: To turn to the issue of priorities, you have listed in the documents that you have given us what you see as the main priorities for development. Are there any particular ones that you want to emphasise or any that you feel have not been given sufficient attention? In other words, is your voice being heard regarding the list that we have? The issue of frequency is very important in terms of uptake and I note that, particularly in the SWWITCH document, if there are to be any additional trains that only stop at main stations, they should be in addition to the ones that stop at the smaller stations, because if you are to increase the 1%, it is the frequency of trains that stop at the smaller stations that will matter. So, in your comments on those priorities, you do not need to go through the whole list again, but can you say in which areas you need to push extra hard and whether you are getting the response that you want?

Mr G. Roberts: One of the issues coming through loud and clear when we try to look at problems around stations, is the bureaucracy that you have to deal with in Network Rail and the way that, over a number of years, strips of land had been sold off. When we move forward to bring in park-and-ride schemes and interchanges, it is difficult to get a speedy response or a solution, even without financial finality. It is a question of knocking heads, at times, and of who you should speak to to get a decision. In rural areas, it is about bringing together rural stations and communities to feed into the network. The network is a wonderful asset, but it is difficult to feed into it at certain locations. One of the issues that we have raised with the electrification that will hopefully come to Swansea is that, from mid and west Wales, you can feed into that investment, because most people—we have to be pragmatic—will have to travel either by car or bus to a railhead somewhere, but unless you have facilities so that you can easily interchange at that railhead, it will be

difficult. The bureaucracy that is still enshrined in Network Rail is getting better, but it needs to be broken down, as a priority, to move things forward.

Mr O'Sullivan: Of all the agencies that we deal with, Network Rail is probably the most difficult. Why that should be is not obvious or apparent, because there is very much a fraternity—I think that you can see that the relationship between the transport consortia is very good—and people get on well. It seems that, regrettably, Network Rail is not quite able to grasp that ethos. We stretch out the hand of welcome, and we will continue to do so. The way in which the transport grant is currently administered in Wales is frustrating, in that you get an allocation for a year. If you are looking to acquire a piece of land from Network Rail, or conclude a financial deal with it, but you are unable to do it within the financial year, you then lose the money and you must bid again. There is no continuity. There have been several fairly high-profile examples of that. There have been great difficulties in delivering high-profile things that put transport and the Assembly on a proper footing, and that put the consortia in a proper light. Another area where we feel that we could be listened to a little better is in improving the rolling stock, and that must be the case. There will be capacity issues, and we are going to need to press for that. I mentioned the Ebbw valley line, which was hopelessly oversubscribed when Wales played an international rugby match on a Friday evening 10 days ago. We need more rolling stock and more capacity. We have demonstrated where the need lies, and we will keep asking very politely. Those are the issues that will be recurrent.

Mr T. Roberts: There have been several incidents in the Network Rail saga. We have a pure partnership within the TraCC consortium, which has been working well. Network Rail is hardly turning up at all, and, with all due respect, we do not have any one from the hierarchy present. A classic example is Dyfi Junction, where there is a national coastal footpath and where everything is held up at the moment. There are moneys available for the next few years to create a pathway, but Network Rail will not give any information about any infrastructure work to be carried out there, which would help—a new footbridge or a cycle bridge. We just cannot get Network Rail representatives to sit around the table at the moment. Mr Williams sat in a meeting with me a week last Friday, and it was a battle just to get Network Rail to the table. The Assembly has just opened its office in Aberystwyth; road vehicle parking is hopeless there and there is scope for a park and ride facility in the Machynlleth area. You just cannot get Network Rail to the table. On Mrs Randerson's first question on additional powers, that is perhaps something on which the Assembly should be looking to bring Network Rail on board. It is still operating out of Swindon, and, being very parochial, I believe that it should be operating within Wales.

Q49 Nia Griffith: Yes, on the Sunday services. It seems that, very often, trains are very overcrowded because there are so few of them, and that people are humping suitcases on and off coaches and so forth. Would better dialogue with Network Rail help you to improve existing services? What prioritisation would you give to increasing services, because it is certainly frustrating not being able to leave Llanelli before ll.30 a.m. on a Sunday if you want to get anywhere?

Mr G. Roberts: On service provision, in the mid Wales context, we very much want the hourly service, and that is one of our top priorities. Unfortunately, I experienced difficulties last Friday coming back from Leeds, when, having missed the connection in Manchester, I had to sit for an hour and 50 minutes at Shrewsbury station waiting for the two-hourly service, and I did not get home until 9.30 p.m.. They do not appreciate in Manchester how difficult it is to get to the west coast of Wales if you miss your train connection. So, we definitely want a minimum of an hourly service in mid Wales. In this day and age, I do not think that that is too much to ask if you are trying to promote a modern railway system.

Mr Whittaker: I will just build on that from a north Wales perspective and on our short-term service strategy, which was outlined in our paper. There has been considerable growth in Sunday services, for tourism and leisure, in terms of access, for example, to Chester, and to Liverpool and Manchester airports, and inbound to Bangor and Llandudno in the summer. It is critical that we have earlier services starting on a Sunday, and that we realise our aspirations for the key Wrexham to Bidston line, which was mentioned by Arriva Trains Wales in its evidence to you earlier this morning, the extension to Manchester airport, as I mentioned, and to accelerate services to Manchester, which are presently quite slow. We would also be concerned that north Wales might be cut off from discussions on the prospects for electrification, which I mentioned in my paper, and the discussions that I hope are going on between the Deputy First Minister and Lord Adonis in connection with the demands for High Speed 2 to ensure that north Wales—and, for that matter, mid Wales—are not disadvantaged regarding connections. We would not want to undo the good work over a number of years of TAITH's predecessor, the north Wales economic forum, in supporting the key Holyhead to London service.

Mr Workman: I just have one further point, Chair, based on the weekend service and improving services in general. We in SWWITCH would argue that a number of infrastructure constraints have led to relatively poor services west of Swansea. Hopefully, we are now heading towards the major infrastructure constraint being removed by 2012, with the doubling of the section over the Loughor. That will enable greatly improved services to the west, because it will remove that capacity issue, and we therefore hope to see service improvements. However, bearing in mind the previous discussion about other agencies, all parties should ensure that there is a clear link between infrastructure

investment and service improvements—the two should come together, so that we are joining up our thinking on this.

Q50 Paul Davies: I want to explore additional capacity further with you, and ask a brief question about train services west of Carmarthen. I specifically want to ask about improvements to services to Fishguard, which Richard has already touched upon. I recently had the privilege of accepting a petition from two 15-year-olds, calling on the Welsh Assembly Government to fund an additional five trains per day to Fishguard, which SWWITCH has already identified as necessary. The petition has attracted over 1,300 signatures, and has been passed on to the Assembly's Petitions Committee for consideration. It is a credit to those young people that they have organised such a petition. My question is therefore for Richard. Why do you support the case for additional services to Fishguard, and what benefits would they bring?

Mr Workman: By way of introduction, the point about youngsters was important, and the more that we can get youngsters used to using rail services, it is a habit that they will continue with rather than looking at less sustainable modes of travel. There is a tremendous benefit there. As part of the work that we have done, we have developed a robust business case to demonstrate that improved services to Fishguard would increase both commuting opportunities and the wider use of rail. Along with the infrastructure improvements that I mentioned—the doubling of the Loughor section—it would also improve connectivity across the network, so that is an example of service improvements coming together with infrastructure improvements. Fishguard would benefit in its own right, but the major benefits would be driven out when it can connect better to the rest of the network.

Q51 Paul Davies: Could you confirm whether these additional services could be provided prior to the doubling of the track west of Swansea? Would the cost be fairly modest?

Mr Workman: Unfortunately, I cannot share the cost at this public meeting, because the work was done for a confidential report. However, if Members are interested, I can share that information with you on a confidential basis via the secretariat. It is certainly cost-beneficial to undertake the services by themselves, but as I have said, the benefits are far greater alongside the other infrastructure works.

Q52 Christine Chapman: I would like to ask about the franchise arrangements. I know that we could all recount good and bad experiences under the franchised network, but how fit for purpose are the current franchise arrangements for rail services in Wales, particularly in light of the continuing growth in demand, which we have just discussed?

Mr G. Roberts: As you suggested in the question, experience suggests that the no-growth franchise is certainly not fit for purpose given the way that we see the network developing in Wales. That is not just for the provision of rolling stock and services for passengers—although in the end, the passenger is paramount—but whenever you ask a train operating company for any form of improvement, its response is guarded and limited, and usually amounts to asking for funding from the Assembly Government in one form or another. It has just been proven that growth is happening but without a mechanism for addressing it. Even the ability to make improvements to stations is limited unless an outside pot of funding is available. In essence, the franchise is stifling the commercialised entrepreneurship of the companies. As for whether Arriva is hiding behind that in some instances, that might be another way of looking at it. As far as we are concerned, this franchise is not best suited to Wales getting an improved service.

Mr O'Sullivan: We concur with that view. Looking back to some of the earlier questions, it was unfortunate that Wales did not go for additional powers, because we really wanted to influence some cross-border issues. For example, with the 15:15 train from Paddington, we were not able to punch our weight or make a point with the franchise holder on that, which was First Great Western in that case. We have also seen the spectacular collapse of another franchise recently on the east coast main line, which has strengthened the hand of the franchise holders here. They can now say that we must be cautious because of what has happened elsewhere. Clearly, they are not philanthropists and are doing quite well out of it. Regrettably, the odds seem to be stacked in their favour. Although we enjoy good personal relationships and try to press matters as far as we can, you can take goodwill only so far. We do not have the mechanisms to enable us to say that we want to make changes and ask where there is scope for more negotiation. It does not exist. They are sitting pretty at the moment, regrettably.

Q53 Gareth Jones: On that specific point, my understanding from last week's session is that we can renegotiate, but there must be money on the table. So, there is scope, but we will look into that specific point. It is vital, because it is a part of the problem that we have with upgrading the franchise and the service. I agree with the comments that you have made, but there is another aspect that we need to get to grips with, to find out more about how this can be improved upon.

Mr James: I can see that everyone is reflecting the frustration that people feel that the ambition that we all have for improved services and better rolling stock does not seem to be shared by the franchise holder. Then again, it rests with you to examine what constraints are on Arriva in operating the franchise. From our point of view, as Anthony rightly said, I am sure that we all engage with it. We invite its representatives to our meetings; in fact, we invite them to make presentations. That engagement happens, but what is frustrating is that you have to ask what is holding them back from doing what they want to do. If they keep saying that it is due to a lack of money, that would be disingenuous to some

extent, because we need to know how the franchise operates, how it can be made to operate better, and how we can get more value for your money from it. If we can help in any way with that, perhaps with a round-table partnership to improve how the franchise operates, we would be willing to offer that help.

Q54 Gareth Jones: We appreciate those comments. It is an aspect that we need to look at, because it is an important issue. I was surprised to learn that there is this possibility or option to improve the services and the franchise and so on, and we will need to look into that carefully.

Q55 Alun Michael: Those of you who are interested in history might like to reflect that it was the general election of 1979 that led to British Rail's headquarters staying in Swindon instead of moving to Brunel House in Cardiff. That would have made all our lives much easier. The comments about the need to challenge methodology and look for change and improvement are very interesting. I wanted to ask about one particular aspect of improvement. In the 1980s, the old Mid and South Glamorgan councils worked with British Rail and put a lot of money and effort into opening up new stations that improved matters in the Valleys and the Vale of Glamorgan, which was good for the whole of the network. Are you doing any serious work on opening up additional stations and services? If I were to give one example, it would be the St Mellons area of Cardiff, because a station there would open up real opportunities for the greater Rumney area. There is a total lack of stations there, simply because of how Cardiff grew. There is an enormous amount of congestion on the eastern side of Cardiff that a service of that sort would help to obviate. That aspiration has been around since 1973 when I first stood as a councillor, so there has been plenty of time to think about it. Are you examining examples like that—and I am sure that there are others in other parts of Wales—to put those improvements to services and opportunities on the map at least, even if it takes some time to get there?

Mr Davies: I refer you to the regional transport plan prepared by TAITH, in which there is a list of six stations that we are looking into. They are scattered across north Wales, on the coastline and also on the line from Chester to Cardiff at Rosset and Johnstown. The accessibility of some of the stations is also worrying us, as you cannot park a car there or get a bus to the station. It is that modal aspect that we need to look at carefully to ensure that you can make the journey to the station, either by car or bus, to catch your train to go a further distance.

Mr Whittaker: As part of that, integration is critical to get to and from any station, either by bus, walking or cycling, as has been referred to in the national transport plan. We have a specific package for non-car station access to do that, but we still come up against some of the issues with Network Rail. There is also the TrawsCambria service, which I do not think has had a great deal of airing in this Committee. It has been referred to in the national transport plan to buy rail-equivalent services in key inland locations that are not currently on the rail network, although perhaps they were, historically. It is critical that its services are brought into that, because, at the end of the day, the end user does not really mind how they get to their destination, whether via Arriva or Virgin, a trunk road or a county road, or a tendered bus service. The integration issues are critical to meet that, particularly on the public transport side to provide a totally seamless journey as well as information. There is no point in just putting in investment, as we need capital. Are we able to take advantage of the present powers and guidance being brought forward to provide end-to-end journeys, to increase the 1% that Richard referred to in the SWWITCH figure, particularly given the Assembly Government's commitment to carbon reduction?

Mr T. Roberts: TraCC has commissioned a feasibility study, which will report at the end of February. It is looking at the reopening of Carno, Dyfi junction, the park-and-ride facility, and Bow Street. The money has been spent, and we are waiting for the final report on that, which will be out at the end of February. That is the way to go and it will happen. We must look at that and at the difficulties around the Aberystwyth area, as I mentioned. So, there is a need for it. We have been lucky, because our officers managed to find money from somewhere for that feasibility study—sorry, it has just been pointed out to me that it was the Assembly Government's money. [Laughter.] However, at least we are halfway down that road now.

Mr James: SEWTA is looking for new stations at Brackla, Llanwern, Coedkernew and St Mellons.

Mr Workman: We are looking to reopen two stations: Goodwick, which is part of the Fishguard line, and Gowerton, which is dependent on the Loughor doubling. In both those instances, because they form part of a wider package, we have avoided increasing journey times, because, occasionally, the problem with reopening stations is that you increase the journey time. May I also say that we should not forget the national station improvement programme? A lot of our stations are in need of a lot of investment—that is, the existing ones.

Mr G. Roberts: One issue in this context is that, quite often when you come to propose a station opening, it is defined in the business case and, when you start dealing with Network Rail, it quite often views the business case in the light of how it looks at stations in south-east England. Wales has to get away from that initial rejection because a proposal does not fit with the model that it has had for x number of years. In the Welsh context, we have to look at new business cases and at what those stations are for.

Q56 Alun Michael: So, it is back to the methodology again.

Mr G. Roberts: Yes.

Q57 Nerys Evans: (*Through an interpreter*) I want to ask about freight. What needs to be done to develop freight transport facilities in Wales to prevent any possible conflict in future between the transportation of people and of freight?

Mr Davies: We have a perfect example of this in north Wales. We have the A55 road that runs right along the coast, alongside a railway that is underused. If you have had the misfortune of travelling on the A55, you will have seen all the heavy lorries that travel from Holyhead right across north Wales through to England. In fact, next week, some of us are going to Brussels on behalf of TAITH to lobby Europe for some help—mainly in the form of money—to provide for the electrification of that railway line, as that would provide a better infrastructure, enabling containers to go on the railway rather than along the A55.

Mr Workman: Echoing the comments just made, in south Wales, we have the M4, which runs virtually parallel to a heavy rail link, serving the ports at Milford Haven and Pembroke Dock particularly, which account for a huge amount of the freight that comes into the country. We need to ensure that we future-proof the current infrastructure and infrastructure improvements to make sure that we do not reduce the capability of the network to take future freight enhancements. The improvements that I have already talked about would help to do that.

Mr James: To support what the others have said, SEWTA is focusing on freight. I hold the view that we need to be engaging the people who generate the freight. We need to start looking not only at the people who run the heavy-goods-vehicle fleets, but also at those who put the goods in them. There is a job of work for the consortia in engaging with that process. It is very difficult to encourage the private sector to use rail unless it suits its purposes, on business and costs. If we want that to happen, to see that shift, it is incumbent on us to engage with the private sector in the freight business.

Q58 Gareth Jones: I totally agree. From the evidence that we have received, it is not quite as simple as there being a straightforward transfer onto rail—once the rail is there, that is. It is far more complicated than that.

Mr Whittaker: Some elements of the TAITH rail strategy would apply to the comments that Richard made. As you will be aware, the amount of rail freight on the north Wales coast is currently declining, unfortunately, with the tragic loss of Anglesey Aluminium traffic and the variable amount that is moved out of Penmaenmawr quarry. The TAITH management office is at Flint station and I know when the freight trains go past because the whole building shakes. As part of that, a report has found indicative signs of good commercial demand for the reintroduction of a land-bridge service from northern Europe to Holyhead. If you have driven along the A55, you will know that a great number of vehicles belonging to the same manufacturers and haulage firms travel along that road carrying freight that could be moved on the special wagons. That has been mentioned a number of times. The longer-term aspiration of electrification would give W10 clearance, as Robin Smith from the Rail Freight Group mentioned to you in evidence during an earlier session. The same is true of the consolidation park at Deeside. To pick up the point that Jeff James of SEWTA made, we also identified that a rail freight awareness campaign would have an extremely high benefit-cost ratio. The consortia, of which we are members, were collectively involved with the production of the Wales freight strategy and sit on the Wales freight group. There is an opportunity for us to use that forum to take that forward.

Q59 David Melding: How important is it that Wales gets on the high-speed rail network?

Mr G. Roberts: In Wales, unless High Speed Two has a connectable interchange around Birmingham so that you can connect to north and mid Wales, it will not be of much use to us. By the same token, if any high-speed line comes to south Wales, it must have adequate connectivity so that existing road or rail services allow you to interchange very quickly. We support the initiatives but it must have adequate connectivity at sensible locations.

Mr Whittaker: I echo that. We are very concerned that north and mid Wales do not become disconnected from the network by forced changes. As Stuart Cole indicated, in France the TGV can run on the classic lines, which is another case for electrification of the main lines and the station. As I understand from the High Speed Two report published earlier, Warrington station would not be adjacent to the line from Chester to Manchester, for example, so at a stroke, it would be disconnected, whereas I think that there may be an alternative site at Crewe, which would be much better in terms of the connectivity. If you are going to spend that amount of money, it is important, as was set out in the Wales Transport Strategy, that we have good international connectivity. In fact, I would go further and say that the connection from High Speed Two to Europe might be a physical connection rather than having to change trains in London, as presently happens if you go on the French TGV network. You do not have to change at Paris as there are trains that go around Paris. I do not think that we should lose sight of that. I would go even further and say that the Irish are quite critical in this. The southern corridor through SEWTA and SWWITCH, and the north Wales corridor to Dublin are priority access routes on the European network and are among the top 30 in Europe. We need to make more of that and bring them in to do that strategically. In the Department for Transport's Delivering Sustainable Transport document, the arrows stop at the boundary between England and Wales. The Committee might want to take a view on that.

Mr Workman: I just want to reflect on the point that high-speed rail is important for areas where peripherality, particularly among the economic community, is seen as a key issue. We have to make sure that wherever the high-speed rail link finishes—at present, it is proposed to be Swansea—the benefits are then apparent to the rest of the network.

Q60 David Melding: Are there any doubters? We have heard some evidence that electrification is important but high-speed rail comes at one heck of an infrastructure cost, which could be used elsewhere. Your primary aim is to promote modal shift on public transport. Should we be trying to spend money elsewhere or would you give high-speed rail the sort of priority that the British Government seems to want to give it at the moment?
Mr Whittaker: I think that we would support it—[Inaudible.]—on the west coast main line, the present projections are that it will run out of capacity by 2015, but it is not just a matter of passenger growth; we are also considering the needs of freight. I would like to make the case for freight as part of that. It is not always the most popular option. Nonetheless, if we are to move towards more sustainable transport, stuff that we eat goes by freight, and so there would be a release in capacity on conventional lines, and why not have high-speed freight lines for parcels and high-value goods as an alternative to air freight?
Mr O'Sullivan: I do not think that the doubt is about HS2. Perhaps HS3 is a different argument for somewhere further down the line. If High Speed Two delivers a connection from Swansea all the way to Paddington, and reduces the time out of Cardiff to an hour and 40 minutes, that is probably where we want to be. If we are talking about £15 billion to take another 10 or 15 minutes off that journey, that might be where we would come in and say, 'We are doubtful about that; the money could be better spent elsewhere', but we are fully behind the principle of HS2.
Mr T. Roberts: Could I quickly mention David Rowlands, who is heading this high-speed HS2 project with the Government? They are about to publish their report at the end of this year. David Rowlands spoke to the Assembly Government around three months ago. I also had a meeting with him. So, we should not lose sight of the fact that electrification is a major step forward at the moment, which should be grasped with both hands; we should push on with it.
Mr James: I just wanted to say that we do not yet have electrification and we are already talking about what will come after it. So, to some extent, I think: let us get electrification first. The infrastructure costs that will arise out of that will no doubt be challenging. However, issues such as the Severn tunnel junction and introducing additional capacity are key issues on which we should be working now. We still have the ambition and the wish to see the connections through to Europe and so on. However, we need to consolidate what is available to us and look to make the most use of that and have an eye on the future, but we have to be realistic because someone else holds the purse strings in terms of those big infrastructure costs.

Q61 Jeff Cuthbert: I have experienced first hand the benefits of light-rail systems in cities like Manchester and Sheffield. You refer to it in your submission, but could you say more about to what extent you see the value of light-rail schemes in Wales and how they can integrate with heavy rail? To SEWTA in particular, do you think that the Valley lines could integrate with the light-rail systems towards Cardiff?
Mr O'Sullivan: From a SEWTA point of view, the traffic on the Valley lines has increased significantly; they are very popular now. We have capacity issues there, but it is encouraging that we have achieved a modal split, which fits in with park-and-ride policies and so on. The balance that we need to achieve with light-rail is, effectively, down to how long people are willing to stand. It is a rapid-transit, high-frequency system, which carries 85 passengers with 15 or 20 standing. People will tolerate standing for around 20 minutes. The systems that you mentioned in Manchester and Sheffield are very good. Nottingham is a more recent example where the capacity or capability of these new vehicles to climb significant gradients is a big departure from the past. That fits in with our Valleys terrain. There needs to be integration, but quite where it starts and finishes, I am not sure. Cardiff Council has a draft light-rail strategy, which is still being considered internally, but there will be nodes and points at which heavy and light rail will interact. If we are to get the full benefits, as we say in the evidence, the system must run on city streets and it has to move away from heavy rail. That is a discussion for us to have and the study that Cardiff Council has undertaken will ascertain whether that is viable. Clearly, that is very expensive in initial capital costs, but the benefits are there for all to see. We have aspirations for Wales to be a modern European country and for Cardiff to be a modern European city. The leading cities have these systems in place—it is the way to get people around and we want to be a part of that. We could apply the Nottingham example in particular; I was disappointed that Manchester and Liverpool failed to get an extension, but that was to do with costs, so we need to get the right balance. So, do we like it? 'Yes, we do'. Does it have applications? 'Yes, it does', but I am not sure whether we can afford it just yet.

Q62 Alun Michael: I think that you have answered part of my question because I was going to ask about priorities for electrification and we just talked about the mainline electrification being the priority. However, the Deputy First Minister, in his evidence to the Assembly's Enterprise and Learning Committee said that he wanted to see all lines—to, from and within Wales—electrified. What would be your priorities within Wales and what would be the realistic timescale for that?
Mr G. Roberts: Looking at the whole of Wales and speaking from a rural perspective, it is quite often put forward in the rail industry that rural lines

should not be electrified, but if you take the model used on the continent, most rural lines are electrified. Making quite a leap of faith and going forward 30 years into the future, the environment is paramount and the climate change debate has been taken on board, so we should not rule out looking at rural lines because there are so many benefits in terms of noise reduction, lower maintenance costs on the rolling stock and a better ability to sell rail as a clean form of transport. When it comes to priorities, we cannot argue with the fact that the Valleys lines and the south Wales lines need to be electrified, but not at the expense of ruling out doing so to possible rural lines in the long term.

Mr James: Again, I do not disagree with anything that has been said, but this is about being realistic about what is achievable. Clearly, we all welcome the mainline electrification through to Swansea. I know that we would like it to go beyond Swansea and into other areas that have been mentioned, for example, the Valleys lines and so on. However, we have to make the best of what is available and the electrification of the main line will be a fantastic improvement. I suspect that any further investment will be done on a cost-benefit analysis, based on the likely increase in flow of traffic, whether that be passenger traffic or freight traffic. Again, because the infrastructure costs are so great, extending that to rural areas would probably take around 30 years, which is a good guess, but it may take longer. The amount of investment required is so big that any Government would have to weigh that against all the other transport challenges that it faces.

Mr Workman: I would not disagree with what colleagues have already said, but clearly it is a given that electrification, as far as Swansea is concerned, is necessary. Beyond Swansea, from the SWWITCH perspective, bearing in mind the question about our aspirations and where we would like to see it, we would like the line to be linked to the ports and be part of the trans-European network—making that journey across Europe seamless and delivering what Europe can potentially deliver for the international traveller.

Mr O'Sullivan: SWWITCH's aspirations are clearly set out in the paper, but the one point I would bring to your attention is that we would hope that any major signalling works being undertaken in the coming years are future proofed to the degree that they would be able to accommodate electrification, should it occur, and that would be part of our continuing healthy dialogue with our good friends, Network Rail.

Q63 Gareth Jones: I can see that there will be a lot of healthy dialogue.

In the absence of the Chairman, Hywel Williams took the Chair

Q64 Hywel Williams: (*Through an interpreter*) There has been much discussion recently about developing and improving services. For someone like me, who is committed to the railways, that is very promising and is contrary to how things were in the past. We have heard about the possibilities of improving the line from south to north between Wrexham and Bidston and the Severn barrage that could be used for a new crossing thereby doubling the line between Swindon and Kemble. There are all those possibilities. Sometimes it is illustrated in the press as a question of whether we should concentrate on going from west to east or from south to north. I do not know whether that is a fair question. What do you think is most important: south to north or west to east? You might not want to answer that question or perhaps you are ready for your lunch. [Laughter.]

Mr G. Roberts: (*Through an interpreter*) Both are important, but in terms of going from the north to the south, we have to be realistic in the long term about that journey. We should not lose sight of the fact that, as communities in Wales change, we need to look at how people travel throughout Wales and to make improvements to the railways to bring some towns closer together, particularly in west Wales. We often talk about the marches line, and it is important that the standard of that line is improved so that it can handle not only passengers, but freight. Until that is done, we cannot ask for more money to be spent on something else. However, we sometimes have to look at off-the-wall ideas in order to see what could be done in Wales to connect the railway lines that we have. At the moment, the railway network in Wales is in the form of a reversed 'E'—if you travel from north to south Wales you have to go out of Wales and then come back in. It will be expensive, but we should not lose sight of what could be achieved in the future.

Mr James: I am representing SEWTA, which is located in south-east Wales. You would probably expect me to say that I would not prioritise a north-south route, but, as someone who travels to north Wales and back, as I am sure many of you do, it is an incredible challenge. I can go to London more quickly than I can go to Llandudno. We all have to accept that there are geographical and geological problems to be faced. In the SEWTA region, we are seeing a lot of investment in the Valleys lines, and they are benefiting from that. That is the best that I can do with regard to north-south lines.

Hywel Williams: That is slightly to the north.

Mr Davies: To add to what Jeff said, we feel that it is important that there should be a link between south and north Wales. Michael and I came down this morning on the train from north Wales, but there is no equivalent train from south Wales to north Wales, which we think is important. Being realistic, I represent areas in north-east Wales, and it is important to us that we have that east Wales link. I mentioned the electrification of the north Wales line; it is important that that continues. It is a continuation of the English electrification. I have also mentioned the link to the airports in the north-west of England, which are desperately important to Wrexham and to north Wales generally.

Mr Workman: To add to what Gareth said about the missing link in Wales, with regard to the priorities, we are currently torn between north-south and east-west links, especially in mid Wales. Most freight and

so on goes from east to west, so, in the shorter term, we have to look at what we can do to strengthen the east-west links. Having said that, the north-south link is vital, especially if we can get something in mid Wales. To join the north-south route from Aberystwyth you have to travel to England and onto the marches line. So, in the shorter term, there is an issue as to whether we focus on east-west or north-south links. In the longer term, we should be looking at north-south links, which will include having something within Wales.

Q65 Gareth Jones: We have to leave things there. As someone who travels every week for four hours, and sometimes for four and a half hours, from Llandudno to Cardiff, I am glad to hear that the will does exist. There is an old saying in Welsh—'diallu pob diewyllys'; I am not sure how the interpreters will convey it—which means that if there is no will, there is no way. However, where there is a will, there is a way—and we will get something in the future. Before I close the meeting, I would like to thank the Enterprise and Learning Committee members and members of the Welsh Affairs Committee. This joint meeting has been interesting and special. I hope that you have enjoyed being here. We have certainly enjoyed your company and the opportunity to ask questions. We are extremely grateful to the witnesses. We have already thanked the train operators, but we appreciate the consortia's work. Your answers have shown where the frustration lies in all of this and that there needs to be more co-ordination if we want to see a bright future for our railways and transport more generally in Wales. Thank you again for joining us. I know that time has been scarce this morning, but I assure you that your answers do count. They will certainly inform the follow-up review to be undertaken at the House of Commons, through the Welsh Affairs Committee, and they will be of benefit to us in our work of scrutinising the railway infrastructure in Wales for the future. I greatly hope that you feel that the welcome you received is much warmer than the temperature of this room. I apologise for that; regardless of what is happening in this iconic building, it is cold. Thank you for making the effort to join us. We appreciate your written evidence and what we heard this morning, and we wish you all the best. I assure you that we are more than willing to work with you, given that we are all moving in the same direction. Thank you to all of you. That brings our meeting to a close.

Tuesday 1 December 2009

Members present

Dr Hywel Francis, in the Chair

Nia Griffith	Mr Martyn Jones
Mrs Siân C James	Alun Michael
Mr David Jones	Hywel Williams

Witnesses: **Ms Jane Hutt**, AM, Minister for Children, Education, Lifelong Learning and Skills, and **Dr Dennis Gunning**, Director, Skills, Higher Education and Lifelong Learning, Welsh Assembly Government, gave evidence.

Q66 Chairman: Bore da, good morning, and welcome to the Welsh Affairs Committee and its inquiry into the review of cross-border further and higher education provision. Minister, could you introduce yourself for the record and obviously your colleague, please.

Ms Hutt: Thank you very much indeed, Chair. I am Jane Hutt, the Minister for Children, Education, Lifelong Learning and Skills, and this is Dr Dennis Gunning, who is the Director of Skills, Higher Education and Lifelong Learning in the Welsh Assembly Government.

Q67 Chairman: Thank you very much and thank you for all the preparatory and background papers that we have received from you and your colleagues. We are also very conscious that very recently you made a statement at the National Assembly for Wales on the 21st Century Higher Education Plan and, whilst we would not wish to start with that, we would be very keen to weave in some questions on that very important policy development which you outlined. In the wider context, in examining cross-border issues, could you tell us, are you satisfied that the Welsh perspective is properly taken account of by the UK Government with regard to policy decisions on higher education, research and further education? This was clearly an issue for us in our earlier inquiry.

Ms Hutt: Well, thank you very much indeed for that opening question because certainly, looking back since your inquiry, an awful lot has happened over the last year and indeed happened at UK Government level and indeed happened in terms of the preparation and delivery of the Higher Education Plan and Strategy, which I published last week, *For Our Future*, with a statement to the Assembly. I think that the written evidence that was given in fact in February of this year, which was a full response, did indicate a close working between, at that stage, DIUS, and of course it is now DBIS, and my Department, DCELLS. In terms of the changes which have developed now with DBIS coming into place, again the progression in terms of high-level policy linkage, I am very pleased to report, has been reinvigorated and, in terms of the shape and direction for our future, fits very well alongside *Higher Ambitions* which of course is the DBIS/UK Government's policy direction and framework. In terms of the integration and the drive for high-policy liaison, I can use the example of the ways in which we have worked together in terms of DCELLS and DBIS officials on the two documents that brought together *For Our Future* and *Raising Higher Ambitions* because our officials worked very closely together to ensure that there was synergy, and we have also engaged, for example, in the review of postgraduate provision, the Smith Review, and it was very important again to ensure that we were securing the most advantage in terms of research opportunities and access to research. I think you can look from higher education to high-level skills provision to a great deal of close working and I think that has delivered better liaison and better recognition of Welsh needs in terms of all the cross-border issues. I myself have had regular discussions and meetings not only with John Denham formerly, the Secretary of State in his former DIUS position, but also with David Lammy as Minister for Higher Education in DBIS. Indeed, we only had a discussion yesterday and earlier on in the autumn about the importance of the linkages and the synergy, particularly where DBIS has UK responsibilities relating to research, in particular, as well as issues around the cross-border responsibilities for higher and further education, so I do believe liaison, synergy, policy and planning have been strengthened over the past year considerably.

Q68 Chairman: I am very struck in your long answer, which was very comprehensive, that it missed out several key players, key players who attracted some criticism when we published our last Report. First of all, the role of the Wales Office, and you have not mentioned that, has that role changed and improved? Secondly, the role of the Funding Council, has its role changed and improved? Also, we have the arrival of the regional ministers and you did not mention that at all. Do you have any engagement with them?

Ms Hutt: I do not think there has been any difficulty since I have been Minister for Education in terms of links and liaison with Wales Office ministers, and clearly in regular meetings, and I had one yesterday with your Minister, Wayne David, higher education was on the agenda, as it has been with former ministers, and indeed the Wales Office is clearly factored into information briefing as and when requested in terms of higher education. The Funding Council, obviously HEFCW serves us and we are working very closely with HEFCW, I think the Funding Council synergy is very robust and it also

meets with the Wales Office. In terms of regional ministers, no, I have not had meetings, I have not had calls or invitations to meet with regional ministers, but I am sure that could be on the agenda.

Q69 Hywel Williams: Good morning, Minister. I am glad to hear you say that communication has improved, which has been one of the concerns that we have had. In fact, Higher Education Wales have said that, in their opinion, things have improved substantially. It is one of the criticisms of this place in questioning ministers whether they are relating to England or to the UK, and I do not know if you want to comment on this, but it is one of the problems with statements from DBIS, as it is now, but also can you just confirm that within the structure of consideration within DBIS the structures which are devolved are always routinely considered?
Ms Hutt: Certainly routinely considered. Indeed, I have talked quite a bit about higher education, but we must remember that we are closely involved in, for example, the UK Commission on Employment and Skills and that is an active engagement, and Sir Adrian Webb sits on the UK Commission and plays an active role, not just on behalf of Wales, but on behalf of the UK Commission, so that is one example. Clearly, the close working relationships that we have developed, I mention not only HEFCW, but in terms of ministerial contact and cross-border issues we come on to, for example, research initiatives where universities in Wales and across the border in England are working very closely on research collaboration.

Q70 Nia Griffith: Minister, you are obviously, I am sure, very, very well aware of young people who are looking towards which university they might go to and how important it is for students on both sides of the border to look at the full range of options. I would really like to ask you what sort of input you are expecting to have into Lord Browne's review on student fees because, quite clearly, although they have an England remit, there will be a huge knock-on effect on students in Wales.
Ms Hutt: Of course we have made our own changes in terms of student finance, as you know, Nia, and that has been very important in terms of seeking ways in which we can redirect finance to higher education and also have more equitable and fairer arrangements in terms of our student finance. We will look with interest to the outcome of the Browne Review in terms of fees and funding. It is an independent review and again it was the subject of a discussion with the UK Higher Education Minister yesterday, and we of course will look to that in terms of any impacts it might have on Wales, and our officials are engaged, but at this stage I think it is appropriate just to ensure that we are closely linked to being able to give evidence and observe the developments with the review.

Q71 Hywel Williams: Minister, can I ask you a question about consideration given to Welsh health policy where I think we have a very progressive Welsh health policy now emerging from policies elsewhere. Higher Education Wales has questioned whether Welsh health policy is properly taken into account by the Office for Strategic Co-ordination of Health Research and the Office of Life Sciences. Are you satisfied that there is sufficient Welsh policy input into these organisations?
Ms Hutt: Well, thank you, Hywel. I think the needs of policy development in Wales are now fully taken into account by both the Office for Strategic Co-ordination of Health Research and the Office of Life Sciences. We did make the commitment, Welsh ministers made the commitment, to the OSCHR membership and to fund an expansion of R&D in Wales, and we have become the first devolved administration to actually take on that partnership role. That should result in a more efficient use of public funds, but also an improved environment for R&D and, most importantly, benefits to patients and the NHS, so I think both the partnership with the Office for Life Sciences and indeed the Office for Strategic Co-ordination of Health Research are key developments and, as you say, they are supporting an expansion in terms of health policy and research opportunities.

Q72 Mrs James: Good morning, Minister. Turning to higher education funding, the HEFCW Funding Gap Report indicates that universities in Wales received 15% less investment per student in 2006–07 than universities in England and that the cumulative level of the higher education investment gap since it emerged in 2002 is now around about £250 million. Is it your intention to close this gap, both in terms of future annual spending and in terms of the cumulative investment gap?
Ms Hutt: Thank you very much, Siân. I think that, if we put into context the spend on higher education in Wales, overall the Welsh Assembly Government funding for higher education has increased by over a third in eight years from around £335 million in 2002–03 to over £460 million in 2009–10, so that is a one-third increase in eight years and, if you take together the level of higher education institution funding and student finance, it is on a par with English levels. In 2009–10, the Welsh Assembly Government made available over £460 million to higher education institutions by HEFCW, but, in addition to this, we have £373 million via student finance, so it is important that we look at the whole picture in terms of the funding elements and the comparability with higher education funding in England. Also, we must take on board capital funds, and you will be aware, I am sure, that we brought forward capital funds and that was part of our counter-recessionary interventions to support our universities, and this, for example, in terms of bringing forward £5 million within our £25 million capital expenditure fund for this financial year has been very beneficial. Also, indeed we have got not only a new Matched Funding Initiative, and I think you took account of that in your most recent review, the fact that we have introduced the Matched Funding Initiative, but also an Economic Support Initiative which is also benefiting higher education.

Importantly, I have mentioned the reform of student finance and, if you recall, in terms of that reform of student finance, it was with Professor Merfyn Jones in phase one of his review where we came to a view that we needed to change student finance. This is going to result in a contribution to higher education in excess of £31 million per annum by 2015–16 and the funding from that redirection with the phasing out of the tuition fee grant starts from the next academic year and is going to help us fund and underpin our new Higher Education Strategy and Action Plan, *For Our Future*, so not only is it on a par with English levels in terms of spend, but we have made a very brave decision, I think, to redirect student finance into higher education and that is going to rise to £31 million per annum, as I said, from 2015–16.

Q73 Mrs James: I think the main cause of concern that I have is that Higher Education Wales has received all of this information obviously and has welcomed it, but they are still worried that the investment in comparison to Scotland and England is still way below it and it is falling short, they are claiming, of the investment made in universities in those countries, so how can we reassure people that that is not so?
Ms Hutt: I think again we do need to give the facts and figures and the statistics. I think Higher Education Wales and indeed HEFCW, in our discussions, recognise this. If you look at HEFCW's calculations, Wales actually invests more in higher education per head of population than England, and that is £143.50 per head of population in Wales compared with £141.90 in England. I think the issue we have got to face is in terms of the resource sources for higher education, it is not just the public sector, and I have mentioned the fact that we have brought in a Matched Funding Initiative which has been widely welcomed by higher education institutions, but certainly, when I attended the launch meeting of that recently, it was quite clear that Wales's HEIs were way behind comparisons of HEIs in England which had made great use of the Matched Funding Initiative and now Higher Education Wales are ready to rise up to the challenge with the Matched Funding Initiative. It is true that Welsh higher education is more reliant on government funds than the English sector, and I will not give you more figures on that, but I would say that another source of funding which has been very important for higher education in the past year has been the European Structural Funds and over £80 million has been levered in.

Q74 Mr Martyn Jones: You announced in July the launch of a matched fundraising scheme. There is some concern that that might be financed by top-slicing. Will any new money be provided for the matched fundraising scheme?
Ms Hutt: Clearly, our allocation of funding to HEFCW to enable it to then support our higher education institutions in Wales included funding that could be allocated for the Matched Funding Initiative. This goes to higher education institutions. It might go through a different source, but it is from the public purse. I have already talked about the opportunities that this Matched Funding Initiative will offer and I think higher education institutions are up for it and are very pleased that we now have this matched funding opportunity.

Q75 Alun Michael: Can I follow through on this because I do not want us to sound critical because you inherited a very serious problem in terms of higher education funding, but the funding gap is big in comparison to England and even bigger in terms of comparison with Scotland. The fundraising initiative has been widely welcomed, as you say, but obviously the capacity of different institutions to make use of that will differ according to the nature of some of those which perhaps are dealing with the students who are not natural candidates for higher education, but who are perhaps the ones who need more resources and may find it more difficult to make use of that. If we go back to the comparison of the funding gap, bearing in mind that you mentioned capital being brought forward and of course happily is being brought forward in respect of English institutions as well, the gap was £70 million in 2005–06 and £55–66 million was the estimate for what it was in 2006–07, and that seems quite a wide range, but those are the figures that HEFCW has given us, and then £69 million, so up again, in 2007–08. What is actually the funding gap in terms of 2008–09, 2009–10 and what will it be for 2010–11?
Ms Hutt: Well, I appreciate that the funding gap has been a major issue which, as Minister, I have been seeking to address, and I think the redirection of student finance has been a major policy provision which is going to enable that year-on-year investment in higher education as a result of redirecting student finance and introducing the Matched Funding Initiative. If you look at the latest HEFCW analysis, it does show a narrowing of the difference in terms of the alleged funding gap, although I will not go back over the actual comparability in response to Nia Griffith's question because I do believe that you have to look at what are we spending per head of population in Wales and what are we spending per head of population in England and it is on a par.

Q76 Alun Michael: Forgive me, but what we are spending may be comparable, but, if you look at it in terms of the money available to higher education institutions, which is the money they have to use in order to be able to compete with equivalent institutions across the border or in Scotland, then that funding gap is very real. There may not be the same spending gap, and I appreciate the difference, but can we just concentrate on the funding gap. As I say, those figures showed it actually increasing from 2006–07 to £69 million in 2007–08, so what will be the funding gap for higher education institutions in Wales, what will it have been in 2008–09 and 2009–10, and what will it be in 2010–11?
Ms Hutt: As far as I am concerned, having dealt with a very difficult budget in this financial year in terms of the whole picture, the whole of my portfolio, I

have sought to protect higher education, and certainly I think that the commitment I have sought and succeeded in gaining from the Cabinet, the Government, and the Assembly to redirect that funding demonstrates that I want to address the funding issue in terms of higher education institutions in Wales. I cannot give you the exact figures because I think there is a recognition certainly with HEFCW that we need to move on with the plan that I announced last week, *For Our Future*, with the opportunities that we have got from the redirection of funding from the student finance arrangements, with the Matched Funding Initiative and with the funding that also we are levering in from the core capital budget because, and I appreciate money was brought forward in England as well as Wales, but from the core capital budget in the Assembly I have brought forward funding £16.5 million for, for example, IBERS in Aberystwyth.

Q77 Alun Michael: I am sorry, but I appreciate that you have got a very difficult job and in budgetary terms, as a Minister, it is a bit of a nightmare. I have had that experience and I know what it feels like, but it is a very, very straightforward question as to what the funding gap was in 2008–09, 2009–10 and what it will be in 2010–11 and, if you feel that you need notice of that question to be able to answer it in those terms, I would like to ask that you write to the Committee to spell that out for us because it is a significant fact as far as the institutions are concerned in trying to compete with institutions across the border and, therefore, it is very relevant to our inquiry.[1]
Ms Hutt: Well, I am certainly prepared to write back in terms of estimations of funding gaps. I would like, with your permission, Chair, also to be able to give information on the other sources of investment, including European funding and including the Strategic Capital Investment Fund to enable us to see the whole picture in terms of public investment in higher education in Wales.

Q78 Alun Michael: If you can answer the specific question as well as provide that supplementary information, that would be most welcome.
Ms Hutt: I would be very happy to do that.[2]

Q79 Hywel Williams: Can I just ask you about matched funding, Minister, and this is a question about your judgments rather than the facts of the matter. How confident are you in the ability of the various institutions in Wales to take advantage of this scheme? I am concerned that perhaps the better-found institutions will be more able to take advantage, that those that have will be given and those that have not will still be struggling.
Ms Hutt: I think the Matched Funding Initiative was warmly welcomed by all our vice-chancellors, for example, in terms of their opportunities to increase and expand fundraising capacity and also obviously incentivised voluntary giving. We have some very wealthy alumni from Wales and I think we have not attacked that source efficiently and effectively, and I am sure that many of you will know, those of you who are graduates from universities, I am sure, across the UK will have had the regular requests for support, but we have not had vigorous, for example, alumni-giving arrangements and many universities are now taking this up. I do believe that for universities, for example, the University of Glamorgan, this is about ensuring that fundraising capacity can be matched where you can bring in private sector funding support, and there is recognition across the board in Wales that this will be internationally focused as well as nationally focused and it will, I think, provide new opportunities, but, I must say, the Matched Funding Initiative is not the only route obviously in terms of their opportunities to expand the business base. I think higher education institutions do have leverage for resources, and I have mentioned European funding and I am going to give more in the supplementary to the response to Alun's question about the funding gap, and I will be able to give you more examples of the ways in which they can bring in funding, but I think research councils are obviously one source which, I am sure, you will want to question me about.

Q80 Mr David Jones: How does the Assembly Government propose to increase the economic contribution that higher education makes?
Ms Hutt: Thank you very much, David. This was really the key focus of *For Our Future* which I published last Wednesday, the twin goals of developing a buoyant economy and promoting social justice. Those were the higher education priorities that we focused on as a result of *For Our Future*, and the key role that higher education can play as a contribution to the economy has also come over very clearly in the Assembly Government's response to a committee report on this matter, the Enterprise and Learning Committee's Report on the economic contribution. In terms of the knowledge economy, in terms of the outputs in terms of research investment and the opportunities that we now have as a result of *For Our Future* to bring together much more clearly higher education, further education and employers to raise higher skills levels in Wales, I think the challenge is quite clear, it fits with the Lisbon agenda and it is an opportunity for business to engage. I think we need to see that business is much more central to the mission and objectives of higher education, and I think that the creation of many more part-time, work-based programmes and foundation degrees which make it easier for students of all ages to access higher education, concentrating on research funding, securing critical mass and collaboration in terms of world-class research, are all part of the ways in which we believe that higher education in Wales can benefit the economy.

Q81 Mr David Jones: *For Our Future* is quite a radical document and there have already been some mutterings that it is actually changing the relationship between the Assembly Government and the academic institutions. You talk in terms of

[1] Ev 124
[2] Ev 124

creating a national higher education system, there will be job-planning and delivery in the new HE system and your ambition is fundamentally to remodel higher education in Wales. You also indicate that your plan recognises and respects the autonomy of higher education institutions, and then it goes on to say that the Assembly Government will be using HEFCW as a lever, effectively, to impose policy on those institutions. Would you regard the model that you are proposing as a dirigiste model of education?

Ms Hutt: I am glad you have described *For Our Future* as a radical document. I would say that it has very clearly followed the recommendations from Professor Merfyn Jones, phase two of his review into higher education, and to recognise that the twin goals of promoting a buoyant economy and social justice are very much the themes of Merfyn Jones' review. Indeed, I think the relationship, the development of what has been described as a 'compact' between the Welsh Assembly Government and higher education, that was a concept and a recommendation that came from Merfyn Jones' review. The meeting that I have had with vice-chancellors and with Higher Education Wales and indeed the chairs of governing bodies last week was very positive and the response that I have had to *For Our Future* from last week has been very positive indeed. There is a recognition, and it is quite clear in my report, that higher education institutions are autonomous, but they do also have to be accountable for over £400 million of public money and it is in the recognition of that relationship which we need to build that we have developed this concept of a compact. I said to the vice-chancellors and to the chairs of governors last week, "We want you to deliver with us this Higher Education Plan". This is about a step change in higher education for Wales which will ensure that our investment delivers for the economy and for widening participation, but it does mean that the relationships that exist and are very constructive between higher education institutions will not just be on a research level, but they will also be looking at how we can deliver high-level skills, and that does mean closer working with further education institutions. It is very good and another great development in the last few weeks is the fact that further education colleges have now got foundation degree-awarding powers, and that is something which higher education institutions respect in terms of the strategy that we are developing with higher education institutions in terms of the development of the economic contribution of higher education.

Q82 Mr David Jones: Do you not think in reality that it is disingenuous for you to claim that this policy document actually does respect the autonomy of HE institutions when you use language such as this: "In future, public funding investment in higher education via HEFCW will be steered towards investing to achieve the changes necessary to meet our vision and expectations. Only institutions that can deliver those priorities can expect to be beneficiaries"? It is effectively a case of he who pays the piper calls the tune, is it not?

Ms Hutt: Well, I mentioned the accountability as well as the autonomy of our higher education institutions. I do believe this is a shared vision. It is a shared vision and also I would go back to the fact that *For Our Future* was very much a government response to Merfyn Jones's review and it took on board the fact that in terms of the needs of Wales we needed to look at the economic contribution of higher education. I would also say in terms of the widening participation and indeed the research priorities that we have now established that we have been very clear and higher education institutions have welcomed the clarity of both the Assembly Government's steer on research priorities because that is the way they will succeed in terms of accessing our further research council funding, so very clear about the fact that we have those priorities, but also that we have invested in, for example, the University of the Heads of the Valleys where there is a huge disparity which was acknowledged and highlighted by Merfyn Jones between, for example, the skills level of people who live in Blaenau Gwent and people who live in Monmouthshire. That had to be addressed and higher education has risen to the challenge and indeed the University of Glamorgan and the University of Wales Newport are now together in alliance, delivering on the Heads of the Valleys University Initiative.

Q83 Mr David Jones: I would like to turn now to collaboration between England and Wales in terms of HE. I take it you would regard cross-border collaboration as a matter that should be encouraged?

Ms Hutt: Yes, of course, naturally.

Q84 Mr David Jones: Would you acknowledge that, given Lord Mandelson's policy document, cross-border collaboration is all the more important?

Ms Hutt: Clearly, and I can give examples, for example, of where we are fully engaged, such as the Severnside Alliance for Translational Research, for example, in terms of the involvement of WORD, our Wales Office research and development, and also Bangor University working very closely with the bilingualism in terms of Reading University, the Bristol-Cardiff Neuroscience Collaboration, and those are just some examples of the collaboration at the research level.

Q85 Mr David Jones: At the moment, Wales is only receiving about 3% of research council funding that is distributed in the United Kingdom. That is right, is it not?

Ms Hutt: Yes, that is correct.

Q86 Mr David Jones: That must clearly be a matter of regret, I would have thought, to you. Would you agree, again given Lord Mandelson's policy statement, that cross-border collaboration is going

to be all the more essential to the Welsh universities if they are to expand and maintain a vibrant research base?

Ms Hutt: I think that what we need to move on is all fronts. Certainly, in terms of strengthening Wales' research capacity, some of that will be in terms of cross-border collaboration, and I have mentioned two or three examples, but it will not all be about cross-border collaboration and it will be about strengthening our own research capacity and being clearer, as I have been, in terms of the priorities. Now, having set those priorities, and I will just repeat them, the digital economy, a lower-carbon economy, the health and biosciences and advanced engineering and manufacturing, we have those priorities, we have also ensured that our universities are working much more closely together in terms of peer review, there has been a great deal of work bringing UK research councils to Wales to make sure that our universities are clearly geared up to the opportunities to collaborate, and indeed we have some excellent examples of that collaboration coming through. Yes, we have internationally recognised, world-class research in Wales and we need to strengthen that, some of it cross-border, but much of it will be through collaboration, and the same message, I am sure, will come from the UK Higher Education Minister.

