

REGULATORY APPRAISAL

ECONOMIC DEVELOPMENT, WALES

THE WELSH DEVELOPMENT AGENCY (TRANSFER OF FUNCTIONS TO THE NATIONAL ASSEMBLY FOR WALES AND ABOLITION) ORDER 2005

Background

1. The decision to merge the functions of the Welsh Development Agency (WDA) into the National Assembly for Wales is part of a wider agenda of the Welsh Assembly Government to deliver quality public services which are more joined-up, more responsive to people and businesses, and more efficient.

Purpose and intended effect of the measure

2. The main functions of the WDA are: to further the economic and social development of Wales or any part of Wales, and in that connection to provide, maintain or safeguard employment; to promote efficiency in business and international competitiveness in Wales; and to further the improvement of the environment in Wales (having regard to existing amenity).
3. The Order will transfer the functions (together with any property, rights and liabilities) of the WDA to the National Assembly for Wales; provide for the transfer of staff from the WDA to the National Assembly for Wales; make appropriate consequential, incidental, transitional and supplementary provisions; and abolish the WDA. This includes:
 - The transfer of the WDA's extensive economic development powers;
 - the transfer of WDA land and property to the Assembly including (through the use of a subsidiary company) land and property overseas/outside Wales;
 - the employment of staff currently employed by the WDA; and
 - the arrangements for the Assembly to prepare the WDA final accounts for 2005-2006 and the publication of the WDA 2005-2006 annual report, as well as making provision for joint working with the Agency prior to the transfer date.

Risk Assessment

4. The purpose of the legislation is not about addressing risks or hazards. The probability of any significant risk or harm arising as a result of this legislation proceeding or not is likely to be minimal. It is intended that existing functions should continue and improvements to the services made.

Options

Option 1: Do Nothing

5. Without the transfer of functions of the WDA to the National Assembly for Wales the merger of the WDA into the National Assembly for Wales cannot be implemented.

Option 2: Make the legislation

6. In order to achieve the desired objectives the WDA needs to be merged into the Economic Development and Transport Department of the Welsh Assembly Government. Currently the WDA is constituted as an arms-length body with its own executive board and specified functions as set out in the Welsh Development Agency Act 1975. Therefore, legislation is the only practical option for bringing the functions of the WDA in to the National Assembly for Wales. Options on how services will be managed and delivered are for consideration by the relevant Minister, subject to the necessary delegations, and are not issues for the relevant legislation.

Benefits

7. The key benefits to external stakeholders are that the core of Welsh public service will:

- be more democratically accountable;
- be more commercial and innovative;
- have greater strategic capacity at the centre of Welsh Assembly Government;
- be simpler and more joined up;
- give more opportunity for staff to develop skills and careers;
- be more streamlined and efficient with more resources going in to front line services; and
- generate better value for money in the provision of shared services

8. In short, the changes are intended to deliver high quality public services which are more joined-up, more responsive to people, the education community, employers and businesses, and more efficient. The outcome will also facilitate the development of Welsh Assembly Government policy more tailored to Wales' needs in economic development, tourism and education & training.

9. Transformation will take some time and estimates indicate that for the Welsh Assembly Government as a whole ASPB mergers will produce ongoing recurring savings of some £10 million per annum from 2009. These savings are largely the result of bringing together service delivery functions in the Welsh Assembly Government, removing ASPB boards and integrating corporate support services and systems.

Costs

10. Any costs falling on external stakeholders resulting from the formal merger of the functions of the WDA with the National Assembly for Wales are likely to be minimal. It is intended that existing services should be delivered to a continuing high standard and, where possible, improved upon.

11. Most of the cost of the mergers is being met from existing Welsh Assembly Government and ASPB budgets. The Welsh Assembly Government has provided an additional £4.7 million for 2005-06 and up to £7.2 million for 2006-07. Of this, the provision for merging WDA is £2,417,000 and £2,390,000 respectively for each year. This is for re-structuring the departments, developing common services and systems, integrating Information and Communications Technology (ICT) and training staff of the merging Departments. The table at Annex A provides current estimates of costs. These estimates will continue to be revised, updated and presented to Plenary as the mergers projects progress.

Competition Assessment

12. The competition filter was applied and no effects were identified. Increased regulation is neither an objective nor a foreseeable outcome of the merger.

Consultation

With Stakeholders

13. A public consultation on the ASPB mergers was carried out between 19 January and 15 April 2005. The consultation covered the mergers of the WDA, the WTB and ELWa and sought ideas and views on how the proposed structures that were set out in the paper could meet the needs of customers. A wide range of organisations were consulted, including businesses, tourism, education and training providers, local authorities and minority groups. 125 responses were received. The responses were analysed and a report summarising the key issues was produced and published on 24 May 2005.

14. The consultation responses report was debated in Plenary on 8 June 2005. Assembly Members unanimously noted the consultation report.

15. The draft Order was also subject to wide public consultation between 24 May 2005 and 15 July 2005. A list of those consulted in both consultation exercises is at Annex B to the Regulatory Appraisal. No responses were received in respect of this Order.

16. Regular meetings have also taken place with the Chairs and Chief Executives of the merging Assembly Sponsored Public Bodies (including the WTB and the WDA) and I personally have also had over 70 meetings with stakeholders and staff of the WTB and the WDA to discuss the mergers process.

With Subject Committee

17. The draft Order was submitted to the Economic Development and Transport (EDT) Committee for comment on 8 June 2005 (EDT2 08-05 (p.5), annex 1). The Order was subject to further detailed scrutiny by the Committee on 28 September 2005 (EDT(2) 11-05(p.6)). (A copy of the transcript of the discussion at that meeting relating to this Order is attached at Annex C). At that meeting the Committee requested retaining the short title of the amended Act, i.e. "The Welsh Development Act 1975" rather than the proposed amended title "The Welsh Development Act 1975". The Order has been amended to reflect this.

18. I have since written to the Chair of the EDT Committee to inform the Committee of some minor amendments that have been made to the draft Order since the Committee's consideration of it on 28 September 2005.

Review

19. The impact of the mergers will be monitored as part of normal business. New merged departments will produce an annual operational plan which sets out for each major activity what it is for, what will be done in the year and whether it is delivering against a strategic policy statement or