Q87 Chairman: I am conscious of time, but, before we move on to research funding, could I just pursue this question of collaboration. I was struck by statistics published by the Universities and Colleges Union recently about the percentage of the population in particular boroughs across the United Kingdom enjoying the benefits of higher education, and that the Rhondda, and I assume they mean Rhondda Cynon Taff, the percentage there is declining in stark contrast to areas like London where it is dramatically rising, and there are all kinds of factors in play there, I am sure. However, on the question of collaboration, I am struck by, and I warmly applaud, as this Committee does, I am sure, your statement about the need for higher education being opened up to many more people through significantly greater diversity and flexibility in programme design, *et cetera*, emphasising the importance of part-time higher education, and I certainly warmly welcome the example of the University of the Heads of the Valleys Initiative, but can we be assured that what appears to be free money being given to those two institutions is being monitored carefully, particularly with regard to collaboration within Wales of those institutions with those institutions which have an excellent track record, like the Open University? Would the Open University be used in a collaborative way by these two institutions, and also would these two institutions which have this money for the Heads of the Valleys look at best practice elsewhere, such as Birkbeck College, which is on a par with the OU in terms of its track record on part-time higher education, and also internationally by universities, like the South Bank with its work in South Africa? Can we be assured that these two institutions, Newport and Glamorgan, will benefit from the good practice elsewhere?

Ms Hutt: Certainly, I can assure you of that, and we have got excellent, outstanding work in Wales, as you know, and you have certainly been involved in that yourself in your former role in the Community University through Swansea University, so widening access and the investment that we have placed into that in terms of flexible learning opportunities, outreach and progression have been a key part of the agenda, but I think that we are now moving on in terms of not only the collaboration between the Universities of Glamorgan and Newport, and the Open University clearly will have a role in that, but I think the University of the Heads of the Valleys is about a £10 million revenue investment which we have agreed over the next four years. It is primarily focusing on Level 4 and above and it is about access relating to work-based learning and foundation degrees, but it is going to be non-conventional in terms of ground-breaking provision. I would also want to mention that the University of Glamorgan is leading a £34 million work-based learning programme, backed by EU funding, and that is about flexible, bite-sized learning, tailored to workplace needs and up to 8,000 employees from West Wales and the Valleys benefiting, so we are moving ahead in terms of the opportunities for part-time learning, for flexible learning and for progression opportunities, and it has to be done in partnership, but certainly there are also institutions and governments looking to us as well as us looking out internationally and nationally to expertise on this front. The University of the Heads of the Valleys Initiative is something which has attracted, for example, interest from New Zealand.

Q88 Mr Martyn Jones: Minister, you mentioned before some measures that you were using to attract more research council funding to Wales because of our low share, I imagine. Can you say whether they are working or not, and is there anything else you would like to add to the list?

Ms Hutt: Thank you, Martyn. Just in terms of the income from research councils, it has risen from £23 million in 2001 to £44 million in 2007–08, but it has stayed, as I acknowledged, at around 3 to 3.5% in recent years. It is important that we recognise that the measures that we have taken, like, for example, IBERS in Aberystwyth, have brought in the funding from the research council which relates to the environmental science, and now in terms of international opportunities that is bringing in other research, not only from the research councils, but also from the private sector, so, for example, Waitrose is one of the private sector partners funding the IBERS as well. I do believe that the work we are doing to bring not only our research priorities—I will not repeat myself—but bringing together the Pro-Vice-Chancellor Research in Wales and to drive also the opportunities to look at ways in which we can use European funding as well as research council has been very beneficial.

Q89 Mrs James: Given that we need to grow the share of research council funding and that Welsh higher education institutions are starting from a lower base, especially in respect to STEM capacity, how are we going to do it?
Ms Hutt: I think the measures that we have already instituted in terms of being clear about priorities, being clear about the mission and purpose of universities in terms of their strengths and also seeking collaboration between universities in terms of research base and excellence is the way forward, but I think you have only got to look at some of the most recent developments, like the Institute of Life Science in Swansea, which you are very well aware of, which really put us at the forefront in terms of a world-class research hub with that infrastructure. If you look, for example, at Cardiff and Glyndwr Universities' pioneering centre in relation to excellence in leadership management skills, it is collaboration that is going to deliver. Aberystwyth University has just had the Queen's Award for Excellence for IBERS for the work that they have done, and that is going to be internationally recognised in terms of the delivery. A total of £55 million of course has been invested into IBERS, so at every front it is priorities which we set, it is collaboration, it is ensuring that there is a critical mass and I think it is fostering excellence where I was very appreciative of the point that you made in your Report, initially anyway, about the need for us to foster excellence as well as follow it.

Q90 Chairman: You mentioned some excellent examples. Would you like to say something, particularly in relation to science, technology, engineering and mathematics, about the proposed new campus bordering Siân's constituency and mine, but actually located in my constituency, I believe, and the support the Welsh Assembly Government is going to be giving to that?
Ms Hutt: I think you will have welcomed certainly the focus on STEM in *For Our Future*, which was clear in my statement last week on the importance of the STEM subjects, the fact that we are creating a National Science Academy, and also that we have been discussing not only with Swansea University, the Vice-Chancellor, but with other universities about how they can progress in terms of their contribution and, I do believe, now the discussions that are ongoing in terms of the opportunities, for example and it is only one example, of a second campus in Swansea.

Q91 Nia Griffith: The Minister has covered a lot of the ground I wanted to explore, but perhaps I could just go back to the document *Higher Ambitions* and this idea of centralising research, and, in many respects, we know that has happened over the years anyway. Apart from collaboration, which is obviously a key way forward, in what ways are you making sure that we are keeping that channel of communication open with DBIS and making sure that we have dialogue from the beginning right the way through? Also, in terms of actually getting funding coming to Wales, is there going to have to be a concentration on a very specific sector, if you like, a specific area of excellence, and would that be to the detriment of other areas?
Ms Hutt: I think, as you say, Nia, and I have responded to many of those points, but we have moved on so far in the last six to nine months in terms of clarifying priorities and making sure that we have the greatest strategic use of funding, that we focus on building research capacity to maximise participation and to link it of course to knowledge exploitation for the economy. We are much clearer about the purpose and mission and I think that is why our higher education institutions have moved on as well. I think they welcomed our statement last week and we engaged them in an external reference group and we are going to engage them in the delivery implementation, and that is why we want a compact with our higher education institutions, but the point about the working and the liaison with DBIS, it is not contradictory, it is complementary in terms of our working together, and I think the greater collaboration and co-ordination that we see, and it will include cross-border collaboration, will set out very clearly the way in which research can be delivered to that world-class excellence.

Q92 Nia Griffith: Can I perhaps follow that up with a question about the Technology Strategy Board and whether you feel that the Welsh Assembly Government has got the right rapport and the right opportunities to have some influence there?
Ms Hutt: The Technology Strategy Board has very close working communications and meetings with senior staff. Also, to give an example, Iain Gray, the Chief Executive of the Technology Strategy Board, came to Wales and met many companies around Wales, looked at need and the ways forward we could take, and there have been meetings between our officials and indeed officials from the Department for the Economy and Transport. That is an area as well where much closer working between my Department and the Department for the Economy and Transport has been critical in terms of addressing these issues. In fact, I believe there is a meeting today between Iain Gray and officials at DET, so there is very close working at an operational level, also ensuring that we have an R&D priority sector awareness event for Digital Britain on December 15 at SWALEC Stadium, and the TSB lead technologist will be with us for that event.
Chairman: We have almost completed the session, but we have one important question to deal with, namely further education.

Q93 Alun Michael: I think there are fears that further education tends to get lost, as it almost does in this session, coming at the tail end and, secondly, that, despite the intentions which I think you have expressed and the First Minister has expressed that the border should not be a barrier to people reaching the educational provision that they want to reach, nevertheless, administratively obstacles do emerge, problems are put in the way and funding can be a problem, so does the Welsh Assembly Government's further education funding guidance now facilitate

cross-border provision when learners want it and, further to that, will you promise to keep the border open?
Ms Hutt: Absolutely, and can I say, first of all, that further education is at the forefront of our policy agenda with the transformation framework, and what is very important about the statement I made last week, it was not just about higher education, it was about higher education and further education and it was about the whole education system in Wales and how we can raise skills levels, but certainly I can give you my assurances that our officials are working closely together to see that there is linkage and no border boundaries in terms of access to further education.

Q94 Alun Michael: Are you and your officials going out to make sure that, where there are anomalies, they are addressed quickly because there do seem to be some anomalies that emerge in this particular area?
Ms Hutt: Certainly, and in fact I would always want to look at any individual examples and of course I get correspondence from constituents and constituency MPs and AMs. A very good example, I think, of collaboration across border which is delivering on FE is the Deeside Alliance and that is a clear development where we are part of the Deeside Alliance and that is a vibrant, cross-border initiative.

Q95 Alun Michael: I think I am right in saying that there is no Welsh representation on the sub-regional groups of local authorities which have been established in England to plan the local provision of education and training. Why is that, and is that a matter that you have taken up with the regional ministers or other institutions in those areas?
Ms Hutt: We have not taken it up with regional ministers, but we have taken it up with the Welsh Local Government Association so that they can look for ways in which we could broker that in terms of active liaison, if not representation.

Q96 Alun Michael: So you are initially approaching it via local government?
Ms Hutt: Yes.

Q97 Alun Michael: But will you come into it if that does not provide a solution?
Ms Hutt: Definitely, yes.

Q98 Nia Griffith: I am sorry, Chair, but I did not come in fast enough to follow up on the Technology Strategy Board issue again. It is this issue about whether Wales is getting its fair share and the implication is that perhaps it has not up until now, so what is actually happening? Is the Welsh Assembly Government trying to make sure that it does pick up on more than the 3.5% which it is getting at the minute?
Ms Hutt: The Technology Strategy Board linkages that I have mentioned now, I hope, will lead to a better share. That is only one source of funding of course, but the fact that we have put the digital economy as our key research priority, I think, is critical. We are very fortunate also that we have David Grant, the Vice-Chancellor of Cardiff University, on the Technology Strategy Board, so I think we have just had to go back to where we have got to deliver the quality and the excellence and not just the share.

Q99 Chairman: Minister, thank you very much for your attendance today. I found the session most illuminating and I hope that you found our questions most constructive.
Ms Hutt: Very.

Thursday 3 December 2009

Members present

Dr Hywel Francis, in the Chair

Mr David Jones	Albert Owen
Alun Michael	Mark Williams

Witnesses: **Mr Mike O'Brien MP**, Minister of State for Health Services, Department of Health; **Mr Bob Alexander**, Director of NHS Finance, and **Mr Phil Woolas MP**, Minister for the North West, Regional Minister, gave evidence.

Q100 Chairman: Good morning, and welcome to the Welsh Affairs Committee and this inquiry into Cross-border public services provision. Would you like to introduce yourselves, please?
Mr O'Brien: I am the Department of Health Minister of State. On my left is Bob Alexander, who is the head of NHS Finance.
Mr Woolas: I am the Minister for the North West of England and, I reassure you, Chairman, not here as the Border Control Minister!

Q101 Chairman: I thank you for your sense of humour, and hope that you still have it at the end of the session! Could I begin? We are very appreciative of the fact, certainly I am, that we now have a much stronger sense of partnership between the UK Government and the Welsh Assembly Government; the very fact we have regional ministers appearing before us is an interesting and welcome development. Are you confident that the revised protocol for cross-border healthcare commissioning has solved the funding problems we identified in our earlier Report, both at the national and the regional level?
Mr O'Brien: As far as the protocol is concerned, we have only had a relatively short time for it to be in operation. It seems to be working very well at the moment. It would be perhaps over-optimistic for me to say it solved all the problems indefinitely but what we have is a two-year period to ensure that we have dealt with most of the issues around the funding. It does not deal with everything but is focused particularly on some of the funding issues across border and GP registration, and then we will revise it at the end of the two year period and try to run it in three year periods in association with the spending reviews, so we can keep it up to date and ensure that we deal with problems as they arise.

Q102 Chairman: On a practical level, how do you react to reports that people are still being refused treatment across border?
Mr O'Brien: They should not be. The whole aim of the protocol was to ensure that there was clarity about how funding would be organised, and from what we are gauging at the local level we are not picking up a lot of complaints, unlike some time ago when there were issues around this, so if there are particular problems that people have then we would be very interested in making sure that the PCTs that are involved know about it and also, if there are wider problems, that we get to hear about it in the Department of Health so we can identify what the nature of the issue is and try and resolve it. Relationships, as you say, are very good at Welsh Assembly Government level and at our level, and I think everyone is satisfied that the negotiation of the protocol, which Bob Alexander headed up for us, was well done and seems to be the basis upon which we can all say we are satisfied at the higher level, but if a problem is arising at the grass roots then we need to know about it to make sure it does not happen again.

Q103 Chairman: Would these be matters of discussion at ministerial level? Would you be having a discussion with the Welsh Health Minister on these practical issues?
Mr O'Brien: Normally we would expect it to be resolved at a local level. It is only if it needs to be escalated that it would be. At the moment, as far as I am aware, we have not got any particular issues that we are seeking to resolve. There is always on-going dialogue but it is normally resolved at a local level.
Mr Alexander: The protocol in itself does have a dispute resolution process which has an escalation path built into it, so we would expect the initial engagement to be between the PCT and the Local Health Board. If there were still on-going problems we would expect that to be brought up to a regional level, and if there were still issues of dispute then we would bring it forward for formal discussion between departmental and Assembly officials, but, as the Minister said, as yet the feedback I am getting from the NHS side is that the protocol has been well received in all the regions that it covers, and I am not aware of any specific issues that have needed to invoke that escalation process to my level, say.

Q104 Albert Owen: Just taking that a little bit further, I hear what the Minister says, it is a relatively new protocol and was set up to deal with specific issues. How is this monitored and how transparent is that? When we did the first inquiry we had a lot of anecdotal evidence, but nothing was really put down and monitored and it was not very transparent, and we had difficulty in finding out what was going on.
Mr O'Brien: What we have are two mechanisms, one in the process of being established and one already operating, and that is West Midlands, North West and South West SHAs are co-ordinating with the Welsh health authorities to ensure they are able to resolve things at their level. What we are also seeking

to do is establish a new border officials group, officials from the Welsh Assembly Government and the NHS in England, who would then be able to liaise at a higher level. The aim of the latter is not so much to deal with individual problems because they are expected to be dealt with locally, but to deal with issues that have arisen as a result of problems in the way in which administrations function. Any problems with the protocol, in other words.

Q105 Albert Owen: Do you think it is fair to say that when devolution was set up this was an area that was overlooked, and we are catching up years later?
Mr O'Brien: I was not directly involved in the discussions around the detail of devolution so I cannot say the extent to which it was discussed then and whether it was overlooked. There have been some difficulties over the last few years which have needed to be resolved in the protocol, and our understanding is that so far that is working well. Certainly at our levels people are broadly content, but that does not mean that no problems will arise at all.
Mr Woolas: Perhaps I can help, Chairman. At the very local level there is the Strategic Health Authority, the North West along with West Midlands and South West on the cross-border group. For our region it is the West Cheshire PCT that is the main PCT involved. That body is also part of the Central Wales West Midlands Cross-border Health and Social Care Group; even though it is not in the government office of the West Midlands area the geography makes sense. We have also established a link with the PCT with the North West Specialised Services and the National Secure Mental Health as the lead PCT on cross-border issues. We have also got into place local arrangements on swine 'flu preparation and response. The advice I got in the run-up to this meeting was that the involvement of the PCT is helping to improve matters but they are still focusing on some areas that I mentioned, in particular swine 'flu. Also worth mentioning, to be helpful, is that in our part of the world the geography is such that the Countess of Chester hospital is the main centre, and the problem we have had in the past, which still exists to some extent, is the awareness of patients on GP referrals. We think, and I am advised, that we are on top of that, but that might be an area your Committee would want to look at.

Q106 Albert Owen: That is an area we will come to shortly. You have named a lot of bodies there. Are you confident that it is easy to monitor and that it is transparent?
Mr Woolas: The other point to take into account in the ten years since devolution is the evolution of the structures of the Health Service in the area itself, and the movement of the primary care groups and primary care trusts. My own view, and this is not one particularly from North West Health, is that the coterminosity of the PCTs and the new local authority arrangements, which have also recently changed because of the re-organisation of Cheshire—at their request, not at Government imposition—has made it better to provide joined-up services with Social Care and Health, but again that is very early days. It is only recently that those are new unitary bodies in what was formerly the county of Cheshire, and is now West Cheshire with Chester.

Q107 Mr David Jones: The new protocol, as I understand it, also involves the transfer of about £12 million from the Department of Health. Is that transfer to the Welsh Assembly Government or to the commissioning bodies in Wales?
Mr O'Brien: There is not a straight answer to that in the sense that it is via our arrangements but it will go to their health authorities and therefore it will end up funding them, so probably it will go through the Welsh Assembly Government structures.
Mr Alexander: That is right.

Q108 Mr David Jones: But effectively ring-fenced for the benefit of—
Mr O'Brien: It is health matters.

Q109 Mr David Jones: Looking forward, is this £12 million assured for subsequent years or just for this year?
Mr O'Brien: The aim is it would be there for the two-year period. It is not envisaged that it will particularly change for the following spending review, but what we wanted to do is try to line them up to some extent with the spending review.

Q110 Mr David Jones: And effectively the purpose of this is to enable Welsh commissioners to pay English hospitals on an English basis rather than a Welsh basis?
Mr O'Brien: Yes.

Q111 Alun Michael: Can I say I welcome the engagement; I think it is the first time we have had a Regional Minister . . . (technical interruption) . . . Wales does have a very long and porous border and it often gets very personal. For instance, my father lived most of his life in North Wales but died in a hospital on the Wirral, and many people have that sort of experience particularly in relation to the Health Service. I think Phil Woolas' reply to the last question indicates an engagement of this sort. Do you think that the role of the Regional Minister is going to improve relationships across the border in future?
Mr Woolas: Chairman, I do. What having a Regional Minister does, hopefully, is enable policies to be better co-ordinated at the local level, because if one takes the Health Service, of course we have the regional SHA as the main body with PCTs, specialists, mental health, we have the Alder Hey children's hospital, for example, in the North West which is the main provider for North and North East Wales for some of the most difficult and emotive cases, so what one is able to do is make sure as best one can that health policies and social care policies in this area, but it may be also transport, are better co-ordinated. I would not claim that it was

systematic and comprehensive, but I would claim that the presence of a Regional Minister forces that question to be asked, whereas it did not before.

Q112 Alun Michael: I think it is something we may take an interest in because obviously it is going to develop over time, so I am grateful for that response. There is a draft Directive on cross-border healthcare which is currently being negotiated in the EU, and perhaps slightly with tongue in cheek can I ask whether that Directive would make it easier to go to a foreign country in Europe to seek treatment than across the border between England and Wales?
Mr O'Brien: As far as the Directive is concerned, I do not deal with the substance of it. It will have little effect on England and Wales because it recognises the UK as a Member State and, therefore, is dealing with relationships between one Member State and others, so it is between us and the Republic of Ireland or France or whatever, rather than between England and Wales. As far as England and Wales are concerned that is regulated by domestic agreements and not by the EU Directive, and just to be sure that this is the case and that there is no involvement of the EU in that relationship, the Directive we have already negotiated will recognise the devolved nature of health in the UK and that is a domestic matter, not a matter for the EU.

Q113 Alun Michael: It is helpful to have that spelt out, but this is an area where healthcare is largely devolved but EU negotiations are a reserved matter. I have some experience of that on both sides of the fence in the field of agriculture, for instance, where ensuring that a UK position dealt with the different agriculture industries of the four UK nations, which is sometimes quite a sensitive issue. So in those negotiations, on which the Government has the lead, has the Department of Health been working with the Wales Office and with the Assembly on ensuring that any devolved issues are taken into account in our negotiating position?
Mr O'Brien: The straight answer to that is yes. We would engage with each of the devolved governments in order to ensure that their particular circumstances are taken into account. There are not substantial but nonetheless there are differences in terms of policies of some limited significance, and we need to ensure we take those into account when negotiating arrangements with EU partners. We would, therefore, liaise with not only Welsh Assembly Government but also with the other government administrations in order to ensure we take that into account in negotiations. So the answer is yes.

Q114 Alun Michael: But also with the Wales Office?
Mr O'Brien: And also with the Welsh Office, yes.

Q115 Mark Williams: In response to our Report you referred to the establishment of the cross-border policy group and there was a reference to it meeting quarterly to address those policy divergences. Has that happened? I think you said it is happening.
Mr O'Brien: Yes. It has not happened yet.

Q116 Mark Williams: How advanced are we in getting that group established?
Mr Alexander: We would want to try and get that up and running in the New Year. The NHS in Wales has had some recent change in my opposite number, and we wanted to be able to get to a position where that group brought together the people who would be taking matters forward, rather than people who may be there at one time and then changing. We also wanted to allow the protocol to bed in a little bit so we can see how the protocol has operated for a number of months in this financial year, to then inform how we need to think about it going forward into future spending review periods, given what the Minister had said before about how this piece works until the end of 2011 and we want to look at then taking something on a more regularised cycle.

Q117 Mark Williams: The Government response also referred to the local cross-border action groups building on the model of the Central Wales-West Midlands Strategic Forum, which we have heard about. How many of those groups have been created?
Mr Alexander: I do not have that information with me. I cannot tell you what the make-up is. What I can tell you is that all the relevant Welsh Board and PCT and SHA organisations are appropriately represented, but I am afraid I do not have the detail of meeting frequency here.
Mr O'Brien: What we have is essentially a group which represents North West, South West and West Midlands, the main border areas, who have joined up to meet with their Welsh counterparts, so there is a group that co-ordinates it. However, there will be meetings taking place between officials at official level—whether you want to call them a group—it will be a regular liaison to resolve any local issues, they probably sometimes do not even meet but deal with each other over the telephone—so these contacts are frequent. I would not say they occur necessarily daily, because they probably do not have to occur that often, but extremely regularly.

Q118 Mark Williams: At the time of our earlier inquiry Wales was in the throes of the re-organisation of the Health Service. We have now seen the amalgamation of Welsh Trusts and Local Health Boards into three multi-purpose bodies serving north, mid and south-east Wales. What has been the impact of cross-border provision following that reorganisation? I know it is early days.
Mr O'Brien: Not a lot because when the protocol was negotiated we were aware that changes were taking place, and therefore the protocol took into account the fact that these changes would be taking place, and we do not anticipate that will have any significance in relation to the operation of the protocol itself.
Mr Woolas: First, for the North West, the PCT that leads, the Western Cheshire PCT, also acts as the link PCT for Welsh authorities as a channel, as it were, for North West specialised services which includes

cancer treatment, Alder Hey, as I referred before, and the mental health link, so that if there is an issue in the North West on those areas specialising in mental health the West Cheshire PCT, as well as feeding into the larger body, acts as that link. There are a number of other—if I can use the phrase—organic links that we have and that we are developing underneath the protocol. For example, dentistry, and A&E issues. I have mentioned Alder Hey already, and it may be helpful if I mention in the West Midlands on behalf of my regional colleagues that there has been a review of services in Shropshire which includes that link across the border as well. The Telford and Wrekin PCT, Shropshire County PCT and Shrewsbury and Telford Hospitals Trust carried out a review of the configuration of health services in Shropshire last year with a mind to the cross-border areas. There are a number of others that I am aware of, including, importantly, the research in Gloucestershire that has been undertaken in GP relationships for Welsh people, and that research will also feed into the other PCTs down the border and falls under Mike's umbrella of the regional body, so there is an organic, non formal relationship as well, which, of course, members will be aware of.

Q119 Mr David Jones: Could I move on to the issue of the treatment of rare conditions? We are told that the National Specialised Commissioning Team has had discussions with colleagues in Wales about the feasibility of Welsh commissioners utilising the contracting model used for commissioning rare neuromuscular services in England. Do you know how those discussions have progressed?
Mr O'Brien: I will turn to Bob on the detail but it is right that the Welsh Assembly Government are looking at the contractual set-up in order to be able to have a flexibility in just dealing with the various methods used by the NHS in England, because having developed those contractual techniques it obviously gives them a choice as to how and where they decide to purchase particular kinds of services.
Mr Alexander: I have been informed that discussions are still going on: they are very inclusive: there is a lot of representation from not just Wales but the other devolved administrations, and there is a lot of clinical engagement. This might be an area we may want to follow up on with a supplementary comment to the Committee to be able to give you an accurate state of play at this point in time.[1]

Q120 Mr David Jones: What practical barriers are there to establishing a common contracting model across the UK for funding of treatment of rare diseases?
Mr O'Brien: There are differences in the way in which the two systems operate. The health authorities basically negotiate locally for the provision of particular level of services from different providers in Wales, and those are done on a direct local negotiation basis, whereas with the NHS in England there is, in effect, a market where providers may provide for a variety of services for purchasers who can come from a number of sources, so there is funding which can then be used to buy services. It is normally the PCT but it does not have to be a particular PCT; it can be PCTs from other areas. There are a number of ways in which the health market in England operates somewhat differently to the Welsh one. There were some issues in relation to that but if it were the case that the discussions which are on-going in relation to the use of contractual models by Welsh health authorities enabled them to have a greater degree of choice about where they purchased, then that would be helpful in just enabling them to directly engage and purchase various facilities as and when they needed them.

Q121 Mr David Jones: The basic problem, put simply, is that Welsh commissioners do not pay at as high a rate as English commissioners?
Mr O'Brien: That is not quite the case. The Welsh health authority will purchase at its own local rate and it will not be necessarily the NHS tariff used in England. However, if a Welsh health authority purchases a service in England then it will be able to purchase it at the tariff rate in England and the £12 million you referred to earlier is in order to enable Welsh health authorities to purchase English services at other tariff rates from English hospitals.
Mr Alexander: If it would help, I think we need to remember that already there are Welsh agencies currently using specialist services in parts of England, Bristol and Liverpool being the obvious places. We also have to remember that clinically specialist services by their nature are best placed where you have large population sizes to ensure that your specialists really are able to develop and hone their skills, so even in England a number of specialist centres are relatively limited and are driven by the population bases which they cover. To clarify a point that the Minister was responding to, a number of specialist services do not come under the English national tariff system anyway just because they are so specialised it would be very difficult to produce a national price for what they do. These are local rates for treatment which are negotiated with English commissioners and Welsh commissioners, and the point of trying to get the national picture together is so people have a commonality about how they go about that process. My understanding is that that is going fairly well.

Q122 Mr David Jones: Returning to the point about the £12 million, it does look from the outside suspiciously as if Department of Health has bailed out the Welsh Assembly Government in this area.
Mr O'Brien: It does not look particularly like that to us. The tariff where it applies will be generally at a higher level than the level normally used in Wales to purchase a similar medical facility or service, and that tariff is just higher. In order to ensure, therefore, that in effect there is not subsidy the opposite way, we make a payment to Welsh health authorities so

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they can basically purchase services in England at a tariff level where the tariff applies, which would be for operations and things like that.

Q123 Albert Owen: A good deal for Wales.
Mr O'Brien: I think it is a good deal generally from our point of view in England as well as from the point of view of people in Wales. When the protocol was negotiated we both took the view that this would work in a way that would enable patients to get service without all the hassle that sometimes accompanied these cross-border issues for a period of time.

Q124 Alun Michael: There has been a suggestion that the Foundation Trusts who serve both sides of the border in a number of places across England and Wales are not bound by the disputes resolution process that is in the cross-border protocol. Is that correct? If so, how do you intend to deal with that?
Mr O'Brien: It is a good question. We will double-check but, as far as we are aware, they are completely bound. Certainly it was the intention that they would be completely bound. However, you have raised something which I want to double-check and confirm.[2]

Q125 Alun Michael: I would be very grateful and I am happy to leave it on that basis. It was the implication of some of the things that we were told originally, and if it is not true and that has been dealt with, then that would answer the—
Mr O'Brien: I have been handed a note saying "work is on-going to resolve this issue", so there are still some doubts about quite whether they are bound or not. It looks like they may not be in some respects, but we need to sort it out.

Q126 Alun Michael: I am grateful for you acknowledging that there is something to be resolved and it would be helpful to be updated on that.
Mr O'Brien: We will do that.

Q127 Alun Michael: Following on the questions asked about specialist services, in evidence that we have had previously there have been specific concerns raised in relation to specialist services for muscular dystrophy. In the evidence we had at one stage it was not clear whether this was an England-Wales situation or whether there were issues between different regions of England in terms of provision of services.
Mr Woolas: We looked at this, Chairman, because, as Bob mentioned, Liverpool is one of the two key centres along with Bristol. I am informed that as part of the national specialist care that neuromuscular services fall under there is also access to Great Ormond Street, University College London, Newcastle and Oxford Radcliffe. The National Specialised Commissioning Team is in discussion with colleagues in Wales about the feasibility of Welsh commissioners utilising the contracting model used for commissioning rare neuromuscular services for English patients, so there is a development in that regard, and I think this has been driven because of the connection with Liverpool as the major centre, and Bristol obviously further to the south. You have received evidence, I think, on this which we are aware of.
Mr O'Brien: Just to add to that, there are also four nationally commissioned centres providing specialised neuromuscular care at Great Ormond Street, University College London, Newcastle, and Oxford Radcliffe, so there are services which are able to be accessed just across the border in Bristol and Liverpool, as has been indicated, but also wider commissioning, because it is such a specialist service, particularly for neuromuscular provision.
Alun Michael: I was indicating it was a wider issue than just a cross-border one, but I am grateful for that and any information about the developments that we earlier referred to.
Chairman: We were very much aware in our earlier inquiry of the disparity between England and Wales on the issue of muscular dystrophy, and that was confirmed by the major report that came out in September produced by the Muscular Dystrophy Campaign. No doubt you and your colleagues will have taken note of that.
Mr David Jones: If I may say also, the Muscular Dystrophy Campaign tells us that there has been a significant decline in services in Wales over the past year and that the provision of cross-border health and social care services varies greatly and there are many cases where an inconsistent haphazard approach by Local Health Boards and Health Commission Wales is evident. So I think there is a problem there that probably is still not being addressed and clearly where people are suffering from rare neuromuscular conditions it is a source of concern if they cannot access treatment.

Q128 Alun Michael: Phil Woolas has referred to a process addressing it, and I think we would be very interested in the outcome of that process.
Mr O'Brien: It is the case that we have opportunities for some of these services to be supplied in England. Obviously the Welsh Assembly Government will have to look at any facilities it wants to develop in Wales itself, but for many of the people we are directly discussing here along the border, the capacity to deal with these issues. You do need, as Bob was saying earlier, a fair level of capacity in terms of sheer numbers of people to develop the specialism and keep that specialism constantly renewed and able to maintain skills. The specialisms are at Bristol and Liverpool and also in some of the other areas I have mentioned, and they are available to people in all the four areas.

Q129 Albert Owen: If I could go back to lessons learned from devolution, is there best practice sharing between the nations since devolution and the Department of Health? You will recall there was big concern in Wales over the length of waiting lists, for example, and more recently the Secretary of State for Health has announced that car parking charges will no longer apply to England, which is something that

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happened in Scotland and Wales some time ago. So the general question is are all the components of the nations and the regions learning from each other under the umbrella of national health, and is there a sharing of best practice? I appreciate there will be different policy areas.

Mr O'Brien: Yes, there are different policies areas and, indeed, in England itself between different PCTs there are different practices, so in a sense having a slightly different policy adopted by one PCT and another, or by a Welsh health authority and a PCT is not new—and, indeed, anywhere in England at least. There are significant national differences but they are not that massive, and in a sense we expect that as a result of devolution. It is right that different devolved administrations are able to make their own choices, as it is the English system. Is there a best practice? We are working our way through developing the best way of relating to each other. Relationships generally, indeed even in Scotland, where there is perhaps a more contentious relationship politically, in practice between officials and even between ministers are reasonably good, and certainly with the Welsh Assembly Government the relationships have always by and large been good.

Q130 Albert Owen: Can I push you on the two issues I raised? Very crudely some people have analysed the reason for waiting lists in Wales being far behind as that they had other policy areas such as free car parking, and one of your predecessors when giving evidence basically said: "We are concentrating on waiting times", *et cetera*. Here we have the Department of Health saying it is going to go down the road of free car parking. It is not either/or, is it?

Mr O'Brien: It is a choice. We are not going down the route of free car parking at all NHS hospitals but free car parking for in-patients, and we want to introduce that over a period of time. It is not our view at the moment that the key priority for us is having all car parks free, that is a choice for others to make, but in England we have taken the view that we might move incrementally now to start to give in-patients the right to a car park and also to have a certificate to allow a visitor to park a car in the car park without having to pay. But that is going to be phased in, and in the meantime our view is that the priority for us is providing the hospital services and getting waiting lists down. I think that is quite right and we have had remarkable success at doing that. The typical waiting time is now about eight weeks for an operation. It varies depending on areas but that is a typical waiting time in England, so that has been the result of intense funding and effort by NHS staff in England. Without both of those it would not have happened and it did require making some decisions, one of which was we would allow hospitals to continue to charge for car parking and we would not put subsidy in there because we wanted to put subsidy into another area. It is the sort of decision that ministers, whether in the Welsh Assembly Government or the UK Government—the English Government in the sense of this particular issue, the English Health Service—have to make.

Q131 Albert Owen: But you understand the consumer in Wales, the patient in Wales, who pays the same level of National Insurance and taxation, had to wait a lot longer. Was there intense dialogue between your officials and ministers and the Department of Health to learn lessons on how you have done it in England to get them down in Wales?

Mr O'Brien: I know that they are looking at the way in which we have done it. We have, however, taken some decisions about how we operate the whole service, which I know for policy reasons the Welsh Assembly Government has taken a different view about. They are less keen on payment by results and the various other mechanisms that have been introduced in the English health system. It is the case that funding for health in Wales is somewhat higher than in England, about £1,639 for Wales per head compared to £1,547 for England for '06-'07, so slightly out of date, but it is the case that people have to make different decisions, and that is right. We have no problems with that.

Q132 Mr David Jones: As you rightly say, Mr O'Brien, it is a question of ministers making decisions and the decision that the Welsh Assembly Government decided to make was not to adopt the payment by results model. The consequence of that, as we have heard in our earlier inquiry, is that there have been significant delays for Welsh patients seeking treatment in English hospitals. If I may I would like to come back to the £12 million that your Department has transferred to the Welsh Assembly Government to enable the Welsh Assembly Government, or Welsh commissioners, to pay by results, which is a model—

Mr O'Brien: To pay tariff.

Q133 Mr David Jones: To pay the same tariff, but on a model which the Welsh Assembly Government had rejected. I come back to the point I made earlier, it looks suspiciously like your Department has bailed out the Welsh Assembly Government which was quite incapable of commissioning or providing funding for commissioning at a level that would assure a decent level of service for Welsh patients?

Mr O'Brien: You can choose to characterise it inaccurately like that if you wish, it is a matter for you, but as far as we are concerned we accept entirely that a Welsh patient should use services in England. However, we took the view that the tariff at which we would insist these services were paid for is higher than that for Wales, and that is the decision we made. It suits us and, therefore, for our reasons, for the reasons of the English NHS system, we took the view that rather than to have to go through the administrative hassle of negotiating each deal with the Welsh health authorities, it would be better to ensure that that funding was available because it

enabled us then to run an administrative system which was less bureaucratic than it would otherwise be. It is a matter for Wales. If Wales does not want to adopt the PbR system and it works better for them in a different way, that is entirely a matter for Wales. However, as far as we are concerned, from our point of view, we took the view that this transfer of funding in that way enables us administratively to have a less bureaucratic, less difficult, more straightforward, approach to use of English NHS surgery by people from Wales.

Q134 Mr David Jones: And it was not related in any way to the political embarrassment of Welsh people complaining they were receiving a second class service in English hospitals?
Mr O'Brien: It was the case that we wanted to ensure that Welsh patients who used English hospitals got the same quality of service as English patients, and we have always tried to ensure that that was provided. I am not sure why you characterise it in the way in which you do, there may be political reasons for that, but, as far as I am concerned, the English Health Service has always tried to treat patients as patients and not tried to distinguish in that sense between Welsh and English patients. The NHS has a professional obligation to treat people properly. There was, however, an administrative issue in terms of the funding arrangements which was the reason why the protocol has been arrived at.

Q135 Alun Michael: Turning to the positive side of differences rather than concentrating on perceived problems, would you agree that having different policy decisions gives an opportunity for evaluating their respective effectiveness and, for the benefit of patients in the longer term on both sides of the border, for those comparisons to be made, and in that context would you agree that we need more comparative research evaluating on a sound basis the healthcare approaches adopted in different parts of the UK, not just on the English and Welsh side of the border but in Scotland, Ireland and north of the border as well?
Mr O'Brien: It is the case if I go knocking on the doors in North Warwickshire, which is my area, I sometimes get people saying, "But in Scotland they get this . . . " or "But in Wales they get that . . . ", to which the answer is of course that is them making the choice about the way in which they spend their taxpayers' money, it is a choice, but it does enable voters to, as you say, compare the different decisions that ministers made.

Q136 Alun Michael: Indeed, but I was going to a slightly different point which is—
Mr O'Brien: Effectiveness.

Q137 Alun Michael: —to enable not just voters but Health Service professionals and administrators, ministers indeed, to evaluate effectiveness of different approaches, we need the data, we need the research. Is effort being made across the UK to have effective evaluation of the outcomes of different policy decisions, not in order to blame or say one is worse than the other but to learn from differences in terms of improving long-term care for all?
Mr O'Brien: There is no major project to carry out that sort of research. The acceptance at this stage is that the various authorities will take different decisions, and that is as it should be. It is sometimes difficult just in terms of data to make comparisons. The different UK countries, for example, collect data on waiting times in different ways and on different criteria.

Q138 Alun Michael: Indeed.
Mr O'Brien: So you would have to do considerable research to bottom out that data and to try to make comparisons. How far it would get you and what you really learn from it I am not sure. However, what I think there is probably room for is some work on the effectiveness, the efficacy even, of different management techniques for delivering services themselves, and what really works. We were hearing earlier about payment by results, and that has been a source of a lot of controversy in the English system. There are some who say that the Welsh system of negotiating is more efficient and effective. The reason we adopted PbR was that every time a patient, in effect, goes over the car park entrance there, ker-chink, the money rolls in and the hospital knows it is getting that money and it is all very clear. There is no limit. However many patients come in it rolls in, so in a sense that creates a market. If there is room for some managerial comparisons, when maybe a bit more time has elapsed in terms of seeing how PbR operates and also how the Welsh system of negotiation operates, we will be able to see which is best.

Q139 Alun Michael: My proposition is that we should not regard variations in policy decision as merely a matter for blame but as an opportunity to ask what works best, and perhaps more research into that over time is something that we ought to look for. Can I just pick on one practical example which has affected my own constituency and which the former Secretary of State for Health and the former Home Secretary have acknowledged, which is in Cardiff? An approach that came from a medic has resulted in very considerable reductions in violence in the city centre, and the evidence for that is a 40% drop in the number of people presenting themselves at A&E as victims of violent crime. Professor Jonathan Shepherd has received criminology awards as a result but it has resulted in a benefit for the Health Service in terms of the reduction of people needing services. Is that sort of outcome being properly evaluated and shared across the Health Service on both sides of the border?
Mr O'Brien: I am sure it is being looked at by the Home Office and organisations that deal with law enforcement. Certainly there is considerable pressure on Health Services in England in particular, and I am sure in Wales too, where on a Saturday night people end up there because they are worse for wear in different ways, some of them because they are simply drunk and it is a place of safety, the police

deposit them there, but also because of various injuries they have sustained. I am sure that work is being done to look at ways of reducing that level of difficulty in anti-social behaviour but I am not aware that the Health Service as such is separately doing any work. I think that would be primarily located in the Home Office. But you are right to say that, of course, if there was reduction in people coming into A&E for those sorts of reasons on a Saturday night, that would be a tremendous help to the NHS.

Q140 Alun Michael: My point is that it was instigated as a result of a clinical or scientific evaluation within the Health Service followed by a clinical approach to data on the part of both the Health Service and the Home Office.
Mr O'Brien: I am afraid I am not familiar with Professor Jonathan Shepherd's work.

Q141 Alun Michael: You will be shortly!
Mr O'Brien: I will be shortly! I am grateful.

Q142 Mark Williams: The Government's response to the Committee Report, despite what you have said, talks in terms of commissioning research into the impact of devolution on patient experience. Has that work been commissioned yet? Has there been a discussion with the National Assembly Government on the commissioning of that report, and will they be working with you to draw up that document?
Mr O'Brien: Patient experience is slightly different. What we need to do is have a resolute focus across the NHS on improving the quality of patient experience. I say when I talk to staff that patient experience with the NHS is defined by how a tired nurse at the end of a shift deals with a patient with Alzheimer's who is in some difficulty. That is the patient experience, the difficult one that we really need to do some work on to ensure that it improves. The research in Gloucestershire, which I think you are familiar with, in particular showed the way in which we needed to see what patient experience was like. NHS Gloucestershire did a survey of its own residents who are patients of Welsh GPs, and you may be interested to know that only 5 % of them said that they would prefer to have a GP in England, for whatever reason. That is some of the research that has been going on, but one of the issues that we would want to take forward as part of the cross-border officials group that is going to be set up in due course which we mentioned earlier is looking at how we can research to look at comparative patient experience in the Welsh and English NHS to see where we can look at that patient experience at a basic level and see how it can be improved.

Q143 Mark Williams: Have you had that discussion with the Welsh Assembly Government yet?
Mr O'Brien: No, that discussion would not go on at Welsh Assembly Government level, it would be at official level, and one of the jobs for the officials group which we are hoping to set up will be to look at where best that research should be carried out. This patient experience level is an area I am particularly interested in because if I get complaints as a constituency MP it is often about the way in which sometimes the NHS deals with patients, and we need to improve the quality of that. 93 % of patients say their experience is good or excellent. However, 93 % is not good enough.

Q144 Chairman: When we have the Welsh Health Minister before us one of the issues we wish to raise is the question of support for servicemen and women and ex servicemen and women and the interface between yourselves and the Welsh Assembly Government and also the Ministry of Defence. This merits a separate inquiry really, but I wonder whether you and your officials could go away and provide us with a note describing the interface and the provision, the support, for servicemen and women, ex servicemen and women, with regard to rehabilitation, mental health and so.
Mr O'Brien: I would certainly be very happy to do that note for you.[3] We are very conscious, and indeed I was talking to the Surgeon General of the Ministry of Defence yesterday afternoon about this, about some of the issues that we now need to develop. We now have a situation where life saving in Afghanistan and previously in Iraq by the medical services is so well developed that the people who previously, sadly, would not have survived are now surviving, coming back, and are able either to leave the military or remain in the military and carry on their lives, but many of these servicemen may well have multiple health issues which need to be resolved in a much more co-ordinated way and they also need long-term healthcare planning so that they know what is going to happen to them in the future, particularly if they have significant and sometimes multiple disabilities. There is, therefore, not only a note worth doing on what we are currently providing but also some of the issues where we need to do some more developmental work to ensure that the veterans who have come out of conflicts that we are now in, and have recently been engaged in, are provided with the best possible quality of healthcare that this country can possibly provide.
Chairman: On that very positive note could I thank you, and also could I say that many of my constituents have drawn my attention to the Royal British Legion manifesto that raises all these issues in a very positive and constructive way. Thank you very much, all of you, for your evidence this morning.

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Witnesses: **Mr David Lammy MP**, Minister of State for Higher Education and Intellectual Property, **Mr John Neilson**, Director, Research Base, **Mr Michael Hipkins**, Director, Student Finance, and **Mr John Landeryou**, Director, Further Education, Department for Business, Innovation and Skills, gave evidence.

Q145 Chairman: Good morning, and welcome to the Welsh Affairs Committee. Could you introduce yourselves, please?
Mr Lammy: I am Minister for Higher Education, and was a former Minister for Skills. I am joined by John Neilson, who is the Director of our Research Base; Mike Hipkins, who is responsible for Student Finance in the Department, and John Landeryou, who has responsibilities for Further Education in the Department.

Q146 Chairman: Could I begin by asking questions about *Higher Ambitions*? To what extent has the interdependence of higher education in England and Wales been taken account of in the directing of that document?
Mr Lammy: Officials liaised consistently in the process of writing *Higher Ambitions* with the Welsh Assembly Government, and indeed we feel that *Higher Ambitions* was a very good product of the most extensive consultation that you could undertake, because the process began 15 months ago with a debate across higher education, so there was maximum opportunity, if you like, to be engaged with the subject areas, and it was led initially by academics. Indicative of that, and I know that Jane Hutt gave evidence to you a few days ago, is that it is absolutely consistent with *For our Future*. Clearly the central themes, particularly of how higher education assists the system in this downturn and how we make the economy, and therefore the strategic direction and focus of research, important is reflected in both documents. So is employability and so is access. These documents mirror each other notwithstanding particular issues important to Wales, like Welsh language.

Q147 Mark Williams: Given the importance of cross-border flows of students between England and Wales, how will the consequences for Wales of any changes to the fee regimes be taken into consideration in Lord Browne's inquiry into fees?
Mr Lammy: Lord Browne has already indicated, of course, that he intends to take evidence and be in liaison with colleagues in the Welsh Assembly Government, and he has written, or is just about to write, to that effect. It is, of course, an independent review of fees, independent of Government, so I do not know what conclusions he and his panel will reach. However, they have indicated that they wish to be as open and inclusive as possible, and clearly they will be cognizant of some of the cross-border issues across that bit of the country.

Q148 Mark Williams: And they are very significant, as we appreciated from the Westminster Hall debate when Jane Hutt was here. My constituency alone has about 18000 students, the vast majority of whom are from England. It is really quite fundamental.
Mr Lammy: All I would say is there was some anxiety last time around in 2003–04 upon the introduction of fees. We have only had the first cohort of students come out but if you look at the evidence there has not been substantial change between the cross-border flow, which remains more or less equivalent with many English students choosing to study in Wales. Indeed my predecessor, I think, was at Cardiff.

Q149 Mr David Jones: Your Department has announced a review of non-departmental public bodies such as Research Councils and the Technology Strategy Board. How will you be taking the Welsh perspective into account when you conduct that review?
Mr Lammy: This is a wider call across Government to continue to examine the effectiveness of non-departmental public bodies and arm's length bodies. Clearly there is a distinction between those that affect England and those that have a UK-wide remit. My view is that the role of the UK Commission for Employment Skills is important; it is also patently obvious that the Student Loans Company plays a very important role and, of course, the Research Councils have a historic role, so you would expect absolutely the appropriate discussion and liaison to continue, not just at official level but at ministerial level, if there was particular concern.

Q150 Mr David Jones: HEFCW (Higher Education Funding Council for Wales) has expressed concern as to any changes to structures or processes that, while they may make sense from an England-only perspective, could have unintended and perhaps also undesirable consequences for Wales. Are you able to assure HEFCW that their concerns will be taken fully into account?
Mr Lammy: Yes, I am, because as a funding agency of importance, of course, their views particularly in relation to their position and Funding Councils and others would be seriously considered.

Q151 Mr David Jones: Higher Education Wales has suggested that now might be an appropriate opportunity for a Joint Ministerial Committee meeting to consider higher education and possibly co-ordination in the light of various reviews that are going on at the moment. Do you think it with be a good time now to have a Joint Ministerial Committee meeting?
Mr Lammy: I am hoping, if that is considered to be of merit across the piece, but I think that the last period has seen a lot of joint working. The Minister, when she was here, spoke about the Heads of the Valley initiative that mirrors our new University Challenge programme. As I have said, her document *For our Future* and the centrality of the economy within that and strategic funding and contestability of funding mirror *Higher Ambitions*; and collaboration across institutions is another area we are seeking to bring out in our system after a very competitive period, so across a range of fronts in relation to higher education, policy outcome demonstrates quite a lot of cross-working. I am

absolutely open, however, if people feel that the presence of such a Ministerial Council would add value to that.

Q152 Alun Michael: You have referred to collaboration between higher education institutions, and clearly that is becoming more and more important all the time at a whole series of levels both within the UK and between UK institutions and institutions abroad. As far as your policy is concerned in respect of higher education institutions in England, and obviously we have to ask a mirrored question to the Welsh Assembly Minister, is it your policy to encourage cross-border collaboration between higher education institutions in England and Wales?
Mr Lammy: What I have indicated is that the fiscal climate over the next ten years will be much tighter than it has been, and that is the whole thrust of *Higher Ambitions*. We are obviously hugely proud across the UK of the position of higher education institutions on the international league tables in both England, Scotland, and indeed Wales. To maintain that competitive edge it does mean that we have to be absolutely focused on excellence; we have to be absolutely focused on the importance of multidisciplinary and interdisciplinary practice in this important age; and we have to be focused on growth areas. We have indicated that the digital economy is a growth area, and so has Jane in Wales, and we have indicated that the low carbon economy is important and that has been replicated. Life science has also been key. That means also greater collaboration, and I welcome the collaboration that exists currently between Cardiff and Bristol and between Bangor and Reading, between Glyndwr and Chester. All of this is indicative of the journey that we need to continue to go on. For institutions in England more collaboration over this next period, more co-operation and more working together is the thrust of what we are saying in *Higher Ambitions*, and that must include, of course, institutions in collaboration with institutions in Wales.

Q153 Alun Michael: In simple terms, therefore, the answer would be yes and the rest of your answer is demonstrating how that is the case, would that be correct?
Mr Lammy: Well, I tread a little gently because, of course, it is not for me as Minister to dictate to individual autonomous higher education institutions the nature of their collaboration, who they collaborate with and how they collaborate, but the overall fiscal envelope demonstrates the merit of collaboration if we are to underpin excellence.

Q154 Alun Michael: That is such a comprehensive and diplomatic answer that you must be planning to move to the Foreign Office! Is there a case for increasing UK research funding for higher education institutions in Wales, particularly to promote economic recovery, bearing in mind that Wales has specific problems in relation to the impact of the economic downturn?
Mr Lammy: Well, again, the Haldane Principle, of course, underpins the Minister's approach to this issue which means that these issues must be taken independently, either by the Funding Council in England through our QR funding, or, indeed, by the Research Councils, and the underpinning of that funding is one that concentrates on excellence. My view, if I may, is that the Welsh Assembly Government and Jane Hutt were absolutely right in the statement that she made to really target these key growth areas of the Welsh economy, and doing so signalled the importance of excellence in those areas of economy. If that is followed through I would assume *de facto* that that would certainly mean retaining, if not building, the research funding that Wales is able to attract.

Q155 Alun Michael: I understand why you are being careful about the independence of both the institutions and the funding bodies in terms of decision-making, but I would like to tease out a little further the relationship between UK-wide decision-making and decision-making that is specific to England or, indeed, to Wales. In *Higher Ambitions* there is a clear steer towards greater concentration of research. Is that a strategy that is across UK or for England only?
Mr Lammy: What we are indicating principally is QR funding from the Funding Council in England in relation to concentration, and we are saying, of course, that we do have to support excellence—and excellence is found in different places, in collaboration and working together—but also we have to support institutions in England into not feeling that they are somehow diminished without an emphasis on research. We think the balance is about right and we have to be really looking very carefully at that over the next period. In relation to how that affects Welsh institutions, as I have said, excellence is found in Welsh institutions. The similar process in Wales found 14 % of institutions with internationally excellent research, so clearly the future means collaboration on both sides.

Q156 Alun Michael: Sure, but where you have a specific steer within *Higher Ambitions* towards a greater concentration of research, that must have implications for research funding which is UK, and certainly England and Wales, rather than purely funding for England, and that is why I want to be clear whether there is a problem in relation to higher education in Wales being fully integrated to a UK-wide approach to the funding of research. So that is why I am asking whether the steer towards greater concentration of research in *Higher Ambitions* is an England-only approach or a UK approach?
Mr Lammy: It is for me to talk about England; it is for me to liaise with colleagues in Wales about the journey, I believe.

Q157 Alun Michael: Yes, but your Department and some of the institutions for which the Department is responsible—and this is not new, it has been in place with the previous DTI arrangements as well—is for funding on a UK basis, or certainly an England and

Wales basis, so yes, your responsibility for institutions is England but your funding responsibility and that of institutions accountable to you is much wider than that?
Mr Lammy: Yes, in the sense that the Research Councils have a UK-wide remit, that is the case. In *Higher Ambitions*, however, what we indicated was that concentration would be important over this next period: we did not go into greater detail really than that. It is vital now for both Funding Councils and, indeed, Research Councils to reflect on this over the next period, recognising, of course, that we had an RE assessment just really very recently, or what would be in England an REF (Research Excellence Framework) assessment, and there will not be another for some few years, so this is a journey in that document that we were indicating over the next decade, and it must be proper for both Funding Councils and Research Councils to reflect on that. As I have said, and I think as Jane has said, *Higher Ambitions* was not a document that simply came down from my Department. Quite the contrary. It was considered work largely from academics that began 15 months ago, and we have been in a lot of liaison with our Welsh colleagues on that.

Q158 Alun Michael: I accept both what you say and the spirit in which it is said, but I think I would be grateful if you would take that question away. It is not a question of just what the words say in *Higher Ambitions* but, as you say, it is an iterative process, a journey, and perhaps you would look and advise us on how that UK- and England-only aspect will be developed as that journey continues.[4] I wonder if I can ask one other question in relation to that? In the area of linking applied research to business development, which is something I very much welcome, *Higher Ambitions* refers to involving RDAs (Regional Development Agencies). Is that an England-only policy and, if not, why is there no mention of the Welsh Assembly Government, because the Welsh Development Agency is integrated into the Assembly rather than being a separate body, as it was previously, and indeed the other devolved administrations and their respective economic development polices and agencies?
Mr Lammy: It is probably because we were in close liaison with our colleagues in Wales that we knew they would shortly be announcing their own *For our Future* document, and in a sense, in relation to applied research and proximity to business, the two documents should be read alongside each other. It is my sincere hope and belief that the CBI and others are doing just that.

Q159 Alun Michael: If I can just say, having at different points in my ministerial career had responsibility for the Welsh Development Agency at one time and the Regional Development Agencies in England at another, how will you and your officials ensure that that aspect of your strategy does not, unintentionally perhaps, drift into an England-only focus when it should be a UK-wide approach? The Regional Development Agencies do co-ordinate a lot of their activities, they have lead responsibilities and so on, so I can see that there might be a danger of drifting into that and leaving out the Wales, and indeed possibly Scotland and Northern Ireland aspect of what is obviously a UK-wide concern?
Mr Lammy: I recognise the concern because it is one that has come up at different points, and I recognised it previously as Skills Minister in relation to the workings of Sector Skills Councils, for example, on different sides of the border. My own view in higher education is that the sharpness of economic priority and future job growth in both Wales and Scotland is very well understood and developed, and that both on a regional basis in England and into Wales the system understands that very well.

Q160 Alun Michael: So the remit of officials in taking this forward will be very much to ensure that it does not narrow down to an England-only approach?
Mr Lammy: It would be in none of our economic interests were that the case. We would all lose out.

Q161 Mr David Jones: I am interested in the process of developing and producing *Higher Ambitions*. Was it developed in close concert with the Welsh Assembly Government? Was it run past Welsh Assembly Government before final publication? How was it developed?
Mr Lammy: It was developed in consultation with it, is probably the best way of putting it.

Q162 Mr David Jones: So the Welsh Assembly Government had input into this document?
Mr Lammy: Well, no. Input to the extent that you will see, as I have said, that much is replicated in both *For our Future* and *Higher Ambitions*.

Q163 Mr David Jones: But there are distinct differences too?
Mr Lammy: Well, there are distinct differences because there are differences that are important to Wales.

Q164 Mr David Jones: I understand that.
Mr Lammy: Wales, for example, has traditionally done slightly better on access issues recently in terms of figures; it is prioritising Welsh language and it has big issues that it will want to reflect on, so of course there are differences but in the end what is important is that there are no surprises. I do not think our document came as a surprise at all to the Welsh Assembly Government.

Q165 Mr David Jones: But, to clarify the point, did the Welsh Assembly Government play any part at all in the development of *Higher Ambitions*?
Mr Lammy: Yes.

Q166 Mr David Jones: To what degree?
Mr Lammy: Well, it depends what you are talking about. How do I articulate "degree"? Do you want me to give you a percentage?

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Q167 Mr David Jones: No. I would like you to tell the Committee to what extent there was input from the Welsh Assembly Government in the production of this document.
Mr Lammy: I think I have already said that.

Q168 Mr David Jones: I may be slow but I am not gleaning from you the extent to which the Welsh Assembly Government participated in the production of this document?
Mr Lammy: Let me try for the fourth time to answer the question. As Jane Hutt said, her liaison over the last year has been good and strong. My officials meet on a regular basis to discuss top agenda items. *Higher Ambitions*, which is our ten-year vision document, is absolutely one of those; the Funding Councils on both sides have been absolutely tied into the process and are on week-to-week contact with one another, so across all of the issues there is a lot of collaboration. The most important theme that makes this document perhaps different from a document that would have occurred two years ago is the centrality that we are placing on strategically important priority areas in our economy, and the importance of higher education in delivering that. That is replicated—not word-for-word, with different nuances—in both documents, and is indicative of the degree of collaboration.

Q169 Mr David Jones: Briefly, if I may, and lastly, did Jane Hutt approve of the section in *Higher Ambitions* that deals with research funding?
Mr Lammy: Certainly there were no representations made to me about concerns in relation to that.

Q170 Mr David Jones: And she was aware of its content before publication?
Mr Lammy: Yes.

Q171 Chairman: Minister, what the Committee is driving at is, in the drafting and reporting of documents like this, we ask the question "Does it pass the devolution test? Is there someone who reads through the document who is conscious of the need to reflect on the fact that when we talk about the UK or Britain we are talking about the UK and Britain and when we talk about England we are talking about England, and there is, as Alun Michael has said, sometimes a slippage in the style which will have unintended consequences.
Mr Lammy: I think it is important for the Committee to indicate, when it talks about concentration, what it is concerned about in that sense. The point is this. Excellence is found in large number in Welsh institutions, and I would have thought that all higher education ministers across the UK are keen to retain that excellence, to support it, and to grow that excellence in what is a highly competitive, higher education market, in which Asian countries are investing heavily and also the United States. So that must be the centrality of what we are seeking to do, and that is certainly what I am doing in my Department.

Q172 Alun Michael: If I may, Chairman, the Minister is asking us to clarify what our concern is, and it is the sort of example I gave a few moments ago in relation to Regional Development Agencies. They do not apply in Wales so it looks by implication as if you are looking at the situation in England without engaging the situation in Wales. Everything you have said has indicated a wider perspective and a greater engagement and good co-operation across the border, but it is the question of unintended consequences—which we have seen in other Departments. The Department for Justice is responsible for devolution, yet they managed to overlook the fact that criminal justice was not devolved in one piece of legislation last year. That was not an intention on the part of any minister or, indeed, senior official in the Department, but devolution inevitably means that one has to look at separate areas and then find ways of joining them up again, just as departmental restructuring within Government means you put areas into a different set-up and then order them back again. For example, the Home Office being split up meant that areas that were in one department are now in different ones, and devolution is no different from that. So the concern is to make sure that an understanding of devolution is built into the practices of the Research Councils and the bodies of your Department as effectively as it has been built into your responses, and I acknowledge it has been built into your responses in the way we would expect.
Mr Lammy: All I want to emphasise is that if you look at the second page of Jane Hutt's statement, at her emphasis on the greater proportion of £400,000,000 of funding being targeted at specific strategic outcomes and at her emphasis on different providers with different strengths and different initiatives working coherently together, and also if you look at her emphasis on access and her building on the Heads of the Valley initiative, these were able to mirror each other because we are constantly talking about the issues. Frankly, it is not my expectation that in terms of publishing her vision for Wales I should have to check the text. I do not think that is an appropriate expectation and I am not sure that my Welsh colleagues have that expectation of me, but they do expect the issues to be discussed and the issues to mirror one another in areas where you would expect them to. On the second page there are issues very specific to Wales in relation to Welsh language, a slightly different approach on regional partnerships and a different approach on bursaries, and that is absolutely about devolution. We are aware of those differences; we are able to discuss those differences; but there is no suggestion of clearing text.

Q173 Mr David Jones: When I referred to clearing text it was in the context of those elements of the *Higher Ambitions* document that are applied on a UK-wide basis. You rightly say it is not up to you to check every word of the Welsh Assembly Government's document, but it does seem to me that

it might be at least a courtesy to run that particular text past the Welsh Assembly Government because it is a UK-wide policy.

Mr Lammy: Well, as I say, it is an indication of a direction of travel. The specifics of that are very much down to Funding Councils and research bodies. I do not think there is any difference between us, but the nuance is simply that I am seeking to be careful about what is appropriate for a minister and what must be appropriate for independent autonomous universities, and the very lengthy process of RE or REF assessment, to determine the proportion of funding that they get dependent on the quality of their research, and that assessment of quality is not made by me or my Department. That, I suppose, is the nuance.

Q174 Chairman: We are about to start an inquiry on Wales and Whitehall where we would be exploring these kind of issues, and we may return to the question of higher education there, possibly, but could I give you two examples where your document fails the devolution test? On page 66 Regional Development Agencies are referred to as "science cities". There is no mention of the Welsh Assembly Government or the other devolved administrations. In the paragraphs following on the same page the document goes on to talk about the Technology Strategy Board and Research Councils, which clearly have UK coverage. Then on page 56, Research Councils, the Technology Strategy Board and Regional Development Agencies are all mentioned in one paragraph, so just note those and perhaps you could give us a response to that in writing.

Mr Lammy: Yes.[5]

Q175 Mark Williams: There is a quote from your Department on the Technology Strategy Board, "In terms of collaborative R&D, the figures suggest that the total of grants going to Wales from the Technology Strategy Board is around 3.5% of UK total. This is less than what might be thought their fair share, and has been the subject of discussions between the Technology Strategy Board and Welsh Assembly Government". What has been the outcome of those discussions?

Mr Lammy: May I ask John Neilson to cover this?

Mr Neilson: You can, but it is not my particular area, so I think we had better send you a note because I am not informed about what those discussions have included.[6]

Q176 Mark Williams: But there was recognition by your Department that Wales was getting an insufficient share?

Mr Neilson: There was recognition that there was a very strong desire to have good collaboration right across the UK for the Technology Strategy Board. It is a relatively new body and it has been working with all parts of the UK to build up strong relationships, and that is a continuing process.

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[6] Ev 67

Q177 Mark Williams: But it is more than that. "This is less than what might be thought their fair share". That is a rather clearer affirmation that Wales is not getting its fair share of that funding?

Mr Neilson: The issues about how the UK-wide bodies award their grants are based on excellence and UK-wide criteria, rather than about shares in particular pots in the UK.

Q178 Mark Williams: But that quote came from your Department—well, there we are. Just following what has been said before, the Welsh Assembly Government has obviously been wise to the concerns about Research Council funding, and it has produced a very positive report talking about measures to improve Wales' share of Research Council income. Notwithstanding what you said about the independence of those funding councils, would your Department be responding to that report from the Assembly Government?

Mr Lammy: In what sense? Bill Rammell said last time, and I have to repeat it, that that criteria is based on excellence not on regionality, so the issue is how one continues to support institutions to be better and better. Jane's document sets that vision out in relation to Wales, and that will be the litmus test for improvement in future research rounds, but it must be based on excellence.

Q179 Mark Williams: It is also about recognising the potential basis, and that is part of the debate we have had in the past.

Mr Lammy: I think that is a fair point, yes.

Q180 Mark Williams: That is the benchmark looking at this percentage of funding that is coming into Wales. We are looking to the future, and you have said that in your comments and I appreciate that, but that is what has to be reflected in those decisions of those independent funding councils?

Mr Lammy: Have you taken evidence from the Funding Councils? RCUK (Research Councils UK)?

Q181 Mark Williams: Not on this occasion, no. Could you say a few words on the national Science Technology Engineering and Mathematics programme? Should that provision be considered in a UK-wide framework in conjunction more with the devolved administrations?

Mr Lammy: Again, our decision to underpin Science Technology Engineering and Mathematics is based on historic underfunding in those areas under a previous administration and also on an assessment of the importance of those areas to our future economy, so we believe that it is important to emphasise that within the system, and that underpins the New Industry, New Jobs strategy in the parliamentary report by Peter Mandelson. In Jane Hutt's statement, however, it is clear that in relation to the digital economy, life sciences and other areas, science technology is hugely important for the future innovation of Wales, and Welsh

colleagues are choosing to make that an area of strategic priority over the next while. So there is mirror between us, I think.

Q182 Chairman: On that point, given your responsibilities in Wales with regard to research, science and technology, have you been invited to Wales at all to visit any of the universities?
Mr Lammy: Yes, I have been invited to Wales. I should have been in Wales last week and were it not for having two toddlers who get ill frequently and sometimes get their father ill I would have been there, but I am looking forward to going in January.

Q183 Chairman: I take it you would welcome more invitations?
Mr Lammy: I tend to be very keen to go to universities, yes.

Q184 Chairman: When Jane Hutt was before us we were commending to her the work in widening access to universities here in England, particularly London South Bank and Birkbeck, and the need to learn from one another, and I am sure you endorse that.
Mr Lammy: Yes, and one of the other things I would seek to do when I am at universities, if you like, that have traditionally been good at the partnerships, and I am talking about Bristol, Reading, Chester, is to look closer at the nature of the collaboration and how that can be built on.

Q185 Mr David Jones: Turning to further education, the Young People's Learning Agency is due to publish the consultation for the National Commissioning Framework. Is it anticipated that the Framework guidance will enable further education learners to cross the border, either if it is more convenient or if there is a specialist course they want to access?
Mr Landeryou: The current arrangements do enable that sort of traffic to occur. The last records we have indicate that there were around 10,500 learners with Welsh post codes who studied in English colleges, but that that was not restricted to 16–19. The intention that that freedom of movement for those types of courses should continue, and that the arrangements that are put in place should, as far as possible, replicate those that already exist. The detail of the Commissioning Framework I am not close to because that is now a matter for the Department for Children, Schools and Families because their responsibility covers the 16–19 age range. If you want specific information we would be happy to ask our colleagues there to provide a note, but the intention is as I have outlined.

Q186 Mr David Jones: Are you aware that there is difficulty sometimes for Welsh students to obtain support for maintenance and accommodation whilst attending courses in England?
Mr Landeryou: I am not aware of difficulties in regard to support because the Learning and Skills Council currently works closely with the Welsh Assembly Government to ensure that reciprocal levels of support are available. Accommodation I believe is a different issue and that is treated on a case-by-case basis.

Q187 Mr David Jones: I understand that the Learning and Skills Council would provide support for accommodation and maintenance to English students but that, of course, is not available to Welsh students. In fact, I had a constituent who had precisely that difficulty and was unable to follow a particular specialist course because of that. Were you aware of that?
Mr Landeryou: I was not aware of that individual case, no.

Q188 Alun Michael: When will the review of Sector Skills Councils capacity be completed?
Mr Landeryou: I believe in January. Four of the five tranches of relicensing are already complete, and I believe the fifth concludes in January. I am not sure where we are up to in terms of recommendations from the UKCES (UK Commission for Employment and Skills) to ministers because that is the final part of the relicensing process. You will also be aware that through the tranches different Sector Skills Councils have fared differently and in some cases have been asked to go back to review what they are doing and to resubmit, so there are varying stages in the journey. Some are through and are fine; others are yet to have this final verdict, so to speak, and a third are refining their plans in line with the Commission's recommendations.

Q189 Alun Michael: I believe in some cases there were issues of capacity. Is that process likely to lead to a rebalancing and, in some cases, an increase in resources?
Mr Landeryou: You will have seen that through the recent Skills White Paper that was published we have asked the UK Commission to consider the configuration of Sector Skills Councils for the future and whether the current 25 are fit for purpose. That thinking is driven, certainly in part, from the fact that some developing sectors of the economy that are important like low carbon do not naturally fit within a Sector Skills footprint, and we believe it is sensible now to review those boundaries so we have a coherent response. How that process pans out in terms of capacity that is available in separate Sector Skills Councils is very difficult to determine this time. It is also worth noting that individual Sector Skills Councils do not only derive their income from the UK Commission: they derive it sometimes from separate contracts with other UK governments and sometimes from their sectors themselves, so there is not a specific pattern that one can point to.

Q190 Alun Michael: Can you tell us, then, how the specific needs of sectors within Wales and their respective Sector Skills Councils would be taken into account when reviewing the issue of capacity at the end of this process?
Mr Landeryou: There is an SSC Reform and Relicensing Working Group which meets every fortnight and the Welsh Assembly Government are

members of that Working Group. Then, when it comes to the decision-making process, the Welsh Assembly Government Minister—and it has been Jane Hutt until now although I think it will be John Griffiths in the future—are asked to sign off the recommendations, and at that point, of course, they would be able to take account of the issues that emerge from their particular perspective in terms of capacity and if they are not content they will be able to signal that. Thus far they have approved all the Commission's recommendations.

Chairman: Minister, thank you and your colleagues very much for your evidence this morning. It has been a most productive session.

Tuesday 15 December 2009

Members present

Dr Hywel Francis, in the Chair

Nia Griffith	Albert Owen
Mr David Jones	Hywel Williams
Mr Martyn Jones	Mark Williams
Alun Michael	

Witnesses: **Mr Ieuan Wyn Jones AM**, Deputy First Minister and Minister for the Economy and Transport, **Mr James Price**, Director for Transport and Strategic Regeneration, **Mr Martin Stevenson**, Head of Transport Policy and Legislation Unit, **Mr Tim James**, Director for Integrated Transport, and **Ms Tracey Burke**, Director, Economic Renewal Programme, Welsh Assembly Government, gave evidence.

Q191 Chairman: Good morning. Welcome to the Welsh Affairs Committee and this inquiry into cross-border policy in relation to transport. Minister, could you introduce yourself and your colleagues, please?
Mr Jones: Good morning. I have with me today, on my immediate left, James Price, who is the Director for Transport and Regeneration, and on his left is Tim James, who is the Director for Integrated Transport, and on my far right is Martin Stevenson, who is the Head of Transport Policy, and on my immediate right is Tracey Burke, who is the Director of our Economic Renewal Programme.

Q192 Chairman: Thank you for that, Minister. Could I begin by asking a very straightforward question about relationships between yourselves in the Welsh Assembly Government and the Department for Transport. Have they improved over the last year and could you illustrate that, please?
Mr Jones: Yes, I think they have improved in the sense that at ministerial level we have had a number of meetings, particularly with Lord Adonis who, I think, at this time last year was a minister in the Department, now obviously the Secretary of State. I have had a number of telephone conversations with him. What I was pretty anxious to do was where there was clear commonality of interest, for example over the proposal on the electrification of the line, there should be better working relationships, not only at ministerial level but official level as well. I was very pleased that he agreed that there should be a team from the Welsh Assembly Government officials talking to his officials about the costings and the programme for electrification. That happened and we then had the announcement about the proposal to electrify to Swansea. That certainly has improved. There have also been regular discussions about the need to have infrastructure improvements on the railway, particularly around Cardiff and South Wales where the current programme is in place. I do know that where there are significant working groups set up within the Department for Transport there is much better consultation now than in the past. Where I think we would like to improve even further is we would like to be members of those working groups rather than sometimes simply being consulted, and we are working through those. There are obviously still issues we are discussing with them and one which Members of the Committee might wish to examine later on is the Traffic Commissioner for Wales. We are pressing for there to be a separate Traffic Commissioner in Wales and in the short-term we are looking for the current Commissioner who has responsibility for Wales to have an office here. There are things where we are still in difficulties, but by and large it is an improving situation.

Q193 Alun Michael: You have answered part of my question about the way that the proposal on electrification was developed. How satisfied are you that those processes of communication have now been embedded? It is very easy to have communication that is good, it depends on personalities like the two ministers communicating well, but are you satisfied that the capacity for communication is embedded for the long-term now in the relationship between the Assembly and the Department?
Mr Jones: The signs are good. One cannot give absolute guarantees. Perhaps the most recent example where there have been discussions is not just at an operational level but with the LCO which we are pursuing with the Department for Transport where there have been good discussions. We kicked that off with a discussion at ministerial level where we asked whether the Department was minded to grant those powers and then it went down to the official level. Provided there is a strong ministerial steer then those relationships will continue well.

Q194 Alun Michael: You feel that the Department "gets it" as far as devolution and joint working is concerned?
Mr Jones: There are still issues in certain areas around that but, by and large, it is an improving situation.

Q195 Albert Owen: Good morning, Minister. Still on electrification, does the Assembly Government have priorities other than working with the Department on the Swansea-London link cross-border, for example, to the north? Talking about working relationships, do you have a working relationship with the Commission in Europe to look at a trans-European network, for instance, linking Dublin with continental Europe?

Mr Jones: Talking about electrification, clearly we have got an announcement now in relation to Swansea, which is the first time there has been an acknowledgement by the Department for Transport that we need to electrify lines in Wales. It will be the first time that we will see electrification in Wales. That opens the door for us to be looking at future schemes. I do not think that should be the last scheme that we should be pursuing in terms of electrification. Clearly there is the North Wales Main Line but also some of the Valleys Lines which we think now should be looked at and, if I may say so, even those alternative routes to South Wales because if you have got an electrified line to Swansea then the Swindon-Kemble line, which is an alternative route, should also be electrified in our view so that it can make optimum use of the new rolling stock.

Q196 Albert Owen: Sticking with the North Wales Main Line, it has been on the agenda for an awful long time and my question is, is it a priority of the Welsh Assembly Government to work with Europe and the Department for Transport to get this on the agenda for sustainability reasons. We have high-speed diesel trains now and we know about fuel, electricity and energy issues in the future and, as you know, there is a plan to electrify from Crewe to Chester. Would it not be an ideal opportunity for the Assembly Government to prioritise this so that the North Wales Main Line could be completed?
Mr Jones: The reality, and we recognise it, is that the main driver has to be Network Rail because they are in charge of the majority of the funding here. Clearly it is an aspiration of ours to see that electrified, but we would need to work very closely with Network Rail to make sure they have a plan in place which is deliverable in terms of funding.

Q197 Albert Owen: And Europe
Mr Jones: Of course, the links with Europe. That is quite an important point to make because one of the things we have always recognised is sometimes you cannot make the case simply in terms of the geography of the line itself, you must look at the wider picture. As with the A55 improvements across the island of Anglesey, which Albert and I know very well, that was because it was a trans-European route that delivered the change. I think you are absolutely right.

Q198 Hywel Williams: In the Rail Electrification Strategy Network Rail agreed to electrify to Swansea on the basis of economic justification. Have you done any assessments separately of the economic justification of electrifying the North Wales Line other than whatever the recommendation might be from Network Rail?
Mr Jones: No, I do not think we have done any assessment. No, Tim is shaking his head as well so I am on safe ground in saying that. When there is a specific proposal to electrify a line clearly the lead has to be taken by Network Rail. Well, I suppose the lead is taken by the DfT in terms of overall policy and then Network Rail will try to deliver within that. What we tend to do when there is a proposal is when Network Rail do a feasibility study we are parties to the study, so when they do a feasibility study on a particular scheme the tendency is you have a partnership approach with Network Rail, ourselves and other parties funding the feasibility study. I am not aware of there being a feasibility study on the North Wales Line yet.

Q199 Alun Michael: You referred to the Swindon-Kemble line a few moments ago. Is the full funding now secured for the redoubling of that line? Are we clear on the timetable for that work to be undertaken? You also referred to the possible electrification of that line. Is that something that is still in the air and is it something you are pursuing?
Mr Jones: My understanding is that the money which had been allocated to the South West Regional Authority, which was originally designed for a road scheme, the DfT have now agreed can be crossed over to the Swindon-Kemble line. My understanding is that the full costings have not been determined, Network Rail are still looking at the costings, but that would be a very substantial proportion of those costings I would imagine.

Q200 Alun Michael: And the timescale?
Mr Jones: As I understand it, it is reaching GRIP 4 stage in the summer. No, that is done. Perhaps you would like to give us an indication of the timescale, Tim?
Mr James: I understand that GRIP 4, which is effectively how you deliver the final option selection, is due now or later this month which will then inform and drive the final costs of the scheme. Clearly we contributed part of the funding towards feasibility. It is important for us in Wales as a diversion route, but clearly any further funding is for the Department and Network Rail to invest in the line.
Mr Jones: I would not want to give the impression that the actual allocation currently exists for a proportion towards electrification, it probably does not. The money which has been allocated by the South West is for the delivery of the infrastructure and I do not think that would cover electrification costs.

Q201 Alun Michael: That is something you would pursue?
Mr Jones: Absolutely, yes.

Q202 Alun Michael: On your experience of working with Regional Ministers, obviously that development is an important one in terms of improving cross-border links. What is your experience so far of working with and communicating with Regional Ministers?
Mr Jones: I do not think there has been enough done in my view because the current relationships, which we are developing, are broadly government-to-government between ourselves and DfT. I am pretty sure that there will be a range of areas where we have failed to make progress on cross-border issues,

particularly on roads, and we will need to improve our links with Regional Ministers as distinct from DfT ministers.

Q203 Alun Michael: That is for the future rather something you can point to experience of so far?
Mr Jones: Yes, it is.

Q204 Mr Martyn Jones: Is there a possibility that we could have a regional solution to the electrification of the Wrexham-Bidston line?
Mr Jones: Again, this depends on who pays for the scheme. My understanding is that this was a Merseyrail and TAITH proposal and there was a feasibility study, which I think we partly paid for, which showed that the cost of the electrification was around £100 million-plus, which was not affordable in relation to what people could make a contribution to. My current understanding is that both Merseyrail and TAITH are looking at other proposals now short of electrification which will improve the track in terms of reliability and frequency of services rather than electrification. I think that Network Rail have been asked to look again at the costings to see whether they can reduce them and perhaps have a scheme which is affordable and then we can come back and have a look at it.

Q205 Mr Martyn Jones: It would be very useful for people in my area.
Mr Jones: The problem with not electrifying is that people would still have to change at Bidston to get to Liverpool and we want to try to avoid that if possible.

Q206 Mark Williams: Good morning. Turning to future growth in use of rail, what are your views on Network Rail's current forecasts for future growth as a guide for future investment? We have had a very impressive figure from Network Rail suggesting a 41% increase over ten years' usage on the Great Western Main Line. To your Government's credit there is progress on the Aberystwyth-Shrewsbury line, investment going there, but more generally that balance between planned infrastructure and planned investment.
Mr Jones: I am going to ask Tim to explain the forecasting criteria that are used because they are quite complex and I would like him to explain the detail. The reality is that we have all underestimated the increase in traffic in terms of rail and when the Arriva Trains Wales franchise was agreed in 2003 it was basically modelled on a no-growth basis more or less. We have seen a substantial increase in passenger growth. It has been quite difficult for us as a Government because once the franchise was agreed on a specific sum of money and based on a specific number of passengers, any growth has to be funded by us in agreement with Arriva Trains. It has been quite difficult. I will ask Tim to give his comments on the methodology which is used, but it is not a perfect science.
Mr James: We try to model future demand and our first starting point was in 2007 when we worked with the Department on what was called the Wales Rail Planning Assessment which looked at a 20-year horizon. At that point fuel prices were very high, it was when they peaked, so clearly indicators were very strong for future growth. Since then prices have settled down and we have worked with Network Rail on a revised forecast, which we have agreed with Network Rail, and it appears in the November 2008 Route Utilisation Strategy for Wales. The figures that we are working towards are by 2026 growth of 55% in the Valleys and 42% elsewhere, including cross-border services. That very much aligns with what we are seeing now.

Q207 Mark Williams: As an ongoing process, how are you monitoring that? In an ideal world we could still exceed even those encouraging targets. How closely is monitoring being undertaken?
Mr James: We monitor passenger numbers virtually every week on the network. There are physical counts of passengers twice a year and effectively we strengthen trains where there is some evidence of growing demand. A good example of that is where we are currently working with the Department on strengthening plans for Shrewsbury-Birmingham International. We monitor on a regular basis.
Mr Jones: Can I just say how difficult it is to forecast. As an example, at the time we were celebrating the millionth passenger on the Ebbw Vale-Cardiff line, that was the time when we thought we would have reached 400,000. Forecasting is quite difficult.

Q208 Alun Michael: You have done some work on freight with the Freight Advisory Group which has looked in detail at the issues across Wales and, of course, we recently published a report on the ports of Wales in which we commented on the importance of the infrastructure from the ports both within Wales and to customers in the Midlands, and so on. What are your views about forecasting growth in freight usage? In planning for the future have you taken account of possible changes, for instance if a Severn barrage was built on the preferred line that might lead to a big increase in usage of Port Talbot in order to be outside the barrage line? Are things like that being planned for adequately as you look at the future of freight?
Mr Jones: Freight traffic is, again, quite difficult to predict in terms of its growth because the recession has clearly had an impact on freight traffic.

Q209 Alun Michael: In the short-term, but if we want more off the roads and on rail then there has to be a plan for capacity, does there not?
Mr Jones: I understand that. What I am saying is historical forecasts will not have been borne out by events because the recession has had quite a severe impact on freight movement.

Q210 Alun Michael: For the short-term.
Mr Jones: It is quite significant actually and some people believe it will take them a long time to recover as well because the concessionaire for the Severn Crossings was telling us that freight traffic is down around 18–20%, which is very significant. As people look for alternative modes it is going to be difficult to see how that comes back. Nevertheless, you are right that you have got to plan for future growth. Ports is not a devolved issue for us and our view is that we should be making better use of our ports both in terms of commercial freight and short-sea crossings to improve our carbon footprint. The problem we have is because ports is not a devolved issue it is difficult for us to have a fully integrated package. I would very much like to see working with our ports in Wales, investing in those to improve access to those ports and to be more aggressive in terms of capturing markets. We do work with operators who want to improve services in Wales and there has been quite a lot of discussion recently with people who want to take on the new Swansea-Cork service, for example. Certainly I think there is under-utilisation of ports, particularly in South Wales, and I would like to see a much more aggressive attitude being taken to do that.

Q211 Alun Michael: And the associated rail infrastructure?
Mr Jones: And the associated rail infrastructure as well, yes.

Q212 Albert Owen: I welcome the forecast increase that we have seen, and some of us were predicting it, although there was under-investment decades ago that limited that growth over that period. I think the Departments are far too conservative in Cardiff and, indeed, in London when they talk about growth. We get those expectations and then we are shocked by them. The point I want to make is on infrastructure improvements. For instance, as you know, we have got improved services from London-Holyhead but we have not got the facilities for maintenance and it is part of the Welsh Assembly Government's transport and environmental package that that happens in Anglesey. Can you tell the Committee that that still is a priority for the Government and could be brought forward, which would maximise the potential for future growth as well?
Mr Jones: The specific example you have in mind is the relocation of facilities which Network Rail have. Yes, there have been considerable discussions with Network Rail to try to reach an understanding with them on a realistic costing for the proposal because that would release the potential for improving road access to the ports as well. I can tell you that those discussions are ongoing and I have held a number of meetings with Network Rail on a range of issues, of which that is one.

Q213 Albert Owen: I understand the Network Rail part of it, but is there a commitment from the Welsh Assembly Government that the money is there for that to go ahead? It is difficult to go to potential customers and say, "Do you want to use this facility?" if there is still just talk about it happening. It is difficult talking to Network Rail about anything, I understand that, but is it still a priority for the Welsh Assembly Government?
Mr Jones: It is a priority for us but we need realistic costings.

Q214 Mr David Jones: Good morning. Could we turn now to roads, please, and specifically cross-border routes, and even more specifically the A483 which has been a fraught issue over the years. Has a more strategic approach been pursued now towards the funding of cross-border schemes? To what extent are you working closely with the Department for Transport in connection with those?
Mr Jones: On the A483 section, we regard it as a strategically important north-south route and, therefore, for us it would be a priority. We have said that in our Trunk Road Forward Programme and it is even in the National Transport Plan. The problem is that part of the road, as you know, is in England and that is funded not by the Department for Transport but by the Regional Authority. Your report makes it clear that you would like to see better understanding between us and the Regional Authority to deliver that. Until that Regional Authority is prepared to prioritise that road and work with us on a joint funding scheme then I am afraid we are in difficulty.

Q215 Mr David Jones: That is worrying. To what extent is the Department for Transport engaged in this problem? It seems to me that they have got a key role.
Mr Jones: They have made it clear in their response to your report that because they have devolved funding to the Regional Authority they are not prepared to intervene.

Q216 Mr David Jones: So effectively washing their hands of the problem.
Mr Jones: As things currently stand, yes.

Q217 Mr David Jones: Which must be a concern to you, I imagine.
Mr Jones: It is a concern to us because obviously it is not just that scheme, there is also the scheme between Welshpool and Shrewsbury which we would like to see developed. I have seen the full costing of that and we are prepared to fund that section which is in Wales, but we cannot get a reciprocal agreement from the Regional Authority on the other side. It is difficult. I have noted the response that you as a Committee made to that and, following on from the answer I gave to Alun Michael earlier on, the discussions now probably need to be with Regional Ministers responsible for the area to see if we can get some movement.

Q218 Nia Griffith: Haulage companies, like Owens of Dafen in my constituency, often feel disadvantaged as compared to firms based in

England because of the Severn Bridge and the tolls that they are forced to pay. I wondered if you had made any approaches and had any talks with the Department for Transport about any freeze or reduction that could have helped them in this very difficult recessionary period that we have been through.

Mr Jones: I recognise the issue but getting an answer to it is not quite as easy, as I have discovered. The problem you have is the actual tolls and the increase in tolls are fixed by legislation, so what tends to happen is the tolls are set and the increases are then determined by formula fixed by that legislation. I will ask Martin to explain that. My understanding is that if we were to push for a freeze or a reduction temporarily, what that would do is simply add on the years by which the repayment would need to happen.

Q219 Nia Griffith: We understand from the FTA (Freight Transport Association) that because there has been an increase in traffic we are well on schedule to make the repayments and, therefore, there would possibly be slack to allow some sort of freeze.

Mr Jones: Perhaps, Martin, you would like to pick that up. Is there an opportunity perhaps to ask for a temporary freeze which would not affect the overall repayment?

Mr Stevenson: I am sure there is an opportunity to ask. As I understand it, the actual increase is determined by formula based on the retail price index which is written into the primary legislation, the Severn Bridges Act 1992. If that did happen then the impact would be to push out the length that the concession ran for, so it would have to extend further than it does at the moment. Going back to what the Minister said earlier, traffic volumes are down significantly on the bridges at the moment. I guess that must be having an impact too on the length of the concession. Fundamentally, the increases are determined by the formula that is written into the primary legislation.

Q220 Nia Griffith: Has it actually been raised as an issue? Has it been explored?

Mr Jones: No, it has not by us. If people do feel that it would be an important help to hauliers that we look at that then we would be prepared to do it.

Q221 Hywel Williams: You referred earlier on to the question of the Traffic Commissioner for Wales and we expressed our very strong opinion about this matter when the change was made. What progress has been made given that the eight Commissioners are now generic and that goes against our wish, and your wish as well, I am sure, to have a specific Commissioner for Wales?

Mr Jones: We did explore this in my last evidence session before your Committee and I explained the reasons why we found ourselves where we were at that time. What we have been doing in the short-term is trying to arrange for the Traffic Commissioner with responsibility for Wales to have an office in Wales. That is being pursued. Obviously the legislation is currently in place. I wrote a letter to Lord Adonis suggesting that we should revisit the decision that there should be a dedicated Commissioner for Wales. As things stand he is not persuaded by that very strong case, I think, but I can assure the Committee we are pursuing that.

Q222 Hywel Williams: Just before a decision such as having the eight Commissioners being generic would Lord Adonis have devolution-proofed that decision to consider your views beforehand?

Mr Jones: I think they had devolution-proofed it because they agreed that in Scotland there should be a dedicated Commissioner. The reason they gave for that was because of the circumstances under devolution, but they were not persuaded at that stage by a similar argument for Wales. In fairness, it was not a decision that Lord Adonis took, it was a decision by a previous secretary of state. He has continued with the decision but I can assure the Committee that we are pursuing this.

Q223 Chairman: Have you thought about using the Secretary of State for Wales in that argument?

Mr Jones: Yes, we will certainly want to do that as well, no doubt.

Q224 Albert Owen: If I could move on to cross-border links with airports. There is an excellent service by rail between particularly North Wales, Manchester and Liverpool airports, but the bus service is rather under-developed. Does the Welsh Assembly intend to provide funding for bus links to Manchester and Liverpool?

Mr Jones: I will be totally clear about this: we have wanted to improve rail links there. My understanding, which is a bit hot off the press I understand, is that extensions of services to Manchester Airport following a submission by Arriva Trains Wales to the regulator have now been improved. I think there was discussion amongst other franchisees who were concerned about the service but that has now been approved, so that is good. In order to do the rail link to Liverpool there has to be some infrastructure work to reinstate the curve at Halton which I would like to see improved. I agree with the thrust of your question, which is we should make it as integrated as possible and give people those options to travel by train or bus. We have not actually looked at funding bus services to those airports ourselves, but I am very anxious to make it as easy as possible for people to leave their cars at home and do it. I am sure that is something you would want to discuss with officials from the Department.

Q225 Albert Owen: Is there a possibility that Arriva Trains might look at the bus models as well? What worries me is that when the trains are not running there are no connections at all. I very much welcome

that news, it is something that the Committee has been pushing for, that we get integration of rail. In the future perhaps Arriva could look at the buses.
Mr Jones: Obviously Arriva have a bus company and a train company but they are run as totally separate entities. I would like to see greater integration, not just between Arriva Buses and Arriva Trains but between all bus operators and all rail operators. The ideal position is that we have a fully integrated system with joint ticketing which makes it easier for people to move from one mode to the other.

Q226 Nia Griffith: Perhaps we could turn to trying to promote Wales by the airports that are near the border: Manchester, Liverpool, Birmingham and Bristol. I would just like to know what the Welsh Assembly Government is doing to ensure that Visit Wales takes advantage of the opportunities there would be for incoming travellers to come over the border and visit Wales.
Mr Jones: Obviously the big thing on the horizon, to be honest, is the Ryder Cup in 2010 and I know that Visit Wales are discussing with Cardiff Airport, and I am sure they will be discussing with other airports, how they capture passengers travelling to the Ryder Cup and making clear that Wales is a destination for them. I also understand that Visit Wales do have promotional material which relates to Liverpool and Manchester as gateways to North Wales, Birmingham for Mid-Wales, and Bristol and Heathrow for South Wales. They have done quite a bit of work to promote Wales as a destination. Of course, the entry point at airports is quite crucial because when people actually land for the first time, if the first thing they see is an advert about Wales then it is great for us. Visit Wales are looking at that. I think the Ryder Cup will be a wonderful opportunity for us to showcase some of the things that we have.

Q227 Nia Griffith: How much guidance are you giving Visit Wales? Is there a particular line or policy you are taking?
Mr Jones: Visit Wales is not in my Department, it is the Heritage Minister, but I am aware of the economic impact which promotional material in relation to Wales has and in that sense I do discuss them with the Minister for Heritage.

Q228 Albert Owen: Just to push it a little further, you are aware of the important economic impact tourism has on North Wales. When you visit Manchester Airport, and I am sure you have seen this, there is Cumbria and the Peak District but very little about Wales. When we have raised it with Visit Wales they have said basically that people have made their minds up by the time they enter the United Kingdom what they are likely to do and are rushing through airports, but obviously the Peak District and Cumbria does not believe that. I think it is an opportunity that Visit Wales should really look at because this summer, for instance, there has been increased trade to the north-west and visitors to the north-west could have been encouraged more so to come to Wales.
Mr Jones: I will certainly take that back to my colleagues.

Q229 Albert Owen: Integration in the Welsh Assembly Government is perhaps needed.
Mr Jones: There is quite a lot of integration.

Q230 Mr David Jones: How is your office working with the Department for Business in promoting UK-wide schemes in the Welsh context for addressing the problems caused by the recession?
Mr Jones: Quite a lot actually. The main point of contact that we have with BIS is not directly through one of their ministers but through the Secretary of State for Wales who actually sits on the National Economic Council. Both Peter Hain and Paul Murphy have been regular attenders at our economic summits. What we then do is sit down and see what are the schemes that they promote within BIS which have a take-up in Wales, and the Finance Enterprise Guarantee Scheme is but one of them where Welsh firms are now benefiting to the tune of about £29 million. That is the regular contact that we have. There has also been a representative from BIS at some of our economic summits at which we discuss joint schemes with them. It is important for us to remember that it is not just the relationship with BIS, there is also a very strong relationship with the Department for Work and Pensions because a lot of the schemes that are delivered in Wales are delivered jointly between us and them.

Q231 Mr David Jones: Wales entered recession before England. Do you anticipate that it will come out of recession before England?
Mr Jones: I am not in a position to give that kind of assurance, I am afraid. We do not know is the truth. The pattern of labour market statistics in Wales has been quite interesting in the sense that there were many more job losses in Wales in the early days, then it seemed to have flattened out and there were periods during which the level of unemployment in Wales actually dipped below the UK level, but in the last two months it has gone back up again. It is quite a difficult predictor.

Q232 Mr David Jones: The statistics do not look very good from a Welsh context. You will be aware of the ONS regional figures last week which showed that Wales is the poorest region in the United Kingdom in terms of GVA per head of population. It also showed that three Welsh local authorities are among the five poorest in the UK: Conwy and Denbighshire, the South Wales Valleys and Isle of Anglesey. How does that make you feel as Minister for the Welsh Economy and constituency representative for the Isle of Anglesey?
Mr Jones: I am here today as a Government Minister. We have recognised that we need to look at some of the policy levers that we are using. Let us be honest about this, we do not have the major macro-economic levers within the Welsh Assembly Government. What we have to do is to use the resources that we have very creatively indeed. What we have done is we have

launched the Economic Renewal Programme which is looking at all the policy levers that we have with the aim of moving up the supply chain so that when we come out of recession we are better positioned to capture the investment as it goes forward. I think the Economic Renewal Programme will be addressing many of the issues that you have raised.

Q233 Mr David Jones: Is it fair to say that Objective 1 has been a missed opportunity in Wales?
Mr Jones: I am not in a position to respond to what previous ministers did. All I can say is that the Convergence programme which currently is being run by WEFO (Welsh European Funding Office) understood the need to have much more strategic projects to go forward. For example, I think we are now around 40 or 50 projects which have delivered a billion pounds of funding, whereas under the previous scheme we were probably talking about a few thousand. It is a big change. Convergence is much more strategic in its approach.

Q234 Albert Owen: I understand you are not here to answer for individual areas, and particularly Anglesey, but do you not agree that the ONS statistics do not take into account the recent Government intervention, both at Welsh Assembly Government level and at a UK level, and indeed the relatively low GVA in Anglesey and North West Wales is historic because of the depopulation in the 1980s and 1990s?
Mr Jones: I do not want to get into that sort of discussion. Looking at it from a completely Welsh perspective there are challenges here, which I think we all accept. Those ONS figures are lagging figures in some senses because they do not show the today figure, as it were. The Economic Renewal Programme which we have initiated does indicate that we are prepared to look quite radically at the policy levers that we want to use going forward because we all accept that following the end of the coal and steel industries as we then knew them and the investments from other countries in the world, particularly Japan, in the 1970s, 1980s and 1990s, that era is probably over and we need to look to the future in a different way.
Chairman: Minister, thank you very much for your attendance today and for the efficient way in which you have answered your questions. You will be aware that we have five ministers before us today and we are particularly delighted that we have three from the Welsh Assembly Government and are looking forward to their evidence later on. Could I wish you all season's greetings. Thank you.

Witnesses: **Chris Mole MP**, Parliamentary Under-Secretary of State for Transport, and **Mr Stephen Wolstenholme**, Acting Divisional Manager, Rail Support & Communication, Department for Transport; and **Rt Hon Jim Knight MP**, Minister for the South West, gave evidence.

Q235 Chairman: I understand that the Minister is on his way but, because time is tight, Minister, would you introduce yourself for the record, please?
Jim Knight: Jim Knight, as accurately portrayed Minister for the South West. I am delighted to appear before you renewing the double act that Chris and I performed in front of the South West Select Committee last week, and I am sure it is a double act that will deliver in time.
Mr Wolstenholme: I am Stephen Wolstenholme. I am Head of the Rail Support & Communications Division at Department for Transport and my responsibilities include embedding devolution in rail matters and promoting relationships with the Wales Office and the Welsh Assembly Government.

Q236 Chairman: Thank you very much for that. Could I begin, Minister, by thanking you for those introductions and ask you a very simple, straightforward question. How often do Regional Ministers meet with Welsh Assembly Government Ministers and what are the issues that they discuss?
Jim Knight: Partly because of the Severn tidal project I meet on a regular basis with Welsh Assembly Government Ministers. I will be having such a meeting in Weston-super-Mare on Thursday. The one prior to that would have been late October, early November sort of time. It is of that sort of frequency. Then we have other discussions around the margins of that. With my other ministerial responsibilities in the Department for Work and Pensions I also have regular meetings with ministers and then occasionally I swap hats and raise something relating to the South West specifically if that is appropriate in those meetings.

Q237 Alun Michael: You referred to the Severn Estuary proposals. There were meetings not only with Welsh Assembly Ministers but also Members of Parliament in constituencies around the Severn Estuary and that has not happened for a year or more. Is it your plan to reinstitute what were very useful meetings?
Jim Knight: I am sure if the constituency Members concerned thought them useful then that is something I can pursue both with the minister in DECC and my colleague in the Welsh Assembly Government. Obviously getting the three of us in one place at the same time can occasionally be a logistical challenge, let alone marrying that with the diaries of Members of Parliament, but if we can cover it off between us, yes.

Q238 Alun Michael: It was a ministerial initiative by Malcolm Wicks originally and it was very useful because, of course, it cut across the different interests of quite a diverse group.
Jim Knight: I will certainly raise that on Thursday with the other ministers and see if we can get agreement to do that.

Q239 Mr Martyn Jones: What was your role in securing the funding for the Swindon-Kemble line and has full funding been achieved now?
Jim Knight: This has been probably the best example in the five or six months that I have been Regional Minister of us effectively working together and using the Regional Minister role to secure funding for a project that clearly is of importance beyond the region, in particular to Wales. This was something that was raised very strongly with me both by the Member for Stroud, by Members from my region in the Grand Committee that we held in Exeter in late August, but also I was strongly aware of the interests of Welsh colleagues because of the importance of the route when the Severn Tunnel is closed. I picked up on some enthusiasm that the noble Lord Adonis had for being able to do something about this and worked both with him but then with the Strategic Leaders Board for the South West and the Regional Development Agency for the South West, wrote to the Chairs of both of those bodies to encourage them to reallocate the money that was lost to the Westbury bypass scheme, which is on the A350, because that failed to get planning consent, and I am pleased to say that the RDA and Strategic Leaders Board agreed that the regional funding allocation should then go to the Swindon-Kemble line and we therefore secured around £45 million worth of funding for the redoubling so that piece of work can be part of the package of the electrification of the line from London-Swansea. We are now awaiting the outcome of the work that Network Rail are doing into the necessary work and am hopeful that will be within the funding envelope that we have.
Mr Martyn Jones: That is very good news for us in Wales. Thank you, Minister.

Q240 Alun Michael: Could I just make sure that I have understood that last answer. So not only the funding and the development of the Swindon-Kemble line but also its inclusion in electrification is now part of what is being planned.
Mr Wolstenholme: Chairman, could I just clarify on that point, the links between electrification are as a diversionary route and increased use of that diversionary route during the electrification process. As we have heard in earlier evidence from the Welsh Assembly Government, the proposal is not to electrify the diversionary route and, as we have just heard, it is very important that the price of this project comes in at a level which reflects affordability and the funds available. It is important not to tip that careful balance by expanding the project and making it unaffordable.

Q241 Alun Michael: That is understood. As I understand it we will have the redoubling of the Swindon-Kemble route which will give the capacity which currently is limited, which is a particular problem when there is repair work or whatever going on on the main line. Accepting that this is looking further into the future, if there is electrification the use of that diversion would be difficult post-electrification, would it not, unless that is electrified too?
Mr Wolstenholme: The proposals for the new rolling stock to serve the South Wales Main Line would be what we call bi-mode, so they would have principally electric traction but the ability to run in diesel mode. That is important for a number of reasons, not only for use on diversionary routes but for services beyond Swansea westwards which are equally important.

Q242 Alun Michael: So there would not be a problem with making sure there was full use?
Mr Wolstenholme: I can confirm that the services from the South Wales Main Line would be able to use the diversionary route after it is electrified.
Jim Knight: As South West Regional Minister I am keen that we have that hybrid rolling stock, if you like, so instead of continuing on the excellent journey into Wales that goes on down into the South West, they can use the electrification up until Bristol and then go down under diesel power.

Q243 Alun Michael: You underline our complementary interests very well. On the situation with the electrification, what stage have we reached? Have contracts been signed and, if not, what is the timetable for that to take place now that we have had the firm announcement? Do we know a date of completion for the line west of the Severn Tunnel? Is the technology okay for electrifying the tunnel? Finally, are there any other electrification schemes being considered in and out of Wales at the present time?
Mr Wolstenholme: Chairman, I can confirm that following the announcement by the Prime Minister in July about electrification, the Government has been working closely with Network Rail since to develop the detailed specifications for this work. The electrification needs to be planned carefully so that it can be delivered in the most efficient way to keep costs down and, very importantly, to minimise the disruption to passengers. We have shared with Welsh Assembly Government rail officials the draft specification for the works and invited their comments on them. To give you a little bit of the flavour of this, this concerns how much of the route would be electrified in terms of extra sidings, links to freight depots, the sort of detailed working that has to be done to translate the broad approval into a practical scheme. I also confirm that the electrification would be done in a single process from London-Swansea, it would not be staged as perhaps there were some rumours earlier that work would go to Bristol and then move elsewhere and come back, it would be done as a rolling programme along the Great Western Main Line.

Q244 Alun Michael: The timescale?
Mr Wolstenholme: Could I come back to remind myself on the completion date.

Q245 Alun Michael: It is the timescale and when contracts will be finalised.
Mr Wolstenholme: The timescale will be as announced by ministers when they announced the journey time improvements of about 19 minutes on the London-Swansea service.

Q246 Nia Griffith: Can I ask for some clarification on that. When you say it is going to be done as a piece, as it were, does that mean there would be simultaneous works in the different parts? Can you explain how that fits in with what Lord Adonis has previously said about the hybrid creature which will mean you will not have to change, jump out at Bristol and get on to another train when this process is partly complete?

Mr Wolstenholme: The detailed planning and delivery of this scheme is the responsibility of Network Rail and not the Department. Given the announcement was only made in July, I am not in a position to describe the detailed execution of the work. I can confirm that it will be done as a single rolling programme. In answer to the question about rolling stock, as I said earlier, the stock will be dual mode and passengers will have a seamless through journey. The trains will convert to diesel mode for travelling west of Swansea and I suspect most passengers will not notice the difference or have a clue as to whether they are being pulled by electric or diesel traction; I certainly do not when I travel by train.

Jim Knight: As Regional Minister, part of my role is advocacy as well as representation, so I advocate to the Government as well as representing the Government. More with the advocacy side, what I would be keen to see is the project is planned in such a way in sequence so that Swindon-Kemble work can be done prior to the need for the electrification in the Severn Tunnel because that would smooth things considerably for passengers wanting to get to and from Wales.

Q247 Chairman: Mr Mole, welcome, belatedly. Could you introduce yourself for the record, please?

Chris Mole: Chris Mole, Parliamentary Under-Secretary at the Department for Transport.

Q248 Hywel Williams: Can I ask you about the possibilities of a second rail or transport crossing using the possibility of the Severn Barrage. I understand that this is not being considered at present, although this Committee is very keen to see it considered. Could you tell us why you are not considering it?

Jim Knight: I do understand the Committee's enthusiasm. This is a multi-layered response. First of all, in respect of the Severn tidal project it is very exciting but, as the Committee will be aware, it is not without its complications. In particular, we are agnostic at this moment about whether or not we will go with a barrage solution or lagoon type solution. We have to weigh up within that the extraordinary potential for power generation, the scale of the civil engineering projects. If it were the barrage solution then that would be the largest civil engineering project in this country. Alongside the interests of others, such as Bristol Port, for example, which I will also be visiting on Thursday, they may be less enthusiastic, and I think it is fair to say they are less enthusiastic, about a barrage solution and having to go through locks. There are a lot of issues that have to be discussed and overcome in that context before you would then decide whether to go with a barrage. Then you have to look at whether or not there is an assessment of need for an additional transport route using that barrage and whether that still fits in with the other requirements of vessels passing through the barrage. The current assessment is that there is not the need, and that is probably assisted by the Swindon-Kemble redoubling somewhat, but my understanding is that should that need be demonstrated subsequently and the decision made to use the barrage solution for the tidal project, there would be nothing to stop something being developed along the barrage if that was felt desirable at the time.

Q249 Hywel Williams: Can you tell the Committee whether you are absolutely confident about your projection of need? We did hear in earlier evidence, for example on the new Ebbw Vale line, that at the point where it was expected that 400,000 passengers would have used that line, in fact one million had. That was in a fairly short timescale and here we are looking in terms of decades. Are you confident that you can make these decisions based on the supposed economic circumstances decades ahead? I realise this is a difficult question.

Jim Knight: You will appreciate that I am extremely enthusiastic about the movement between Wales and the South West of England. It is economically good for the two economies to be working together, but studies have been done by Network Rail and the Highways Agency that have been published and I am advised by those studies. I am not an economist and certainly not a transport modeller.

Q250 Hywel Williams: Neither am I.

Jim Knight: They have shown that the existing links have the capacity to meet the forecast increase in demand over the next two decades. For us then to start to try and plan and project in terms of what the economy needs and socially we need in transport beyond the next two decades starts to get quite brave. The important thing for people is if a barrage—and it is a large if—is built it would probably be in place for hundreds of years and if new transport links were needed beyond 2025–30 then you could look at the barrage and look at what would be possible using it.

Q251 Chairman: Could I come to you now, Mr Mole, and ask you the straightforward question, what is the relationship between the Welsh Assembly Government and the Department for Transport? Has it improved over the last year? I know that you have not been in post for a full year, but in your period could you describe the relationship and give an assessment of whether or not it has improved.

Chris Mole: My understanding is we have very good working relationships with the Welsh Assembly Government and the benefits of this joint approach have been experienced by rail users across the country.

Q252 Mr Martyn Jones: Could a regional solution be found to fund the electrification of the Wrexham-Bidston line in North East Wales?
Chris Mole: Sorry, could you repeat that question?

Q253 Mr Martyn Jones: We have a line which crosses the border which is very useful to people in my area.
Chris Mole: Wrexham-Bidston?

Q254 Mr Martyn Jones: Yes. Have you any idea of the regional solution that could be found? We have had some information from the Minister for the Assembly that there have been discussions with TAITH and the Assembly Government and Network Rail seems to be dragging their feet on this. I wondered if you were aware of the negotiations and how you think they have been going.
Chris Mole: The Department's perspective is that for schemes which are essentially of local or regional priority, we expect the regions to bring forward schemes in order to demonstrate that they have demand sufficient to support them for a number of years before we will look at including them in the franchising process, and so the priority, as we see it, is to demonstrate the additional flows of passengers that would benefit from further works on the line. The starting place for that is with the Welsh Assembly Government, who specified the franchise for Arriva Trains Wales, and they would really be the people to be doing that because most of the infrastructure is actually in the North West England region. We anticipate that it would have to be them that brought forward proposals through their regional funding allocations in order to make changes to the infrastructure on that line.
Mr Wolstenholme: Chairman, can I just add that we do work very closely with all the related interests here. That includes Mersey Travel and the regional consortia of local authorities in North Wales and the Welsh Assembly Government. We have kept very closely in touch with the progress of the various feasibility studies that have taken place. Electrification is really a means to an end, not an end in itself, and it tends to be particularly good for busy main lines and for intensive urban networks. At the moment this service has one train an hour and I think it is a two-coach train. I think the best prospects are very much looking at it as an incremental case, and the responsibility for specifying the frequency of services rests with the Welsh Assembly Government. There are options in the first instance to increase that frequency and look at the way that demand builds up and looking in the longer term to more affordable solutions, perhaps to the issue of through services to central Liverpool of which we recognise the importance.

Q255 Albert Owen: Network Rail talk about 3.3% annual growth forecasted for the future. This compares less with the franchise in Wales when they entered into the franchise with Arriva Wales. What are your views on Network Rail's forecasts for funding for the future? Is there going to be the infrastructure in place, is all that joined up, or are we just going to have gaps and too much demand?
Chris Mole: We are working our way through the first what is called High Level Output Specification across the country for recognising the increased capacity that we need on the rail network. The railways is the sort of service that is faced with the problems we like, ie too much demand. It is much better to be in the situation where we have got more passengers rather than a declining number of people using the railways. The 2007 White Paper put the High Level Output Specification process in place, which we then fund through the railway franchisees and through Network Rail to provide both the capacity in terms of rolling stock on the infrastructure and, necessarily, to provide the flows of rail vehicles around the network. As I say, we are in the first stage of that now. It has just started with Network Rail's Fourth Control Period, and that is delivering additional capacity across the country, as I say. There will then be a second round of that HLOS2 which will hopefully extend in the same sort of way as additional demand is identified. Mr Wolstenholme would like to add something to that.
Mr Wolstenholme: I can confirm as well that subject to the current forecasts we expect the capacity improvements in the Cardiff area to be delivered well on time and before infrastructure constraints in Cardiff take effect. The Cardiff experience really demonstrates how we have been able to work with Network Rail and the Welsh Assembly Government to get £20 million-worth of investment in increased capacity at the same time as the resignalling work has been done, and that means the intervention in the Cardiff area has taken place earlier than it would necessarily have done, so the key thing is that the infrastructure will be in place.

Q256 Albert Owen: You have touched briefly on it and we all welcome the increase in passenger numbers, rolling stock and infrastructure. The one gap that I see is maintenance and wonder if your Department could answer this or certainly look into it. In my area where we have improved the frequencies of trains with Virgin from London to Chester and North Wales, there does not appear to be the maintenance to go with that. We have just had an announcement from the Welsh Assembly Government that Network Rail are dragging their feet with cost. It is essential that we get good maintenance to get keep the fleet going.
Chris Mole: Are you talking about—?

Q257 Albert Owen: A rail depot in North Wales which has been a Welsh Assembly aspiration for some time and the customer needs it and wants it, but it appears that Network Rail is dragging its legs over cost.
Mr Wolstenholme: As regards the question of maintenance facilities at Holyhead, the maintenance strategy for the Virgin train service in North Wales is obviously a matter for Virgin. They carried out a

review of their maintenance operations in advance of the revised timetable for the West Coast Main Line, so it would be a matter for Virgin to determine the most efficient way of maintaining their stock.

Q258 Nia Griffith: When we were talking about electrification, obviously we had the opportunity to speak to officials but I really would like to pose this question to the Minister if I may. There seems to be an artificial divide in cutting off at Swansea when we have a route through to Ireland. What consideration was given to electrifying the whole line rather than just half of it, and do you see any future prospect for doing so?
Chris Mole: In terms of electrification what we do is we look at where the passenger flows are highest where the inter-city services can meet that demand. I think it was very welcome, to be honest, that the electrification ran through from Bristol to Swansea. I think there might have been an argument from some to have stopped that somewhat shorter, and then we would have been having to look at whether we ran bi-mode trains through to other parts of the network. I think in reality that is what we will probably be looking to do in order to meet the needs of places beyond Swansea, to ensure that the inter-city express programme trains that we are intending to procure to run on these lines in the future will have that bi-mode capability. In other words, they can run electric under the electric wires and then they can run diesel beyond that, to ensure we pick up the other communities that would benefit from such services.

Q259 Mr David Jones: Could we turn to roads now please. The previous witness, Mr Wyn Jones, the Welsh Transport Minister, expressed some frustration that decisions about routes of importance to Wales were being made at English regional level, the prime example being the A483 border route. Is it really appropriate that decisions such as this should be made at English regional level? What role does your Department have in exercising an overarching influence?
Chris Mole: Ever since we established the regional funding allocation process it has been our view that we should devolve those decisions to the regions in order to take their advice on what the priorities within their regions are. We would hope and expect them to have a dialogue with neighbouring regions and nations such as would be the case between South West region and Wales, for example, or the West Midlands and Wales. However, really at the end of the day it is better that we devolve a resource for the regions to prioritise than it is to try and have everything in the national pot competing with the big major strategic routes such as London to Birmingham or London to West Yorkshire.
Chairman: I am conscious of time and we will need to write to the Minister to add further questions. Mr Mark Williams?

Q260 Mark Williams: I want to turn now to the Severn toll and ask whether your Department has considered at any point freezing or reducing tolls on the Severn Bridge for the duration of the recession? The Government announced that tolls had been frozen on the Humber Bridge but that was met in Wales by criticisms from the Freight Transport Association accusing the Government of sending out mixed messages and discriminating against regional businesses. What is your take on that?
Chris Mole: I understand that the primary legislation is different and that the Department has no locus in setting the tolls on the Severn Bridge.

Q261 Hywel Williams: Turning to the Traffic Commissioner for Wales, which was one of the strong recommendations of this Committee, have you now accepted the argument that there should be a Traffic Commissioner for Wales located in Cardiff as well, by the way?
Chris Mole: I think I will have to write to you on that one, Mr Williams.[1]

Q262 Hywel Williams: Can I also ask you about cross-border links to Liverpool and Manchester Airports, how those have been improved and developed? I should say that recently I did travel to Manchester Airport and it took me three hours.
Chris Mole: I had understood that the decision on running a train through to Manchester Airport was with the Office of the Rail Regulator because it was perceived as feasible that the service which had previously run to Manchester Piccadilly might be extended to Manchester Airport, and I believe from the start of this week that service is now running.
Albert Owen: Running well.

Q263 Hywel Williams: Can you tell us about transport links to Liverpool Airport?
Chris Mole: To Liverpool Airport? That is not a proposal that I have been aware of to date.
Chairman: Mr Jones, I cut you off in your prime earlier.
Mr David Jones: I am not taking offence, Chairman.
Chairman: Would you like to ask that supplementary now?

Q264 Mr David Jones: The point I was going to make, Minister, is that the A483 is a particularly important route in a Welsh context and it is simply not working at the moment. We had evidence from the Welsh Minister just before you arrived to the extent that he is intensely frustrated at the fact that that route cannot be developed. I would hope that your Department might have an overarching influence in terms of influence rather than direction upon the regional authorities.
Chris Mole: I will certainly raise it with the Regional Minister but, as Mr Knight will tell you, regional ministers have to tread a little carefully in not over-directing our colleagues within the regions as to what they should prioritise within their RFAs. Very much in the way I am sure the Welsh Assembly Government would not take too kindly to us telling them what to do.

[1] Ev 115

Q265 Mr David Jones: I think they want to talk to you.
Chris Mole: We are always happy to talk to people.
Chairman: Mr Owen, do you wish to ask a very brief supplementary?

Q266 Albert Owen: I was cut off and it is on that theme of joined-up government on these issues. Regarding the rail depot we have had the Minister from the Welsh Assembly Government saying it is Network Rail and we have now had the Department saying it is the customer. At the end of the day this is an on-going project and nothing is happening so where does the buck stop?
Mr Wolstenholme: The maintenance of the trains is a matter for the train operator. That takes place in facilities that are owned by Network Rail. If the train company wishes to expand the amount of maintenance that it undertakes at Holyhead as opposed to another depot, Network Rail would need to expand those facilities or relocate them to another site within Holyhead. It would expect reimbursement and a like-for-like replacement if that depot was to be moved. If the depot was moved I understand that that would then facilitate the highways schemes and that is a matter for the Welsh Assembly Government.
Albert Owen: It is as clear as mud.

Q267 Chairman: Thank you for your attendance today. We greatly appreciate you being here and answering our questions very openly and frankly and very comprehensively. Mr Mole, I understand that you intend coming to Wales very soon and we certainly welcome that. I wonder whether you could give an undertaking that you will inform our Committee by midday tomorrow of the date of your visit, please.
Chris Mole: Okay.
Chairman: Thank you very much.

Witnesses: **Mrs Edwina Hart MBE, AM,** Minister for Health and Social Services, **Dr Mark Drakeford**, Special Adviser, and **Mr Paul Williams**, Director General, Health and Social Services, Welsh Assembly Government, gave evidence.

Q268 Chairman: Good afternoon and welcome to the Welsh Affairs Committee. Minister, can you introduce yourself for the record and your colleagues please.
Mrs Hart: My name is Edwina Hart, and I am Minister for Health and Social Services in the Welsh Assembly Government. On my right is Paul Williams, who is Director of the NHS in Wales and Dr Mark Drakeford, Special Adviser to the Welsh Assembly Government.

Q269 Chairman: Thank you very much and welcome again. We have had the Department of Health saying to us that the revised Protocol for cross-border healthcare commissioning has, in their words, "resolved the most significant and public cross-border issues" we identified in our own report. Do you agree with that statement of the Department of Health?
Mrs Hart: Can I say, yes, we very much agree with the Department of Health. We have had excellent relationships with the Department of Health, both at ministerial and official level and we do find that the Protocol is working very well, but obviously we keep looking at the Protocol all the time with our colleagues in the Department of Health to see if there are any further improvements that need to be made.

Q270 Chairman: We welcome that statement. What would your response be to reports of people who are still being refused treatment across the border?
Mrs Hart: I am not aware of any specifics. These are obviously operational matters for the NHS. I am not aware if the Director knows of any specifics at all that have been drawn to our attention at the centre. Obviously it is up to Local Health Boards to resolve these matters. I think they are few and far between bearing on the information that might come to me in terms of Members' correspondence.

Q271 Mr Martyn Jones: Good afternoon, Minister. We are really pleased to see you here. We thought you did not like us, or something, the fact it took some time to get you here. Going on on the issue of the Protocol and whether it is working or not and whether it is being monitored, I spoke to somebody yesterday, in fact a constituent of mine, who has had the experience of going to Robert Jones and Agnes Hunt in Gobowen across the border for specialist treatment there and she was told—this is within the last two months—that she had to wait 40 weeks for treatment because she was from Wales and that the waiting list in England for the same treatment was 18 weeks. She mentioned my name and it went down to two weeks. I am not saying I have a magic wand in these circumstances but it is rather odd that she was given two such disparate lengths of time if the Protocol is working. How is the Protocol being monitored and what is the degree of transparency on that monitoring?
Mrs Hart: I might say that we too have anecdotal tales about what people are told by individuals who work in the English NHS. Obviously I am not responsible for the English NHS in terms of what people say. Of course in terms of waiting times from the point you come into the system to the end in Wales it is 26 weeks and we have achieved the target. Obviously if there are individual cases and instances we would be delighted to take them up on behalf of Members of Parliament. The Director of the NHS has indicated to LHBs that if we are having complaints of this nature they must be taken up immediately. I think there might be a misunderstanding of the situation the other side of

our border on certain issues, not necessarily a fault of the Protocol, just individuals working within the system. The Protocol itself is working very well.

Q272 Mr Martyn Jones: It is a bit odd if the Protocol is working and the system is not working. If the Protocol is there and is supposed to be working, then who is monitoring whether it is working? Is it yourself? Is it the Department of Health? Is it the Local or Regional Health Boards? What is happening there?
Mrs Hart: It will be the Local Health Boards that have the responsibility in that area. In terms of the new health boards of course three of them do go along the border. We have told them that they have to make sure that they monitor it properly and take into account any complaints or issues that are raised.
Chairman: Mr Owen, you wished to ask a supplementary.

Q273 Albert Owen: Good afternoon, Minister. Just for clarity on that, if we have evidence coming from our constituents that they have been told by either the hospital across the border or the LHB that the waiting list does not concur with this Protocol, you are suggesting we write to yourself as the Minister?
Mrs Hart: Yes, I would be delighted to take it because then we can get a global look at the situation from the anecdotal information that is coming in via MPs and AMs. It would be most helpful for us.

Q274 Albert Owen: So bypassing the LHB and directing it at yourself?
Mrs Hart: I think that might be helpful in the first instance as this is a Protocol between government departments or the Welsh Assembly Government and Department of Health. I think that would be most helpful for me as a Minister.

Q275 Albert Owen: Because at the end of the day we are all looking for solutions.
Mrs Hart: Yes.

Q276 Mark Williams: Can I just ask how your Department works with the Ministry of Defence in terms of providing treatment for Armed Service personnel? Are there any differences in treatment that servicemen could expect on either side of the border?
Mrs Hart: Can I say we have been delighted to be associated with the Government's initiatives in the MoD about dealing with the issues around veterans particularly, and Service personnel. Of course, if you are a member of the military, you retain your rights on the waiting list, irrespective of where you go in terms of service. We have been associated with all sorts of initiatives as part of the Government's initiative in dealing with veterans across the piece.

Q277 Mark Williams: How many meetings with yourself and your other officials, do they have regular meetings with the Ministry of Defence?
Mrs Hart: Yes, there have been regular discussions and correspondence and we have found the MoD particularly helpful and open in their dealings with us about what we consider are the issues.

Q278 Chairman: We welcome your statement about that and particularly in the present circumstances with the war in Afghanistan.
Mrs Hart: Absolutely.

Q279 Chairman: Given all of that, have you met with the Veterans Minister and, if so, how frequently?
Mrs Hart: We have had some difficulties in organising meetings with the Veterans Minister and my officials have been in touch with the appropriate officials in the various departments. Obviously in terms of issues on veterans we have pursued a very vigorous policy in Wales in terms of military liaison. We have looked at all our issues now around veterans' housing which might be of interest to the Committee. I am actually proposing a veterans' housing project at the moment on my land in Llanfrechfa Grange in Gwent to actually deal with some of the veterans coming out. Also, of course, one of the areas I have been very keen to look at is that each health board in Wales actually has a target for next year to specifically consider the needs of veterans when planning their services, so we have been very proactive in the context of the Health/MoD Partnership Board within the UK and what the MoD is looking for.

Q280 Chairman: We certainly welcome that statement. Given also the fact that we have now a number of administrations—Scotland, Wales, Northern Ireland—would you welcome an initiative, perhaps you might take the lead, in ensuring that all the administrations come together to discuss issues around the veterans' issues and perhaps it could be convened by the Veterans Minister?
Mrs Hart: I have to say I think that is a first-class idea because I think it would be helpful for us to have those type of discussions across the piece. We find enormously helpful our health ministers' meetings now, particularly on the issue of pandemic flu, and veterans' health needs would also be a very useful discussion for health ministers to have collectively and with ministers with responsibility for veterans, because I think it is quite clear now that when you speak to the public, they are very concerned about the needs of veterans. We have seen more of them coming home and they recognise that more services need to be provided in a very integrated format.

Q281 Hywel Williams: Good morning, Minister. Can you tell us a little bit about the treatment of post-traumatic stress disorder for veterans? There has been a well publicised case in North Wales recently where a specialised unit set up by charitable efforts had to close and there was a great deal of dissatisfaction expressed about this. I do not think that was a responsibility directly of your Department in any way but do you have any observations on that?
Mrs Hart: No, I think we are slowly getting to grip with veterans' issues within the National Health Service in Wales and I report readily obviously to the Welsh Assembly about these issues and am accountable as Minister to the Welsh Assembly for how we manage these issues within the service.

Q282 Alun Michael: I am sure you are aware that there is a draft Directive on cross-border healthcare which is currently under discussion within the European Union. That draft Directive would enable patients from England and Wales to travel abroad for treatment without needing prior authority or approval from the NHS. Why should patients need prior authorisation to travel across the border between England and Wales?
Mrs Hart: Well, of course there are two different systems across the borders in terms of how treatment is paid for and everything and we have the necessary care pathways go across our borders automatically. We just have this administrative arrangement in terms of the Protocol about what payments are given to us.

Q283 Alun Michael: Yes but that arrangement exists between the UK and other countries. Many of us have had experience within family of treatment in France and then you have to follow through the bureaucracy afterwards. The point being that if there is going to be that arrangement across Europe where people can go without prior authorisation from the NHS, will that then be reflected in an amendment to the arrangements between England and Wales across the border for treatment?
Mrs Hart: I would not think so because the European Draft Directive on Patient Mobility is a draft Directive I understand currently and has no direct impact on the England/Wales situation. Can I make the point about the European Draft Directive on Patient Mobility. We have had excellent discussion with English ministers who are taking this forward in terms of the contact at health level with the previous Minister, Dawn Primarolo, and the current Minister and we have been properly included in all discussions, I have to say, with the Department of Health on these European issues.

Q284 Alun Michael: I am delighted with that which is the answer to my next question which I have not asked yet. That does entirely cover the question of liaison. Coming back to the issue of the requirements on patients, is there not going to be something rather odd from the patients' perspective if they could make a choice to go to France or Germany for treatment without prior authorisation from the NHS, but not in relation to the English/Welsh border? I take your point entirely that the two are not related in legislative terms, but in terms of practical arrangements that patients understand is there not a need to look at refreshing those arrangements in the light of the Directive that is likely to emerge?
Mrs Hart: I do not think we should confuse the two. I think we have got to be quite clear that patients are treated in England because it is part of the National Health Service. We have a National Health Service across the whole of the UK, and it is the patient's care pathway. If we can give an example: your diagnostic tests if you live in North Wales might well be done at the Ysbyty Glan Clwyd. You might then have to go to Walton for the specialist surgery that is required and then you come back for your rehabilitation. That is all about the care pathway for the patient, which does not involve any options in terms of their choice or where they want to go, it is just their natural care pathway. It is the same in Powys when they go across the borders from Powys in their care pathway into other places or when they use Gobowen**,** it is just their care pathway arrangement. I do not think the draft Directive on Patient Mobility actually comes back to the situation with England and Wales.

Q285 Alun Michael: Would you accept that it needs some explaining for patients to understand the differences?
Mrs Hart: I think sometimes when you look at the NHS as a whole it needs some explaining sometimes to patients in terms of where they must go.

Q286 Alun Michael: I agree with that.
Mrs Hart: Of course the Wales Audit Office this morning has looked at unscheduled care and I think sometimes it is difficult for patients to understand where out-of-hours services are, whether they should go to NHS Direct, should they pop into an A&E, and I think that is one of the issues that affects all UK Government health ministries where the most appropriate point is and what information you do give to patients, so I think that is a point well made.

Q287 Albert Owen: What mechanism does the Welsh Assembly Government have in place for any future administrative changes in England or in Wales that do not have those unintended consequences for the patients?
Mrs Hart: Can I say when we talk about changes, payment by results and tariffs, they are actually all changes in English policy which we have tried to accommodate with our arrangements with the Department of Health, not them accommodating us, may I say, and we do keep a very close eye on any changes. We do not want any unintended consequences at all and that will be the job of LHBs, particularly on the borders, to look at what issues might arise across the borders and they then need to report into us about whether we then need to raise issues with the Department of Health.

Q288 Albert Owen: Did I hear you right that they do not always liaise with you? Is that what you said of their administrative changes? We understand in the new year that there is a new group going to be set up. What will be the input of the Welsh Assembly Government in that to avoid the circumstances that you have described?
Mrs Hart: We have all arrangements at official level and we have very good relationships at official level in Departments of Health on all changes that do occur and that they are contemplating.

Q289 Albert Owen: So when there is a policy change in either the Welsh Assembly Government or the Department of Health, or even at the local board levels in England and in Wales, there would be ongoing discussions to identify possible unintended consequences?

Mrs Hart: If we thought there would be any possible impact, yes.

Q290 Albert Owen: Okay, and do you see ministerial involvement in that?
Mrs Hart: Some of these are operational matters obviously for the NHS. If there are policy issues I am consulted readily by the Department of Health about policy issues that might impact on us. We do have good arrangements with the Department of Health ministers.

Q291 Albert Owen: The response from the Department of Health Minister to us to our first Report talked about local cross-border models and mentioned the Central Wales and West Midlands Strategic Forum. How many of these exist? That is obviously good for that area. Do you envisage the Welsh Assembly Government rolling these out and working jointly in the north, North East of England, North West of England and north east of Wales and down south.
Mrs Hart: If I can hand over to the Director. It is an operational matter.
Mr Williams: The cross-border group works collaboratively across the three strategic health authorities that are on the border with Wales and they have a subgroup which meets quarterly and my officials are part of that group. So it is a regular dialogue. If there are operational issues which might be raised by the primary care trusts or by my Local Health Boards they, equally, are inputted into that group. It gives a good overview of the operational issues that need to be discussed. Not in every case will policy be discussed before it is implemented, but if there are any unintended consequences, as you suggest, then this group will take them back and work them through.

Q292 Albert Owen: That is very helpful, thank you. So would you say that the working model of central Wales and West Midlands could be rolled out in other areas? Is that the intention?
Mr Williams: This arrangement is peculiar to the border area.

Q293 Albert Owen: So in the other border areas a similar working group would be set up?
Mr Williams: Yes.
Mrs Hart: We have asked the Local Health Boards to look particularly at their cross-border arrangements now because they have only been formed since 1 October and we do not want to lose any of the expertise they might have had previously within them now as we go into a new structure to make sure they are really on top of the issues here.
Mr Williams: If I may, we have an internal meeting in the next couple of weeks with the new health boards in Wales just to review some of these issues so we are keeping on top of this.

Q294 Chairman: Could you raise your voice please.
Mr Williams: In Wales we have a meeting in the next couple of weeks with our new health boards just to address any particular issues that might arise, so we are actually pre-empting any issues in terms of making sure that we are having the new boards fully aware of any potential issues that may be there.

Q295 Albert Owen: Following on there will be regular meetings with groups across the border?
Mr Williams: Absolutely, which are quarterly.

Q296 Mark Williams: I think that answers my question but I will ask it nonetheless, the question being: what would the impact on cross-border provision be with the amalgamation of the trusts and LHBs into the three multi-purpose bodies serving north, mid and south east Wales. Do you have anything to add on what you have just said in terms of ongoing meetings? You are hoping obviously to pre-empt any difficulties that may emerge later on.
Mrs Hart: I do not think there is anything to add really.

Q297 Mark Williams: Thank you. The second question was the likely impact on cross-border services of the reshaping of primary, community and mental health services in each country. As that agenda rolls out, do you envisage any particular difficulties on cross-border issues?
Mrs Hart: None whatsoever.

Q298 Mr Martyn Jones: The ludicrous proposal that patients in north Wales who require specialist neurologist services should travel to south Wales rather than across the border to Liverpool has now gone, thanks in part to Mr James Steers, but how will any replacement arrangement for Health Commission Wales (HCW) ensure a consistent, equitable, responsive and timely approach in the future to the provision of cross-border specialist health services?
Mrs Hart: Of course we have now had the full neurosciences report which has now become an operational matter for Betsi Cadwaladr in the north to put in the provision of the necessary services which will be dealt with closer to home in certain areas and we are continuing our existing arrangements at Walton. I see the demise of HCW as something that I am absolutely relieved about because there have been so many difficulties with the organisation around commissioning issues, patient issues, and I am very pleased that we are going to our new arrangements. Obviously we will have a few central issues that we will retain at the centre with what I consider to be the daughter of HCW and they will deal with the very specialist end, but I think the new arrangements between the new LHBs will work very well because they are practical people, they are used to dealing with these patient issues on the ground, they are used to patient care pathways and I think that will be much easier for patients to understand.

Q299 Mr Martyn Jones: That is encouraging. The Department of Health has told us that "the National Specialised Commissioning Team has had

discussions with colleagues in Wales about the feasibility of Welsh commissioners utilising the contracting model used for commissioning rare neuromuscular services for English patients". What was the outcome of these discussions and what administrative barriers are there to establishing common contracting models for those conditions across the UK?

Mrs Hart: Obviously this is an operational matter within the NHS. Paul, I do not know whether you have got anything in terms of the answer to the question.

Mr Williams: There has been a regular dialogue with our Health Commissioner in Wales and the National Commissioning Group. We are always looking at best ways in which we can ensure that we are delivering patient care across the border. This will continue with our new arrangements in terms of our specialist and tertiary services, so the work that is ongoing will just be inherited and taken forward as part of a regular dialogue because we recognise that there will always be a certain number of patients that will need highly specialist care and that will inevitably mean looking across borders.

Q300 Mr Martyn Jones: Have you made any progress towards a common commissioning system? Obviously you have ongoing discussions when you discuss individual cases and types of diseases and whatever that this might apply to, but is there any progress towards a common commissioning situation?

Mr Williams: As such in the sense that we have a common purpose in order to engage in those discussions when we have a particular group of patients that require specialist care. Sometimes the approaches can be different depending on specialty but we are always looking for best practice.

Q301 Mr Martyn Jones: Do you think that the current financial climate will make it harder for patients to secure authorisation for expensive specialist treatments across the border?

Mrs Hart: We work on the basis that if the clinicians say that treatment should be given to individuals, it will be the clinician's decision. We might be in difficult times financially but we also have to recognise that if patients require treatment and clinicians think it is worth doing, we must always accept that clinical lead. It is very difficult when we talk about money. We have only got to look at the issues surrounding NICE in terms of drugs and everything. There are very difficult decisions that ministers across the UK take every day sometimes in accepting the guidance that comes from NICE, and sometimes difficult decisions have to be made, but we are very much now in the new structure of the Welsh NHS looking at clinicians taking the lead in very key areas for us.

Mr Martyn Jones: Thank you, Minister.

Chairman: Albert Owen, you want to ask a supplementary and then Mr David Jones.

Q302 Albert Owen: We do not want to go back in history but do you think there was a need to have the Steers Commission and review looking into it when you stated earlier on that there was a natural pathway between people in North Wales going to their general hospital, as I still refer to them, and then for specialist treatment across the border in Liverpool and Manchester? Do you think there was a need for a review?

Mrs Hart: I have to say I think it is the best thing I have ever done in terms of a review because it has given clarity to services within north Wales and certainly clarity to services within south Wales, where we had some very difficult issues between Cardiff and Swansea, of course, regarding neurosurgery which have now been successfully resolved. The good news about the Steers Review is that the new services are now much closer for people with Parkinson's Disease, muscular dystrophy, multiple sclerosis and stroke, and those will be closer to home and they will be safe services. If out of that comes improvement in patient care I really value the work that James Steers undertook. Of course, it was a very difficult time because people are always upset when you talk about service change. At the end of the day I think we have got the best of both worlds and enhancement of services.

Q303 Albert Owen: If I may come in, that is the important thing. You are suggesting there was going to be no service change, that there was going to be the national pathway across the border for the specialist service anyway, and it is that statement that caused the anxiety for many of my constituents and constituents in north Wales.

Mrs Hart: I do not think it is helpful, Chairman, to go back historically because my statement was quite clear. There were a lot of things said around my statement that did not necessarily affect the tenor of the debate within the National Assembly.

Q304 Mr David Jones: Mrs Hart, I read your statement in the Assembly very carefully and what you said was that you proposed to arrange for all elective neurosurgery generated in Wales to be diverted either to Cardiff or to Swansea, and I think you appreciate now the consternation that that announcement caused in north Wales. I think it was probably the one single issue that caused more distress in north Wales than I have experienced in the last five years. Do you fully appreciate the extent to which north Wales patients value the links that north Wales has with centres of clinical excellence in Manchester and Merseyside and in the Midlands? Are you willing to undertake to this Committee that you intend to do everything you possibly can to preserve those links?

Mrs Hart: Can I say we have a national Health Service in the United Kingdom which was of course established by a Labour Government under Aneurin Bevan which we are very proud of in terms of what we want. You can have your treatment, if you are citizens of the UK, anywhere in the UK. Of course I recognise that as a very small nation

we will obviously have to utilise specialist services across our border. Sometimes we even go further afield than Walton to, dare I say, Bristol in terms of very specialist services and that is the principle of the NHS which I adhere to. Can I say there is always a lot of talk about repatriation of services. Repatriation of services is not an issue for me as long as services are there, they are good services, they are well-located for patients in Wales to use and patients in Wales will continue to have the care pathways that are required for their treatment. Of course medicine moves on, does it not, technology in medicine moves on and things that we used to send people away to do a long time ago, if you take the example of cancer services, Swansea is a major cancer centre. Now patients can be seen in Aberystwyth, because of technology they can see the images, they can discuss between the clinicians in Swansea and Aberystwyth and that is the direction of travel with the Health Service.

Q305 Mr David Jones: With respect, Mrs Hart, you were apparently expecting sick north Wales patients to travel in the back of an ambulance down to Swansea.
Mrs Hart: I think we need to go back and read my statement on this. I do not want to go back into the history of it.

Q306 Mr David Jones: I have read it very carefully.
Mrs Hart: I can say that as far as I am concerned, Chairman, now the neurosciences issue and the whole of the issues have been satisfactorily resolved. Clinicians are happy and patients are happy. I see no point in putting any more consternation into the system or upsetting anybody now or in the future.

Q307 Mr David Jones: With respect, you caused the consternation, Mrs Hart.
Mrs Hart: Well, that is a matter of opinion.

Q308 Mr David Jones: Would you say, Mrs Hart, that patients living close to the border are generally aware of the implications of choosing a GP either in Wales or in England for later care for hospital treatment?
Mrs Hart: I would say that patients make the choice they want in terms of GPs, which is the most accessible surgery for them, generally I would think.

Q309 Mr David Jones: Does the Welsh Assembly Government take steps to explain to patients the consequences of choosing a GP on one side of the border or the other?
Mrs Hart: I think that patients are aware of the benefit of free prescriptions and the ease with which they can get them when they have a Welsh GP. They obviously have an entitlement card if they have an English GP and are a Welsh patient. Of course, we have now resolved the issue about payments that used to happen in the trusts with medicines because we have got new regulations from October 2009, so all those matters have been resolved. GPs, can I say, is very much a matter of personal choice. As an individual myself I like my practice, even if I moved house I might like to stay with my existing practice, and I think people make a lot of decisions on the basis of how they feel about the practice and how close it is, how accessible, and how warmly received they feel when they attend the practice.

Q310 Mr David Jones: Does the Welsh Assembly Government measure the effectiveness of efforts to promote patient awareness of the consequences of choosing a GP on one side of the border or the other?
Mrs Hart: I think in terms of the Welsh Assembly Government we are very conscious of what a patient wants and patients' rights. Of course, we retained in Wales Community Health Councils to ensure that patients did have a voice and understanding. I know particularly within Powys, which currently has two Community Health Councils, I am sure these are issues that are readily raised perhaps with Community Health Councils. We have seen nothing specific obviously in terms of these issues about whether we need to do further work. I think it is an area we might want to do further work, but enhancing patient knowledge and understanding about services is something that we all look to enhance. It is one of the issues Community Health Councils do raise with me. We have considered perhaps a website of information for people cross-border and others and those are issues that are ongoing in terms of discussion.

Q311 Mr David Jones: To what extent do the Welsh Assembly Government and the Department of Health co-ordinate their efforts to promote public awareness on public health matters such as, for example, the current swine flu outbreak?
Mrs Hart: Can I say that we had the most excellent relationships with the Department of Health across the four nations on the issue of swine flu. We have regular health ministerial meetings probably about once a week where we go through all the public health issues. We have co-ordinated publicity on the public health agenda. We have co-ordinated our programmes in terms of vaccination on the public health agenda and, to be frank with you, it has been a model in terms of the work that we have undertaken.

Q312 Nia Griffith: Could we look now at the opportunities offered by devolution for things to develop in different ways in the different home nations. Do you feel that there have been opportunities there where the other home nations have learned from Wales or, indeed, *vice versa*?
Mrs Hart: I think we all learn from each other. We have to understand that in Wales there is a different scale to health within England. We are very small, even compared to some English regions. I think we have looked with interest at what the Scots have done and what the Northern Irish have done and they have all looked with interest at us. It is a mutual learning process and the fact that we do have good

relationships at official and ministerial level allows us to explore numerous issues about how we can benefit patients within our different countries.

Q313 Albert Owen: Just on the differences between the home nations, do you agree that there is a lack of comparative data between the four nations? In particular, when we are looking at waiting list times some of the arguments have been over policies and yet it was very difficult to get comparative data on these issues. Again, if I may say, in previous evidence sessions the Department of Health has talked about working with yourselves and getting research between the different nations. Are you aware of this and is the Welsh Assembly Government going to participate and, if it does not happen, take the lead in it?
Mrs Hart: Yes, we obviously work with the Department of Health on a wide range of issues. Of course, it is a bit like apples and pears, you are quite right, in terms of looking at the differences. I have a referral to treatment patient target of 26 weeks which is an open pathway and that is from start to finish. The Department of Health has an 18-week closed pathway with a 10% tolerance level. For instance, in terms of cancer targets we have the same targets but I actually have therapy targets which the Department of Health does not have of 14 weeks, so we are different and we have just looked at where we are in terms of what we are doing. However, I think it is important that we do learn from each other about where there has been good practice there. I am not averse wherever good practice comes from in adopting it and I think you will find that any of the UK health ministers feel exactly the same as I do.

Q314 Albert Owen: I understand that basic point and I agree with you, but there is a lack of comparative data, and you accept that, so what steps is the Welsh Assembly Government taking to make sure that that data is available, particularly for cross-border patients? You mentioned choice earlier on, so that they are making the right choices. Without the proper data it is very difficult to make the choices.
Mrs Hart: I think there is data available. You are probably talking about the accessibility of it and whether we should do more on that issue, and that is something that I am more than happy, Chairman, if the Committee comes out to look at these issues, obviously to look at them myself again.

Q315 Albert Owen: Okay. Again, going back to what the Department of Health said that they wanted to discuss with yourselves about commissioning this research, do you know if they have proposed this officially and what is the response from a Government level?
Mr Williams: I have not had any approach on this. I know the Nuffield Institute has been doing some work on comparison of healthcare across the devolved administrations, but I have not seen anything come formally from the Department of Health.

Q316 Albert Owen: Okay. The last question again, Minister: if this is ongoing, you will participate in it and you might even take that further and commission it from the Welsh Assembly Government?
Mrs Hart: I have got some research going on currently on cross-border issues within my own Department and within our own area, which I think will form the basis of anything we do. I cannot say yes to any questions because I always have to look at the financial implications for my budgets of any requests for me to do any joint working in the future.

Q317 Albert Owen: I understand that and it is probably the same for the Department of Health, but it is important that that data, because of policy differences, is available.
Mrs Hart: Yes, it is important that people have clarity and understanding of the differences in the systems and the impact that has, I totally concur.

Q318 Chairman: Minister, can I ask the last question and it concerns the Muscular Dystrophy Campaign. Last September that campaign published a very important and very comprehensive report. Could you give us an outline of how you have responded to that report? Essentially, the report calls for a much more integrated approach across the United Kingdom.
Mrs Hart: Can I say it fitted very nicely actually into the neuroscience implementation reports which we discussed earlier, and I have referred all those reports to the Local Health Boards for implementation and that should help, I think, to improve services within this particular area of muscular dystrophy in the long-term. I think it is fair to say, and I am absolutely prepared to acknowledge, that there were not the clear care pathways that there should have been in this particular area, and we will be resolving these matters.

Q319 Chairman: I think we have asked all the questions. Could I say how pleased we are not only that you have come here but we have had three Welsh Ministers here today. It has been a remarkable day. We have had five Ministers in total. Could I say the great importance we attach to your statement about not only asserting but celebrating the fact that we have one National Health Service and that we can learn from one another. Within that context I am particularly delighted that you endorsed our thoughts in relation to the veterans and we look forward to progress on behalf the veterans in Wales and also across the whole of the United Kingdom.
Mrs Hart: I would be delighted to extend an invitation to the Welsh Affairs Select Committee to have a briefing particularly on the specifics of veterans' issues within Wales and the work that we are undertaking if they would like it provided by officials.
Chairman: I am sure I can speak on behalf of the Committee and say we would be very pleased to have that briefing. We look forward to you coming again before us. Maybe next time it will be in Cardiff. I think this is the beginning of a beautiful relationship!

Written evidence

Written evidence from the Association of Colleges

Introduction

The Association of Colleges (AoC) represents and promotes the interests of Further Education Colleges and their students. Colleges provide a rich mix of academic and vocational education. As autonomous institutions they have the freedom to innovate and respond flexibly to the needs of individuals, business and communities.

For more information on Colleges please see www.aoc.co.uk

Wales Domiciled-students at England's Colleges

The following table shows the number of Wales domiciled students studying at English Colleges in 2007–08 (latest figures available).

Provider Name	*Region*	*16–18*	*19+*	*Total*
West Cheshire College	NW	75	566	641
Walford and North Shropshire College	WM	114	209	323
Herefordshire College of Technology	WM	119	104	223
City of Bristol College	SW	14	169	183
Shrewsbury College of Arts and Technology	WM	46	111	157
Ruskin College	SE	0	106	106
Hereford Sixth Form College	WM	85	2	87
Manchester College of Arts and Technology (MANCAT)	NW	6	73	79
Wirral Metropolitan College	NW	1	55	56
Warwickshire College	WM	5	44	49
Royal Forest of Dean College	SW	31	16	47
Hereford College of Arts	WM	38	6	44
Lancaster and Morecambe College	NW	7	21	28
Northern College for Residential Adult Education Limited (The)	YH	1	27	28
Hartpury College	SW	13	12	25
South Tyneside College	NE	6	15	21
Newcastle College	NE	1	20	21
Filton College	SW	17	2	19
Ludlow College	WM	1	18	19
Preston College	NW	2	12	14

In the Government's response to the Committee's original report on cross-border public services it said:

> "We would therefore expect that every learner should be able to reasonably access suitable learning opportunities within their local community as defined by local travel-to-learn parameters. For this reason we would not expect large numbers of learners to 'need' to cross national borders except where this was a normal part of travel patterns within an area."

Throughout the country, including the Wales/England border area, a pattern of post-16 education provision has grown based on the wishes of students and the quality and attractiveness of different providers. AoC remains firmly of the belief that the system must always keep this focus on the needs of the student and the border should not act as a barrier.

Enrolment of Students Post-April 2010

From April 2010, following abolition of the Learning and Skills Council, England's Colleges will be funded by local authorities for the education and training they provide to 16–19 year olds. Local authorities will be assisted in this task by a new Young People's Learning Agency (YPLA) which will ensure budgetary control, provide a national framework and promote "consistency, simplicity and transparency" by providing a national statement of priorities and a national funding formula.

The Apprenticeships, Skills, Children and Learning (ASCL) Bill is currently before Parliament. During debates in the House of Lords at Committee stage Peers discussed cross-border provision between Wales and England. Liberal Democrat skills spokesperson Baroness Sharp said:

> "We would welcome clarification from the Minister as to whether new guidance from the DCSF will be issued to the sub-regional groups of the local authorities near the Welsh and Scottish borders. Will it make clear that they can recruit across the border, or will it try to deter such colleges from doing so? Perhaps the Minister can provide us with such clarification."

In response, Lord Young, Minister for Postal Affairs and Employment Relations, Department for Business, Innovation and Skills, gave this response, which we welcome:

> "For learners who cross the Scottish or Welsh border, the national commissioning framework, issued by the YPLA, will include guidance in relation to these learners and will be clear that commissioning should focus on the needs of the learner and be based on participation, rather than where learners are resident." [HL Deb, 2 July 2009, c387]

Later in October the Government is expected to publish, for consultation, the National Commissioning Framework, which "will set out the core requirements for planning, commissioning, procuring, funding, and accountability of the education and training of 16–19 year olds" (DCSF, National Commissioning Framework 2011–12—Outline and Key Principles). This document will be issued by the Young People's Learning Agency as part of the statutory guidance and will incorporate mandatory elements and guidance on how the process could be best managed.

The Committee might wish to ensure that the National Commissioning Framework fully encompasses the concerns it set out in its original Cross-Border Services report.

Sub-regional Groups of Local Authorities

As part of the changes sub-regional groups (SRGs) of England's local authorities are to be established to work together to plan the education and training offer and these have been designed to reflect travel to learn patterns.

Sub-regional Groups of Local Councils Bordering Wales

Herefordshire, Shropshire Telford and Wrekin and Worcestershire;

Cheshire and Warrington;

Gloucestershire; and

Bath and NE Somerset, Bristol, North Somerset and South Gloucestershire.

As can be seen from the information above the SRGs near the Wales/England border do not include local authorities in Wales nor representatives from the Welsh Assembly Government. It will be important that these SRGs specifically take into account the needs of Wales-domiciled students.

There is existing cross-border collaboration, which goes beyond further education, but which could be built upon. For example the Welsh Assembly Government and the West Midlands Regional Assembly have signed a Memorandum of Understanding in order to achieve cross-border collaboration.

September 2009

Written evidence from the Department for Business, Innovation and Skills

The Government submitted evidence to the Committee's original inquiry, has responded to the Committee's report, and welcomes the opportunity to submit new evidence to the Committee on the subjects of further and higher education which sets out progress since the Government's response to the Committee's report, which it produced jointly with the Wales Office and the Welsh Assembly Government (WAG).

Summary

— the relicensing of Sector Skills Councils is underway;

— the Solutions for Business portfolio of Government-funded support products for businesses, of which Train to Gain is a part—has been launched; and

— the Government intends to consider modifying the existing plans for the skills system and the Skills Funding Agency to support the delivery of industrial and skills activism.

Sector Skills Councils

1. In its report, the Committee noted that:

> "Sector Skills Councils (SSCs) play a key role with regard to consistency and transferability of skills throughout the UK. We believe that they should play a bigger role in coordinating cross-border issues for employers arising from policy divergences. We are not convinced that the SSCs are adequately resourced to fulfil their role, particularly when taking into account the need for each SSC to have the capacity to give due regard to territorial differences in skills policies."

2. In the Government's response to the Committee's report, it noted that:

> ". . . during 2008–09, all SSCs will undergo a relicensing process which includes a rigorous assessment by independent third party assessors against a framework set out in the document 'Empowering SSCs—Employer driven skills reform across the UK. A Relicensing Framework for Sector Skills Councils'".
>
> The purpose of the framework is to directly assess the capacity and capability of the SSC: to deliver a well run SSC; to deliver core products and services ie Labour Market Intelligence, National Occupational Standards and qualifications; to deliver sector specific solutions based on employer demand; and to build partnerships with stakeholders across the broader UK skills system to deliver real results and impacts for employers. They are expected to achieve these across all parts of the UK. Any SSC not meeting the standard will not be relicensed."

3. The WAG noted that it:

> ". . . works closely with SSCs to ensure that they are engaged in the key policy issues facing Wales and are supported in building partnerships with other stakeholders. It is expected that SSCs will be engaged with providers in developing elements of the transformation policy."

Update from the Government

4. The relicensing process for Sector Skills Councils (SSCs) is now well underway. All five tranches of five SSCs have been assessed by the National Audit Office (the third party assessors) and their case considered at a UK Commission for Employment and Skills relicensing panel.

Services for Employers

5. In its report, the Committee noted that:

> "The evidence suggests that at least some aspects of the Train to Gain (TTG) scheme are working better than the Workforce Development Fund. One advantage of devolution is that the different administrations can learn from each other's successes and failures and we suggest that the WAG might consider the lessons to be learned from the implementation of TTG. In particular, the Workforce Development Fund should be more actively advertised and better funded."

6. In the Government's response to the Committee's report, it noted that:

> "The Government will continue the real help that is being provided by Train to Gain in ensuring that people and businesses get the support they need to help them survive the recession and make the most of the new opportunities the upturn will bring. We would be happy to discuss the lessons learned from the implementation of Train to Gain with colleagues from the WAG."

7. The WAG noted that:

> ". . . evidence given to the Committee by the Director of CBI Wales highlighted the advantages of the Workforce Development Programme in Wales. The Webb Report also referred to the evidence that '. . . most employers who have received such funding (workforce development accounts) are extremely positive about the support it has provided for growing their businesses.'[1] The WAG will work to ensure that consideration of alignment between funding support mechanisms with DIUS continues to take place to inform support for employees and businesses."

Update from the Government

8. The Solutions for Business portfolio of Government-funded support products for businesses, of which Train to Gain is a part—was launched on 31 March 2009. For the first time all Government help for business now shares an easily identifiable banner and can be accessed via the Business Link website:

http://www.businesslink.gov.uk/solutions/

9. Through a national network of advisers, free, impartial advice and support is available to help employers to make an assessment of their skills needs and identify where and how to access training.

10. The National Employer Service (NES) provides an account management service, training support and facilitates public funding for employers with over 5,000 employees. It works directly with employers to evaluate their needs, and then commission, procure, promote and deliver training in a way that works best for their business: http://nationalemployerservice.org.uk/

[1] *Promise and Performance: The Report of the Independent Review of the Mission and Purpose of Further Education in Wales in the context of the Learning Country: Vision Into Action*, Para 4.12 p 46

SKILLS

11. In its report, the Committee noted that:

> "Our inquiry has persuaded us that there is a need for greater joint working to consider the impact of proposed new policies relating to FE on both sides of the border, before decisions are made. The evidence shows that there is also a need for better and more timely communication of policies to employers, so that they can consider how any changes will affect their businesses and to enable them to influence the design of courses and qualifications. In particular, officials in Wales and both in Whitehall and at regional level in England need to be outward looking and sensitive to the realities of our long and porous border. It should be a cause for celebration and cooperation rather than an obstacle to efficiency and effectiveness."

12. In the Government's response to the Committee's report, it noted that:

> "In England, the new Skills Funding Agency will have a new dynamic and entrepreneurial approach at regional level, focused on addressing strategic skills needs. It will communicate and respond to policy changes quickly and flexibly and will work with employers and employer groups to identify needs and use capital and resource levers to broker solutions from FE colleges and providers.
>
> DIUS and the Wales Office will work in collaboration with the WAG in improving communications with a view to taking into account FE policy development and delivery on either side of the border."

13. The WAG noted that:

> ". . . in Wales, the Wales Employment and Skills Board considers, as part of its brief, the impact and timeliness of policy communication to employers and reports to the WAG its findings."

Update from the Government

14. The Government recently wrote to the Regional Development Agencies (RDAs) and to the Learning and Skills Council (LSC) outlining its intention to consider modifying the existing plans for the skills system and the Skills Funding Agency to support the delivery of industrial and skills activism. The change will take advantage of having responsibility for economic development and skills in one Department to secure greater simplification and value for money and ensure greater synergy between business and skills.

15. The change will make the RDAs the single bodies with responsibility for producing the regional skills strategy and for championing skills at the regional level. It will further simplify the existing landscape by cutting out the current overlap between RDAs and the LSC.

October 2009

Further written evidence from the Department for Business, Innovation and Skills

The main areas of economic initiatives

CAR SCRAPPAGE SCHEME

£300 million of Government funding has been allocated. The scheme will run until end February 2010. Figures giving a regional breakdown for the scrappage scheme show that on 10 August the figure for Wales was 5% (comprising 3% for West Wales and The Valleys and 2% for East Wales). These figures reflect a pattern that is broadly in line with national levels of car ownership, with the highest participation rates for the scrappage scheme in regions with the highest levels of car ownership.

AUTOMOTIVE ASSISTANCE PROGRAMME (AAP)

The primary aim of this package is to support the continued delivery of investment in the skills and technology base needed by the UK Automotive Sector in order to create or sustain jobs, develop cutting-edge technology, bring special value to the UK, reduce CO_2 emissions and maintain R&D in UK vehicle manufacturing. It applies to companies with a turnover of at least £25 million recorded in their last published Annual Report and Accounts and with a proposed investment of at least £5 million. No regional breakdown is available and no awards had been made to August 2009.

Innovation Fund

The UK Innovation Investment Fund (UKIIF) has not been set up yet, and will not begin investing in companies before Quarter 1 of 2010. Companies in Wales will be eligible to receive funding as the UKIIF is a UK-wide initiative. Total amount of funding available will be £150 million.

Digital Britain

There is no "Digital Britain Fund" as such although £200 million of funding will be available. This will be used to provide infrastructure (universal service in broadband and then more money to support next generation broadband rollout) and some additional money to support local and national news, plus a couple of other smaller budgets, but none of it has been spent yet. None of it really qualifies as classic "business support"—it's mostly consumer oriented, although potentially Welsh businesses will benefit.

What we can say is that Digital Britain is a cross-UK project and except for where the policy areas are specifically reserved to the WAG, we expect that any money spent will apply equally to Wales as it does to other parts of the UK, on the basis of need.

Manufacturing

The Advanced Manufacturing Strategy published in July 2009 sets out various strategic areas for investment. New areas for investment across the UK and therefore open to Wales include the Technology Strategy Board (TSB) investing £5 million in High Value Manufacturing competition, SAMULET a research and technology programme receiving £28.5 million from the Technology Strategy Board and £11.5 million from the Engineering and Physical Sciences Research Council.

Wales will benefit from the Strategy in terms of the expansion of the Manufacturing Advisory service into advice on low carbon—how to get into low carbon markets. A further £4 million is to be provided to finance expansion of advice to manufacturers on competing for low carbon opportunities. Wales has made enquiries about the additional funding and if agreed will receive 5% to 6% of available funds under the terms of the Barnett Formula.

Low Carbon

£250 million for low carbon investments as part of an overall UK investment of £405 million that includes £155 million of funding operated by Department for Energy and Climate Change.

BIS and DECC have worked together on the profile of projects across the £405 million. There are UK wide projects included in this sum. These include £120 million on offshore wind, including encouraging inward investment in the UK industry, funding to develop an integrated testing facility for offshore wind turbines and expansion of support programmes for offshore wind demonstration and deployment including the new Marine Renewables Proving Fund of £22 million also from the £155 million for which DECC is expecting to set out details on accessing this fund in the autumn; the additional call for the Environmental Transformation Fund (ETF) Offshore Wind capital grants scheme of £5 million and £5 million ETF. Also £10 million to add to Department for Transport's *Plugged-in places* programme for low emission vehicle charging infrastructure, to which cities and regions anywhere in the UK will be able to bid.

Airbus

At a strategic level the A350XWB work into Filton is good news for Broughton as well. Wales will share in the launch investment with the share expected to be in the region of £120 million.

UK Trade and Investment (UKTI)

All direct UKTI services are open to Welsh companies with the exception of Passport to Export and Gateway to Global Growth. (Wales has its own equivalent programmes for Welsh companies requiring this type of intensive, capacity building assistance).

- UKTI provides support for Small and Medium Enterprises (SMEs) based in Wales taking part in overseas exhibitions. This support is delivered under the Tradeshow Access Programme (TAP) which in 2008–09 provided grants to 100 businesses in Wales (totalling £147k) and up to the end of July 2009 has approved grants for 39 businesses (totalling £41k).
- UKTI's Sectors Group runs a programme of support for companies in specific sectors. These are also open to Welsh companies and many of them take part in seminars, missions, other events and opportunities.
- UKTI devolves finance to the English regions and Devolved Administrations to run the Market Visit Support programme to help new to export companies visit overseas markets together or in groups. Wales has been allocated £90k in 2005–06 and again in 2006–07 to run this programme. However, International Business Wales's (IBW) allocation went unspent and, in 2008–09 IBW informed us that they preferred to rely on their own programme of Trade Missions for Welsh companies.

— This financial year, 2009–10, due to internal changes, IBW expressed interest in receiving funds from the MVS budget. However, this occurred after all budget allocations for the year had been finalised. UKTI was able to provide a reduced amount of £10k to IBW which is being used to finance a group of 10 companies visiting China.

— IBW are welcome to bid for MVS funds for 2010–11 and will be treated on the same basis as the rest of the UK, but, as the total amount offered is unlikely to increase, the amount available will be less than the current £50k.

— Recent meetings with IBW personnel indicate that they may increase their uptake on some other UKTI services, such as the Export Communications Review and the Export Marketing Research Scheme, which have traditionally been very low. Welsh companies make good use of the services of overseas embassies and consulates, through the chargeable Overseas Market Introduction Service (OMIS) services.

— IBW is represented on the International Business Development Forum (IBDF) for which UKTI provides the Secretariat. IBDF is the formal engagement mechanism for all UK wide trade and investment activities, with the Devolved Administrations playing a full part (as far as their Devolved powers allow). UKTI also holds annual "Summits" to discuss issues of concern and to update each other on new initiatives. There are also working level links with IBW across UKTI eg various Sectors Teams/Country Desks.

Plastic Electronics

BIS is working with the UK's growing plastic electronics community to develop a national strategy for the sector. This is due to be formally launched on 16 November.

There has not been an allocation of Government funding specific to plastic electronics. There is an activity in the English Regional Development Agencies to establish the extent of regional "activity" on plastic electronics. This RDA group is being led from One North East and they have been encouraged to at least make contact with the Welsh Assembly Government people as they have made some investments into the Welsh Centre for Printing and Coating (WCPC), led by Swansea University. The WCPC is considered to be one of the UK's key "centres of excellence" in plastic electronics.

Technology Strategy Board (TSB)

Collaborative R&D

Welsh Businesses engaged in 97 projects; Grant provided by Technology Strategy Board £9.35 million; Total project cost £19.3 million.

Welsh HEIs/Others (eg Research and Technology Organisations (RTOs)) engaged in 41 projects; Grant provided by Technology Strategy Board £8.1 million; Total project cost £9.6 million.

Knowledge Transfer Partnerships (KTP)

Knowledge Transfer Partnerships is a UK-wide programme, funded by the Technology Strategy Board with 20 other funding organisations including WAG.

70 of the 900 live KTP projects involve Welsh companies.

It is worth noting that WAG has partnered with the Technology Strategy Board in supporting a number of the large Collaborative R&D aerospace programmes.

In terms of collaborative R&D, the figures suggest that the total of grants going to Wales from the Technology Strategy Board is around 3.5% of UK total. This is less than what might be thought their fair share and has been the subject of discussions between the Technology Strategy Board and WAG and forward looking steps are likely to include, holding a high profile event in Wales aimed at businesses early next year (probably); finding approaches to increasing Welsh business engagement in the Knowledge Transfer Networks; and seeking broader alignment on activities in areas which are priorities for WAG (eg Creative Industries, Advanced Materials, Low Carbon Vehicles etc).

October 2009

Letter from Rt Hon David Lammy MP, Minister of State for Higher Education and Intellectual Property, Department for Business, Innovation and Skills to the Chairman

Thank you for your letter of 5 January asking additional questions on the recent Department for Business, Innovation and Skills (BIS) white paper for England *"Skills for Growth"*, following my attendance at the Welsh Affairs Committee's follow-up inquiry in December 2009. You asked further questions on the proposed changes for Sector Skills Councils (SSCs) following the Committee's further review of *Skills for Growth*.

Skills for Growth has signalled that the network of SSCs should be streamlined. The general principle remains that it is for employers to develop and own the proposals for their sector bodies. Any proposed changes to the network will need to have the full agreement of Government sponsors, including the devolved administrations. In terms of activity, the core remit for SSCs will remain focused on producing high quality labour market intelligence, developing national occupations standards and ensuring that qualifications and skills solutions meet employer needs. BIS provides SSC funding to each SSC requiring them to deliver the core functions in each of the four nations. In addition to the common UK agenda, each nation will separately fund activities specific to that nation's skills priorities.

As part of the wider simplification of the skills system in England, BIS is exploring options for brining together the non-SSC elements of Lifelong Learning UK (LLUK) with the quality improvement services provided to the Further Education (FE) sector by the Learning and Skills Improvement Services (LSIS). As LLUK's footprint extends beyond the FE sector and covers Higher Education, Community Learning and Development, Libraries, Youth Work and Information Services across the UK, officials from the four administrations have been working closely on the implications of the transition for the SSC relicensing process.

In recognition of the unique situation of the SSC, the UK Commission has agreed to extend the deadline for consideration of LLUK's relicensing recommendation from January to September 2010. This will allow the full range of organisational options to be considered, along with the consequences, and enable each of the four administrations to be consulted on the organisational solution that best meets the needs of the learning skills sector.

Ultimately it will be for the UK Commission to make recommendations on the future of LLUK to Ministers in the four administrations, having taken full account of the risks and benefits of each option.

January 2010

Supplementary written evidence from Rt Hon David Lammy MP, Minister of State for Higher Education and Intellectual Property, Department for Business, Innovation and Skills

1. On 3 December 2009, David Lammy gave evidence to the Committee. The Committee requested further information on a number of points.

HIGHER EDUCATION (RESEARCH)

2. The Chair gave two examples of where the BIS *Higher Ambitions* document "fails the devolution test":

> *"On page 66 Regional Development Agencies are referred to as 'science cities'. There is no mention of the Welsh Assembly Government or the other devolved administrations. In the paragraphs following on the same page the document goes on to talk about the Technology Strategy Board and Research Councils, which clearly have UK coverage. Then on page 56, Research Councils, the Technology Strategy Board and Regional Development Agencies are all mentioned in one paragraph."*

Government response:

3. The Chairman asked for a response in writing drawing attention to pages 56 and 66 of the Higher Ambitions document. The paragraphs set out a clear and accurate description of activities funded through BIS and its delivery partners. Clearly a longer text could have covered additional activities funded through devolved administrations.

4. Mr Mark Williams referred to a quote from previous BIS evidence about the Technology Strategy Board:

> *"In terms of collaborative R&D, the figures suggest that the total of grants going to Wales from the Technology Strategy Board is around 3.5%of UK total. This is less than what might be thought their fair share, and has been the subject of discussions between the Technology Strategy Board and Welsh Assembly Government".*

He asked what had been the outcome of those discussions.

Government response:

5. The Technology Strategy Board is a national body that plays a cross-Government role in delivering a national technology strategy.

6. It prioritises its investments on the basis of addressing specific challenges or maintaining core expertise in leading edge technologies, where the UK has real strength, and there are greatest opportunities for future growth. These priorities are identified alongside key partners including business, academe, Research Councils, the devolved administrations and English Regional Development Agencies (RDAs).

7. Priority areas are supported through activities such as funding for business led Collaborative Research and Development (CR&D) projects. Funding is allocated on the basis of open and competitive bids submitted by collaborations of businesses and research base partners, in response to announced competitions or "calls" in defined areas. These competitions are open equally to businesses and their partners in all parts of the UK, and any grants awarded are decided strictly and solely on the basis of merit. Location of the bidding partners is not a consideration, nor is there any form of regional allocation of funding.

8. Against this background, the reference in the submission which appeared to indicate that Wales has received less than its "fair share" of CR&D grants (3.5% of total UK CR&D funding excluding large projects) could perhaps have been clearer in its meaning. Although the Technology Strategy Board does not fund projects on the basis of location of the applicants, it does monitor for information purposes the overall levels of CR&D funding going to each of the English regions and devolved administrations.

9. The point we had intended to make in the submission was that the Technology Strategy Board recognises the strength and capacity of businesses in Wales, many of which operate in priority areas that it has identified. It therefore believes there is scope to increase understanding and engagement, especially with those businesses who have not previously participated in its programmes. The Technology Strategy Board has therefore been working with the Welsh Assembly Government (WAG) and other partners to raise awareness and uptake of the CR&D programme amongst Welsh businesses and universities, and to increase the number and quality of applications received.

10. In July 2009, Iain Gray (Technology Strategy Board Chief Executive) met Dame Gillian Morgan (WAG Permanent Secretary) where this was discussed amongst other matters; and further discussions have also taken place since then at official level, most recently in December 2009. The position will be reviewed again in March 2010, when Iain Gray is due to meet with Gill Morgan and WAG Directors in Cardiff.

Further Education

11. Mr David Jones asked about the consultation for the National Commissioning Framework and whether it will enable 16–19 year old further education learners to cross the border.
Government response (from DCSF):

12. Our intention is that the current arrangements will not change (ie the principle will continue as operated by the Learning and Skills Council now but will be administered through the lead commissioning local authority for relevant learning providers. The consultation draft of the NCF (in the Learner Eligibility annex)—available at:

> http://www.dcsf.gov.uk/1419/
> index.cfm?go = site.home&sid = 57&pid = 505&lid = 643&ctype = None&ptype = Contents

and contains the following text:

> *"Colleges and providers are reminded that Wales, Scotland and Northern Ireland have their own funding arrangements. There may be exceptional circumstances where, on occasion, individual Scottish or Welsh learners may wish to travel to or reside in England to study when specialist provision is not offered locally. There will be reciprocal arrangements with the funding councils for Wales and Scotland for colleges and providers close to the borders. However, it is not expected that colleges and providers in England will recruit entire groups of learners from outside their local area. Such learners should be referred to the possibility of a distance-learning or Ufi programme delivered by their local provider or hub in Wales or Scotland. If the learning programme is not available through this route, permission to enrol the learners must be sought from the lead commissioning local authority."*

13. In view of concerns raised by hon. members with DCSF Ministers in relation to West Cheshire College, which draws a number of its learners from Wales, we have undertaken to look again at this text as part of the current NCF consultation.

January 2010

Written evidence from Chester Renaissance

1. Summary

— Chester Renaissance is a programme of major public and private sector led developments that will regenerate and reshape the City of Chester.

— Transport and movement is a key element of the projects needed to transform the City including the key gateways and transport hubs, which must perform as quality points of arrival and efficient transport interchanges.

— Chester Renaissance is working closely with transport providers and key attractions in Chester, Cheshire and Liverpool to better co-ordinate movement between the Cities and major visitor destinations.

— This letter is written in support of the investigation into and recommendations made for the transport network across the Welsh-English border.

2. Chester Renaissance is the organisation created to identify the changes and improvements needed to make Chester a must see European destination and to lead the shaping of the City over the coming twenty plus years. The programme of priority projects will be delivered through a number of partnerships with both the public and private sector and especially with Cheshire West and Chester Council.

3. The vision for Chester is to be recognised as a city of excellence in all that we offer to residents, visitors, businesses and students. To be a dynamic and vibrant city of culture and heritage and a key regional hub for employers, inward investment and commercial activity.

4. To achieve this vision, we recognise the importance of partnership and sub regional working on all levels and across many borders. Transport is one of the most critical areas where we must engage with our neighbouring cities and authorities to deliver efficient transport services and better connectivity. Chester Renaissance is working with a number of partners including Merseyrail, Liverpool John Lennon Airport, Arriva Trains Wales and Visit Chester and Cheshire to optimise public transport links and opportunities between Liverpool and Chester and key visitor attractions eg Chester Zoo, Cheshire Oaks Designer Outlet.

5. The Group is committed to promoting fast and easy movement for public transport users by lobbying for services where they are currently lacking to be improved and for existing services to be integrated and publicised. Therefore aiming to increase the numbers of passengers on the rail and bus services between Chester and Liverpool and to major destinations such as the Zoo, which is very car dependant at present.

6. A primary focus is to improve the links between Liverpool John Lennon Airport (JLA), Liverpool South Parkway and Chester City Centre (including major visitor attractions). We are therefore supportive of infrastructure proposals to enable high speed rail connectivity and the major project, Halton Chord.

7. Chester Renaissance recognises the significant economic benefits of this efficient high speed connectivity with Liverpool JLA because of the global markets that this opens access into for Chester and the surrounding area. This will promote both the visitor economy and the inward investment appeal of the City, contributing to Chester's position as a European destination for visitors, and international centre for employers and investors.

8. Chester is extremely well positioned for North Wales, Merseyside and Cheshire as a gateway between the Northwest of England and North Wales. This has been recognised for some time in sub regional spatial and economic strategy and through the work of the Mersey Dee Alliance. Visitrac for the period September 2008 to August 2009 indicates that 11% of people surveyed were visiting Chester from Wales, and of these over 70% from North Wales. We are also aware of cross border movement of business and investment along the A55 corridor and Wrexham into and out of Chester.

9. Chester can therefore position itself as the gateway between North East Wales and Liverpool JLA if the public transport is integrated and efficient to be attractive and operationally beneficial. Chester railway station is undergoing major change and investment in excess of £11 million to ensure it is a rail hub that is fit for modern passenger needs. The second phase of works is committed and will commence in October 2009 for a platform improvement scheme on those platforms serving Liverpool and Manchester. Rail services between Chester and Liverpool operate at least every 30 minutes (15 minutes during peak times on weekdays).

10. For Chester to perform as an effective transport hub serving Liverpool and the Airport and North Wales bus and rail links will need to be improved.

11. North Wales tourism organisations recognise that LJLA is a gateway for North Wales population in terms of inbound tourism offer, as does Chester. The significance of LJLA as the Gateway Airport to Chester and North Wales has increased even more following a successful launch of the KLM scheduled services from LJLA, which provides convenient access to over 600 world wide destinations via KLM's hub airport Amsterdam.

12. If North Wales is to gain full advantage and benefit from this significant improvement in connectivity that this KLM service and ever growing route network at LJLA have delivered then a frequent direct bus link is required to/from the airport. However, this bus link that would link the airport with Chester and North Wales is still missing. We understand that TAITH (the joint board of the six county authorities in North Wales working together to deliver improvements to public transport across the region) have completed a study looking at public transport improvements to/from North Wales with a link to the airport with the results due to be published soon.

13. We would like to highlight that both high level schemes "Halton Chord" and "The Mersey Gateway" will deliver, upon completion, improved surface access ability for passengers originating from North Wales. However, in the interim until these become available, we propose to the Welsh Affairs Committee to consider any potential funding assistance that could potentially originate from the North Wales authority. This funding would enable us to support the North Wales-Chester-LJLA airport bus service. The increase in surface access capacity that will be delivered when both previously mentioned projects are completed will create the right environment for the bus service operator to increase the frequency of the airport—North Wales bus link service thus generating potential for further benefits to the North Wales area as a whole.

14. We would like to take this opportunity to refer again to the Welsh Affairs Committee recommendation for an establishment of a dedicated funding stream for cross border bus service.[2]

October 2009

Written evidence from Glyndŵr University

SUMMARY

— The establishment of Glyndŵr University in 2008 with a distinctly Welsh name demonstrates the University's commitment to and pride in its Welsh identity. The University believes this choice of name has proved highly popular not only in Wales but also in England and internationally.

— the University has continued and extended its collaborative activities with English and international universities and industrial partners. The strategy behind this has been to utilise the best available expertise for the benefit of North East Wales and is an essential element in the worldwide academic community

— The confusion over jurisdictional limits of government responsibilities, as previously reported by the Welsh Affairs Committee, continues.

— The University believes that where differences in policy exist between Wales and England the Welsh policy should be to the advantage of Wales and in response to Welsh needs. It does not believe this has always been the case, in particular in relation to the way funding has been awarded following the recent Research Assessment Exercise.

SUBMISSION

Introduction

1. Glyndŵr University welcomes the opportunity to submit further evidence to the House of Commons Welsh Affairs Committee in its continuing investigation into the provision of cross border public services. The University believes this is an important issue and one that directly affects many aspects of Glyndŵr University's activities.

Glyndŵr University

2. The North East Wales Institute of Higher Education, as it was, gave evidence to the select committee on 14 July 2008, three days before the official announcement was made that it had obtained taught degree awarding powers and university title and had subsequently become Glyndŵr University. The official inauguration of the University and the installation of the Chancellor and Vice-Chancellor took place on 28 February 2009 in the Roman Catholic Cathedral and the Parish Church of St Giles in Wrexham.

3. 2009 saw a 23% increase in the number of new students enrolling at the University. This increase was such that for the first time ever two matriculation ceremonies had to be held on the first day as the University's William Aston Hall was too small to accommodate all the freshers. At the time of writing it is too early to give any clear indication of any change in the University's student profile and in particular their domicile. It is expected, however, based on student applications that there will be little change in the number of students coming to Glyndŵr University from England and a large increase in the numbers coming from the rest of the European Union and overseas.

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[2] Welsh Affairs Committee, Tenth Report of Session 2008–09, *Cross Border Provision of public services for Wales: Transport*, HC 58, Conclusions and Recommendations, para 24

4. The varied nature of the University's activities and its location in a border town mean that the University has a number of different focal points for its strategic leadership. Politically the University looks to Cardiff in the form of strategic policy developments and educational initiatives as well as for funding. The North East Wales economy, however, retains its major dependency on the Manchester and Liverpool conurbations. This has a necessarily significant effect on the strategic planning of the University.

5. The University forms educational partnerships with universities across the UK and further afield. It is developing, for example, links with Liverpool University to provide veterinary science programmes in North Wales. It is also involved in composite partnerships with universities across the North West of England, led by Manchester University.

6. Commercially the main, but not exclusive, focus of the University is in North East Wales as the University offers consultancies and programme placements with companies in Wrexham, Flintshire and Denbighshire. Companies in the English border counties are also involved, although to a lesser extent. In a number of specialisms however the University operates in a global market and has partners in many parts of the world.

7. The transport infrastructure firmly embeds Glyndŵr University within the UK network with trains from Wrexham going to Chester, Shrewsbury and Birkenhead. The lack of a high speed train from Wrexham to Cardiff or an air service between North East Wales and Cardiff is a disincentive to collaboration with universities and businesses in South Wales.

8. Across the University collaboration with other universities is extensive. This is not confined to the main Wrexham campus but forms an integral part of the University's strategy in developing its various campuses and locations. Apart from the transport problems linking North East and South East Wales geography is rarely a significant factor in the choice of partners for Glyndŵr University. Academic expertise, synergy with the University's existing and proposed programmes and expertise of Glyndŵr University and the compatibility of the two universities' missions and visions are usually the deciding factors. Collaboration is an essential element in the worldwide academic community and lies at the heart of Glyndŵr University academic strategy.

9. Despite the fact that its 16 months of existence have coincided with one of the worst global recessions for 60 or so years, the University has undertaken a considerable number of activities and initiatives aimed at making a significant contribution to the economy of North Wales. The most significant of these has been the University led initiative to create an A55/A483 Knowledge Corridor for economic development. These initiatives have included the establishment of three new University sites at Northop, St Asaph and Hawarden and plans are at an advanced stage for further developments, particularly with Airbus in Broughton.

10. The largest of the new sites is the new campus at Northop in Flintshire on the grounds previously occupied by the Welsh College of Horticulture. The principal aim of this campus is the development of new land based higher education programmes. It is proposed that in the long term it will form the base for development of research facilities into bio-sciences. It will also provide the base for the University's proposed developments in the area of veterinary science in collaboration with Liverpool University. Not only would such a development bring veterinary science into Wales for the first time but it is also proposed that some or all of the elements offered by Glyndŵr University would be made available through the medium of Welsh.

11. In February 2009 the University took over the former Optic Technium on the St Asaph Business Park in Denbighshire, where a number of the University's research units were based. This acquisition enhances the University's research facilities and has led to closer collaboration with many different universities including Cranfield and University College London. This collaboration has even extended to the joint appointment of professorial and post doctoral staff with UCL.

12. On 9 March 2009 the University signed a memorandum of understanding with St Deiniol's Library in Hawarden to establish the Glyndŵr University Gladstone Institute of Cultural and Theological Studies. Within a couple of months the University had validated its first professional doctorate programme to be run from St Deiniol's, a Doctor of Ministry. This programme will make use of staff from other universities across the world on a part time or sessional basis.

13. The University's long and extensive links with Airbus are being further enhanced by the University's development of a new teaching and research collaboration at Airbus. The University is also a member of the North West (and North Wales) Composites Centre, working with Manchester University, Liverpool University and Lancaster University.

Developing the North Wales Economy

14. The establishment of these sites was an integral part of the University's strategy for the development of the North Wales economy. Central to this strategy was the creation of its Knowledge Corridor along the A55 and A483 which is at the heart of the University's Economic Strategy for North Wales. The concept of the Knowledge Corridor was based on the successful models of the Cheshire Science Corridor and the Golden Triangle of Oxford, Cambridge and London.

15. There is overwhelming evidence that good communications and the closer integration of industry and academia are important influences in economic development. Both factors are addressed by the A55 Knowledge Corridor plan which would utilise the communications potential of one of Europe's principal highways, running through North Wales and joining the motorway network of North West England.

16. At the centre of the strategy are the twin strands of developing research facilities on a number of sites and increasing the range and variety of university courses across the region. Both the research and education strands will make a significant contribution to economic growth by attracting greater inward investment and by raising the skills level of the region's workforce. Built into each part of the strategy therefore is its integration with the local supply chain and the enhancement of industrial and academic collaboration. Each element of the strategy is also carefully aligned to the policies and strategies of the Welsh Assembly Government. The strategy is also capitalising on the successful development of the Mersey Dee Economic Alliance supported by the Welsh Assembly Government, the North West England RDA and local councils on both sides of the border.

Creative Industries

17. Plans for the establishment of a Creative Industries Centre in Wrexham were contained in the University's proposals for the Knowledge Corridor in North East Wales. The reasoning behind this new eco developed building is to encourage the development of the creative industries in the North East and particularly to address Welsh needs. The University is, however, highly conscious of developments in England in particular Liverpool's recent development as "City of Culture" and Media City in Salford. The flourishing of the creative industries in North West England has not been restricted to Liverpool. Chester and Manchester have also made a significant impact over the past decade. North East Wales has fallen behind and the new Creative Industries Centre is intended to ensure that Wales can benefit from the same economic and cultural development seen in the English border counties.

Finances

18. Wales is still suffering from a less generous funding regime than English universities. This has already been discussed at great detail in other forums and documents, including the first report by the Welsh Affairs Committee on the provision of cross border public services. It is not intended therefore to repeat the same general arguments here. The University would however like to draw the Committee's attention to one particular aspect of differential funding which adversely affects Wales.

19. The recent RAE report and subsequent allocation of research funding again showed a less favourable system was used in Wales than was used in England. In England funding was provided to reward excellence wherever it was found in the country's universities. In Wales a similar allocation was made except that a threshold was introduced after submissions had been made requiring the unit of assessment to have at least three full time equivalent staff. The result of this introduction of an additional criterion was that the smaller institutions in Wales were penalised whereas their English counterparts received the necessary financial support to help foster their research base.

Jones Review of Higher Education in Wales

20. Since the University last submitted evidence to the Committee both phases of the Jones Report into higher education in Wales have been published. Whilst welcoming the increased profile higher education obtained as a result of the publication of the report, the University feels this was a lost opportunity.

21. As a result of the changes to the financial assistance system for students recommended by Phase I of the Jones Review Glyndŵr University could be in a stronger financial position. It is not expected at this stage to make a significant difference to the recruitment figures as few potential Glyndŵr University students are likely to be tempted across the border by the lack of any financial incentive to stay in Wales. This assumption is based on the student profile of Glyndŵr University, many of whom are mature, with family and work commitments. Evidence also shows that younger students are unlikely to be influenced by pricing policy.

22. The principal recommendation of Phase II of the Jones Review is the review of widening participation strategies in Wales. Glyndŵr University would hope that such a review would allow a distinctly Welsh model of Widening Participation to be introduced into Wales rather than following an English model which is actually focused on Fair Access rather than Widening Participation. Fair Access does not open up the university system in a comprehensive manner. True Widening Participation is actually underfunded and therefore undervalued throughout England and Wales. It also leads to a discrimination in the compilation of university league tables by the London press, which gives credit for input scores rather than output achievements. Wales needs a Widening Participation system that answers Welsh needs by being a truly Widening Participation strategy rather than a fair access strategy more appropriate to English needs, labelled widening participation as is the current system.

The University of Wales

23. Glyndŵr University is part of the University of Wales Alliance and continues to offer degrees of the University of Wales. It believes the use of the University of Wales' name in promotional activities is beneficial to Glyndŵr University especially outside Wales where the individual universities in Wales, with the exception of Cardiff are not particularly well known.

24. Collaboration with the University of Wales includes participation in the Prince of Wales Innovation Scholarships (POWIS). In the first tranche of scholarships Glyndŵr University has won eight of the twenty scholarships available, the highest number of any university in Wales.

The Welsh Language

25. Glyndŵr University is very proud of its Welsh identity and is attempting to make more use of the Welsh language. It is implementing its Welsh language scheme and is expanding its academic provision through the medium of Welsh. Currently approximately 7% of its students undertake part of their studies through the medium of Welsh, in line with the national target set by the Assembly Government. Many of these students are first language English speakers who appreciate the employment value of being able to use Welsh in a professional environment. In a statistical quirk of the geography of Wales some students studying Welsh medium elements at Glyndŵr University are domiciled in England and so do not feature on the HESA returns for Welsh medium education and will not therefore attract the Welsh Medium premium payments offered by HEFCW. This is a further example of the way in which a border university is working within funding regimes which are beginning to look tired and unresponsive to the activities of the sector including the geographical position of individual universities.

26. Despite the impressive 7% figure quoted above Glyndŵr University has still to make a significant breakthrough into Welsh medium higher education. The current emphasis of its provision is on "professional Welsh" rather than on the delivery of mainstream academic programmes wholly or partly through the medium of Welsh. Glyndŵr University however, believes that the current system of supporting Welsh medium education favours the "traditional" Welsh speaking institutions—Bangor, Aberystwyth and Trinity and does not accurately reflect the demographic changes of the past ten years. The census figures for 2001 showed a decline in Welsh speakers in the rural West but a rise in the number of Welsh speakers in areas such as Wrexham. Such a trend suggests that the future of Welsh medium education lies more with the "Anglicised" areas than in "Y Fro Gymraeg". Indeed Welsh medium education was pioneered in the North East with three of the first four local authority-run Welsh medium schools being established in Flintshire. The University is aware of the great potential to develop Welsh medium education in the North East as shown by the tremendous success of the region's Welsh medium schools.

October 2009

Written evidence from the Department of Health

1. The Department of Health is pleased to have another opportunity to provide evidence to the Welsh Affairs Committee on the provision of cross-border health and social care services.

2. During the course of the Committee's inquiry the Department has already provided written evidence (in May 2008) on:

— the extent to which cross-border health and social care services are currently provided for and accessed;

— arrangements to co-ordinate service provision; the commissioning and funding of cross-border services; and

— the extent to which health and social care policy has diverged since devolution.

3. The Department has also had two opportunities to respond to the Committee's reports. In January 2009, the Department published a response to the Committee's interim report on cross-border health services. In June 2009, the Department published its response to the Committee's final report as *The Government Response to the Welsh Affairs Committee Report on Cross–Border Health Services for Wales*.

4. A revised protocol for cross-border health services came into effect at almost the same time as the Committee's final report was published, at the end of March 2009. The Government's response to the Committee's final report discussed issues raised by the Committee regarding the need for a new protocol. A copy of the protocol is included with this memorandum as Annex 1.

5. As it is only three months since the Department last reported to the Committee, this memorandum will focus on those issues where the Department previously indicated to the Committee that work was ongoing. The memorandum also includes information about cross-border social care services and the recently published Green Paper for England, *Shaping the Future of Care Together*. It should be noted that the commissioning and provision of social care services is the responsibility of local authorities.

6. This memorandum covers:

— Issues to be addressed in an environment where there are ongoing changes to policy and service delivery in both countries.

— The development of arrangements to monitor and review policy divergence in health and social care.

— Understanding the impact devolution on patients.

— Cross-border social care services.

Ongoing Changes to Policy and Service Delivery

7. The Government believes that the border between England and Wales should not be a barrier to health care. People resident in Wales have always accessed health services in England and those living in England have done the same in Wales. Governments in both countries have put arrangements in place to support the flow of patients across the border.

8. Devolution has provided an opportunity for each country to develop policies and services attuned to the needs and circumstances of the communities in each country. It allows the NHS in each country to innovate with different models for the provision and organisation of healthcare services, within a common framework of NHS principles, and to learn from each other in doing so. As a result of devolution there has been some inevitable divergence in health policy between England and Wales, however, the National Health Service in England and Wales remains true to the founding values of the NHS.

9. Health policy on both sides of the border is dynamic and is continuing to change. As the English and Welsh systems continue to evolve, it is important that both Governments continue to clarify the implications of policy changes and ensure that funding reflects patient flows.

10. The protocol for cross-border health services sets out the intentions of the Department and the Welsh Assembly Government and addresses the most significant issues affecting services for cross-border patients. However, the protocol was not designed as the mechanism through which all issues relating to England/Wales cross-border health services would be addressed.

11. The Government indicated in its report to the Committee in June 2009 that there were still issues to be addressed or where greater clarity and guidance is required. These issues may be the result of unique local circumstances or ongoing changes to health policy and service delivery in both countries. Such changes will continue to demand close cooperation by the Department, the Welsh Assembly and the NHS in England and Wales. Some of these are outside the scope of the protocol.

12. There have been significant changes to the NHS in England and in Wales that have led to some divergence in service delivery, for example the introduction of Payment by Results (PbR) in England. This system was not introduced by the Welsh Assembly Government.

13. PbR was designed to offer incentives to reward good performance, support sustainable reductions in waiting times for patients and to make the best use of available capacity. The implementation of PbR was phased over a four-year transitional period between 2004–05 and 2007–08, which smoothed the impact for both providers and PCTs of moving from local prices to a national tariff.

14. The introduction of PbR has had some effect on the delivery of cross-border health services which, in some cases, led to tensions between commissioners and providers. The Welsh Assembly has now agreed to require its commissioners to pay the mandatory tariff to English hospitals for treatment within the scope of PbR that they provide for Welsh-registered patients. In previous years, commissioners would negotiate prices with English providers for all treatments provided to Welsh-registered patients. Services that are outside the scope of PbR continue to be subject to local price negotiation in 2009–10.

15. In recognition of this, it has been agreed that a transfer of £12 million will be made in 2009–10 from the Department of Health to the WAG. The Department is undertaking in-year monitoring prior to agreeing future funding.

16. Where English-registered patients are treated in Welsh hospitals, the English PCT is responsible for paying the Welsh hospital at a price to be agreed locally (ie the mandatory tariff price does not automatically apply).

17. Further changes are envisaged, which may have some impact on cross-border services. For example, in 2009–10 the cost of Accident and Emergency services will continue to be covered by the "host commissioner". This arrangement may change in future years, subject to agreement between the respective governments.

Arrangements to Address Policy Divergence

18. It is the Government's view that devolution was intended to allow each administration to introduce policies that they believe to be in the best interests of their populations and economies.

19. The complexity and range of the operational issues affecting the delivery of cross-border health services may continue to increase as policy diverges over time. The Government agrees with the Committee that mechanisms are needed to maintain a systematic and ongoing review of the issues. This is particularly the case where services provided by one administration are used by the residents of another, so it is important that there is agreement about how those arrangements will work.

20. There is ongoing dialogue between officials from the Department and the Welsh Assembly Government to take account of policy divergence and other changes, for example, the forthcoming changes to the structure of the NHS in Wales.

21. The Government is investigating further options for establishing mechanisms to monitor and review policy divergence in health and social care as there is much to be gained from discussions regarding policies and plans with colleagues in the Welsh Assembly Government and vice versa.

22. Officials in the Government and the Welsh Assembly Government are establishing a cross-border policy group to address policy and other changes and agree a process for addressing cross-border issues.

23. The Government is also investigating if local cross-border groups could also be established, building on the model of the Central Wales-West Midlands Strategic Forum, to address local issues as they arise.

24. In addition, the National Specialised Commissioning Team have had discussions with colleagues in Wales about the feasibility of Welsh commissioners utilising the contracting model used for commissioning rare neuromuscular services for English patients and remain open for further discussions with colleagues in Wales.

Understanding the Impact on Patients

25. The Government is investigating options for monitoring and evaluating the experience of patients living in border areas, particularly those patients registered with a GP across the border from their place of residence.

26. NHS Gloucestershire has recently conducted a survey of patients resident in Gloucestershire but registered with a Welsh GP practice. Detailed analysis of the results of this survey will help to determine the Department's next steps in this area. The Department's intention is to work with border PCTs and to discuss with the Welsh Assembly the joint commissioning of research into the impact of devolution on patient experience.

27. The Department of Health will continue to work with colleagues in the Welsh Assembly Government and the NHS to improve patient awareness of the implications of their GP registration. The nature of the information provided will be informed by any research undertaken into patient experience.

Cross-border Social Care Services

28. English local authorities have powers under Sections 21 and 29 of the National Assistance Act 1948 (1948 Act), to make arrangements in England and Wales to provide residential accommodation and other welfare services for people who are "ordinarily resident" (ie live) in the authority's area.

29. Which local authority is responsible for funding a person's social care will depend on individual circumstances. The Ordinary Residence Local Authority Circular LAC(93)7, contains guidance on the identification of the ordinary residence of people who require social care under the 1948 Act and clarifies the responsibility of local authorities to make every effort to resolve ordinary residence disputes themselves. However, the Ordinary Residence guidance LAC(93)7 is out of date.

30. Section 32 of 1948 Act provides mechanisms for resolving disputes between English authorities who can seek a determination by the Secretary of State—that is a decision on who should pay. These mechanisms need to be updated following devolution of social care provision to the Welsh Assembly Government and the increasingly diverse range of settings within which NHS in-patient services are provided.

31. The Department of Health and the Welsh Assembly Government agreed in May 2007 to put in place interim measures to allow the resolution of outstanding disputes. These arrangements remain in force until a permanent solution can be put in place.

32. On 22 May 2008, during the Lords committee stages of the Health and Social Care Bill, Baroness Thornton made a commitment that the ordinary residence guidance will be updated. As a result of this commitment a consultation document was published on 21 April 2009.

33. The consultation document asked for views on a number of issues, including draft Directions and arrangements for dealing with cross-border disputes between England and Wales, made under section 32 of the National Assistance Act 1948. The consultation ended on 17 July 2009.

Mechanism to Improve Co-ordination

34. Subject to Welsh Ministers' agreement, Section 32(3) of the 1948 Act (as amended by section 148 of the Health and Social Care Act 2008), will provide a mechanism for resolving ordinary residence disputes between English and Welsh local authorities.

35. In addition, subsection 32(4) of the 1948 Act (as inserted by section 148 of the Health and Social Care Act 2008) sets out those arrangements for determining cross-border disputes between England and Wales must be made and published. These arrangements provide that where the dispute involves a person who is living in England at the time the dispute is referred, the Secretary of State will determine the dispute, and where the person is living in Wales when the dispute is referred, the Welsh Ministers will determine the dispute. This amendment is also subject to Welsh Ministers' approval.

36. Once these amendments commence, they should reduce the need for authorities to seek determinations. It should also remove uncertainty, frustration and delays for service users who are the subject of these disputes.

Care and Support Green Paper

37. The care and support Green Paper for England, *Shaping the Future of Care Together*, was published on 14 July 2009. It sets out a vision to build a care service in England that is fair, simple and affordable for everyone, underpinned by national rights and entitlements and personalised to individual needs.

38. *Shaping the Future of Care Together* describes a system where people get care and support wherever they live in England. Under this system people will be able to know exactly what to expect from the system and what they need to do to get help.

39. Care and support covers a range of reserved and devolved issues. During the development of a White Paper, the Department will work closely with officials in the devolved administrations to reach a shared view on how best to ensure proposed changes provide the best possible outcomes for all people in the UK. In particular, if some disability benefits were brought together with the social care system, as a better way of providing support through the new care and support system, a shared view with the devolved administrations would be developed.

40. Officials met with colleagues from the devolved administrations and territorial offices to discuss the content of the Green Paper prior to publication. Officials have been in regular contact since then, holding meetings in both Cardiff and London, and a further series of meetings are planned to ensure a co-ordinated approach.

Moving Forward

41. The Department of Health will continue to work closely with the Welsh Assembly Government and with the NHS in England and Wales to resolve issues that arise and to ensure that patients receive the best possible care and that taxpayers obtain the best value for the use of NHS resources on both sides of the border.

September 2009

Annex 1

Protocol for Cross-Border Healthcare Commissioning between the Department for Health and Social Services, Welsh Assembly Government and the Department of Health

This protocol sets out the agreed procedures for commissioning NHS healthcare for:

— residents in England who are registered with a GP in Wales; and

— residents in Wales who are registered with a GP in England.

1. The protocol only applies to those residents living along the England and Wales border covered by the following Local Health Boards (LHBs) and Primary Care Trusts (PCTs):

LHBs Bordering England	*PCTs Bordering Wales*
Flintshire	Shropshire County
Wrexham	Herefordshire
Powys	Western Cheshire
Monmouthshire	Gloucestershire
Denbighshire	
From 1 October 2009:	
Betsi Cadwaladr LHB	
Powys LHB	
Aneurin Bevan LHB	

2. For patients resident elsewhere in England or Wales who are registered with a GP on the other side of the border, their healthcare commissioning will remain based on the PCT or LHB where the patient defines his or her usual place of residence. For the purpose of the protocol the definition to be used is at Annex A. The systems for identifying the responsible commissioner between PCTs within England and between LHBs within Wales remain the same.

Duration of Protocol

3. The protocol will take immediate effect and will run until 31 March 2011, after which time commissioning responsibility between the two countries will revert to the residency based responsibility, unless the protocol is renewed. The protocol will therefore cover:

— an initial period when commissioning and provider functions in Wales are allocated across LHBs, NHS Trusts and Health Commission Wales (HCW); and

— a period after these responsibilities are transferred to new LHBs from 1 October 2009.

4. This protocol reflects, as far as possible, the changes that will be in place from 1 October 2009. Other changes may need to be incorporated at a later date.

Responsibilities

5. In compliance with SI 2003 No 150 (W20) LHBs will retain responsibility for their resident population who are registered with a GP in England. However until 30 September 2009, the PCT will be responsible, on the LHB's or HCW's behalf, and thereafter until 31 March 2011 on the new LHB's behalf, for the commissioning of healthcare services for those residents.

6. In compliance with SI 2003 No.1497, PCTs will retain responsibility for their resident population who are registered with a GP in Wales. However, until 30 September 2009 the LHB (and for specialised services, the HCW) will be responsible for the commissioning of healthcare services for those residents on the PCT's behalf, and thereafter until 31 March 2011 the new LHB will be responsible, on the PCT's behalf, for securing healthcare services for those residents.

7. This protocol does not affect the protocol currently in place for cross-border NHS funded nursing care in care homes in Wales and England, which is based on the care home's location.

Criteria

8. The following tables summarise the commissioning responsibility and responsible body:

Until 30 September 2009

Residency	*GP Location*	*Commissioning Responsibility*	*Legally Responsible Body*
Wales	Wales	LHB/HCW	LHB/HCW
England	England	PCT	PCT
Wales	England	PCT	LHB/HCW
England	Wales	LHB/HCW	PCT

From 1 October 2009

Residency	*GP Location*	*Commissioning Responsibility*	*Legally Responsible Body*
Wales	Wales	LHB	LHB
England	England	PCT	PCT
Wales	England	PCT	LHB
England	Wales	LHB	PCT

9. LHBs (and until 1 October 2009 HCW), acting on the PCT's behalf for English residents registered with a Welsh GP, will commission on the basis of clinical need and, as a minimum, the Welsh Assembly Government's standards for access to healthcare, irrespective of the location of the provider.

10. The principle remains unchanged, as set out in WHC (2005) 12, that Welsh providers are required to work to the standards and targets that are set out by the Welsh Assembly Government for all the patients who they see and treat. This means that patients from GPs in England, who choose assessment/treatment in Wales, will be seen/treated within the maximum waiting time targets of the NHS in Wales.

11. PCTs, acting on the LHBs and HCWs behalf for Welsh residents registered with an English GP, will commission on the basis of clinical need and, as a minimum, on the basis of the Department of Health's standards for access to healthcare, when treated in England and to the Welsh Assembly Government's standards for access to healthcare when treated in Wales.

12. English providers are required to work to the standards and targets that are set out by the Department of Health for patients who are commissioned by English commissioners.

13. However if a patient commissioned by English commissioners chooses to be seen and/or treated at a hospital in Wales, having been offered an appointment or admission within the Department of Health's standards, they will be excluded from the Healthcare Commission's performance rating assessment.

14. The following table summarises the standards for access:

Residency	*GP Location*	*English Provider*	*Welsh Provider*
Wales	Wales	WAG	WAG
England	England	DH	WAG
Wales	England	DH	WAG
England	Wales	WAG	WAG

Cross Border Commissioning Arrangements

15. Welsh NHS bodies will commission work from English providers for patients that they are responsible for, so as to ensure that clinical priorities are met and that Welsh maximum waiting times for patients are delivered.

16. Welsh Commissioners will commission work from English providers as per Payment by Results (PbR), ie tariff plus Market Forces Factor (MFF). Where there is no applicable tariff, Welsh Commissioners are encouraged to follow, as near as reasonably practicable, the Provider's pricing arrangements agreed by their English commissioning consortium.

17. These patients will be reported in the English provider data-sets but will be separately identified; the Healthcare Commission have agreed that any breaches of the English maximum waiting times by patients who have been referred by a Welsh GP will not be included in the Trust's performance rating.

Financial Consequences

18. In carrying out this protocol there will be no financial shortfall on the part of any responsible commissioner to provide healthcare services to the other country's residents. To ensure this, financial recording arrangements will be agreed between the Department for Health and Social Services of the Welsh Assembly Government and the Department of Health, with a view to a timely and appropriate adjustment of finances.

Performance Management Arrangements

19. For Wales this will be based on residency.

20. For England this will be based on the commissioner monthly returns.

Reaching Agreement on the Responsible Commissioner

21. Where there is an uncertainty about who is the responsible commissioner, LHBs (or until 1 October 2009 HCW) and PCTs need to work together to reach agreement speedily and fairly.

22. The patient's safety and well-being must be paramount at all times. No treatment must be refused or delayed due to uncertainty or ambiguity as to which commissioner is responsible for funding the healthcare provision.

23. If a Trust, or from 1 October 2009 an LHB, has admitted patients to its hospital, there should be an automatic assumption that treatment would proceed. Until such time as agreement is reached, the commissioner responsible for the immediate care of the patient should be based on:

— the last known GP registration, for the named LHBs and PCTs in the protocol;

OR

— the usual place of residency for others; or

— if no such information is available at the time, the commissioner should be the one where the patient is currently residing.

24. Undertaking the commissioning role in these circumstances would not prejudice the final agreement.

25. The process by which local commissioners will reach agreement is set out overleaf. This will need to be amended in due course to reflect changes in the NHS in Wales due to come into place from 1 October 2009.

26. It is not intended to use this procedure to reach agreement on issues outside this protocol. However, a similar process may be applied more widely if the Service Level Agreements and Long Term Agreements do not adequately meet need.

DISPUTE RESOLUTION PROCESS

Stage in Process	*Maximum timescale*
Stage 1. Local Resolution	**Week 4**
The LHB or Health Commission Wales and the PCT must try to reach an agreement locally on which is the responsible commissioner using the joint guidance from WAG and DH. All reasonable efforts must be made by officers (escalating to Chief Executives and finally to Chairs if necessary) of the LHB and PCT or Health Commission Wales to reach agreement locally.	
Stage 2. Resolution at Regional/Strategic Health Authority Level	**Week 12**
In exceptional circumstances, the LHB/HCW and the PCT Chief Executives may agree that they cannot reach local agreement and so decide to refer onto the relevant Regional Director of the Department for Health and Social Services Regional Office and the SHA. In a case involving HCW the matter should be referred to the Regional Office in whose area the patient is either residing or registered with a GP. The joint submission should provide the following information at Regional referral: — a background summary of the patient's case; — confirmation that the patient's care is not at risk; — who is currently taking responsibility for the patient; — the reason why the commissioners are in disagreement as to who is responsible for funding the patient's healthcare; and — what has been done to try and resolve matters. Discussion will take place between the Regional Office and the SHA to resolve the issue based on the facts and guidance. The decision will be final and binding on both commissioners. A joint letter advising of the decision will be issued to both the commissioners.	
Stage 3. National Level	**Week 14**
In the extra-ordinary event of an agreement not being reached between the Regional Office and the Strategic Health Authority by week 12, guidance should be sought from the respective central policy departments. Both departments will liaise with one another to agree the policy interpretation for the case and provide joint advice to both the Regional Office and Strategic Health Authority to ensure a resolution is achieved.	

PROCEDURE FOR CROSS-BORDER HEALTHCARE COMMISSIONING BETWEEN ENGLAND AND WALES: Defining usually resident for the purpose of establishing the responsible commissioner within the protocol

1. For the purpose of the protocol, the arbiter of the patient's residence should be the patient. The principle is that patients' perception of where they are resident (either currently, or failing that, most recently) is the criterion. If there is any doubt about where a person is usually resident, the person shall be treated as usually resident at the address given by him or her to the person or body providing him or her with the services. Where a person doesn't give such an address, he or she shall be treated as usually resident at the address which he or she most recently gave to the person or body providing the services.

2. Where a person's usual address cannot be determined in such ways, the person shall be treated as usually resident in the area in which he or she is physically present. Certain groups of patients may be reluctant to provide an address. It is sufficient for the purpose of establishing financial responsibility that a patient is resident in a location (or postal district) within the LHB/PCT geographical area, without needing a precise address. Where there is any uncertainty, the provider should ask the patient where they usually live. Individuals remain free to give their perception of where they consider themselves resident. Holiday or second homes are not considered as "usual" residences.

3. By way of illustration, if patients consider themselves to be resident at an address, which is, for example, a hostel, then this should be accepted. If they are unable to give an address at which they consider themselves resident, then the address at which they were last resident could be used.

4. Where a patient is unable to, or incapable of, giving either a current or most recent address and an address cannot be established by other means eg by the next of kin advising of the patient's address, then a patient's district should be taken as being that in which the unit providing the treatment is located.

5. Special rules apply in relation to the usual residence of prisoners. The responsible commissioner for the commissioning of psychiatric care for people transferred from prison to hospital under sections 47 or 48 of the Mental Health Act will be on the basis of their GP registration prior to sentencing for LHBs and PCTs named in the Protocol and district of residence for the other commissioners. This also applies to patients subject to court hospital orders under Sections 35-38 of the Act. For prisoners not registered with a GP and for whom a previous address cannot be determined, usual residence should be interpreted as being in the area in which the offence was committed, or if pending a trial, the area where the alleged offence was committed.

(Reference: DH Guidance on Responsible Commissioner issued July 2003)

Supplementary evidence from Rt Hon Mike O'Brien QC MP, Minister of State for Health Services, Department of Health

During the oral evidence session of the Committee's ongoing inquiry into cross-border health services on 3 December 2009 I offered to update you on three matters. I apologise for the delay in writing to you but we wanted to be in a position to be able to convey as much information to the Committee as possible.

This letter therefore includes an update on the following:

(1) Discussions regarding the use by Welsh commissioners of the contracting model for the commissioning of specialised neuromuscular services for English patients (see Annex A).

(2) Background on the current interface between the Department of Health, the Ministry of Defence and the Welsh Assembly Government regarding the provision of health and rehabilitation services to service personnel and veterans (see Annex B).

Discussions with Monitor about work to include English Foundation Trusts in the cross-border protocol's dispute resolution process are underway and I will write again to the Committee once I have further information on this point.

January 2010

Annex A

FURTHER INFORMATION ON ARRANGEMENTS FOR SPECIALISED COMMISSIONING OF SERVICES

1. In England, the National Commissioning Group (NCG) commissions highly specialised services on behalf of English patients. It also commissions five services on behalf of Wales through historical funding arrangements. These are choriocarcinoma, craniofacial surgery for congenital conditions, liver transplantation, retinoblastoma and specialist paediatric liver services.

2. Welsh commissioners make their own arrangements for commissioning the other highly specialised services that are commissioned by the NCG and have separate contractual arrangements with providers.

3. Welsh health bodies are free to commission services for people with neurological services from wherever they wish, including from providers in England, or from the private sector. There are four nationally commissioned centres providing specialised neuromuscular care in England. These are Great Ormond Street, University College London, Newcastle and Oxford Radcliffe.

4. The National Specialised Commissioning Team, which provides support to the NCG, have offered to assist Welsh commissioners in commissioning services for Welsh patients by sharing with them the contracting model used for commissioning specialised neuromuscular services for English patients. I understand that they have already had initial discussions with colleagues in Welsh Local Health Boards (LHBs) and have indicated that they are willing to continue these discussions if the LHBs feel they would be useful.

FURTHER BACKGROUND ON NEUROLOGICAL SERVICES IN WALES

5. Responsibility for meeting the health needs of people with muscular dystrophy in Scotland, Wales and Northern Ireland health lies with the devolved administrations.

6. Mechanisms already exist to allow patients to access cross-border health services as health bodies have complete freedom to commission services for their local population.

7. There is anecdotal evidence to suggest that some patients from Wales have experienced difficulty in accessing funding for diagnostic tests, physiotherapy services, and specialist neurological services in England, due to the fact that English primary care trusts are unable to treat patients from Wales without approval from Welsh commissioners. Officials from the Department of Health are committed to working with Welsh Assembly Government officials to resolve the issue.

8. A recent report on Muscular Dystrophy has highlighted the failings of services for people with neurological conditions in Wales. The All Party Parliamentary Group for Muscular Dystrophy, working closely with the Muscular Dystrophy Campaign, published their report *Access to Specialist Neuromuscular Care: The Walton Report* on 24 August 2009.

9. The report is based on oral evidence sessions and written submissions by clinicians, patients and their families. Alongside the Welsh Assembly Government, the Department of Health will consider the recommendations in the report and respond fully in due course.

Annex B

NOTE DESCRIBING THE PROVISION OF HEALTH AND REHABILITATION SERVICES TO SERVICE PERSONNEL AND VETERANS

Background

1. The formal governance of the relationship between the Welsh Assembly Government, the Department of Health (DH) and the Ministry of Defence (MOD) is overseen by a Partnership Board which meets approximately three times a year. It consists of representatives from MOD, DH/NHS and the Devolved Administrations. It is supported by two working groups focusing on People and Services, and an Executive Team made up of MOD and DH staff.

2. The responsibility for provision of health and rehabilitation services for serving personnel lies with the Defence Medical Services, through which service personnel receive primary care and various rehabilitation services, for example those available at Headley Court. Secondary care is provided by the NHS.

3. The NHS is responsible for all healthcare provided to veterans. Many veterans' needs do not differ significantly from those of the general population and therefore mainstream NHS services are sufficient. However, there are some areas where veterans may have particular needs, including mental health and prostheses. The specific provisions for veterans are detailed below.

Provision for Veterans

4. *Priority treatment*

The entitlement to priority treatment for conditions related to service, subject to the clinical needs of others, was extended to all veterans in England in January 2008 and Wales in June 2008. DH recognises the need to improve awareness of this entitlement, and recent initiatives in England have included the publication of a leaflet with the Royal British Legion which was distributed to all GPs.

MOD and DH are also working together to ensure an improved transfer of medical records to the NHS when personnel leave the Armed Forces. This will ensure GPs can identify veterans on referrals, helping to ensure access to priority treatment. This process is under active discussion in both England and Wales.

5. *Prosthetics*

DH has undertaken to ensure that all Service leavers in England who have lost a limb while serving will—where clinically appropriate—be entitled to receive from the NHS an equivalent standard of prosthetic limb to those provided by Defence Medical Services.

Health Commission Wales (HCW) has agreed to manage discharges into Wales and a budget has been allocated to cover prothetics. HCW will continue to work with MOD to ensure the provision of high quality prostheses for veterans.

6. *Mental Health*

As committed in *New Horizons—a cross-government vision for Mental Health,* DH is responding to concerns expressed about the impact of recent and current deployments on the mental health of those in and those leaving the armed forces. Veterans community mental health services are currently being piloted in six mental health trusts—including Cardiff. They are expected to complete evaluation by 2011 and to continue their work beyond the end of the pilot period.

In England, we are providing grant funding for Combat Stress to work directly with a number of mental health trusts in England to ensure that the services they provide are accessible to and appropriate for military veterans. This work will demonstrate the efficacy of integration of veterans charities and outcomes will be shared with Welsh officials via the Partnership Board.

In Wales, a National Task and Finish Group was set up and chaired by Dr Jonathan Bisson during 2009 to develop a Draft Service Specification for Mental Health and Wellbeing Services for Veterans in Wales.

The findings from these initiatives will be formally shared through the MoD / UK Departments of Health Partnership arrangements, including Wales, and will allow other mental health services to be effectively geared towards meeting the needs of veterans.

7. *Life care planning*

Life Care Planning is a joint MOD/DH initiative to ensure that those seriously injured in Service are provided with the appropriate medical and social support for the duration of their lifetime. It aims to formalise the provision of medical and social support provided to injured personnel when they leave the Services.

In England, all those seriously injured will receive an early and comprehensive assessment of their long term needs. Those needing Continuing Healthcare support will receive ongoing high quality care for life, based on a regular review of their needs overseen by an NHS case manager. The Department will also ensure that a responsible Director within Strategic Health Authorities, together with Primary Care Trust champions for the armed forces issues, are identified as advocates and to ensure that their needs are fully reflected in commissioning plans and service provision.

Equivalent Continuing Healthcare arrangements exist under each of the Devolved Administrations. The MOD has commenced discussions regarding similar arrangements for the seriously injured with representatives of the Devolved Administrations.

Written evidence from Hereford College of Arts

I am writing to submit evidence for the Welsh Affairs Committee on the provision and funding of cross-border public services in the fields of Further and Higher education.

SUMMARY

— a significant number of students domiciled in Wales have attended this college for a number of years and continue to do so;

— they do so because similar high quality specialist arts provision at either FE or HE levels is not available to them within reasonable travel distance within Wales;

— with Machinery of Government changes it is important that the needs of individual students, their parents and the national economy are not lost to local funding needs or priorities;

— the education these students receive in the creative arts is directly supportive of one of the major growth sectors of the UK economy, the Creative Industries;

— this college is one of the few remaining specialist arts colleges left in the UK and the confirmed quality, depth and specialism of our provision gives students an excellent grounding for further progression or entry into productive employment; and

— any impediments to the funding of these students would not only affect their ability to choose freely; it would also have a serious impact on the financial viability of this college and hence its sustainability and future.

1. The number of students domiciled in Wales who were studying at this college in 2008–09, compared with overall enrolments, was:

Welsh students 2008–09		*Total enrolled students 2008–09*	
FE (16–18)	52		
FE (19 +)	7		
Total FE Welsh students	59	Total FE students	484
HE	25		
Total HE Welsh students	25	Total HE students	341
College total Welsh students	84	College total students	825

2. Welsh students therefore made up over 10% of the student body in that year.

3. The majority of courses offered by the college are in visual and performing arts. At FE level these include First Diplomas in Art and Design and Performing Arts, National Diplomas in Performing Arts, Music Practice and Art and Design and the Diploma in Foundation Studies. At HE level they included Foundation Degrees and BA (Hons) degrees in a range of arts subjects.

4. Every student should be able to access suitable learning opportunities, and if these are not available within reasonable travel distance of their home then they should be able to choose to go to the college that can supply these opportunities. It is not for the Government or local authority to decide which courses offered are suitable or appropriate to a particular student's needs or preferences, and funding should follow these choices. It is important that this is made clear in guidance on commissioning from the YPLA, and that commissioning should focus on the needs of the learner rather than where they are resident. It will otherwise be unavoidable that local interests will tend to prevail over those of the student or even regional or national interests. It is also the case that the sub-regional grouping (SRG) for this area (Herefordshire, Shropshire,

Telford and Wrekin and Worcestershire) does not currently include representatives from Wales or from the Welsh Assembly Government. They have to date made no reference to Wales-domiciled students or their choice of courses.

5. The College's mission is to provide outstanding education and employability in the creative arts. The sector is one dominated by graduate entry with a confirmed demand for higher level skills and abilities. It also remains one of the fastest growing industrial sectors of the UK economy (DCMS) and has been identified as a regional priority for skills development and investment by Sector Skills Councils, Regional Skills Agency and Advantage West Midlands (the RDA). The sector is one where growth is anticipated over the next decade. Between 2007 and 2017 it is likely that total employment in England's creative and media industries will grow. Overall, estimates from Working Futures III project around 8,000 increased in regional sector employment by 2017. Of particular significance though is the expected replacement demand of 30,000 which gives a net requirement of 38,000 by 2017. Expansion demand is largely within the higher skills occupations such as Associate Professional and Technical Occupations; Managers and Senior Officials and Professional Occupations together with some Personal Services Occupations.

> "The growth of the Creative and Media sector, combined with the level of replacement demand also places an emphasis on attracting skilled entrants to the sector. A number of generic skills gaps and shortages have been identified in relation to the employability and recruitment of individuals at the start of their careers. Despite having a well educated workforce (up to 90% possess a degree in some sub-sectors) finding people with the right mix of skills is proving problematic—with many new entrants lacking 'industry readiness' and without the right portfolio of qualifications, skills and aptitudes for the work environment'. (LSC West Midlands Strategic Analysis 2008: Creative and Media Sector Intelligence Summary)"

6. Hereford College of Arts is the only specialist college in the West Midlands dedicated to the provision of an accessible range of Art, Media, Design and Performing Arts courses in both Further and Higher Education. The college has an established reputation for the quality and specialism of its provision and is an active member of local, regional and national networks. The development of higher education is based upon a firm foundation of existing staff skills, qualifications and professional practice and scholarship. The college is well resourced for the provision of specialist arts education in both human and physical resources: most importantly, almost all teaching staff have relevant post-graduate qualifications and the majority are active in professional practice and scholarly activity.

7. Over 10% of the enrolled student body is currently domiciled in Wales. Any restriction to their funding or choice of where to study would clearly have a serious impact upon the college's financial viability.

October 2009

Written evidence from the Higher Education Funding Council for Wales (HEFCW)

INTRODUCTION

1. We submitted written evidence to the Committee on 20 March 2008 regarding the contribution of higher education in Wales to cross-border services, and the Chief Executive gave oral evidence to the Committee on 24 June 2008.

2. We have noted the publication of the Committee's reports on the three strands considered previously (health and social care; further and higher education; and transport). We are responding now to the call for new written evidence issued by the Committee on 22 July 2009, and note that the Committee is interested in receiving further evidence on recent developments in the three areas as above, and also on cross-border issues in respect of economic development initiatives and the effects of the current economic climate on cross-border services.

3. As specified in the call for evidence, this submission focuses on developments since our evidence to the original enquiry, and does not repeat that evidence.

4. We present this updated evidence broadly in terms of the themes of those recommendations in the Committee's report of March 2009 that bore on higher education.

CROSS-BORDER HE STUDENT FLOWS

5. In our original briefing we presented statistics on recent trends in this respect. The latest figures (AY 2007–08) for student enrolments show that there continues to be a substantial movement of students in both directions across the Wales-England border. One third of all Welsh domiciled full-time and sandwich undergraduate students, and nearly one quarter of all Welsh students (including postgraduate and part-time undergraduate) studying in the UK were enrolled in England in 2007–08. And 38% of full-time and sandwich undergraduate students studying in Wales, and 26% of all categories of students in Wales, were from England (Tables 1 and 2).

6. With the introduction of variable top up fees in England in 2006–07, and Wales in 2007–08, together with the Tuition Fee Grant in Wales it was to be expected that there might be some change in traditional patterns of student movement. There has not been much time, however, for the establishment of any clear trends, and the imminent termination of the Tuition Fee Grant will in any case level the playing field, subject to any further complexities that could arise from the fees review in England. Accepted applicants from Wales to Welsh HEIs did rise slightly in 2007–08, and rather more sharply in 2008–09; from Wales to English HEIs there was a slight drop in 2007–08 followed by a slight rise in 2008–09; and from England to Wales there was a slight rise in 2007–08 which then remained unaltered in 2008–09 (Table 3). Overall applications from Wales to England fell slightly in 2007–08 (and for technical reasons, the apparent further drop in 2008–09 cannot be regarded as comparable); and from England to Wales there was also a small fall in 2007–08 (Table 4).

7. In the short period of time under consideration, there has not been much change that can be reliably attributed to the temporary difference in fee regime. With the impending termination of the Tuition Fee Grant in Wales, there is no reason to expect any significant change in the future, unless driven by other factors, such as the general trend across the UK for students, on average, to live nearer to home than in the past, or any complexities arising from the fee review in England. The introduction of a recruitment cap in England for entry in 2009–10, with no counterpart in Wales, may also have a small effect on cross-border movements, but it is too soon to say at the time of drafting this submission.

Comparative Funding Levels

8. In 2008 the Minister for Children, Education, Lifelong Learning and Skills commissioned a Task and Finish Group to consider the future of Higher Education in Wales, chaired by Professor Merfyn Jones, Vice Chancellor of Bangor University. Professor Jones was asked to deliver two reports on:

— the reform of student finance arrangements (on which he reported in September 2008); and

— the mission, purpose, role and funding for Higher Education in Wales (reporting in April 2009).

9. On 25 November 2008 the Minister accepted the report's proposed new approach to student finance which would better assist in meeting the Welsh Assembly Government's policy priorities and outlined her approach in three policy areas—support for students, tackling student debt and investing in HE. The Minister proposed that a significant proportion of the resources currently devoted to the Tuition Fee Grant should be redirected to an enhanced system of Assembly Learning Grants. The new Assembly Learning Grants would be much more generous to students with lower household incomes and would continue to be available, on a means-tested basis, for those from middle income households. Change will be phased in, beginning with new students from the start of the academic year 2010–11, and HEFCW is proceeding on the basis that additional monies to deliver the Welsh Assembly Government's Action Plan agenda will begin to be made available in that year, building up to an additional £31 million a year in 2012–13. This will represent a significant boost to funding levels in Welsh HE.

10. In respect of the second phase of the review, the Minister announced on 23 June 2009 that she would introduce an Action Plan to take forward her priorities. The Action Plan is expected to set out the Assembly Government's ambitions for Wales in terms of social justice and economic development, and the expectations of higher education in support of these ambitions. A further statement is expected in December 2009. It is likely that one of the expectations to emerge is that there should be a distinctive regional focus to the delivery of HE within Wales reflecting regional needs and demand, and that in developing this focus, attention will be given to the scope for cross-border collaboration.

Matched Funding

11. The Committee noted in its original report that the introduction of a matched fundraising scheme for universities in England, but not in Wales, would increase the funding disparity between England and Wales. We are able to report that we announced on 27 July 2009 the launch of a similar scheme in Wales, topslicing our Recurrent funding in the absence of additional funds—Circular number: W09/24HE, http://www.hefcw.ac.uk/publications/circulars/circulars_2.aspx. Although different in detail from the English scheme (because the relative sizes of the two sectors do not make it sensible to work in Wales in precisely the same way as in England), we expect the overall effect to be similar, and institutions in Wales have responded warmly to the initiative.

Cross Border HE Funding Council Collaboration

12. In our original submission we listed a wide range of arrangements across the UK which recognised the reality of a UK-wide HE market in terms of domestic and international students, and also staff. We also noted that certain functions are best delivered on a broadly UK-wide basis, either in order to ensure consistency of delivery standards, or to seek economies of scale, or both. Those arguments remain valid.

13. We assured the Committee that the necessary arrangements were in place to enable the funding councils of Wales and England to support cross-border collaborative projects. That remains the case, and we await concrete proposals from institutions.

14. Developments within Wales since the Committee's report add further impetus to this prospect. In January 2009 the Auditor General for Wales presented a report to the National Assembly on *Collaboration between Higher Education Institutions*. Among other matters, the report referred to the Assembly Government's continuing concern that, given their relatively smaller size, increased collaboration is necessary to ensure that each Welsh HEI remains competitive in an increasingly global market. Over the past decade, and particularly in the context of *Reaching Higher*, this has usually been taken to mean in Wales and between Welsh HEIs but, post-Jones, discussions with Welsh Assembly Government and sector colleagues increasingly includes an acknowledgment of the wider possibilities available with English HEIs.

15. In response to consideration of the report by the National Assembly's Audit Committee on 30 April 2009, the Welsh Assembly Government accepted the Audit Committee's recommendation that "HEFCW commissions work to establish the feasibility of increased collaboration with English HE institutions that are close to the Welsh border". HEFCW has engaged with HEFCE on the feasibility of increased collaboration with such English HEIs. There is already an active, but still confidential, discussion underway between a Welsh and an English HEI over closer collaborative arrangements, to which both funding councils have contributed. We have also issued updated guidance in respect of our Reconfiguration and Collaboration Fund to encourage cross-border activity (http://www.hefcw.ac.uk/publications/circulars/circulars.aspx). The Welsh Assembly Government has subsequently accepted a recommendation from the Audit Committee that "HEFCW broaden the criteria governing the types of project the Fund can support to include collaboration ventures with organisations outside the HE sector". The updated guidance issued by HEFCW in relation to the Reconfiguration and Collaboration Fund addresses this accordingly.

National STEM Programme

16. There is an important addition to the range of cross-border collaborations listed in our original submission to report. In June 2009, HEFCE announced a £20 million, three year national programme aimed at increasing the number of students graduating from science, technology, engineering and mathematics (STEM) courses. The programme also aims to make a significant contribution to meeting the skills needs of local economies. These resources will be channelled through five regional centres in England led by HEIs, and will particularly seek to build on recent achievements between the sector and the professional bodies and learned societies in chemistry, physics, engineering and maths. As well as increasing access to and participation in these key STEM disciplines, the programme will also seek to address the needs of employers through more responsive and flexible curricula and a continued upskilling of the current workforce.

17. There has been a parallel increasing focus on STEM activity in Wales, driven not least by the Assembly Government's science policy (2006), but also by the priorities for research investment announced on 17 April 2009 by the Assembly Government. These priorities are: digital economy (particularly mobile and wireless communications, and the creative industries), low carbon economy (including climate change mitigation/adaptation issues), Health and Biosciences, and Advanced Engineering and Manufacturing.

18. Consistently with our general argument that we will participate in cross-border activities where it makes sense in terms of efficiency or effectiveness, we are now participating in this HEFCE programme rather than duplicating it with one of our own. We will contribute £3 million over three years from 2009 to support a sixth regional centre in Wales, led by Swansea University. Joint working between the centres and all participating HEIs (together with Further Education Colleges and schools) is a major feature of the arrangements currently being worked up, and augurs well for development and delivery between England and Wales.

HEFCW—Research Council Collaboration

19. The relatively low proportion of Research Council grants captured via UK-wide competition by Welsh universities has been a subject of discussion for some years and was considered in the Committee's original report.

20. We continue to work actively with the Research Councils, both individually and collectively (through RCUK and the DBIS Research Funders Forum) to ensure awareness in Wales of new opportunities, and awareness in the Research Councils of Welsh interests. We continue also to work with Welsh universities to address what, in our view, are the core problems (along with funding), namely, scale and scope of research groups, and research management.

21. In respect of scale and scope of research groups, we continue to support reconfiguration and collaboration in Wales, and in some of these ventures we work closely with Research Councils. Recent examples include:

(a) £3.4 million support from the Reconfiguration and Collaboration Fund for the development of the Wales Institute of Social and Economic Research, Data and Methods (WISERD), with a further £1.4 million co-funding from the Economic and Social Research Council (ESRC). Whilst the primary aim of WISERD is to draw together and build upon the existing expertise in quantitative and qualitative research methods at Cardiff, Swansea, Aberystwyth, Bangor and Glamorgan Universities, in order to increase the competitiveness of the Welsh sector, WISERD is also contributing to UK wide capacity building through close links with the ESRC's National Centre for Research Methods led by Southampton University;

(b) support through our Strategic Development Fund for Cardiff University's participation in the second phase of the Research Councils' UK Energy Research Centre, led by Imperial College;

(c) Swansea University's involvement in the Rolls Royce/EPSRC Strategic Partnership on Structural Metals, also involving Birmingham and Cambridge Universities;

(d) co-funding between BBSRC, the Welsh Assembly Government and HEFCW to establish the Institute of Biological, Environmental and Rural Sciences (IBERS) at Aberystwyth University, as part of a Biosciences and Environment Alliance with Bangor University, a research hub to underpin the next phase of growth in the agriculture, food, bio-renewable, and land-based industries; and

(e) current active exploration with ESRC in response to proposed new arrangements for funding postgraduate students from 2011, to create a collaborative Social Science Graduate School for Wales as part of an England—Wales network where synergies and collaborations will be very much a feature of the landscape in a way they have not been previously. The Graduate School would be co-funded by HEFCW.

22. In respect of research management, we are full participants in the UK-wide Concordat to Support the Career Development of Researchers, which is led by Research Councils UK and aims to improve the attractiveness and sustainability of research careers. HEFCW and Vitae ran a dissemination event for Welsh HEIs in January 2009 to help institutions engage with the implementation process, and made a joint presentation to Higher Education Wales' Research Advisory Group in September. We are also working with Research Councils UK and other signatories through a UK-wide steering group to promote effective implementation. Separately, we are engaging jointly with Higher Education Wales and with the UK-wide Leadership Foundation for Higher Education to explore possibilities for a development programme in research management, which is likely to involve cross-border aspects.

Relations with UK Government

23. In our 2008 evidence we referred to the fact that the creation of the then new Department for Innovation, Universities and Skills sharpened considerably, in a welcome way, the focus on innovation across the entire UK, and also the attention given to universities within government in England. We also referred to the risk that, in the nature of an organisational development of this kind, there might be an inclination to seek to pull more closely together the UK-wide dimensions of DIUS's work (principally through the Research Councils and the Technology Strategy Board) and the England-only dimensions (principally, for this discussion, HEFCE), to the potential detriment of other parts of the UK.

24. The replacement of DIUS by DBIS does not fundamentally alter that pair of propositions. We in Wales await with interest the announcement by Lord Mandelson of the new framework for higher education in England, resulting from the review begun by John Denham in 2008. Although the focus of that review was England, many of the reports produced have a wider scope, and it remains to be seen how far the eventual result is confined to developments purely within England, or might have wider implications. The latter would arise particularly if there were to be any changes to the operation of the dual support system for research.

25. In that regard, we have noted with interest the announcement by Lord Mandelson, in a speech on 14 September, of a review of the non-departmental public bodies that lie within the ambit of DBIS, notably, for our purposes, HEFCE, the Research Councils and the Technology Strategy Board. We shall continue to be alert to any possibility of changes to structures or processes that, while they might make sense from an England-only perspective, could have unintended, and perhaps also undesirable, consequences for Wales.

26. That said, our sense is that there has been greater sensitivity in the last year or so in the parts of DBIS with which we interact to the England-UK dichotomy. In that regard, it is pleasing to note that in another review stemming from DBIS, that of postgraduate education, great care has been taken to ensure that the work will have a fully UK-wide focus. The Director General, Science and Research, Professor Adrian Smith wrote on 11 September to devolved administrations and funding councils to explain that the review's principal areas of investigation will be to assess the competitiveness of UK institutions in the global market for postgraduate education; assess the benefits of postgraduate study for all relevant stakeholders; assess the evidence about the needs of business and other employers for postgraduates; and examine levels of participation, in terms of who undertakes postgraduate study, and whether there are barriers affecting the diversity of participation and any reduction in the availability of high-quality entrants. Professor Smith further explained that he is eager to consult the Welsh authorities at an early stage to ensure that the review takes into consideration the potential effects on postgraduate students and institutions in Wales.

27. Finally, under this heading, the Committee recommended that there should be better liaison between the Wales Office and HEFCW. We have taken this recommendation to heart and have successfully begun regular meetings with the Secretary of State to update on higher education matters.

Economic Development

28. In response to the Committee's call for additional evidence on cross-border issues relating to economic development, the position in Wales is that we have developed activities in parallel with those in England. For example, on both sides of the border, funding councils have been put in funds by their Governments to advance capital spending, in order to support local businesses.

29. In addition, in Wales we have launched an Economic Support Initiative (Circular number W09/06HE, press release 3 August 2009: http://www.hefcw.ac.uk/news/press_releases/press_releases.aspx) which is supporting four developments to help counter the impact of the economic downturn on individuals and employers. These include a project led by the Open University in Wales, which is delivering a Welsh dimension to UK-wide website activity in order to provide information, advice and guidance about learning choices to individuals, including those facing the loss of their jobs. Another project is addressing the skills needs of individuals and companies in the Creative Media industries in Wales, playing into the wider UK activities of Skillset, the sector skills council for this sector. This provides targeted training for individuals in Wales who are at risk of redundancy or unemployment or who are investigating freelancing opportunities.

30. We are also well underway with a new phase of the pan-Wales graduate employability programme, GO Wales, begun on 1 January 2009. The programme is funded by the Welsh Assembly Government and by ESF structural funding in the Convergence area of Wales. It will run for three years and will cost approximately £20 million, including match funding from the public and private sectors. The ESF contribution is expected to be approximately £10 million. The programme is delivered by HEIs across Wales. GO Wales is able to meet the needs of higher education students and graduates via the provision of a range of work experience and training and development opportunities. Like the more established parts of the programme, such as work experience placements, new aspects such as the Graduate Academy and the prospective Freelancers programme are important in terms of addressing the needs of graduates in particular. This is especially so for those who may have been unemployed for some time or more recently made redundant during these more difficult economic times. Within the constraints imposed by our funding regime, we are making opportunities available on a cross border basis where possible.

31. In terms of the overall theme of the Committee's inquiry, we see no sign of the current economic climate reducing interest in cross-border collaboration. On the contrary, our expectation is that growing financial pressures will encourage further economies of scale and scope, and a sharper focus on identifying the partners needed for effective delivery, and hence more, rather than less, cross-border collaboration.

Appended Tables

Table 1

ENROLMENTS OF WELSH DOMICILED STUDENTS AT UK HEIS BY COUNTY OF HEI

	2005–06		*2006–07*		*2007–08*	
Country of HEI	*Full-time and sandwich under graduates*	*All students*	*Full-time and sandwich under graduates*	*All students*	*Full-time and sandwich under graduates*	*All students*
England	18,376	26,365	17,531	25,955	16,821	24,582
Wales	31,778	79,427	32,946	80,231	34,080	77,440
Scotland	408	630	405	658	402	672
Northern Ireland	12	43	15	41	11	43
Total	50,574	106,465	50,897	106,885	51,314	102,737

PERCENTAGES

	2005–06		*2006–07*		*2007–08*	
Country of HEI	*Full-time and sandwich under graduates*	*All students*	*Full-time and sandwich under graduates*	*All students*	*Full-time and sandwich under graduates*	*All students*
England	36%	25%	34%	24%	33%	24%
Wales	63%	75%	65%	75%	66%	75%
Scotland	1%	1%	1%	1%	1%	1%
Northern Ireland	0%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%

Note: Open University in Wales included in Wales figures, all other Open University enrolments included in England

Source: HESA Student Record

Table 2

ENROLMENTS AT WELSH HEIS BY DOMICILE

Country of HEI	*2005–06*		*2006–07*		*2007–08*	
	Full-time and sandwich under graduates	*All students*	*Full-time and sandwich under graduates*	*All students*	*Full-time and sandwich under graduates*	*All students*
England	26,608	38,456	26,370	38,419	25,474	35,080
Wales	31,778	79,427	32,946	80,231	34,080	77,440
Scotland	169	798	165	791	157	692
Northern Ireland	265	519	276	522	277	458
Channel Islands/ Isle of Man	153	196	155	217	165	206
Other EU	2,246	6,258	2,295	6,776	2,336	7,025
Non-EU	3,559	9,768	3,796	11,336	4,320	11,587
Total	64,778	135,422	66,003	138,292	66,809	132,488

PERCENTAGES

Country of HEI	*2005–06*		*2006–07*		*2007–08*	
	Full-time and sandwich under graduates	*All students*	*Full-time and sandwich under graduates*	*All students*	*Full-time and sandwich under graduates*	*All students*
England	41%	28%	40%	28%	38%	26%
Wales	49%	59%	50%	58%	51%	58%
Scotland	0%	1%	0%	1%	0%	1%
Northern Ireland	0%	0%	0%	0%	0%	0%
Channel Islands/ Isle of Man	0%	0%	0%	0%	0%	0%
Other EU	3%	5%	3%	5%	3%	5%
Non-EU	5%	7%	6%	8%	6%	9%
Total	100%	100%	100%	100%	100%	100%

Note: Open University in Wales included

Source: HESA Student Record

Table 3

ACCEPTED APPLICANTS TO FULL-TIME UNDERGRADUATE COURSES AT UK INSTITUTIONS BY DOMICILE AND COUNTRY OF INSTITUTION, 2005–06, 2006–07, 2007–08 AND 2008–09

Country of domicile	*Year*	*Country of Institution*				
		England	*Wales*	*Scotland*	*Northern Ireland*	*Total*
England	2005–06	287,909	9,482	4,287	120	301,798
	2006–07	277,237	8,302	3,599	91	289,229
	2007–08	294,533	8,483	3,814	129	306,959
	2008–09	330,400	8,481	4,453	274	343,608
Wales	2005–06	6,324	10,400	132	7	16,863
	2006–07	5,434	11,616	94	4	17,148
	2007–08	5,306	11,945	108	7	17,366
	2008–09	5,491	12,982	112	10	18,595
Scotland	2005–06	1,881	64	25,710	18	27,673
	2006–07	1,743	58	24,988	13	26,802
	2007–08	1,754	44	25,395	25	27,218
	2008–09	1,774	67	27,528	22	29,391
Northern Ireland	2005–06	3,174	109	1,257	9,370	13,910
	2006–07	2,995	110	1,231	8,049	12,385
	2007–08	3,203	101	1,114	8,583	13,001
	2008–09	3,214	109	1,097	9,010	13,430
Republic of Ireland	2005–06	1,437	278	775	687	3,177
	2006–07	1,352	249	727	347	2,675
	2007–08	1,215	185	701	471	2,572
	2008–09	1,286	196	714	413	2,609
Other EU	2005–06	11,988	408	1,654	20	14,070
	2006–07	12,936	494	2,157	18	15,605
	2007–08	14,793	594	2,686	16	18,089
	2008–09	14,909	635	3,181	29	18,754

Country of domicile	*Year*	*Country of Institution* *England*	*Wales*	*Scotland*	*Northern Ireland*	*Total*
Other overseas	2005–06	24,777	912	2,126	63	27,878
	2006–07	23,557	920	2,522	47	27,046
	2007–08	24,377	1,136	2,657	55	28,225
	2008–09	25,472	1,169	3,533	66	30,240
Total	2005–06	337,490	21,653	35,941	10,285	405,369
	2006–07	325,254	21,749	35,318	8,569	390,890
	2007–08	345,181	22,488	36,475	9,286	413,430
	2008–09	382,546	23,639	40,618	9,824	456,627

Source: UCAS

Table 4

APPLICATIONS TO FULL-TIME UNDERGRADUATE COURSES AT ENGLISH AND WELSH INSTITUTIONS BY DOMICILE AND COUNTRY OF INSTITUTION, 2005–06, 2006–07, 2007–08, 2008–09

Country of Institution	*Country of Domicile*	*2005–06*	*2006–07*	*2007–08*	*2008–09**	*% change 2005–06 to 2007–08*
Wales	Wales	36,575	42,480	43,995	42,307	20%
	England	54,258	52,470	51,405	42,048	−5%
	Other UK	1,558	1,737	1,572	1,303	1%
	Total UK	**92,391**	**96,687**	**96,972**	**85,658**	**5%**
	Other EU	4,289	4,638	4,785	4,060	12%
	Other overseas	7,229	6,358	6,595	5,599	−9%
	Total	**103,909**	**107,683**	**108,352**	**95,317**	**4%**
England	Wales	45,780	41,812	41,231	35,754	−10%
	England	1,548,736	1,492,320	1,602,214	1,518,383	3%
	Other UK	37,819	35,699	38,857	32,846	3%
	Total UK	**1,632,335**	**1,569,831**	**1,682,302**	**1,586,983**	**3%**
	Other EU	91,352	97,458	113,738	100,440	25%
	Other overseas	185,570	168,311	177,154	165,200	−5%
	Total	**1,909,257**	**1,835,600**	**1,973,194**	**1,852,623**	**3%**

* For 2008 entry the number of applications an applicant could make was reduced from six to five, which means it is not possible to make direct comparisons between 2008–09 figures and earlier figures Source: UCAS

September 2009

Written evidence from Higher Education Wales (HEW)

About Higher Education Wales (HEW)

HEW represents the interests of Higher Education Institutions (HEIs) in Wales and is a National Council of Universities UK. HEW's Governing Council consists of the Vice-Chancellors of all the HEIs in Wales. HEW provides an expert resource on all aspects of Welsh higher education. Universities in Wales represent a fast growing sector of the economy contributing an increasing share of our national economy. For every £1 million invested in HE through the Higher Education Funding Council for Wales (HEFCW) by the National Assembly in 2005–06 universities contributed £5.3 million to the Welsh economy.[3] The HE sector in Wales:

— has a turnover of over £1 billion;

— generated a £2 billion output to the Welsh economy including direct multiplier effects;

— gained export earnings for Wales of £170 million, including £65 million from EU/overseas research grants and £104 million in fees and "knock-on" expenditure from international students; and

— earned £121 million in total research grants for Wales and over £205 million from contracts and other income streams.

[3] Other than the turnover figures (which relate to 2006–07) the statistics in this section relate to 2005–06. The HEW evidence to the Assembly's Enterprise and Learning Committee's Inquiry into the Economic Contribution of HE provides more details on these impacts:
http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=66756&ds=11/2007.

SUMMARY

Higher Education Wales:

— welcomes the recommendations and analysis contained in the WAC report *Cross-border provision of public services for Wales: Further and Higher Education*;

— calls for policy makers to distinguish carefully the boundaries between devolved and non-devolved responsibilities in relation to health and bioscience research;

— asks for further attention to be given to the importance of comparable levels of investment between universities in Wales and those in the rest of Britain; and

— requests that the Wales Office takes steps to ensure that a Joint Ministerial Committee (JMC) is convened in the coming months to discuss:

(i) the HE policy reviews that have taken place across Britain in the last 18 months, and

(ii) the UK ramifications of the forthcoming review of variable tuition fees in England.

INTRODUCTION

1. HEW welcomes the opportunity to submit a further round of written evidence to the Welsh Affairs Committee's inquiry on the provision of cross-border services for Wales. The Committee's report on *Cross-border provision of public services for Wales: Further and Higher Education*[4] successfully highlighted all of the key issues relating to Higher Education (HE) and put forward many helpful recommendations on Welsh Assembly Government and UK Government policy in relation to HE. HEW believes that the Committee's inquiry has helped to reinforce the priority given by officials and Ministers to this policy area. In particular, we welcome the direct links that have been forged between HEFCW and the Wales Office.

2. The Committee's renewed call for evidence comes at an opportune time. A number of policy issues that have both a UK wide and devolved dimension are emerging, as we outline in our evidence below. There are also some outstanding recommendations from the Committee's report that HEW believes should be addressed by the UK and Assembly Governments.

3. In line with the Committee's call for evidence we do not recapitulate some of the overarching points on cross-border HE provision contained in our initial submission in 2008. The wider UK context in which Welsh universities operate has also been helpfully and comprehensively explored in chapter 3 of the Committee's report. This submission will therefore concentrate on developments since the publication of the Committee's report in January 2009.

(i) *Cross-border issues in health and bioscience research*

4. HEW wishes to emphasise the importance of proper co-ordination of UK and devolved research funding for clinical and bioscience research. The work of the Office for Strategic Coordination of Health Research (OSCHR), in which the devolved administrations now participate, is remitted to help discharge this task. Bringing together the Medical Research Council (MRC) and the English, Scottish and Welsh NHS Research and Development (R&D) agencies, OSCHR exercises a helpful co-ordinating function. It is crucial, therefore, that when discussion of the respective roles of OSCHR, the MRC and NHS R&D agencies are discussed the interplay of devolved and non-devolved roles and functions are noted and appreciated. In recent high level Parliamentary discussions on the future of OSCHR and the MRC this appears not to have been the case.[5] It will be important that future policy discussions on health and medical research should take into account the distinct and devolved role of NHS R&D.

5. The creation of the Office for Life Sciences (OLS) early in 2009, brings together Ministers and officials from the Department of Business, Industry and Skills (BIS) with key officials dealing with health research in the Department of Health. The OLS is tasked with ensuring that bioscience and pharmaceutical companies are working broadly in concert with governmental research priorities. The founding terms of reference for the OLS makes no reference to any relationship with the health department of the Welsh Assembly Government, or the Scottish administration. HEW would wish to be assured that the OLS is including officials from the Assembly's Department of Health and Social Services its Department of Economy and Transport in its meetings and contacts with bioscience companies.

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[4] Welsh Affairs Committee, First Report of Session 2008–09, *Cross-border provision of public services for Wales: Further and Higher Education*, HC 57

[5] Oral evidence taken before the Innovation, Universities, Science and Skills Committee on 8 June 2009, HC 655-i (2008–09). *Times Higher Education* interpreted the exchanges as indicating a future merger between the MRC and OSCHR: http://www.timeshighereducation.co.uk/story.asp?sectioncode=26&storycode=406939

6. HEW expects that the forthcoming appointment of a Chief Scientific Advisor to the Welsh Assembly Government will help ensure that Wales is represented in all the key UK-level fora where there are overlapping responsibilities for research and science.

(ii) *Cross-border HE investment issues*

7. The level of investment in universities in Wales has continued to fall well short of investment made in universities in Scotland and England by their respective administrations. Statistics contained in the HEFCW Funding Gap Report[6] (published in May 2009) indicate that universities in Wales receive 15% less investment per student in 2006–07 than universities in England, having been funded to an equal level as recently as 2001–02. The cumulative level of the HE investment gap since it has emerged in 2002 has now reached an aggregate level of around £250 million. HEFCW estimates that the level of the HE investment gap will increase further in the 2007–08 financial year.

8. When the largest share of the underlying cost base of universities in Wales continues to be determined by agreements made at a UK level, in relation to pay and pensions, this clearly has an acute effect on institutions—especially in their infrastructure and capital investment programmes. The growth of the university investment gap is putting an enormous strain on the Welsh university sector's ability to compete in a cross-border market for student and academic staff, as we outlined in more detail in our initial evidence.

9. On 18 March 2009 the Assembly's Children, Education and Lifelong Learning and Skills (CELLS) Minister, Jane Hutt AM, announced that a proportion of the resources saved from the phasing out of the universal Tuition Fee Grant would be gradually redirected to universities in the period 2010/11 to 2014–15. We trust that this commitment to investing in universities will be reflected in the Assembly's Draft Budget for 2010–11, to be published shortly.

10. The CELLS Minister later mandated HEFCW to create a Matched Funding Scheme for universities which was launched on 27 July 2009 for implementation from 2009–10. HEW has welcomed the Matched Funding Scheme and would express the hope and expectation that the funding for the scheme will not be top sliced from other university investment streams.

11. HEW also welcomes HEFCW's willingness to support cross-border university collaboration and notes that one such project is currently in the process of being taken forward. HEFCW's decision to participate in the "National" STEM Programme is to be welcomed as a sensible example of cross-border cooperation between the HE funding councils.

(iii) *Overall cross-border policy co-ordination*

12. The UK Government's HE Framework will doubtless have a substantial cross-border impact on Welsh universities as it is likely to deal with policy relating to the dual support mechanism and the Technology Strategy Board. The Framework is due to be published in October 2009.

13. An independent review of variable tuition fees is due to report in the next 12 months. It will consider the level of the cap on tuition fees in England during the next Parliamentary term. The outcome of this review will have a substantial impact on universities in Wales in terms of comparable levels of investment and it is therefore crucial that potential policy responses to any change in the fee cap in England be modelled by the Welsh Assembly Government in the coming months.

14. HEW is pleased to note that communication on policy between the Welsh Assembly Government and Whitehall departments has improved since our initial evidence, both at a Ministerial and officer level. In our initial evidence to the committee, HEW called for a functional Joint Ministerial Committee be established (constituting the HE Ministers and senior officials of the four UK administrations) to consider policy co-ordination in the light of the three reviews of HE policy (in Wales, England and Scotland) published during the course of the Committee's ongoing inquiry. HEW believes that the imminent publication of the BIS HE Framework affords such an opportunity. We would hope to see a JMC established in the coming months to discuss the HE Framework and the review of variable fees in England.

Conclusion

15. Universities in Wales are pleased to note that the Committee's report has raised the profile and importance of cross-border HE policy since its publication earlier this year. We believe that some of the improvements in cross-border working seen since 2008 can be attributed to the profile given to this issue by the Committee's inquiry.

16. HEW believes that cross-border policy co-ordination that respects the boundaries of devolved responsibility is of increasing importance as we face crucial governmental decisions on HE policy and investment across the UK. As we stated in our initial evidence, devolution should mean that decisions on

[6] See table 1 on pg 4 of the HEFCW Funding Gap Report for 2006–07 released in June 2009: http://www.hefcw.ac.uk/documents/publications/hefcw_reports_and_statistics/The_Funding_Gap_2006_07_Report.pdf

policy should rightly be "made in Wales" taking into account Welsh needs, but this should not discourage voluntary policy coordination between the UK administrations where the nature of the policy area concerned has crucial cross-border elements.

17. We hope that the Committee's renewed attention to cross-border HE policy will help encourage the administrations of the UK to redouble their efforts to secure this co-ordination.

October 2009

Written evidence from David Jones MP

I have a young constituent who is a talented footballer and was accepted for an apprenticeship by Morecambe Town Football Club. It was a condition of the apprenticeship offered that he should undertake a two year academic course with Lancaster and Morecambe College.

This, of course, necessitated my constituent living in Morecambe during the duration of his course. Were his parents resident in England, they would be entitled to apply under the residential support scheme operated by the Learning and Skills Council, which would provide maintenance of up to £3,458 per annum. My constituent investigated the position in Wales and discovered that there is no analogous support scheme operated there.

I raised the issue with Mr John Griffiths AM, who is the Welsh Skills Minister, and he replied to me as follows:

> "With regard to supporting young people who study outside of Wales, there are reciprocal arrangements between Wales and other United Kingdom administrations regarding access to each country's Education Maintenance Allowance (EMA) should they be domiciled in one country and study in another. We also have a specific arrangement with England regarding discretionary contingency funding for those who require extra help to meet the costs of their studies; these are administered by individual further education colleges . . ."
>
> "There is no equivalent in Wales to the residential scheme you refer to in your letter. Student Finance is a devolved area of Government in Wales as we develop our own policies in Wales with the education portfolio there will be some differences across the administrations of the United Kingdom."

I have to say that this has been a very unfortunate experience indeed for my constituent and his mother, who feel that they are being disadvantaged simply because they happen to live in Wales. Whilst there are no doubt policy reasons for this, it is of little comfort to individuals who are affected.

19 October 2009

Written evidence from Manchester Airports Group

My colleague, Bob Longworth, appeared as a witness in December 2008 at the above Committee inquiry in connection with its Report on transport published in July 2009. We understand that the Committee is returning to each strand of the original enquiry to determine the progress made subsequently in the light of the Government's response.

I am writing to ask you to inform the Committee that there is likely to be some, albeit small, improvement in the provision of direct rail services between Manchester Airport and North Wales in the near future. Arriva Trains Wales are proposing some limited direct services between Llandudno or Chester with the airport, commencing on Sunday 12 December 2009, subject to final approval from the Office of the Rail Regulator.

The limited service comprises one weekday and Sunday service from Chester and another from Llandudno, and one Saturday service from Llandudno. In the return direction, two weekday and Sunday services travel to Chester and a further one to Llandudno, with a Saturday provision of one to Chester and a further one to Llandudno. All these services run in the evening with the exception of the daily service to Llandudno, which runs early morning.

All these services are extensions of the existing Llandudno/Chester to Manchester Piccadilly services. The limited nature of the service arises principally from the fact that Network Rail has been able to provide a small number of train paths to run through from Manchester Piccadilly to the airport, having gained evidence of improved operating performance since the opening of the airport station's third platform in December 2008.

Should the Committee require any further information in this connection, please do not hesitate to let us know.

November 2009

Written evidence from Mersey Dee Alliance

1. Background on the Mersey Dee Alliance

1.1 The Mersey Dee Alliance (MDA) is pleased to provide further evidence to the Committee.

1.2 The MDA's business plan focuses on removing barriers to sustainable economic development across the area covering key themes: labour market productivity/skills availability; joint sharing of intelligence to raise relevant skills levels by high quality learning and training; key business sites; transport and accessibility; sustainability and environment.

2. Key Initiatives

2.1 *Knowledge Industry Corridor*

2.1.1 The MDA is working with Glyndŵr University and the University of Chester to develop the concept of a knowledge industry corridor in the area to improve the environment for innovation and entrepreneurship and strengthen the presence of higher value economic sectors.

2.1.2 The initiative builds on a proposal by Glyndwr University to promote economic development in North East Wales through *Creating a New Knowledge Industry Corridor in North East Wales* (February 2009) and extends the concept into the North West of England through West Cheshire into Wirral.

2.1.3 We propose to use the Knowledge Industry Corridor as a framework within which to achieve the MDA's aspirations for the sustainable economic development of the area, as outlined in the business plan (2008–11). We hope to further coordinate the support for financial services, energy and advanced materials as a priority.

2.1.4 As a result of MDA joint working, North West Regional Development Agency (NWDA) and Welsh Assembly Government (WAG) have, since 2008, been engaged over the development of advanced materials in relation to Aerospace. A joint North West/Wales major Airbus supply chain conference took place on 15 October 2009 through the Next Generation Composite Wing programme, linking 40 Airbus suppliers into HE and FE. Further joint working across key sectors is expected.

2.2 *Advanced Materials and High Value Manufacturing Economy*

2.2.1 A key project within the framework of the Knowledge Industry Corridor is the development of an advanced materials and high value manufacturing economy in the cross border area.

2.2.2 The Welsh Assembly Government has commissioned work on the development of an Advanced Materials and Manufacturing Centre (AMMC) within the Broughton-Deeside area, undertaken by BIC Innovation. Manufacturing represents a far larger part of the local economy than is the case for the UK as a whole. The maintenance of this sector is critical not only for the future prosperity of the MDA area, but for the wider UK economy, for example, the Airbus plant supports a supply chain employing 60,000 people.

2.2.3 The development of the Advanced Materials and Manufacturing Centre provides an opportunity to raise the profile of the sector amongst young people in the area and to be a catalyst for skills development and technology support.

2.2.4 Glyndŵr University is expected to take on the lease within this calendar year for a unit at Hawarden Business Park as a co-located research/training facility with Airbus as an interim solution to composites skills delivery, whilst the AMMC development unfolds.

2.2.5 The North West Aerospace Alliance has set up a North West Composites Steering Group with all the key players in the region including Airbus, BAE Systems and Rolls Royce actively involved.

3. Other Cross Border Projects

3.1 *"Make It In Manufacturing" Enterprise Challenge*

3.1.1 The MDA is supporting the development of a *Make It In Manufacturing* pilot project in the sub-region in December 2009 in partnership with The Manufacturing Institute and manufacturing partner UPM Shotton.

3.1.2 Following a successful challenge, and depending on funding conditions, it is intended to roll out this approach into future school years with further business and industry partners.

3.2 *River Dee Green Infrastructure (GI) Framework*

3.2.1 The MDA has worked in partnership to undertake a feasibility study on a Green Infrastructure Plan for the River Dee Corridor to balance the needs of the environment, economy and society to achieve a sustainable future for the River Dee.

3.2.2 A recent feasibility study has recommended the establishment of a Green Infrastructure (GI) framework, which would provide an "umbrella" for a range of groups to work in a managed partnership towards shared objectives. It would act as a focus for sub regional planning and policy, painting the "big picture" of sub regional priorities and showing how the numerous existing and emerging GI delivery bodies can focus their activity on River Dee wide as well as local priorities within an agreed vision and framework. It would also allow a degree of monitoring of progress against strategic objectives.

3.2.3 The framework is to be produced over the next few months to inform the emerging work on GI in Growth Point areas (Cheshire West and Wirral) and be flexible enough to feed into Welsh Local Development Plans. The framework is to work alongside and support plans for the knowledge industry corridor.

4. Strategic Infrastructure

4.1 In the MDA's 2008 submission to the Committee, the particular transportation issues facing the cross-border area were outlined, including major schemes such as the Wrexham-Bidston Line and the Halton Chord (which will assist with links to Liverpool airport) which we believe are essential to the area's long-term future.

4.2 In order to take forward improvements on the Wrexham-Bidston Line recognising the current difficulties with financing electrification, Merseytravel have presented Network Rail with a brief to develop a study identifying the costs of providing earlier services as well as doubling the frequency during the day.

4.3 The A494/A55 gateway to North Wales is a critical one. The partnership notes WAG's commitment to undertake a multi-modal study to identify the most appropriate package of measures in the Wrexham, Chester and Deeside area as part of its national transport plan.

5. Accessibility and Linking Areas of need with Areas of Opportunity

5.1 One of the key principles for creating sustainable economic development in this area is to improve the links between areas of regeneration need and areas of success. Increasing economic activity will be essential for the sustainable development of the area. There are significant pockets of deprivation throughout the area, most notably in Wirral, and parts of Ellesmere Port, Chester, Deeside/Flintshire, Wrexham and Rhyl areas. We will develop specific proposals within the Knowledge Industry Corridor programme to ensure that all communities can benefit from an improved economy and better jobs.

5.2 Tackling deprivation and economic inactivity through upskilling and employment strategies also needs to be linked to good transport links.

November 2009

Written evidence from The Muscular Dystrophy Campaign

Introduction

1. The Muscular Dystrophy Campaign, in conjunction with leading neuromuscular clinicians in Wales and England, welcomes the opportunity to provide additional evidence to the Welsh Affairs Committee's inquiry examining the provision of cross-border services for Wales.

1.1 Due to the significant decline in services since the Muscular Dystrophy Campaign provided evidence for the inquiry in April 2008, we continue to have a number of serious concerns regarding the coordination, effectiveness and funding arrangements of the cross-border provision of specialist health services. The provision of cross-border health and social care services varies greatly and there are many cases where an inconsistent, haphazard approach by Local Health Boards and Health Commission Wales is evident.

1.2 The All Party Parliamentary Group (APPG) for Muscular Dystrophy, during the course of its Inquiry into Access to Specialist Care, received evidence from expert clinicians from Wales in June 2009, which included alarming developments on cross-border services. The Group published its findings in the Walton Report in August 2009.

1.3 The Cross Party Group on Muscular Dystrophy in the Welsh Assembly will shortly be undertaking an informal review of neuromuscular services in Wales as a result of Assembly Members' concern about the current lack of specialist services provided in Wales.

1.4 Campaigners, families and clinicians were pleased to learn that the Independent Adult Neurosciences Expert Review, published on 30 September 2008, recognised the need to improve neuromuscular services in Wales. However, it is clear that, one year after the publication of the Neuroscience Review, specialist neuromuscular services across Wales have actually declined and are in real danger of deteriorating even further.

Summary

1.5 Patients with neuromuscular conditions in Wales require specialist multi-disciplinary care. Some Welsh patients, particularly those in North Wales and Mid Wales, fail to receive such a package of care and need to access services across the border.

1.6 The Muscular Dystrophy Campaign has uncovered evidence illustrating delays and barriers in accessing such cross-border services, a failure by some Welsh Health Boards to pay for cross border services and an inconsistency in funding cross border diagnostic tests.

1.7 The respiratory sleep study service in Wales has recently been withdrawn, and therefore patients are now forced to travel out of Wales to access this service. The sleep study service is vital for children requiring help with breathing during the night.

1.8 Local Health Boards in Wales must pay for those cross-border services used by local patients, particularly those services such as physiotherapy currently provided by the charitable sector.

1.9 There is little accountability when failures relating to cross border issues occur and greater transparency in the system is urgently required. An improved protocol between the Welsh Assembly Government and the Department of Health must be arranged to deal with any discrepancies on cross-border issues.

Note re Submission of Evidence

This written evidence has been submitted by Robert Meadowcroft, Director of Policy and Operations, on behalf of the Muscular Dystrophy Campaign.

Nature of the Conditions

2. There are more than 60 different types of muscular dystrophy and related neuromuscular conditions. It is accepted that over 1,000 children and adults for every one million of the population are affected by muscle wasting neuromuscular diseases in Wales. Therefore it is estimated that around 3,000 people are affected by a neuromuscular condition in Wales. Many neuromuscular conditions are low-incidence conditions and indeed some are ultra orphan. Neuromuscular conditions can be genetic or acquired.

2.1 A number of these disorders, such as Duchenne muscular dystrophy, are aggressive and cause progressive muscle wasting and weakness, orthopaedic deformity, cardiac and respiratory compromise and result in premature death. Neuromuscular disorders such as these are often present in childhood or young adult life.

2.2 It has been shown that a lack of specialist neuromuscular diagnosis, treatment and care, particularly for those patients with life limiting conditions, can affect their life expectancy. In those conditions where neuromuscular specialist services have a less dramatic improvement in life expectancy, there is nonetheless a major improvement in quality of life.

2.3 The majority of patients with muscular dystrophies have heart related problems. Muscle weakness is often associated with poor ventilatory ability and respiratory failure. These are often overlooked by professionals unfamiliar with these conditions. Pain management is a common feature as these conditions can cause nerve deterioration or neuropathy.

2.4 Despite the above points, neuromuscular services are not designated as a specialist service by Health Commission Wales.

The need for specialist multi-disciplinary care (See Appendix 1)

2.5 Specialist multi-disciplinary care has been developed by leading clinicians as the best model for delivering effective care for such complex, multi -system diseases. The provision of expert physiotherapy, orthotics, early cardiac monitoring and intervention and corticosteroids has been shown to improve muscle function and maintain independent mobility.

2.6 The judicious use of spinal surgery and expert respiratory services (including non-invasive positive pressure ventilation) helps to improve quality of life, delay the onset of respiratory failure and prolong the life of these patients.

2.7 The medical specialists that can deliver different facets of diagnosis and care vary from neurologists (adult and paediatric), to *inter alia* clinical geneticists, paediatricians, rehabilitation physicians, cardiologists, orthopaedic surgeons, pathologists and palliative care specialists. In addition, specialist physiotherapists, occupational therapists, speech and language therapists and various specialist nurses relating to the above groups have important roles in supporting and monitoring the patient and their family.

2.8 The development of services for patients with neuromuscular diseases in Wales has been inconsistent and heavily dependent on the research interests of dedicated individuals who have developed a clinical interest in a neuromuscular disease. There is no current strategy in place for succession planning, leaving the services fragile and vulnerable in view of their heavy dependence on the lead clinicians.

Lack of specialist multi-disciplinary care in Wales

2.9 Many patients in Wales with a neuromuscular condition do not have access to such multi-disciplinary specialist care The Muscular Dystrophy Campaign undertook a survey of the 22 Local Health Boards (LHB) in January 2008 in order to build a picture of access to healthcare services for people with neuromuscular conditions. The authors asked the Health Boards to provide information regarding services commissioned locally for people with neuromuscular conditions.

3. Out of the 20 LHBs that have so far responded, the following picture has emerged:

— 75% of LHBs who responded do not support a muscle clinic that offers a service to adults with neuromuscular conditions.

— 70% of LHBs who responded do not support a muscle clinic that offers a service to children with neuromuscular conditions.

— 70% of LHBs who responded do not support any adult or child muscle clinics within their area.

[See Appendix 2]

3.1 Health Commission Wales (HCW) responded to our enquiries by stating that none of the contracts set up by HCW contained the level of specification requested. HCW cited weekly adult muscular dystrophy clinics in Swansea run by two consultants. Two English centres offering specialist multi-disciplinary muscular dystrophy clinics at Alder Hey Hospital in Liverpool and at the Wolfson Centre for Inherited Neuromuscular Disease in Oswestry were highlighted. HCW failed to mention paediatric or adult neuromuscular services in Cardiff.

3.2 There is no requirement within the commissioning structure to ensure that the staffing levels within, for example, paediatric neurology departments in Wales include a specialist in neuromuscular diseases. Most departments rely on the individual interests of applicants for posts rather than recruiting directly a specialist with an interest in a neuromuscular disease.

3.3 During evidence to the APPG inquiry in June 2009, Dr Mark Rogers, a Consultant Clinical Geneticist from Cardiff, made clear his disappointment at the lack of registrars trained and ready to take over in the event of a consultant's retirement:

> "There hasn't ever been any sustained succession plan, actually recognising that a given consultant with an interest will retire and on retirement needs to be replaced by someone from outside who has training, or someone who has had training within—registrars attached to the service who can then come on and deliver the service. At most registrars are attached for a couple of weeks or occasionally months, but they just come and do clinics."

3.4 In Cardiff part of the adult muscle management services are provided by Clinical Geneticists. There is a serious concern amongst senior clinicians about the threat to prevent them conducting muscle clinics, because this has been deemed outside of the National Definition of the role of a Clinical Geneticist.

Examples: Ventilation

3.5 Ventilatory support can enable many people with compromised respiratory function to live a longer and better quality life. It is vital that ventilatory services are available for people with neuromuscular conditions if and when they are needed, and that these services are provided by multi-disciplinary teams with experience in managing individuals with neuromuscular disease.

3.6 Commissioning of services for non-invasive ventilation across Wales is uncoordinated and is varied. For some areas, the LHBs and the specialist commissioner HCW are unclear on whose responsibility this is. This leads to delays for patients in receiving their treatment and equipment to aid them with their breathing.

3.7 There have been recent alarming developments regarding the sleep study service in Wales. As Dr Louise Hartley predicted during her APPG Inquiry evidence in June 2009, there are now no sleep studies in Wales. Dr Hartley also expressed her displeasure at the lack of succession planning in paediatric long-term ventilation:

> "Succession planning for long term ventilation—that is in complete crisis on the paediatric side—it did improve for a while. Just after I started there was a respiratory paediatrician appointed who had a very strong interest in sleep medicine and long term ventilation but there was no commissioning for that service. She has gradually built it up over the last four years but completely uncommissioned and unfunded. It has fallen apart—Health Commission Wales have severely restricted the business case that she has put in to fund the service properly. As a result she has resigned and is leaving in about a month. There will be no sleep studies done at all in Wales. Everyone that needs a sleep study in a month or two will now have to go London or possibly Bristol, but probably London from now on."

Physiotherapy

3.8 Physiotherapy intervention exists in some paediatric clinics. However, these community physiotherapists are not specially trained nor do they have expertise in neuromuscular conditions. These services are reliant on the interest of the therapist and are not strategically planned.

3.9 The services that are available are dependent on the locality of the patient. A patient from outside the Local Health Board area who is attending the clinic would not be eligible to receive any physiotherapy.

4. Specialist neuromuscular physiotherapy is not available for patients at any adult muscle management clinic in Wales, other than a specialist respiratory physiotherapist attending most of the bi-monthly neuromuscular ventilation clinics in Cardiff.

4.1 The importance of specialist professionals should not be understated. Specialist neuromuscular physiotherapy for example, has been shown to prevent and minimise contractures, improve mobility and the quality of life of patients for adults and children.

4.2 A specialist physiotherapy service and specialist muscle pathology services exists across the border at the Oswestry Neuromuscular Centre and neuromuscular physiotherapy services are provided at the Neuromuscular Centre in Winsford, Cheshire.

Care Advisors

4.3 Wales is the only country of the UK without any Muscular Dystrophy Care Advisors. The role of the Muscular Dystrophy Care Advisors is important during muscle clinics. Subjects such as work, education, equipment provision and adaptations can be discussed and referrals to local services made when appropriate. Northern Ireland has one Muscular Dystrophy Care Advisor, Scotland has two Muscular Dystrophy Care Advisors and in England, from December 2009, there will be 13 Care Advisors.

4.4 There have been instances of people in Wales contacting Care Advisors in England for advice and support because of the lack of this vital service locally. While the Care Advisors try to give the best possible assistance that they can, this adds to the workload and pressure of the Care Advisors, who have a large number of patients to assist locally.

4.5 Rachel Salmon, a Newborn Screening Specialist Nurse, made the following crucial point at the APPG inquiry in June 2009:

> "You give a devastating diagnosis to these families and then there is no family support. This is negligence and a lack of duty of care to these families. Families are given a devastating diagnosis, and then there is no family care officer [care coordinator] in Wales unlike in Northern Ireland or Scotland."

North/South divide

4.6 Evidence from the LHBs, clinicians and patients shows those services which are available exist in South Wales. Furthermore, the degree to which they provide a comprehensive service is highly variable.

4.7 In North Wales and mid Wales there is no dedicated service for patients—adults or children—with neuromuscular conditions. In addition, one of the few lead clinicians in South Wales with a special interest in neuromuscular conditions is retiring in the autumn 2008. It is essential that steps are taken to recruit a successor who is also a neuromuscular specialist to ensure the service continues. In West Wales, a clinic is run, but only in the clinician's own study time.

4.8 Many patients cannot access these services and receive inferior services or, indeed, may receive no services at all.

4.9 Patients from North Wales often travel to the Walton Centre in Liverpool for treatment. It is much easier for them to access specialist services just across the border than to make the long journey from north to south Wales, for example to Cardiff or Swansea. The need to access services in England for south Wales patients is less apparent due to existing clinics in Cardiff, Newport and Swansea.

5. For a number of reasons, patients from all over Wales may need to be referred further afield, for example for specialist treatment in London hospitals. Some patients in Wales have to travel great distances and at a huge expense to access specialist multi-disciplinary care. [See Patient case A]

Problems accessing services outside of Wales: Neuromuscular Centre (NMC) in Winsford

5.1 Eight patients from Wales travel to the Neuromuscular Centre (NMC) in Winsford regularly to receive physiotherapy. The Neuromuscular Centre provides a range of specialist physiotherapy with the sole aim of improving the quality of life for adults with neuromuscular conditions. There are currently five patients from Flintshire LHB receiving treatment at the NMC. These five patients travel to the centre every two to three weeks for specialist physiotherapy, which is essential in maintaining their health and independence.

5.2 However, Flintshire LHB refuses to pay the NMC for the treatment, despite referring the patients indirectly for physiotherapy. Of these five patients, three were referred from Flintshire LHB to the Orthopaedic hospital in Oswestry—a consultant then referred them to the Neuromuscular Centre. One was referred from Flintshire to the Walton Centre for Life and then on to the Neuromuscular Centre, and one patient from Flintshire to the Wrexham Maelor Hospital, where a consultant referred them to the Neuromuscular Centre.

5.3 Wrexham LHB currently refuses to fund one patient receiving physiotherapy regularly at the NMC.

5.4 The essential clinical care these patients receive is funded by NMC rather than these Health Boards in Wales. The NMC is a charitable organisation and relies on contributions from LHBs and PCTs for services they use, as well as its own fundraising efforts. Flintshire LHB use services provided by the NMC at a total cost of £11,000 per annum. All other Local Health Boards using these services provided by the NMC fund their treatment and pay the NMC.

Wolfson Centre for Inherited Neuromuscular Disease, Oswestry

5.5 Dr Ros Quinlivan, a specialist in Neuromuscular Disease at the Wolfson Centre for Inherited Neuromuscular Disease, Oswestry, received a copy of a letter via the appointments manager in December 2007 from one Local Health Board which stated that the hospital was not allowed to see any patients from that particular LHB area until April 2008, due to funding constraints. Until then, "provisions would be made to treat patients locally". Dr Quinlivan replied to the letter asking what provisions could be made locally for patients with neuromuscular conditions, but no reply was received. One patient is known to be currently waiting for an appointment. Such provisions would be impossible to be provided locally, due to the highly specialised nature of care required to treat patients with neuromuscular conditions.

The following are further examples of long waits and problems for patients requiring specialist care from across the border at Oswestry

5.6 A young child aged 18 months with a gait disorder. An urgent referral for an appointment was requested. Despite several requests to this effect and letters from his Paediatrician, approval to see him was delayed by the Local Health Board until 18 months later

5.7 A six year old boy with waddling gait had a similar experience. The child had to wait 18 months despite requests for urgent appointments.

5.8 A woman with dermatomyositis. The referral letter was intercepted before reaching the consultant and the GP informed her that she must wait eight months. The original referral letter was received by the consultant three months later (ie letter dated 30 June 2007, arrived 2 October 2007).

5.9 Two English patients have been referred to the muscle service clinic in Cardiff. Those referrals were refused on the grounds that the patient is from outside Wales.

6. A request for a DNA sample from a Duchenne patient to be sent to London for specialised genetic testing that cannot be performed in Wales was recently refused.

Diagnostic Tests

6.1 Welsh commissioners will not consistently fund diagnostic tests for Welsh patients at recognised specialist centres in England. To ensure timely and accurate diagnosis, it is essential that patients are able to access diagnostic services at recognised specialist centres in the UK. Welsh health commissioners are reluctant to finance the sending of lab samples to recognised specialist centres in England for diagnostic services including: specialised diagnostic stains for muscle pathology and Genetic DNA tests for specific rare disorders. The result is that some Welsh patients receive inadequate diagnosis compared with the rest of the UK.

6.2 A consultant paediatric neurologist in Cardiff reports delays in requests for DNA to be sent outside of Wales for tests. The geneticists have a committee who decide whether or not to agree to tests requested, so some weeks elapse between making the request and the DNA being sent.

6.3 One SEPN1 analysis (a DNA sample) requested 18 months ago was at first refused, causing delay for the patient and a waste of the clinician's time in having to follow this up. There is unnecessary work involved for clinicians in Wales trying to organise tests rather than, more simply, putting them through the National Commissioning Group, (formerly known as the National Specialist Commissioning Advisory Group) if they could use the same mechanism as clinicians in England.

Conclusions and Issues for the Committee

6.4 The Muscular Dystrophy Campaign, in conjunction with leading clinicians both in Wales and England, has made the case that access to specialist services for children and adults with muscle disease is essential. For some patients living with a neuromuscular condition in Wales, this means accessing services across the border.

6.5 The Muscular Dystrophy Campaign is concerned to hear evidence submitted to this inquiry suggesting that considerable savings can be made for the Welsh health system by ensuring treatment does not occur in England.

6.6 Local Health Boards in Wales and Health Commission Wales must accept responsibility for the commissioning and funding of treatment provided at specialist neuromuscular centres in England—Welsh patients require access to necessary services.

6.7 The alarming lack of consistency in the funding of cross-border services by certain Local Health Boards means that when funding is refused, Welsh patients may not be able to access high quality specialist services in England and therefore do not receive the treatment that they are entitled to.

6.8 An improved protocol between the Welsh Assembly Government and the Department of Health must be arranged to deal with any discrepancies on cross-border issues. Transparency in the system must be improved by ensuring mechanisms are in place for identifying and resolving cross-border deficiencies and patient waiting times.

6.9 Waiting times held for cross-border patients must be included in all official performance statistics. [Appendix 3.]

7. For diagnostic tests, the UK Government should consider establishing a centralised fund for rare conditions. Clinicians in England are able to put diagnostic tests for these rare conditions through the NHS National Commissioning Group.

7.1 Commissioners in Wales must recognise the problems arising from the mix of rural, urban and valley areas that exist across Wales, meaning services are particularly inaccessible and inadequate from some areas;

7.2 NHS Wales and Health Commission Wales should conduct an urgent review of existing specialist neuromuscular services, in order to establish current gaps in service provision in Wales.

7.3 A neuromuscular managed clinical network should be considered, utilising specialist services and expertise on both sides of the border.

APPENDIX 1

The Need for a Multi-disciplinary Team

As these are complex multi-system diseases, a specialist centre requires a multi-disciplinary team approach to care. Most often this involves a network of highly specialised clinicians who are not always based in the same centre. This team comprises:

- Adult clinician with specific training in muscle diseases including myasthenia.
- Adult neurologist with specialist training in neuropathies.
- Adult and paediatric neurologist with specialist interest in congenital myasthenia.
- Two Paediatric Consultants with specialist training in neuromuscular disease.
- Adult and paediatric respiratory physicians who run non-invasive ventilation services and appropriate support staff.
- Adult and paediatric cardiologists with specialist interest in NMD.
- Clinical neurophysiologists with a special interest in NMD including single fibre EMG.
- Clinical geneticist.
- Genetic counsellor.
- Specialist Neuromuscular physiotherapist.
- Occupational therapist.
- Neuromuscular Regional Care Advisor/patient advocate.
- Neuromuscular nurse specialist.
- Clinical psychologist with a special interest in NMD.
- Muscle and nerve pathologist with a special interest in NMD.
- Orthopaedic and Spinal surgeons with a special interest in NMD.
- Orthotist.
- Dietician with a special interest in NMD.
- Neuromuscular speech and language therapist.

Preliminary evidence from a study in progress at the Newcastle Centre in England (highlighted below) has established the benefits for patients of the specialist multi-disciplinary care model.

Benefits of specialised multidisciplinary care—Preliminary evidence from a Qualitative Research Study:

The care provided to the families attending the paediatric muscle clinic at Newcastle has recently been assessed by a PhD student who studied the availability of and satisfaction with Home and Community Based Services for Children with Neuromuscular Disorders. The results of this study offer the first concrete evidence of a positive benefit derived from the care model of a Muscle Centre with multidisciplinary input in improving the experience of patients with chronic disability. These parents were not experiencing the same level of difficulty described in most previous research about the support needs of disabled children and families. Part of the reason for this was felt to be the support provided by the specialist Muscle Team.

This qualitative study, supervised by Professor John Carpenter, initially of the University of Durham but now in Bristol, aimed to explore children and young people with neuromuscular impairments and their parents' experiences with education, health and social care services. The study used the accounts of children and young people themselves and those of their parents or carers, exploring their perceptions of education, health and social care services.

APPENDIX 2

MDC Survey of Local Health Boards in Wales

Introduction

The purpose of the survey was to identify which areas in Wales's commission specialist muscle clinics for children and adults with neuromuscular conditions.

Method

In December 2007, the Muscular Dystrophy Campaign contacted by email 22 Local Health Boards in Wales and under the Freedom of Information Act asked the following questions:

— Does your Local Health Board currently support a muscle clinic that offers a comprehensive service to (a) children and (b) adults with a neuromuscular condition?

— If you do support a muscle clinic for children and/or adults, where is the clinic located and who is the lead clinician/Head of service?

— If patients are referred out of the local area, I would be grateful if you could indicate this and provide details.

Local Health Boards who responded

Out of the 20 LHBs that have so far responded, the following picture has emerged:

— 75% of LHBs who responded do not support a muscle clinic that offers a service to adults with neuromuscular conditions.

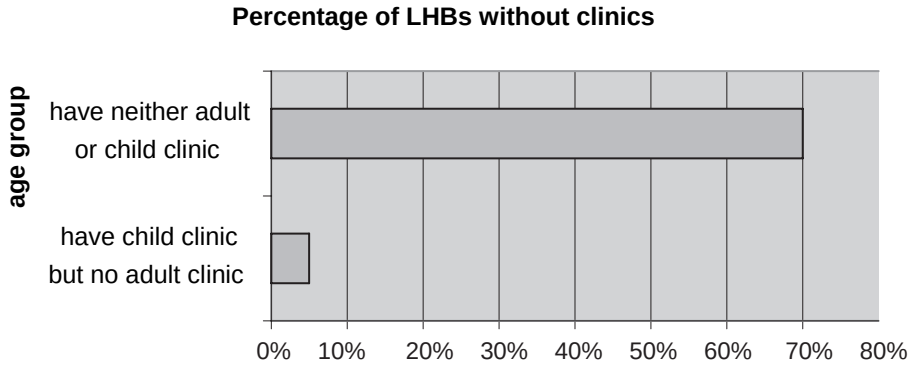
— 70% of LHBs who responded do not support a muscle clinic that offers a service to children with neuromuscular conditions.

— 70% of LHBs who responded do not support any adult or child muscle clinics within their area.

Services identified

The following table and graph set out the percentage of responding LHBs who commission a muscle clinic.

Age group	*Percentage of LHBs without clinics*
Have child clinic but no adult clinic	5%
Have neither adult or child clinic	70%



It can be said from the evidence submitted by the LHBs that there is limited provision of muscle services in Wales, with a large concentration of the services in the southern regions. Where services are provided, it is often unclear how specialised the service is and patients have to travel long distances within Wales and to London to receive this treatment.

Approximately 50% of the LHBs responded by saying that the Health Commission of Wales should be contacted for information on the services provided.

Health Commission Wales responded to our enquiries with the following information. None of the contracts that HCW has set up contains the level of specification that was requested. There are weekly adult muscular dystrophy clinics in Swansea run by two consultants. Two English centres highlighted were specialised multi-disciplinary muscular dystrophy clinics at Alder Hey Hospital in Liverpool and Oswestry.

The lack of contracts set up with the level of specification sought after is of serious concern. Action is urgently required regarding the paucity of clinics in Wales and the reluctance to commission specialist English services situated close to the Welsh border.

Patient Case A

> Rys is seven years old, lives in South Wales and has a life limiting disease—Duchenne muscular dystrophy. He had previously lived within the area of a recognised neuromuscular centre of excellence in England—the Hammersmith Hospital in London. Rys continues to attend this recognised neuromuscular centre for his bi-annual management clinic as there is no equivalent specialist service in Wales.
>
> Even then however, this is a round trip of 300 miles, requiring an overnight stay and time off work for his parents. Despite this, Rys's parents consider this worthwhile as at the Centre of Excellence he is assessed and reviewed by a multi-disciplinary team of specialists who have expertise and are familiar with neuromuscular conditions like Duchenne muscular dystrophy.
>
> Here, his care is managed by a specialist neuromuscular consultant, a specialist physiotherapist, specialist nurse and a family care officer who are all trained and experienced in dealing with muscle diseases and the related matters. His health and fitness are reviewed—such as his respiratory health, as are his drugs, physiotherapy regime and also any orthotics and equipment used. In addition, the specialists advise of any other aspects of his management and can be referred to other specialists such as ophthalmologists (in case of cataract development as a side-effect from taking steroids), a specialist clinical psychologist and also a general discussion about social care and education.

APPENDIX 3

To: SHA Chief Executives

Date: 4 February 2005

HANDLING CROSS-BORDER ISSUES BETWEEN ENGLAND AND WALES

P.2

Arrangements for Secondary Care Service Providers[7]

Welsh providers are required to work to the standards and targets that are set out by the Welsh Assembly Government for all patients who they see and treat. This means that patients from GPs in England who choose assessment/treatment in Wales will be seen/treated within the maximum waiting time targets of the NHS in Wales. These patients will be reported in the commissioner data-sets of the English NHS but the

[7] Drachman DB, Toyka KV and Myer E. Prednisone in Duchenne muscular dystrophy. Lancet 1974; 2:1409–1412 and subsequent studies by inter alia Dubrovsky et al (1998) and Manzur *et al* (2004) 1 Annane D, Chevrolet JC *et al*. Nocturnal ventilation for chronic hypoventilation in patients with neuromuscular and chest wall disorders. The Cochrane Database Issue of Systematic Reviews 2000, 1. Art. No CD001941; Vianello A, Bevilacqua M, Salvador V, Cardaioli C and Vincenti E. Long-term nasal intermittent positive pressure ventilation in advanced Duchenne muscular dystrophy. Chest 1994; 105:445–448; Simonds AK, Muntoni F, Heather S and Fielding S. Impact of nasal ventilation on survival in hypercapnic Duchenne muscular dystrophy. Thorax 1998; 53:949–952.

Healthcare Commission have agreed that any breaches of the maximum waiting time in England will not be considered as part of the performance ratings if there is a clear record that the patient has been offered an alternative appointment/admission that is within the English maximum waiting time.

English providers are required to work to the standards and targets that are set out by the Department of Health for patients that are the responsibility of English commissioners. Welsh commissioners will commission work from English providers for patients that they are responsible for so as to ensure that clinical priorities are met and that Welsh maximum waiting times for patients are delivered. These patients will be reported in the English provider datasets but will be separately identified and the Healthcare Commission have agreed that any breaches of the English maximum waiting times by patients who have been referred by a Welsh GP will not be included in the Trust's performance rating.

October 2009

Written evidence from the National Union of Rail, Maritime and Transport Workers (RMT)

The National Union of Rail, Maritime and Transport Workers (RMT) welcomes the opportunity to contribute to the Welsh Affairs Committee's follow up inquiry into cross-border transport services. The RMT is the largest of the rail union and organises members on both cross-border passenger and freight services. Our support for a publicly owned, fully integrated and environmentally sustainable rail network is well documented.

Electrification

In the week following the publication of your July 2009 Report; *Cross-border provision of public services for Wales: Transport*, the Department for Transport announced that the Great Western Main Line from London to Swansea would be electrified. The move, warmly welcomed by RMT, will reduce carbon emissions, increase capacity and provide passengers with a quieter and faster ride, with journey times between Swansea and London reduced by 20 minutes. With registered unemployment levels rising sharply and standing at more than 12% in both the Blaenau Gwent and Merthyr Tydfil and Rhymney constituencies,[8] the project should also provide valuable skilled employment opportunities for both the existing rail workforce and new entrants into the industry. In turn, operational jobs will be created once the new SuperExpress stock begins to operate on the newly electrified line.

High Speed Rail

It is increasingly apparent that as part of transport's contribution to tackling the climate change challenge and meeting the statutory carbon reduction targets set out in the Climate Change Bill there has to be a radical reduction in the number of domestic and short-haul flights. RMT is therefore pleased that Government has changed course from the overcautious response to the issue in the July 2007 Rail White Paper: *Delivering a Sustainable Railway* which argued that it would "not be prudent" to proceed with high speed rail. As with electrification, the DFT's support for high-speed rail is extremely good news and RMT fully shares the aspiration expressed in the Wales Assembly Government's National Transport Plan, to link Wales with the high speed line.

Great Western Draft Route Utilisation Strategy

Network Rail is currently consulting on their Great Western Route Utilisation Strategy (GWRUS). There are a number of schemes, proposals and issues in the document that have an important impact on cross-border services.

Swindon-Kemble redoubling

The Swindon-Kemble route is the key diversionary route from the Great Western mainline should the Severn Tunnel be closed and has an important impact on cross-border passengers. RMT has long called for the 12 mile single stretch of track to be re-doubled and fully concurs with remarks made in Network Rail's, August 2009, Draft Great Western Route Utilisation Strategy (GWRUS) document that "in its current role the single line section severely restricts service development, diversionary capacity and performance".

As your July 2009 Report points out, there is considerable support across the rail industry, Wales and the South West of England for re-doubling. The problem however has been funding, although the South West Regional Development Agency has submitted a bid for £20 billion to help pay for the scheme. RMT is extremely disappointed that sufficient funds have not yet been committed to this important and relatively inexpensive scheme and repeats our call for work to begin on Swindon-Kemble at the earliest possible time.

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[8] *Unemployment by constituency August 2009*, Research Paper 09/72, House of Commons Library, September 2009.

Projected passenger growth

The Greater Western Route Utilisation Strategy projects a 35% increase in passenger numbers on Bristol-South Wales routes between 2008 and 2019. RMT believes that in order to support such a growth in passenger numbers there has to be improvements to the railway infrastructure. Specifically, this would include two new stations in the Bristol area at Ashley Hill and Horfield/Lockleaze on the Filton Bank line.

The two new stations would serve large residential areas and additionally in the case of Ashley Hill, Nevil Road, the headquarters of Gloucestershire County Cricket Club, and would provide enhanced rail services for commuters travelling between Cardiff and Bristol, via Newport, as well as improved rail links for tourist and leisure travel.

Network Rail also projects significant growth in passenger demand on the Cardiff-Portsmouth route up to 2019. To help deal with overcrowding problems caused by the increase in ridership, Network Rail rightly is proposing to lengthen some morning and evening peak services.

Line speeds

RMT has raised on a number of occasions the issue of cross border services line speeds. We therefore welcome Network Rail plans to increase line speeds to 110mph between Westerleigh Junction and Barnt Green which will result in welcome performance improvements to South Wales-Birmingham services.

Although not part of the GWRUS proposals, RMT would take this opportunity to call for improvements to line speeds to the North Wales Coast Line (NWCL), an important cross-border route between North Wales and Merseyside. Currently, Class 175 Coradias, with a maximum speed of 100mph, operate on the North Wales Coast Line (NWCL). However some sections of the NWCL have line speeds of only 60mph. In order to get optimum value out of the 175s, reduce journey times, increase cross-border traffic and according to Scott Wilson Consulting produce beneficial knock-on effects for the whole Holyhead-Cardiff service, RMT would urge work is undertaken to increase line speeds on the NWCL to at least 90mph.

Cambrian Line

Your report raised a number of concerns, shared by RMT, with regard to performance on the Cambrian Line. In a welcome attempt to improve performance, the draft GWRUS proposes additional and improved passing loops between Aberystwyth and Shrewbury.

Conclusion

The RMT welcomes the opportunity to respond to your follow up inquiry and would further welcome the opportunity to provide oral evidence in support of our submission.

October 2009

Written evidence from Network Rail

I am pleased to be able to let you know that Network Rail has today published its Electrification Route Utilisation Strategy (RUS). This sets out a strategy to expand the electrification of the railway across Britain and follows a year-long study undertaken by the company.

Currently only 40% of the rail network is electrified, including most of the south east of England, and the main lines from London to Edinburgh and Glasgow, as well as the Merseyrail network around Liverpool and the Glasgow suburban network. Almost 50% of passenger miles are on electric trains with 60% of train miles on electric routes.

Increasing the amount of our rail network that is electrified would help to improve journeys for passengers, reduce the cost of the railway and cut carbon emissions. The benefits of electric trains over diesel are huge:

— it is 50% cheaper to run electric trains over diesel equivalents;

— the trains are 33% cheaper to maintain, 90% more reliable and emit up to 30% less carbon dioxide; and

— they are up to 20% quieter than diesel equivalents and can have up to 20% more seats per carriage.

In July, the Government gave Network Rail the go-ahead to electrify the Great Western Main Line and the line between Manchester and Liverpool. This announcement was welcome, as we believe electrification can pay for itself with cost savings outweighing the up-front investment.

However, Network Rail also believes that the business case for electrifying the Midland Main Line from London St Pancras to Derby, Nottingham and Sheffield is extremely strong. Passengers would see enormous benefits from faster, quieter, smoother and more environmentally friendly journeys.

A key issue is the affordability of such projects, and Network Rail is now working on methods to install power lines efficiently and to cost while keeping disruption to passengers and freight to a minimum.

A copy of the strategy can be downloaded from the Network Rail website at http://www.networkrailmediacentre.co.uk/imagelibrary/detail.aspx?MediaDetailsID=2802.

October 2009

Written evidence from Phil Woolas MP, Regional Minister for the North West

SUMMARY

1. I welcome the opportunity to provide evidence to the Welsh Affairs Select Committee inquiry into the provision of cross-border public services for Wales.

2. My role as Regional Minister for the North West complements the executive responsibilities of Departmental Ministers and Ministers representing Scotland and Wales by focussing on joining up local delivery and ensuring effective coordination across boundaries.

3. The evidence submitted below provides a regional perspective on the provision of cross-border services for Wales in relation to:

— Transport;

— Further and higher education; and

— Health and social care.

4. I have also explained the work we are taking forward in the North West to respond to the economic downturn and prepare for recovery.

5. The evidence below should be considered alongside written evidence submitted to the Committee by individual Government departments. I have made a note in my evidence where I have nothing to add to their responses.

TRANSPORT

6. The UK Government acknowledges the importance of good cross-border connectivity. We have established good working relations with our Welsh Assembly Government counterparts and we will continue to build upon these to deliver effective transport systems and services linking Wales and England.

The electrification of the Wrexham—Bidston Line

7. The Department for Transport's response to the Committee's tenth report of session 2008–09 sets out how we are engaging with local partners to address this issue.

8. Arriva Trains Wales (ATW) services within Wales and across the border to Bidston are specified and funded by the Welsh Assembly Government, who also manage the ATW franchise agreement. The Department for Transport specifies and funds infrastructure provision in England and Wales.

9. We recognise the importance of good transport links on the Wirral and in Deeside. Department officials regularly discuss ATW performance and service issues with rail officials in the Welsh Assembly Government. They also keep in touch with Merseytravel. In addition, local authority representatives meet the Welsh Assembly Government and ATW in a Cross Border Forum specifically to discuss ATW's cross-border services.

10. We welcome the co-operation that has taken place between Merseytravel, English and Welsh transport authorities and the Welsh Assembly Government to examine potential improvements to the Wrexham-Bidston rail line. Welsh Assembly Government, Department of Transport and Merseytravel officials have kept in close touch regarding the progress of feasibility studies looking at electrification.

11. The Department wishes to promote and develop cross-border links with Welsh transport authorities and with the Welsh Assembly Government, although the ability to contribute towards scheme costs will very much depend on the priority awarded to specific schemes by the North West Region, and on existing financial commitments and constraints. On 2 December 2008 the Welsh Assembly Government published its own Rail Forward Programme.

12. The creation of a business case, working with Network Rail and the rail industry, is the essential first step in taking forward any rail proposal. We note that Network Rail's cost estimates have increased significantly—bringing down the cost of electrification is the key to progress in this case and more generally. If costs can be reduced and funding identified, it would be for Merseytravel to consider whether a scheme is suitable to promote for major scheme funding via the Regional Funding Allocation process. It would also be for the Welsh Assembly Government to consider the contribution it wanted to make to the scheme. Meanwhile, improvements to the existing diesel service are a matter for ATW and the Welsh Assembly Government.

Mersey Dee Alliance

13. In the North West we also work closely with colleagues through the Mersey Dee Alliance (MDA). The MDA addresses the strategic, cross-boundary issues that affect the area as a whole so as not to duplicate local activity and to ensure it creates added value.

4. Its key objectives for transport and accessibility are:

— to ensure an effective and sustainable transport system to support the economic success of the sub region;

— to ensure cross-border cooperation on transport and accessibility opportunities to enhance travel options; and

— to assist in connecting people with jobs and skills and tackling worklessness.

15. Delivery of some of the projects identified will be subject to inclusion and prioritisation in the Wales National Transport Plan, the Regional Transport Plan (RTP) for North Wales, the North West Regional Funding Allocation (RFA), and the Cheshire West and Chester and Merseyside Local Transport Plans.

16. The MDA also has a useful role to play in the development of the third round of Local Transport Plans (LTP). Local Authorities will want to consider cross-border agreements in line with Local Transport Plan 3 Guidance, building on the successes of LTP2. Government Office North West is working with both the Merseyside authorities and Merseytravel, and Cheshire West & Chester to support and challenge the development of their LTP3.

North West Regional Spatial Strategy (RSS)

17. The NW RSS recognises the importance of improving the region's external transport links in particular with North East Wales to underpin the priorities of RSS and those of the sub region. It calls for the enhancement of links between areas of opportunity and need, including regeneration areas served by the following transport corridors:

— Wrexham to Bidston Liverpool rail corridor;

— Wrexham to Chester;

— Route leading to Flintshire Coastal Corridor; and

— other corridors radiating out of Chester in particular to Ellesmere Port and Broughton.

Further and Higher Education

18. I have nothing further to add to the lead Department's response, which would add to the Committee's consideration of this issue.

Health and Social Care

19. Cross border flows between the two countries occur east-west because of the transport infrastructure and geography. The number of patients registered with a GP in one country but living in the other country is biased very slightly towards Wales. However, there is a dominant flow of patients for hospital treatment from Wales to England.

20. Some 26,000 Welsh resident patients received a Finished Consultant Episode in an English Hospital in the North West during 2007–08. The North West SHA reports that cross-border activity in the North West region is focussed on the Western Cheshire Primary Care Trust (PCT) area, which borders North Wales.

21. A revised cross border protocol came in to effect on 1 April 2009. The North West SHA believes that the revised protocol has moved things on positively, particularly elective care. The NHS is now building on the protocol and resolving outstanding issues around primary care and PbR.

22. To improve cross-border coordination the Western Cheshire PCT has joined the Central Wales-West Midlands Cross Border Health and Social Care group. The PCT is also the link with NW Specialised Services and National Secure Mental Health as lead PCT on cross-border issues. Cross-border swine flu arrangements are in place and there is regular information exchange on issues.

23. Western Cheshire PCT's main care provider is the Countess of Chester Hospital NHS Foundation Trust (COCH), where approximately 90% of its hospital patients are treated. Other main hospital providers include Wirral University Hospitals NHS Foundation Trust, North Cheshire Hospitals NHS Trust and Mid Cheshire Hospitals NHS Trust. Mental health services are commissioned from Cheshire and Wirral Partnership NHS Foundation Trust. Patients from Wales also access specialist services from across the North West region, including Alder Hey Children's NHS Foundation Trust for specialist paediatric services.

24. SHA data show that the Countess of Chester receives significantly more Welsh patients than other NW providers, including the Wirral Hospital, its next nearest neighbour. The Trust's aggregated analysis shows that Welsh activity accounts for the following percentages of COCH work:

Daycases	17.6%
Electives	17.7%
Emergency	18.8%
New Outpatient	18.7%
OP Follows	19.9%

25. The nearest NHS Wales acute receiving hospital on the North Wales coast is Glan Clwyd Hospital in Rhyl which is 32 miles away, and is the only one on the North Wales Coast. This undoubtedly has an impact on patient flows as follow up is invariably linked to the hospital of first attendance.

26. There are some issues that fall outside the scope of the protocol where further work is ongoing. These include A&E, Genito-urinary medicine (GUM) and dentistry.

ECONOMY

27. Clearly the performance of the North West economy has an impact in certain parts of Wales. One of my primary aims as Regional Minister for the North West is to drive up the economic prosperity of the region. I Chair the North West Joint Economic Commission (JEC), which brings together key public, private and voluntary sector representatives from across the North West.

28. The JEC provides me with a unique forum to discuss the effects of the economic downturn and agree actions to address the impact of the downturn and prepare for recovery in the North West and indirectly across the border into Wales.

29. The JEC has been able to prioritise specific areas for action and provide a catalyst for increased collaboration between partners across the region. Actions range from agreeing a joint framework to address large scale redundancies, unblocking significant capital investment, and maximising opportunities in the longer term offered by regional strengths.

30. I have recently taken steps to give JEC a sharper focus by looking at how we can work to deliver on major opportunities for the region, for example on digital connectivity, and the green economy as we recover from the economic downturn.

31. Nationally, the Council of Regional Ministers provides an active forum for Regional Ministers and Ministers representing the devolved administrations to work together to discuss issues of common concern, taking action and intervening where appropriate.

October 2009

Written evidence from Rt Hon Jim Knight MP, Regional Minister for the South West

I am grateful for this opportunity to contribute to the Welsh Affairs Committee inquiry *Cross-border services for Wales*.

The Regional Ministers' role complements the executive responsibilities of Departmental Ministers and Ministers representing Scotland and Wales by focusing on joining up regional delivery in England and ensuring effective coordination across boundaries.

Regional Ministers represent the interests of English regions and where these overlap with devolved administrations they are taken forward via the appropriate protocols working with relevant departments as necessary.

The Council of Regional Ministers (CRM) provides a forum for Regional Ministers and Ministers representing the devolved administrations to work together to discuss economic issues of common concern, taking action and making interventions where appropriate.

The South West Regional Economic Task Group (RETG), which I chair, feeds issues into the CRM to help support the region's economic recovery. The work of the RETG to date has focused on support to business, skills and employment, housing and infrastructure, green economic recovery and public sector capacity. All of these areas of work have implications for the Welsh Economy.

South West of England and Welsh Cross Border Issues (Transport)

Summary

1.1 With the support of the Government Office for the South West (GOSW) and colleagues in Government I am working closely with South West and Welsh partners to deliver cross-border transport services by:

— Considering the impacts of Severn Tidal Power options on existing transport networks and opportunities for new networks, at appropriate stages throughout the project's development.

— Brokering solutions between the Department for Transport (DfT) and the South West region to enable delivery of redoubling of the Swindon to Kemble rail line.

— Engaging Welsh partners in the development of the South West Regional Spatial Strategy.

— Developing solutions to tackle congestion in the Greater Bristol sub-region in order to maintain the reliability and resilience of the M4/M5 corridors.

Severn Tidal

> "We were reassured that the Severn Tunnel will remain operational for a long time to come, despite the need for regular maintenance. In the longer term, if cross-border Services are to be enhanced, a successor to the Severn Tunnel may be required. Any plans for a Severn Barrage which may emerge must consider the possibility of a rail crossing as a serious option. In view of the damage that is being done to public confidence, action is required in the short term to cut the significant, substantial and poorly advertised nature of service disruption at weekends."[9]

2.1 I welcome the close working that has developed between the South West Regional development Agency (RDA) and the Government Office for the South West (GOSW) and the Welsh Assembly Government on the Severn Tidal Power Study and the associated Severn Embryonic Technology Scheme. Within the context of the challenging targets for renewable energy I welcome the thoroughness of the Feasibility Study in assessing the relative merits of harnessing the unique tidal power of the Severn Estuary and in securing a greater understanding of the key issues. This is an important issue for both sides of the estuary and we are committed to continuing to work with our Welsh partners as the study moves towards the final phase and Ministers are asked to decide upon the way forward.

2.2 The DfT response to the Committee's 10th report of session 2008–09 sets out how the consideration of future transport provision, through the development of the Severn Tidal Power options, has been taken forward to date.

2.3 I am a member of the Ministerial Committee established to consider which of the Severn Tidal Power options should go forward and share responsibility with Energy Minister Lord Hunt and Jane Davidson, Welsh Assembly Government Minister, for convening the Regional Forum of stakeholders with an interest in the project.

2.4 GOSW, the Department for Energy and Climate Change and the Highways Agency have also commenced early consideration of the impact of the construction phases associated with Severn Tidal Power options on the existing highway network.

Swindon to Kemble Redoubling

> "Along with many of our witnesses, we are deeply disappointed by the decision of the Office of Rail Regulation to reject the redoubling of the Swindon–Kemble single track stretch. The strategic importance of this route to Wales as an alternative to the Severn Tunnel or as an alternative EU TEN route to Ireland has not been recognised. We commend the Welsh Assembly Government on its continuing attempts to secure funding for this work and we look forward to the results of the feasibility study in due course. We call on the Secretary of State to urge the Office of Rail Regulation to reconsider its decision, making a fresh and objective assessment of strategic benefits as well as local ones."[10]

3.1 I am keen to ensure that the opportunity to deliver the Swindon-Kemble redoubling scheme is seized by the South West Region and discussed this scheme at the South West Regional Grand Committee.[11]

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[9] Welsh Affairs Committee. Tenth Report of Session 2008–09 *Cross Border Provision of Public Services for Wales: Transport,* HC 58, para 33

[10] ibid, para 39

[11] The South West Regional Grand Committee, 3 September 2009

3.2 Following the South West Regional Grand Committee, I wrote to the Chair of the South West RDA and the Chair of the South West Strategic Leaders Board (SLB) urging, on behalf of myself and the Secretary of State, that they give consideration to taking forward a fully funded Swindon-Kemble major scheme within the funds available in the programme of schemes in their current Regional Funding Advice.

3.3 The Region is currently considering this proposal and officials from GOSW and DfT continue to support the Region's deliberations about the scheme and its potential place in an agreed, realistic and deliverable programme for the next five years.

3.4 The South West RDA has recently formed a Great Western Partnership with colleagues in Cardiff Council and the South East Wales Economic Forum to strengthen the case for rail investment for South Wales and the South West (HS2, electrification, Swindon to Kemble).

Regional Transport Strategy

4.1 The Regional Transport Strategy (RTS) forms part of the Regional Spatial Strategy (RSS) and sets the Government's long-term regional objectives and framework for determining the priorities for transport investment and management across all modes. It informs national policies and regional transport policies and programmes including those prepared by the DfT and Network Rail. It provides the framework for the Region's advice to Government on Regional Funding Allocations (RFA) and the main context for local authorities producing local transport plans, local development documents and other policies and proposals that are transport-related.

4.2 The Local Democracy, Economic Development and Construction Bill provides for new single regional strategies to replace regional spatial strategies (RSS) and regional economic strategies (RES) and integrate other strategies covering culture and sport, housing, biodiversity and transport. Subject to the legislation being passed, Regional Strategies would be prepared from 2010.

4.3 Engaging a wide range of stakeholders during the preparation of these strategies is a key tenet of the process, and ensures that strategies take into consideration local, regional and national interests. In preparing the existing regional strategies, the South West regional partners invited comments from stakeholders from Wales and neighbouring regions.

4.4 The South West SLB and RDA have already begun working together to agree the process and programme for preparing the new Regional Strategy. Stakeholder engagement will be an intrinsic part of the Strategy's development and will provide the opportunity for Welsh bodies to influence regional level, cross-border transport provision.

Infrastructure Connectivity between Welsh and English Markets

5.1 Maintaining the reliability and resilience of access to major markets is an essential component to support a successful economy and national transport policy states that the benefits from improved transport in the UK are likely to be greatest if they focus on congestion and bottlenecks.

5.2 The M4 provides a critical transport link between Wales and England. Analysis by DfT and the Highways Agency highlights that parts of the M4/M5 around the West of England sub-region experience weekday congestion, particularly at junctions. This congestion is often attributable to journeys by local commuters and capacity restraints at junctions. These locations also experience high levels of congestion on the local road networks and crowding on public transport services. Bristol has the lowest average peak time traffic speed of the eight English core cities (15 mph) and the sub-region is expected to experience significant housing and employment growth over the next 20 years.

5.3 Failure to tackle these issues will have a detrimental impact on the reliability and resilience of transport corridors between Wales and England and will significantly reduce the economic performance of key towns and cities. As a consequence, the Government is investing approximately £100 million for the provision of hard shoulder running on the M4 J19–20 and M5 J15–17 around Bristol as part of its Managed Motorways programme.

5.4 Following advice from the South West Region, the Government has indicated that it expects to invest £450 million in funding local major transport schemes in the Greater Bristol area between now and 2019. Other innovative investment for tackling congestion in the South West has seen England's first Cycling City under which Bristol and South Gloucestershire are jointly, with the Government, investing approximately £22 million of public funds in cycling provision.

Delivering a Sustainable Transport System

5.5 The West of England has been identified as a potential study area within the DfT's Delivering a Sustainable Transport (DaSTS) programme. A Project Initiation Document (PID) for a West of England Transport study is currently being developed by the RDA for consideration by the Department leading potentially to release of funds for study work.

5.6 The proposed study will build on the evidence in the Greater Bristol Strategic Transport Study and work on model development to address gaps in the evidence base in three related areas:

— better understanding the inter-relationships and interactions between journeys on the strategic and local network (this will include solutions to tackle congestion in the Greater Bristol sub-region in order to maintain reliability and resilience of the M4/M5 corridors);

— establishing the economic costs, benefits and impacts of transport in tackling accessibility, deprivation and regeneration in South Bristol; and

— better understanding the effect of a range of transport measures on carbon emissions.

South West of England and Welsh Cross Border Issues (Further and Higher Education)

6.1 I have nothing to add, to what has already been set out by the lead Department in its memorandum to the Committee that would enhance the Committee's consideration of this issue.

South West of England and Welsh Cross Border Issues (Health and Social Care)

Summary

7.1 Having consulted with the South West Strategic Health Authority (SHA), the Department of Health's South West Regional presence, and colleagues in Government, I am reassured that:

— England and Wales successfully manage the movement of patients across the border.

— There is a strong commitment on both sides of the border to ensure that patients receive the best possible care.

7.2 The South West SHA reports that cross-border activity in the South West region occurs in areas covered by the acute trusts in Bristol and the primary care trust in Gloucestershire. Approximately 4,200 Welsh resident patients received a Finished Consultant Episode in an English Hospital in the South West area during 2007–08.

Commissioning Issues

7.3 NHS Gloucestershire believes that the revised cross-border protocol, which came into effect on 1 April 2009, provides clarity regarding the position of English and Welsh commissioners.

7.4 NHS Gloucestershire belong to a Cross Border Commissioning Group made up of commissioners in England and Wales that meets quarterly to review arrangements, share information and where appropriate make improvements.

7.5 Where there are established flows of patients the PCTs has formal contracts in place, for example with the Royal Gwent Hospital. The NHS has regular communication with commissioners in Wales and England and reciprocal arrangements are in place to ensure the management of, for example, swine flu.

7.6 NHS Gloucestershire recently conducted a survey of Gloucestershire residents registered with GPs in Wales. The findings included:

— Nearly all respondents who have used the service, and answered the survey are satisfied with their GP (93%).

— Only one in 20 (5%) respondents would prefer to be registered in England.

— Less than one in 20 (4%) respondents would be likely to register with a new practice if one was available five to seven miles away in Gloucestershire.

Provider Issues

7.7 The main care providers in Bristol are North Bristol NHS Trust and University Hospitals Bristol NHS Foundation Trust. Both provide some services to patients from Wales.

7.8 North Bristol NHS Trust (NBT) has service level agreements with Monmouthshire Local Health Board (LHB) incorporating GP practices identified as "cross border". The Trust believes that as a tertiary centre in England, its specialised services bring benefit to Welsh residents.

7.9 Five of the 14 practices within the contract allow referrals across the border. For all other activity, either within the Monmouthshire LHB service level agreement or for Non-contracted Activity elsewhere in Wales, there is a requirement to obtain prior authorisation from the LHBs or Health Commission Wales (HCW), for each elective episode of care.

South West of England and Welsh Cross Border Issues (Other Issues)

Low Carbon Economic Area

8.1 I am aware that both Wales and the South West of England have a keen interest in marine energy due to the resource that lies off our coastlines. The Government has recently designated the South West as the UK's first Low Carbon Economic Area for marine energy demonstration, servicing and manufacturing. I would welcome working with the Welsh Assembly Government to ensure that our combined efforts position the UK to capitalise on opportunities for marine energy in the global marketplace.

November 2009

Written evidence from Ian Austin MP, Regional Minister for the West Midlands

Summary

1.1 In the West Midlands we work closely with Welsh partners at all levels to deliver cross-border services, and the Central Wales—West Midlands Memorandum of Understanding on Cross-Border Collaboration signed in March 2007 has been especially important in this.

1.2 The Welsh Assembly Government, and the West Midlands Regional Assembly (WMRA) were the initial signatories (as were the two strategic planning authorities) and more than 60 organisations and businesses have signed up, showing their commitment to stronger collaboration and dialogue.

1.3 Governance arrangements are now fully in place and task groups have been set up covering a number of topic areas including Transport, Health and Social Care; Environment; Food; and Community and Local Government.

Transport

2.1 The Welsh Assembly Government currently chairs the Transport sub-group and includes transport officials from both Welsh and English local authorities and regional agencies.

2.2 It's pleasing to see that a number of border proofing opportunities have already risen including the West Midlands RSS Phases Two and Three, the Central Wales Spatial Plan and the Wales Transport Plan. These task groups have also previously contributed to the work of Welsh Affairs Select Committee on the provision of cross border services: health, further education and transport.

2.3 I will cite a couple of examples which demonstrate the benefits of cross border working.

— The first is the extension of Arriva Trains Wales Cambrian line services from their New Street terminus to Birmingham International which has given passengers a direct service to the airport or the conference centre and has significantly improved the performance on this service.

— The second example is the Department for Transport working with the Welsh Assembly Government to develop a scheme which delivers increased peak capacity and frequency enhancement on the Cambrian line between Aberystwyth and Birmingham International by using additional rolling stock.

2.4 As well as this, in Government we have been instrumental in getting partners to progress the redevelopment of Birmingham New Street station. The final piece of the public sector funding contribution of £488 million has recently been approved and work has already started on the scheme which will provide significant capacity to the rail network including those routes that serve Wales.

Economy

3.1 While I see no evidence of "hard economic" border issues impacting on cross border service delivery, we have put mechanisms in place for dealing with issues as they arise—the MOU I mentioned earlier is a clear example of this.

3.2 To ensure a co-ordinated regional response to the national economic downturn, I have convened the West Midlands Economic Taskforce which brings together key public, private and voluntary sector representatives from across the Region.

3.3 This provides me with the perfect forum in which to monitor and influence how our Region responds to the changing global economic picture.

3.4 Initially, the Taskforce concentrated on responding to the immediate impacts of the recession—developing a range of initiatives to help people out of work and businesses in need. Much of this work is now being mainstreamed into the work of the appropriate partner.

3.5 I have recently re-focused the Taskforce on what needs to be done to support recovery and make the region more resilient to economic shocks in the future.

3.6 My role as Regional Minister complements the executive responsibilities of Departmental Ministers and Ministers representing Wales by focusing on joining up local delivery and ensuring effective cross-boundary coordination. I am here to represent the interests of the West Midlands and where these overlap with the devolved administration, I see to it that they are taken forward using the appropriate protocols working with relevant Departments as necessary. The Council of Regional Ministers which I sit on provides an active forum for Regional Ministers and Ministers representing the devolved administration to work together to discuss issues of common concern and take action where appropriate.

Further and Higher Education and Skills

4.1 I have nothing to add to the Government's response, which would add to the Committee's consideration of this issue.

Health

West Midlands SHA

5.1 More than 22,000 Welsh resident patients received a Finished Consultant Episode in an English Hospital in the West Midlands area during 2007–08.

5.2 The SHA reports that the revised cross-border protocol, which came into effect on 1 April, has improved clarity and lines of responsibility. In 2009–10, agreement has been reached for the PbR tariff to be used for treatments provided by a number of English trusts for Welsh-registered patients. Previously English hospitals and Welsh commissioners had negotiated local prices to be paid for treatments provided for Welsh-registered patients. This means trusts will be paid on the same basis for activity undertaken relating to both English and Welsh-registered patients.

5.3 The SHA is a member of the Central Wales-West Midlands Cross Border health group, a forum which helps coordinate cross border services.

5.4 There are a range of local contracts in place between the NHS in England and Wales to support the large number of patients who cross the border for treatment. For example, the Powys LHB is also part of the local Cancer Network, recognizing the reliance on cancer care services in England. Liaison arrangements have been put in place with regard to swine flu.

5.5 Telford and Wrekin PCT, Shropshire County PCT, and Shrewsbury and Telford Hospitals NHS Trust carried out a review of the configuration of health services in Shropshire in 2008. Proposals for the future are still being considered as at October 2009. The aim of the review is to develop high quality, clinically and financially sustainable health services for the people of Shropshire, Telford and Wrekin, and mid-Wales (hospital services in Shropshire are accessed by people from a significant area of mid-Wales, such as Welshpool, Newtown and Montgomery).

5.6 The Herefordshire PCT has not reported any cross-border issues at the PCT or its associated acute trusts.

November 2009

Written evidence from Swansea University

Summary

— Fault lines have occurred in developing a Welsh HE policy base where a significant element of University activity is not devolved, namely Research Council funding as well as Science Policy. There is a danger of lack of alignment between the objectives of the Welsh Assembly Government and Whitehall which could put Welsh HEIs at a disadvantage. At the point of legislative devolution there was a fundamental imbalance between Welsh, English and Scottish HE provision, especially in respect of the science academic base which was proportionally smaller in Wales. Convergence funding, although making an important contribution, has not corrected this deficit.

— Analysis of the RAE2008 is offered as a useful basis for understanding the context and provides the baseline for any policy response.

— The imbalance of STEM research within the home countries is a matter of concern because it could impact upon the cohesiveness of the UK.

— Wales needs to be in a position to build on strengths unhindered by inherited structural deficiencies. An appropriate policy response informed by emerging UK science policy is critical.

Introduction

1. Swansea University has followed with interest the responses to the Welsh Affairs Committee Report *Cross-border provision of public services for Wales: Further and higher education*.[12] In particular Swansea University notes the Government response and that of the Welsh Assembly Government at paragraphs 44–56.

2. Swansea University welcomes the call for new evidence and will address the Committee in respect of the provision, funding and co-ordination of cross-border public services with particular reference to the research funding of science, technology, engineering and mathematics (STEM).

3. Swansea University recognises and supports the overall policy adopted by the Research Councils as alluded to in the Government's Response to the First Report of the Welsh Affairs Committee namely to fund research excellence "wherever it is found in the UK". However, the University submits that fault lines have occurred in developing a Welsh HE policy base where a significant element of University activity is not devolved, namely Research Council funding as well as Science Policy. This invites careful scrutiny of the co-ordination mechanisms between Whitehall and the Welsh Assembly Government.

4. The importance of HE in promoting economic regeneration, linked with the development of a knowledge economy strategy, is well documented. This finds expression in the priorities of the Research Councils, as settled by the now Department of Business Innovation and Skills. Priorities of the Research Councils are not always reconciled with those of the devolved administrations. This lack of alignment can put Welsh HEIs at a clear disadvantage in bidding for such funding. At the same time, whilst it is true that convergence funding has made an important contribution, it is not a panacea for bolstering research funding because it has much broader objectives than those of the Research Councils and, in any event, is time limited to the convergence period.

5. There is also a devolution legacy which needs to be addressed. At the point of legislative devolution there was a fundamental imbalance between Welsh, English and Scottish HE provision, especially in respect of the science academic base. This handicaps Welsh HE in bidding for Research Council funding for STEM areas. This imbalance is exacerbated by the scale in terms of proportion of total Research Council expenditure available for STEM areas (78%) compared with non STEM areas (22%).[13]

6. There is a structural and performance imbalance between Wales and the rest of Great Britain in STEM research. The most recent census of UK research namely RAE 2008 offers a useful basis for understanding the context and provides a baseline for any policy response.

The Outcomes of RAE 2008 and Research Funding Opportunities for STEM Provision in Wales

The overall research performance in Wales.

7. Table 1 below compares the number of staff submitted as research active to RAE2001 and RAE2008. The figures are standardised per million population to make comparisons easier between Wales, England, and Scotland. The figures for Wales and England are broadly similar but the increase between 2001 and 2008 was larger in Wales. About 50% more staff were submitted in Scotland on both occasions.

Table 1

COMPARISONS BETWEEN THE NUMBER OF ACADEMIC STAFF SUBMITTED AS RESEARCH ACTIVE AT RAE2001 AND RAE2008, STANDARDISED PER MILLION POPULATION

	Submitted Staff RAE2001	*Submitted Staff RAE2008*	*% Increase*
Wales	789	888	13%
England	787	855	9%
Scotland	1,146	1,299	13%

From this it can be concluded that in proportion to population size, the numbers of research active academic staff are similar in England and Wales but are about 50% higher in Scotland.

[12] Welsh Affairs Committee, First Report of Session 2008–09, *Cross-border provision of public services for wales: Further and Higher Education*, HC 57

[13] Net Expenditure 2008–09 of RCUK research councils

Table 2 below summarises the levels of international research excellence identified in RAE2001. Specifically, the table shows the number of submitted staff in 5 and 5* departments. Only 40% of research active Welsh academics were in top-rated departments, far lower than England or Scotland. As a result, RAE2001 suggested a major research deficit in Wales, with 30% fewer academics in strong research departments than England. This was not attributable to an Oxbridge/London golden triangle effect; the comparison with Scotland was even worse with Wales having 45% fewer academics in strong research departments.

Table 2

RAE2001 DENSITY OF INTERNATIONAL RESEARCH EXCELLENCE, STANDARDISED PER MILLION POPULATION

	Number of Staff in 5/5 Departments*	*Percentage of those submitted*	*cf England*	*cf Scotland*
Wales	315	40%	70%	55%
England	448	57%		
Scotland	568	50%		

The overall levels of international excellence identified by RAE2008 in Wales, England, and Scotland are summarised in Table 3, again standardised per million population. Although the "success rates" (percentages of submitted staff in top categories) in Wales still lag England and Scotland, there has been a significant improvement since RAE2001.

Table 3

RAE2008 WORLD LEADING (4*) AND INTERNATIONALLY EXCELLENT (4* AND 3*) STAFF COMPARED WITH NUMBER OF STAFF SUBMITTED

	World-Leading		*Internationally Excellent including World-Leading*	
	Notional Number of 4 Staff*	*Percentage of those submitted*	*Notional Number of 3* + 4* Staff*	*Percentage of those submitted*
Wales	125	14%	438	49%
England	155	18%	474	55%
Scotland	196	15%	678	52%

STEM Research performance in Wales

8. RAE2001 revealed a substantial Welsh deficit in world-class STEM research—science, technology, engineering, and mathematics. This is illustrated in Table 4 overleaf which suggests that Wales had less than half the density of world-class science enjoyed by England and less than a third that in Scotland. The explanation for this deficit is both historical and structural.

Table 4

RAE2001: ACADEMIC STAFF NUMBERS IN 5/5* STEM DEPARTMENTS, STANDARDISED PER MILLION POPULATION

	Number of Staff	*cf England*	*cf Scotland*
Wales	101	44%	29%
England	228		
Scotland	354		

Table 5

RAE2008: RESEARCH ACTIVE STAFF WORKING IN STEM SUBJECTS

	Percentage of Submitted Staff in each Country	*Percentage of 4* Staff in each Country*	*Percentage of 4* and 3* Staff in each Country*
Wales	39%	32%	41%
England	46%	44%	49%
Scotland	50%	49%	54%

Table 5 above shows that this academic imbalance in Wales has not been eliminated over the years since RAE2001. A broad definition was adopted for STEM subjects[14] in constructing this Table but only 39% of the research active staff in Wales submitted to RAE2008 appear to be working in STEM areas, compared to 46% in England and 50% in Scotland. Moreover, they contributed only 32% of Wales' world-leading (4*) staff, indicating that STEM research at the highest quality levels in Wales is weaker than research in other academic areas. A similar phenomenon is evident for England and Scotland but is markedly less pronounced. For example, 50% of Scottish submitted staff work in STEM areas and contribute 49% of Scottish 4* performance.

Table 6 shows detailed comparisons with England and Scotland allowing for the different population sizes. There is some evidence that there has been a relative improvement in STEM research in Wales since RAE2001 although some of the discrepancies remain large, particularly for world-leading research. Wales has 41% less world-leading STEM research than England and 58% less than Scotland. For internationally excellent STEM research (including world-leading), the gap with England halves but there is still less than 50% of the activity level in Scotland.

Table 6

RAE2008: DENSITY OF STEM RESEARCH EXCELLENCE, STANDARDISED PER MILLION POPULATION

(i) *World-Leading Research in STEM Departments*

	Number of Staff	*cf England*	*cf Scotland*
Wales	40	59%	42%
England	68		
Scotland	97		

(ii) *World-Leading and Internationally Excellent Research in STEM Departments*

	Number of Staff	*cf England*	*cf Scotland*
Wales	180	78%	49%
England	231		
Scotland	268		

From this it can be concluded that after allowing for the differences in population size, there is substantially less world-class STEM research in Wales than England, particularly at the highest levels of excellence, although the gap appears to have narrowed between RAE2001 and RAE2008.

Conclusion

9. After allowing for the differences in population size, there is a very significant discrepancy between the scale of world-class STEM research in Wales and Scotland; Wales has less than half the Scottish level of world-class STEM research activity. The relatively low levels of world-class STEM research in Wales are due to both less STEM activity in Welsh Higher Education (a structural imbalance) and a lower proportion of the STEM activity in Wales achieving the highest levels of excellence (underperformance).

10. The imbalance of STEM research within the home countries is a matter of concern because it could impact upon the cohesiveness of the UK. This invites scrutiny of the role of Whitehall in promoting non devolved areas and their interface with devolved fields. At the same time it raises capacity issues for the devolved regions in promoting the knowledge economy when a critical element of this is the role of HE in stimulating economic activity through its science base. This is particularly important following the Barcelona Review of the Lisbon Knowledge Economy Strategy which clearly signalled filtering the strategy of delivering the European Knowledge Economy to a regional level (see for example Commission of the European Communities, *Working Together for Growth and Jobs. Next Steps in Implementing the Revised*

[14] Units of Assessment 1-29, inclusive, except Unit of Assessment 11 (Nursing and Midwifery)

Lisbon Strategy SEC, 2005, 622/2). Whilst Welsh HEIs can and should be able to build on strength, this becomes very challenging if not impossible when faced with an inherited structural deficiency in the resource intensive areas of STEM. This can only be corrected by an appropriate policy response informed by emerging UK science policy.

October 2009

Supplementary written evidence from Chris Mole MP, Department for Transport to the Chairman

Thank you for you letter of 14 January, relating to my appearance at the Welsh Affairs Committee inquiry into cross-border transport services on 15 December 2009. When I gave my evidence, I promised to write to you on a number of issues, including those highlighted in your letter.

Firstly, in your letter you ask whether contracts have been signed to carry out electrification work on the Great Western Main Line between Swansea and London. I can confirm that Network Rail are developing their proposed contracting strategy on how to best deliver the electrification project. Some design work has been done and Network Rail is engaging with the supply industry. Before contracts are let there are a number of stages that Network Rail will need to work through including pre-feasibility studies, option selection, single option selection and detailed design for the scheme. There are many technical and procurement issues that will fall out of this process that will first need to be addressed by Network Rail, such as the division between in-house work and contracts. The completion date for electrification to Swansea is still planned for 2017.

Regarding the Severn Tunnel, Network Rail has advised the Department that the technology is available to electrify the entire tunnel as necessary. The existing Swindon-Kemble line would act as a suitable diversionary route for South Wales traffic but, if doubled, would be better diversionary route if the tunnel was not available.

The South West Region is minded to use part of its funding allocation towards the redoubling of the route. It proposes a limit of £45 million and Network Rail is working to decide if it is able to deliver the improvement within that sum. The Department, in conjunction with the Region, are due to consider a report on this work and will assess the timescales within which Network Rail feel confident to deliver the project in the most safe and efficient manner.

If the costs are affordable and if funding is agreed, the Department considers that the work could be finished by the end of 2012/early 2013 but this date is not yet agreed with Network Rail. Should all go well then the route would be usable by trains to and from South Wales that may need to be re-routed whilst the electrification wires are put up.

During the evidence session, you asked about the use of bi-modal electric/diesel trains on the line whilst electrification work is carried out, and afterwards to serve destinations off the main line. I can confirm that Bi-modal Super Express trains will make up just under 50% of the train sets for the Great Western Main Line.

Turning to future improvements to the A483, I regret that I have not yet been able to meet the Regional Minister for the North West, to discuss this issue formally. I will, however, make every effort to meet Phil Woolas MP as soon as possible and will alert him to your concerns about this stretch of road and the improvements you deem necessary. However, as I made clear at the committee hearing, the A483 does not currently have any funding allocated to it in the North West Regional Funding Allocation (RFA) programme, which is the main source of funding for Highways Agency schemes on the regional road network. We have been very clear that it is for each region to decide their own transport priorities and we should not look to impose certain schemes on them.

Last year we asked regions to refresh their original RFA advice and the indicative funding envelopes were extended three years to 2018–19. The North West region's advice was received in February 2009 and the Government responded in July 2009, accepting it in full. In neither the original nor latest RFA round did the region take the opportunity to allocate funding to this road.

On the subject of Traffic Commissioners, as you know, Great Britain is divided into eight geographical "traffic areas" with a traffic commissioner in charge of each one. There is a single traffic commissioner for Wales and the West Midlands, with the traffic area based in Birmingham.

Most of the activities of the traffic areas—dealing with licence applications, variations and disciplinary matters—are paid by the bus and lorry industries through fees. Therefore, the Government needs to ensure that these services are provided as efficiently and cost-effectively as possible, to minimise the financial and administrative burden on the industry, particularly in the current financial climate.

That is why, in 2007, most of the administration of the operator licensing system—dealing with routine licence applications and variations—was centralised in Leeds. Centralisation delivers a better service to operators by providing a single point of contact and more consistent procedures across the country, as well

as efficiency savings. In view of this, the focus of the other traffic areas has shifted towards dealing with those cases that require the attention of the regional traffic commissioner—for example, disciplinary matters where an operator must attend a local public inquiry.

At present, the Government still does not believe that the overall volume of this "local" work supports the establishment of a dedicated traffic commissioner and traffic area office in Wales. For example, in 2008–09, the traffic commissioner and deputy commissioner held 109 public inquiries involving Welsh licence holders. This compares to 308 in the North East, 240 inquiries held in the Western traffic area and 205 in Scotland. In the West Midlands, there were 188 inquiries, which explains why the joint traffic area is based in Birmingham, not Wales. However, my officials are in discussion with colleagues in the Welsh Assembly Government about this issue.

Finally, on the subject of cross-border public transport links to Manchester and Liverpool airports, the Department has responsibility for many crucial policy and investment decisions, but most delivery will be through local and regional authorities and the private sector.

The Government's central responsibility is to ensure that there is a clear strategic framework which reflects our national goals, within which our delivery partners and businesses have the confidence and certainty to develop their own investment plans. So far as infrastructure is concerned, our focus is on maintaining and improving the connectivity of a national strategic infrastructure that is critical for the functioning of our transport system as a whole. This strategic infrastructure is made up of a network of 14 national transport corridors connecting our 10 largest conurbations and 17 international gateways and is critical for economic success.

As part of this planning process we have commissioned a joint DfT/regional study considering road and rail access to/around Manchester for freight and passengers. We have also developed a programme of work to generate a range of options to improve the passenger and freight end-to-end journeys through international networks. This initiative includes a project on Low Carbon Transport to Airports project which will investigate how the uptake of low carbon transport methods to airports can be improved, making best use of existing capacity. This project focuses on Heathrow, Gatwick, Stansted, Manchester, Luton and Birmingham airports.

Meanwhile, the £15 million project to build a new platform at Manchester airport, completed as part of the wider modernisation of the West Coast Main Line, has improved reliability for air passengers and airport workers and enabled an increase in the number of services running into Manchester Piccadilly since December 2008.

The Department for Transport and the Welsh Assembly Government discussed the development of rail links to airports in England at the September 2009 meeting of the rail Cross Border Forum. Arriva Trains Wales reported to the Forum that it planned to seek access rights to extend certain of its services between North Wales and Manchester Piccadilly to/from Manchester Airport, on a commercial basis. The independent Office of Rail Regulation granted Arriva Trains Wales access rights to operate three services to/from Manchester Airport from December 2009. The Department did not object to these proposals.

The Department for Transport funding for Liverpool South Parkway station improved access to Liverpool John Lennon airport but not directly for cross-border passengers, Merseytravel and other authorities in the North West are seeking new direct services between Chester and Liverpool South Parkway to improve access between Chester/North Wales and the Airport. This would require a new passenger service between Chester and Liverpool Lime Street and the re-instatement of the Halton curve (south of Runcorn). Merseytravel and Network Rail have carried out a study to establish whether there is a business case for four service options using the Halton Curve. The conclusion was that three of the options had benefit: cost ratios of between 1.5 and 1.9 but would require on-going annual subsidy of between £1.1 million and £2.1 million. So far no regional or local funding has been identified to deliver this project.

February 2010

Written evidence from the Welsh Assembly Government

BACKGROUND

1. As part of a wider inquiry, the House of Commons Welsh Affairs Select Committee published its Report *Cross-border provision of public services for Wales: Further and Higher Education* on 16 January 2009. The Committee are now seeking further evidence to determine progress made in areas in which they claimed that co-ordination between Whitehall and the Welsh Assembly Government needed to improve.

2. In addition to requesting evidence following their Health and Social Care and Transport Reports, the Committee have asked for further evidence on recent developments in the provision, funding and co-ordination of cross-border public services in Further and Higher Education; Economic development initiatives across the border between Wales and England; and the effects of the current economic climate on cross-border services.

3. Under the principle of devolution, the Welsh Assembly Government develops policies, addresses concerns and delivers change that meet and respond to the particular needs, issues and challenges facing Wales. While this necessarily includes policies uniquely beneficial to Wales, integral to this responsibility is the need to align strategy, link policy development and, where relevant, establish delivery frameworks with appropriate United Kingdom government departments. Regular, consistent and systematic liaison takes place between the Assembly Government's Department for Children Lifelong Learning and Skills (DCELLS) and UK Government officials in departments relevant to Higher Education, Further Education and work based/employer linked learning. This liaison takes place:

— at national level—in terms of policy development;

— at project implementation level—in terms of co-ordinating development and delivery of cross UK initiatives; and

— at sub regional level—in terms of meeting cross border regional need.

4. Importantly, the need to ensure that workforce skills development, training opportunities and employer support form a significant focus of cross border provision is critical in the current economic climate. Equally the high level skill opportunities, research capacity and knowledge transfer strengths of Wales' HE community need to be increasingly directed towards driving, leading and supporting economic need.

Further Education Policy-national Linkage

5. In its Report, the Committee expressed the view that a better interface between government departments and WAG would be to the benefit of students and education staff both in Wales and in England.

6. The Welsh Assembly Government is seeking to improve links with the UK and other devolved governments in the area of further education. For instance, Assembly Government officials have been working with colleagues in England and Northern Ireland on the development and implementation of the Qualification and Credit Framework, which follows on from the work undertaken on Vocational Qualification reform. Assembly Government officials have also recently met with officials in England, Scotland and Northern Ireland to discuss post-16 funding policies, and it is expected that these discussions will take place on a regular basis and help inform future funding policy.

7. Welsh Assembly Government are members of the four nations group that supports the work of the Information Standards Board in England, commenting on developments in England and taking into account the impact of these standards in our work. For example, one of the standards being developed for England concerns Management Information Systems for timetabling across 14–19 learning providers and an electronic learner record and a unique learner number to be embedded in all post 14 learner records. This ensures that the systems and data management of learners operates on a common baseline across the border.

Cross Border Further Education Issues

8. In its Report the Committee stated that the role of local authorities in relation to further education should be reconsidered in Wales in the context of the Webb Report and subsequent policy developments. As was pointed out in the UK Government's response, this concept has been carried forward by the Assembly Government's Transformation Policy which was implementing the key proposal of Webb for greater partnership and collaboration across providers and stakeholders such as local authorities. Additionally, the Welsh Deputy Minister for Skills has initiated a review of governance of further education in Wales. Amongst its objectives, the Review will consider democratic accountability and the role of stakeholders such as local authorities in the governance of further education in Wales. It will particularly utilise the common UK standards of public sector governance identified by the Independent Commission for Good Governance in the Public Sector. The Review is due to report to the Deputy Minister at the end of the year. Officials will ensure that there is linkage with the review of FE Governance initiated in England and the work that has been carried out in Scotland.

9. The Committee identified the importance of ensuring funding guidance facilitated opportunity for the wishes of students and employers to access appropriate course irrespective of border. They recommended that steps be taken to give due consideration to cross-border issues when reviewing coverage and student demand in respect of FE provision on both sides of the border. As is the case in England, Welsh Assembly Government guidance is not intended to be restrictive or act as a deterrent to FE colleges in Wales responding to the needs of English learners. The Assembly Government acknowledges that for some colleges in Wales, the local communities they serve reach beyond national borders. It also recognises that the concept of locality will need to be flexible, depending on the catchment of a particular subject. However, there may be circumstances where FE colleges wish to deliver outside their locality and, in such circumstances, the Assembly Government expects that any delivery will not be at the expense of other providers, ie that it should be by specific collaborative arrangement. This approach is intended to avoid situations where colleges are competing for the same learners. The Assembly Government has updated its funding guidance to reflect this viewpoint.

Higher Education Policy

10. Considerable liaison is carried out between officials responsible for higher education policy in the Department of Education Children Lifelong Learning and Skills (DCELLS) of the Assembly Government and counterparts in relevant UK Government departments. Meetings to discuss and share developments in both Welsh and UK Higher Education policy are now held regularly with officials in the Department of Business, Innovation and Skills (DBIS), the Wales Office (WO) and The Privy Council. Meetings have included discussion on national strategies such as comparability between the Jones Review of Higher Education and emerging HE strategy in England, national student bursary schemes, foundation degree policy in Wales, degree awarding powers and statutory amendments to HEI governance. Such meetings ensure policy is not developed in isolation; ideas are interchanged; and, in the case of common UK wide policies, Welsh perspectives and views are discussed, understood and accepted. This is further reinforced by the additional quarterly bilateral meetings held between DCELLS HE policy officials and counterparts in Wales Office.

11. In June 2009, the Welsh Minister for Children Education Lifelong Learning and Skills (CELLS) set out a strategic vision for Higher Education in Wales which addressed concepts outlined in phase two of the Jones Report and introduced a new Strategy and Action Plan for Higher Education in Wales. As part of the meetings outlined above and to identify relevant synergy in strategic direction, DCELLS officials are in dialogue with the relevant DBIS policy leads responsible for the Higher Education Framework that is being produced in England.

12. Ongoing meetings to plan, implement and oversee the monitoring of key projects and initiatives are also held between relevant officials. For instance, Assembly Government analysts are involved in the UK HE Analysts Network, due to meet again in September. Equally, Assembly Government statisticians are part of a customer group for UK-wide Higher Education Statistics Agency (HESA) data, and continue to be involved in UK-wide working groups on student income and expenditure surveys, and the student loan repayment model maintained by DBIS. With reference to HE student finance officials from the four UK administrations, the Student Loans Company and the Student Awards Agency for Scotland meet three times a year to discuss cross border issues. As indicated below, collaborative activities with DWP and Job Centre Plus also form a significant component of work to develop and deliver initiatives relevant to learner and employer need—irrespective of location.

Higher Education

13. In their report the Committee highlighted the importance of maintaining and building upon the strength and competitiveness of Wales' higher education system and ensuring appropriate funding was an important element of that. As referenced in the Appendix to the original Report, the Assembly Government responded to the Committee's comments surrounding HE funding disparity with England by referencing the fact that taking HE institution funding and student finance together, the level of funding in Wales is on a par with levels in England.

14. The second report of the Jones Review into Higher Education in Wales also recognised the long term and short term financial implications of the current economic climate and welcomed the commitment from the Assembly Government that funds released from the abolition of the Tuition Fee Grant would be invested in the sector. The new investment referred to will amount to approximately £31.4 million by 2015–16. The new Higher Education Strategy and Action plan will ensure that this investment is focused into key higher education priorities for Wales. Importantly, the new strategy will respond to issues raised in Jones and drive the transformation necessary to ensure that Wales' higher education community builds on its strengths and successfully adapts the new approaches necessary to meet the changing needs of learners. In developing the Strategy, Officials are working closely with colleagues in the Higher Education Funding Council (HEFCW) and key external stakeholders to ensure that the outcomes meet the changing needs and pressures facing higher education both currently and in the future.

Research Capacity and Research Funding in Wales

15. In response to the Committee's concerns surrounding Wales' share of UK research funding and research capacity in Wales, the Assembly Government referred to its priority of strengthening the research base in Wales. It pointed out that in addition to ensuring adequate investment, it intended to focus on building excellent research management capacity within Welsh HEIs; strong research strategies (including mechanisms for peer review of all applications submitted); and continued and greater collaboration across the sector (including outside Wales) to provide Wales with scale and critical mass as well as research excellence to compete effectively with the rest of the UK.

16. Subsequently, DCELLS Officials have forged strong relationships with the Research Councils with representatives visiting all Research Councils as part of a six month study to investigate what can be done to improve Wales' share of Research Council income. A report has been produced which highlights issues brought up by the Research Councils. This work has been, and continues to be, disseminated to the HE Community via presentations, meetings and one to one meetings with research leaders in HEIs. DCELLS Officials continue to work closely with Research Councils via concordat agreements and by organising events on a pan-Wales basis to bring together our research community with the relevant Research Councils.

17. In April 2009 the CELLS Minister announced the priorities for future Research and Development which build on agreed strategic economic sectors; evidence from Science Policy consultations; and the latest RAE results will drive greater focus in research planning and development. It will enable Assembly Government to focus its own investment such as structural funds into these priorities and assist Wales to compete successfully for funding from external sources such as Research Councils, the Wellcome Trust and other charities, Technology Strategy Board (TSB) and EU Framework programmes (FP7) and thus maximise funding leverage and potential impact across Wales. The priorities are the Digital economy, Low carbon Economy, Health and Biosciences, Advanced Engineering and Manufacturing which correspond to key priorities for the UK. The prioritisation recognises the fact that the economic environment in which Wales will need to secure its future will be highly competitive and the same principle applies to the increasingly competitive environment for securing Research Council Funding.

18. The Jones Review highlighted the importance of developing a Team Wales approach to higher education. DCELLS officials are using the research priorities as a framework to build collective research capacity. Thus a number of events have been initiated and are planned to bring together researchers, funding bodies and employers together. As a part of the six month study two events were held around Ageing Health and Lifelong Wellbeing and Digital Economy. The events were intended to allow researchers, business/third sector and funders of research to network together with a view to this being the first step towards larger, landscape changing collaborative bids. Research Councils attended both of these events. The AHRC co-sponsored Digital Economy event with Assembly Government was highlighted in the latest Arts and Humanities Research Council annual report.

19. DCELLS Officials have also instigated a network of those who manage research at Welsh HEIs. The Wales Research Office Liaison Officers (WROLOs) held their first meeting in November 2008 and discussed internal peer review of Research Council applications which, according to the Research Councils is of paramount importance. It was useful to share the feedback from the Research Councils with those who manage research and best practice with respect to peer review formed a large part of the discussions.

20. Additionally investment in major research based projects are producing dividends. The major investment in the Institute of Biological, Environmental and Rural Sciences (IBERS) has been followed by increased levels of success for Aberystwyth University in attracting Biosciences and Biological Sciences Research Council (BBSRC) investment and developing more links with businesses such as Waitrose Ltd., the British Chlorophyll Company; and Welsh companies such as Wynnstay Group PLC, Randall Parker Foods and Castell Howell foods.

21. The Saint David's Day Alliance of Bangor, Aberystwyth, Cardiff, Glamorgan and Swansea universities also offers opportunities to build relevant critical mass in research. These institutions are actively collaborating not only within Wales but on a cross border and international basis. Thus Cardiff's PET/CT imaging oncology and neuroscience project, Bangor's Wales Epilepsy Research Network and the Wales Institute of Cognitive Neuroscience based in Swansea all interface with major UK and international research leaders.

Skills and Employment-tackling the Recession

High Level Skills and the Economy

22. The announcement of the research priorities has provided a renewed focus on ensuring that the strengths and strategies of Wales' Higher Education Community are directed at supporting economic need—particularly in the current recession.

23. In a recent National Economic Summit, the CELLS Minister identified the central role education and training has in addressing Wales current economic issues, meeting skills needs and driving future business change. Higher Education in Wales must play a significant part in building a workforce with the relevant skills, developing businesses with the relevant technologies and promoting entrepreneurs with the relevant competitive acumen to succeed. Changes in workforce need demand changes to the nature of delivery with greater emphasis on part time work based programmes, greater emphasis on partnership with other providers and greater emphasis on the centrality of employer and employee need. The new Strategy for Higher Education will ensure that these issues are addressed fully and successfully. Its commitments to providing work based—part time HE provision and facilitating greater opportunities for collaboration both across HEIs and with FE, will drive these changes forward.

24. In this context, the success of projects such as the £16 million innovative ESF application on developing new Foundation Degrees highlights key ways forward. This project exemplifies this need for new approaches to delivery, new approaches to partnership and new approaches to working with employers. It was initiated by Higher Education Wales, developed by the University of Glamorgan in discussion with DCELLS and HEFCW Officials and is built on partnership with the further education sector with employer engagement at its core. In this respect it both reflects the ideas on foundation degree delivery that Sir Adrian Webb introduced in his report and integrates with the Assembly Government's emerging foundation degree policy.

25. There is also an increasing focus on end to end Research and Development from Blue Sky through to commercialisation and knowledge transfer. The Jones Review recognised the importance of maximising every opportunity for commercialisation and knowledge transfer from the HE sector. The Universities each

support Industrial Liaison Officers and have commercialisation offices and are increasingly using IP specialists and intermediary bodies. The HE Business & Community Interaction Survey (HEBCIS 2007–08) gave creditable performance on all metrics with the following worthy of note; Wales accounted for 5.5% of all patent applications, 15% of all UK spinouts and start-ups with graduate start ups at 9.5% Wales has 10.2% of all UK's graduate start up companies that have survived more than three years and 10.8% of all associate employment.

26. Officials have also encouraged and, where possible, assisted HEFCW proposals such as the Economic Support Initiative which provided funding opportunities for HEIs to develop provision and activities to counter economic downturn.

Employers, Sector Skills Councils, Work Based Training and Skills for Employment

27. In its original Report, the Committee recommended that WAG and DIUS should work together to ensure employers understood what training opportunities and support was available and how to access it. The Committee stressed that the border should be treated "as an opportunity for comparison and cross-fertilisation of best practice".

28. Considerable work has been implemented at a national level. Employment and skills issues often transcend national borders and consequently the Welsh Assembly Government engages in relevant UK wide initiatives targeting skills and employment. For instance, the Welsh Assembly Government is a co-sponsor of the United Kingdom Commission for Education and Skills (UKCES) (and, through that, is a co-sponsor of Sector Skills Councils). The Welsh Assembly Government participates fully in the UKCES Talent Plan initiative which is specifically aimed at helping employers through the complexities of the skills and employment system.

29. The Wales Employment and Skills Board (WESB) with its linkage through the Chair to UKCES and its work on employability skills also plays a significant role in ensuring that skills training and learning provision meets employer and economic need irrespective of location. The Chair of the WESB represents Wales as a Skills Commissioner on the UKCES. He is also a member of the DCELLS Ministerial Advisory Group thus ensuring linkage in terms of strategic direction in this area.

30. In terms of specified initiatives there is considerable close liaison between respective Assembly Government and UK Government departments. This includes collaboration with the Department of Work and Pensions (DWP) to develop and implement a training offer within the "Golden Hello" initiative so that participants receive suitable training for their new job. DCELLS has also put in place pre-employment training arrangements as part of the DWP/ Jobcentre Plus initiative on Local Employment Partnerships (LEPs). More recently, DCELLS has been collaborating with DWP on various aspects of the Young Person's Guarantee, which is a series of offers to young people who have been unemployed nine to 12 months. In particular, this has involved joint work with DWP on the Future Jobs Fund securing 16 projects for Wales so far which will provide six-month jobs for approximately 2,500 people.

31. DCELLS is also engaged in a national working group on low carbon skills which includes representatives from DBIS, DECC and the other devolved nations in conjunction with those sector skills councils whose "footprint" includes low carbon skills. Chaired by the CEO of Energy & Utility Skills SSC, the group is progressing a UK wide research project to gather information on the low carbon skills needs of businesses and to undertake an audit of the skills provision currently available. This will lead to a "gap analysis" which will assist in developing learning solutions to support the growth of the sector. Such work links into one of the Assembly Government's research priorities.

32. Additionally, there have been considerable local initiatives involving cross border activity in relation to employer need. Examples include the work of the Mersey Dee Alliance on developing an Advanced Materials and High Value Manufacturing Economy. This work has involved close collaboration between DCELLS officials, employer representatives and officials from relevant local authorities and regional agencies in England. It is intended that to promote Advanced Material innovation as a key driver in the Mersey Dee sub region as a driver for new skills and business innovation.

33. Similarly, a range of meetings have been held between DCELLS and Department of Employment and Transport (DE &T) Assembly Government Officials with the North West Development Agency (NWDA), employer and SSC representatives to identify and respond to skills needs on both sides of the border. This has included work on the North West Composites Steering Group with key employers including Airbus, BAE Systems and Rolls Royce actively involved. Four meetings have taken place to date, which will create the foundations of developing an ongoing composites strategy. This group will also produce the first Commodity Grouping for the Aerospace Supply Chain Excellence Programme—Phase 2—which is now also under rapid development. This has led to links being developed with Glyndwr and Manchester Universities to develop relevant programmes.

Legislation-The Apprenticeships, Skills, Children and Learning Bill

34. In its Report, the Committee recommended that DIUS should work more closely with Welsh Assembly Government on the Apprenticeships, Skills, Children and Learning Bill (ASCL). The Committee particularly expressed concerns surrounding the danger of the proposals in the Bill widening divergence in the apprenticeship programme. Through regular formal meetings, DBIS and WAG officers continue to work

closely on the ASCL to ensure Welsh clauses and issues within the Bill are managed successfully and appropriately, and to ensure a coherent approach in both countries and qualifications that are recognised on both sides of the border.

35. Welsh Assembly Government officials are co-operating closely with the English Joint Apprenticeship Unit through both meetings and by sharing information to ensure that the policy development of apprenticeship programmes stemming from the eventual passing of the ASCL Bill preserves the maximum possible uniformity to support cross-border issues whilst reflecting the unique policy drivers operating in Wales. For example, over the past three months WAG officials have held meetings with English policy colleagues to discuss the consultations on the respective Welsh and English Specifications of Apprenticeship Standards; briefed the Joint Apprenticeships Unit (JAU) on Welsh policies to support apprenticeships during the economic downturn; liaised with the National Apprenticeship Service on the development of the Welsh apprenticeship matching service; and liaised closely with both UKES and the Alliance in the operational management of joint England and Wales apprenticeship frameworks. Additionally, a four nation meeting to discuss apprenticeship process harmonisation is planned for the autumn.

36. The Assembly Government has introduced several measures to support apprenticeships during the economic downturn including: support for those at risk of redundancy through ProAct, help for those who have lost their apprenticeship placement through ReAct; the establishment of an Apprenticeship Unit; and the introduction of Pathways to Apprenticeship and Young Recruits programmes creating 2,000 additional training opportunities for young people. Welsh Assembly Government Officials met with the Head of the Joint Apprenticeships Unit for DBIS and DCSF in June to brief her on these initiatives and to develop an approach to sharing good practice across England and Wales.

37. The clauses in the Bill relating to Foundation Degree Awarding Powers are also the subject of considerable dialogue between policy officials. This includes joint discussion on drafting future guidance for Further and Higher Education Institutions.

October 2009

Further written evidence from the Welsh Assembly Government

Executive Summary

1. In October 2008, the Welsh Assembly Government submitted written evidence on the provision of cross-border transport services to the Committee. The Deputy First Minister and Minister for the Economy and Transport subsequently gave oral evidence on 24 March 2009.

2. The Welsh Assembly Government welcomes the opportunity to submit new written evidence. This paper details recent developments in the provision, funding and co-ordination of cross-border transport services for road, rail and integrated transport that are relevant to the Committee's inquiry.

National Transport Plan

3. On 15 July the Welsh Assembly Government published the draft National Transport Plan (NTP) for consultation. The NTP is based on three key principles:

- to meet the demand for enhanced mobility which will enable economic growth and improve the quality of life we seek for the people of Wales;
- to put transport onto a more sustainable and less carbon-intensive path; and
- to use transport funding more effectively in light of increased pressures on public finances.

4. The NTP is set out in a way that reflects the four main movement corridors in Wales—east-west in the north, mid and south, and north-south. It also sets out a range of proposals that are relevant across Wales. The proposals for the main corridors share two aims—to improve the reliability, quality and speed of rail and to improve journey times and safety on the main trunk roads.

5. In addition to the Assembly Government's plans for the strategic road and rail networks, the NTP sets out for the first time, how we intend to deliver integrated transport. The plan sets out the framework for the four Regional Transport Plans that are being developed.

Rail

6. The Welsh Assembly Government welcomed the Department for Transport's (DfT) decision to electrify the Great Western Main Line (GWML) to Swansea. We have been assured by Network Rail (NR) that the Severn Tunnel is capable of and has the capacity for the cables required for electrification and that the tunnel will remain operationally sound. We will continue to work closely with DfT and NR as the plans to electrify the GWML are developed and also to ensure that the electrification of further rail-lines in and into Wales is considered.

7. The Swindon—Kemble line provides a key diversionary route to the Severn Tunnel. We have contributed to the feasibility study commissioned by DfT to examine the costs of re-doubling the Swindon—Kemble route and await the conclusions of this report with great interest. We have maintained in discussions about electrification of the GWML, that electrification should also include this diversionary route.

8. The Welsh Assembly Government continues to liaise with DfT and NR on proposals for a high-speed rail link to London. Such a link would bring considerable benefits to the Welsh economy. We have engaged GreenGuage 21 to advise on opportunities for high-speed rail.

9. We are also keen to improve rail services across the border in north Wales. In light of the high cost of electrifying the Wrexham—Bidston Line outlined by NR's feasibility study, MerseyTravel and Taith are jointly looking at the business case for other improvements to the line. We look forward to receiving their report for consideration, and hope that an affordable solution can be identified.

10. In mid-Wales, we are working with rail industry partners, including NR and Arriva Trains Wales (ATW), to deliver performance improvements on the Cambrian Line. Work is underway to provide additional passing loops, which will allow the introduction of an hourly service. We are also working with the Heart of Wales Line Forum and industry stakeholders to examine service improvements on the Heart of Wales Line.

11. Improving passenger rail journeys is a "One Wales"' commitment. As part of this commitment we work with ATW to ensure that the rolling stock within the franchise is best utilised, and have funded additional rolling stock where necessary. We are currently working with DfT to secure rolling stock as part of the HLOS commitment for cross border services.

Roads

12. Welsh Assembly Government officials meet regularly with their counterparts at DfT to discuss cross border routes that are considered of strategic importance to Wales. It is hoped that a way forward for funding improvements to these routes will shortly be agreed.

13. On the 15 July the Deputy First Minister made his announcement regarding improving access to Cardiff Airport. He announced that "the conclusion of the report and consultation was that Route C1 (from M4 Junction 34 southwards) provided a reasonable to good cost benefit ratio and on balance was the best road scheme considered. However, the benefits felt were mainly in the geographic area surrounding the Airport, rather than as a result of access to the Airport itself. This was backed up by views expressed by 275 respondents that access to the Airport was not a real problem, but more an issue of perception.

14. Additionally there were significant concerns raised by non-statutory bodies and local residents about the negative effects on the environment of the Route C1. As such, the Welsh Assembly Government does not intend to protect the line of Route C1. The Assembly Government will however fund the Vale of Glamorgan Council to carry out substantial safety improvements to the A4226 (Five Mile Lane), the southernmost section of Route C1. These improvements will be supported by a package of short- and medium-term public transport measures.

15. These improvements include development of a half-hourly express branded bus service from the centre of Cardiff to the airport, additional half-hourly train services on the Vale of Glamorgan line, and an additional platform at Barry station with an associated shuttle bus service for the airport.

Air

16. The Welsh Assembly Government is committed to developing air services in Wales and is working with Cardiff Airport to bolster the range of scheduled destinations served from the Airport.

17. In terms of access to airports, the Welsh Assembly Government recognises the importance of providing good public transport links to airports in England that can serve many parts of Wales. There are already good train services that provide easy transfer to many of these airports. We will need to work with the Regional Transport Consortia and the bus industry to look at how we may be able to improve links by bus or coach services, in particular to airports such as Liverpool and Manchester. This might include extending the provision of TrawsCambria services.

Integrated Transport

18. The Concessionary Travel Act 2008 provides powers for the introduction of a reciprocal scheme that would allow mutual recognition of concessionary travel passes in England and Wales (as well as Scotland). There are a number of issues that need to be addressed before such a scheme could happen. The situation is also more complex as we (and Scotland) are in the process of reviewing the reimbursement arrangements to bus operators. Officials from the Welsh Assembly Government are working with Department for Transport and the Scottish Executive to consider the issues.

19. The Deputy First Minister wrote to Lord Adonis on 23 March 2009 setting out the case for a separate Traffic Commissioner with responsibility for the Wales Traffic Area as well as an office. Officials from the Welsh Assembly Government will be meeting the Department for Transport shortly to discuss the setting up of an office in Wales for the existing Traffic Commissioner (who covers both Wales and the West Midlands). This is the first step in achieving a dedicated Traffic Commissioner for Wales.

October 2009

Further written evidence from the Welsh Assembly Government

This written evidence highlights the Welsh Assembly Government's cross-border activities, by area of Wales, relating to economic development. Cross-border issues in relation to transport are addressed in separate written evidence that builds upon earlier evidence submitted.

North East Wales and West Cheshire (Mersey Dee Alliance Partnership)

Local authorities and key stakeholders within North East Wales and West Cheshire have for a number of years undertaken joint work to gain a better understanding of the economic, social and environmental cross border issues. This joint working led to the non-statutory West Cheshire/North East Wales Sub Regional Spatial Strategy (SRSS) in 2006.

Central Wales

A priority of the Central Wales Spatial Plan is to achieve effective collaboration between central Wales and the West Midlands on both policy development and service delivery. This follows the signing of the Memorandum of Understanding (MoU) on Cross Border Collaboration in March 2007 by the Welsh Assembly Government and the West Midlands Regional Assembly.

South East Wales

Cross-border work to help build on economic performance on both sides of the border is being undertaken in the form of collaboration with Bristol and Bath through the Spatial Strategy for the South West of England.

A specific example of cross-border work is that being undertaken in respect of the economic, social and environmental impact of the options that remain under consideration for the Severn Tidal Power Project.

October 2009

Supplementary written evidende from Edwina Hart MBE OStJ AM, Minister for Health and Social Services, Welsh Assembly Government

At my attendance before the Welsh Affairs Committee on the 15 December 2009, I agreed to provide the Committee with a written briefing setting out some of the key initiatives being taken forward by the Welsh Assembly Government in relation to the health care needs of veterans and military personnel based in Wales.

The Welsh Assembly Government has been represented and plays an active part on the UK Health Departments/Ministry of Defence (MOD) Partnership Board, and is committed to ensuring that the health care needs of service personnel and veterans is given a high priority. The last meeting of the Partnership Board was held in Cardiff City Hall in October, and its joint Chairs Lieutenant General Robert Baxter CBE (Deputy Chief of Defence Staff (Health) Defence Medical Services Department), met with my Director General for Health and Social Services to discuss a range of issues affecting military personnel and veterans.

Each of our Health Boards in Wales has been given a target to specifically consider the needs of veterans when planning health services. To help support NHS Wales in taking this forward, in March 2009 the Welsh Assembly Government will be hosting a seminar on veterans' health care needs for key stakeholders in Wales. This will define and describe practical care pathways for veterans, and seek to forge stronger links between our Health Boards and the armed services.

The Welsh Assembly Government has given its full commitment to the MOD Command Paper; *The Nation's Commitment: Cross-Government Support to. our Armed Forces, their Families and Veterans*, and this includes our commitment to ensure that the standard of prosthetic limb provision by the Defence Medical Services to injured personnel will, as a minimum, be matched by NHS Wales.

I have established a Veterans' Health Needs Research Task and Finish Group, chaired by Dr Jonathan Bisson from the University Hospital of Wales, Part of its work is overseeing the three research studies concerning veterans currently being conducted by members of Cardiff University School of Medicine's Traumatic Stress Research Group, which includes staff from both the University and from Cardiff and Vale University Health Board.

The Welsh Assembly Government has also prioritised the improvement of mental health and well-being services, particularly for our veterans, and is working with NHS Wales to develop sustainable, accessible and effective services to meet peoples' needs. A variety of services are available across Wales for people with Post Traumatic Stress Disorder (PTSD), including access to mental health services through GPs and Community Mental Health Teams.

These services include access to the NHS Traumatic Stress Service at the University Hospital Wales, which provides assessment and treatment for individuals with PTSD. This service offers evidence-based treatment including trauma focussed cognitive behaviour therapy, eye movement desensitisation and reprocessing and medication.

A two year pilot project, the Community Veterans Mental Health Service, launched in 2008, is also hosted by the Traumatic Stress Service. Jointly funded by the Welsh Assembly Government and the MOD, it is one of the six pilot sites across the UK. I am very pleased with the pilot's success and the work being carried out in Cardiff, which has been highly effective in identifying veterans with mental health needs, and delivering those needs within the community.

Both the Welsh Assembly Government and the MOD have responsibilities towards veterans as citizens of Wales and former service personnel, and I have recently written to the MOD seeking their agreement to share the costs of this new service being rolled out across the whole of Wales, so that we will be able to provide an optimum service to all our Welsh veterans.

The Welsh Assembly Government is also working closely with the Third Sector, the MOD and with the Veterans Agency to ensure a more joined-up approach to providing housing and welfare services for veterans. This includes us funding the development of a service directory for veterans at risk of homelessness to enable better sign-posting and appropriate referrals to be made, and we are also discussing proposals to create housing for veterans at Llanfrechfa Grange in Gwent.

These are just some of the many initiatives taking place to support our service personnel and veterans in Wales.

December 2009

Further written evidence from Leighton Andrews AM, Minister for Children, Education and Lifelong Learning, Welsh Assembly Government

Thank you for your letter of 7 January and the invitation to respond to some further questions from the Welsh Affairs Committee. Your letter raises three main questions and I will address them in turn.

You begin by asking about how Higher Education research funding provided through DBIS feeds into economic development and regional policy, and whether the Department for the Economy and Transport (DE&T) has been engaged in discussions with DBIS in this regard?

Higher Education Research funding provided through DBIS feeds into economic and regional policy in a number of ways. Examples of particular engagements through DE&T would include the Technology Strategy Board Strategy Advisory Group and the Operational Advisory Group. Both have serving members from the Welsh Assembly Government Department of Economy and Transport.

DBIS, Research Innovation Science and Technology Group (RIST) brings together the innovation and Policy leads from the Regional Development Agencies (in England) and the Devolved Administrations to encourage collaborations. DE&T Policy lead on Business Support and Science in Wales is the representative on RIST group, working to support cross border collaborations.

As part of the response to New Industries New Jobs strategy in England, work has been undertaken to identify Wales's strengths and map these against sector priorities identified by the Technology Strategy Board. In undertaking this work Wales is able to ensure that key research strengths and companies are identified and marketed as part of DBIS sector development and UK sector marketing strategies. Examples would include Plastics, Electronics, Bio and Life Sciences.

There are a number of examples of industry lead groups which are lobbying and steering policy on the development of UK level centres of excellence which are based on cross border collaborations. For example the work being undertaken in regard to the next generation of composite wings with Airbus. Here the cross-institution and cross-border North Wales Composites Training Academy is developing the higher skills which will be required within the composite industry.

DBIS has provided direct capital funding to projects such as the MRI (Magnetic Resonance Imaging) facility at Cardiff University. Another example is ASTRAEA Phase 1 and 2 unmanned systems. Wales is projected to have a direct quantative regional economic outcome of £10.2 million from ASTRAEA 2010–15. The recent award from DBIS Strategic Investment Fund of £10 million to support the development of an integrated High Performance Computing (HPC) Infrastructure across Wales will be underpinned by the development of training, skills and out reach programmes for business and the academic community to facilitate the use of high performance computing solutions on projects which will have commercial and

economic impact. HPC Wales will provide a cross cutting technology to enable new research and development to be undertaken in the Welsh Assembly Government Research and Development priority sectors. HPC Wales will also link in to the UK and global HPC Community.

The Welsh Assembly Government is working across Departmental boundaries and leading on the development of Low Carbon economic areas. DE&T are working directly with DBIS on being a major player in the Low Carbon Vehicle corridor based on hydrogen cell technology; such projects are opening up new economic development opportunities including technology development in partnership with business and academia. As Wales reaches a lead position and is recognised as a leader within the UK we are better positioned for future funding applications, and cross border collaborations. The Low Carbon Research Institute and Climate Change Consortium are examples of collaborative indicatives, within Wales which are linked to UK and international centres of research.

The Welsh Assembly Government is appointing a Chief Scientific Advisor for Wales and it is anticipated this individual will be in post from April 2010. The Chief Scientific Advisor will attend the UK Chief Scientific Advisors Committee and be a member of the Core Issues Group. The role will involve active participation on science related issues and UK level engagement.

Your second question fell into three parts and revolved around the proposed restructuring of Sector Skills Councils announced in the English "Skills for Growth" strategy published in November 2009. I am able to report that Welsh Ministers were consulted on the proposed policy through a letter from the Minister of State for Business Innovation and Skills and Joint Minister of State for Children Schools and Families, Kevin Brennan MP on 4 November 2009. In response, the former Deputy Minister for Skills, John Griffiths, replied on 9 November confirming our agreement to the proposals being included in the document subject to the clear caveat that while the wording was accepted for the purposes of the proposed publication, Welsh Ministers retained the right to consider a wide range of options going forward. The letter of response noted that proposals have the potential to benefit employers in Wales through a simplification of the skills landscape. The Deputy Minister noted that in any future consideration of options the focus would be on how proposals could strengthen the capacity and reach of sector bodies in Wales. At official level there was concern during September that the Department for Business Innovation and Skills was preparing policy options related to Sector Skills Council restructuring in advance of full engagement with Wales and other Devolved Administrations who have a clear and legitimate interest given the UK-wide remit of Sector Skills Councils. This resulted in a robust letter being sent by the Minister for Children, Education, Lifelong Learning and Skills to Pat McFadden MP stating concerns that "discussions on matters which are UK-wide, are underway without consultation with Welsh Assembly Government officials and I would like to seek your assurance that officials are directly engaged in any discussions which affect the UK skills infrastructure." While no direct response to this letter was received the subsequent management of the process by officials within the Department for Business Innovation and Skills was inclusive of all Devolved Administrations.

While the *Skills for Growth* white paper proposes a substantial reduction in the number of separate Sector Skills Councils by 2012, this reduction in the number of Sector Skills Councils will not have any substantive impact on the policy and framework for transforming education and training provision in Wales. The policy *Transforming Education and Training Provision in Wales* set out a national framework to support the transformation of the provider network in Wales and is concerned with the supply side of education and training, whilst the Sector Skills Council review will be focussed on how best to organise the collection of skills needs information from employers so is essentially a demand-side discussion.

The final question you raise related to Sector Skills Council restructuring and asked if we had any concerns that the proposed changes for SSCs will have adverse effects on their capacity to operate in Wales. The process of reducing the number of SSCs is likely to involve a considerable amount of merger or takeover activity between SSCs. Given that there are precedents elsewhere of smaller numbers of similar national industry bodies, such as the Industry Skills Councils in Australia, there is no reason to expect that a smaller number of bodies should not fulfil the SSC role successfully, although the larger bodies will have to work harder to ensure that they are seen as representative of the wide range of employers that they will have to cover. It is important to note, however, that no detailed model has yet been proposed. As proposals are developed these will require discussion within and between Devolved Governments since SSCs are UK-wide bodies and plans to abolish or merge SSCs will have differing implications across the UK nations. As Ministers have previously noted to Kevin Brennan MP, the Welsh Assembly Government will work to ensure that the needs of Welsh employers are safeguarded through this process and that the outcome is fit for purpose in Wales.

Ministers from across the UK, including those in Wales, will be asked to consider SSC reform proposals and ensure suitable alternative arrangements are in place for sector based provision as well as for those sectors that may not be covered by an SSC in the future. If I have any short-term concerns, it would be that SSCs affected by the UKCES-led merger agenda become overly distracted from delivery and their core remit in Wales and across the UK more widely. I look to the SSC performance management process initiated on the back of the re-licensing process to help mitigate this risk. However, it is because of this concern that I support the move to complete this complex process in as short a timeframe as possible.

The Committee's final request was for further information about the extent to which good practice in widening access strategies inside and outside Wales will inform the development of the University of the Heads of the Valleys initiative. As you may be aware, the University of the Heads of the Valley programme

has set-up a Learning Portfolio sub-group to agree an innovative learning strategy in the Heads of the Valleys. This will address issues such as the use of digital learning, building on the work already established in the borough of Torfaen; securing high level training opportunities for employment, and promoting the establishment of small and medium sized enterprises; and the potential establishment of specific entry qualifications for those individuals residing in communities of greatest need. This is expected to widen access to Higher Education, increase community participation, and support local regeneration. I will instruct officials to look at best practice carried out by organisations such as the Open University, the Community University of the Valleys and others.

The *For Our Future* strategy identifies both social justice and economic responsiveness as twin principles for Welsh Higher Education. Thus the Strategy identifies the need for Higher Education in Wales to develop more part-time work based provision; increase the level of partnership with Further Education, particularly in the delivery of foundation degrees, and to ensure coherent regional provision of Higher Education. All these elements will widen participation. With regard to extending cross border good practice, the Welsh Assembly Government will be looking at the concepts and practicality of University Centres in England and the UHI Millennium Institute in Scotland to compare practice.

Finally, for your information, the Deputy Minister for Science, Innovation and Skills, Lesley Griffiths AM will be leading on workforce skills development including a strategic assessment of future skills needs and the agreement of an annual plan with myself for its delivery. My aspiration would be that such an agreement, developed jointly between Departments, would be of relevance to debate-on the relationship between skills and economic development in the future.

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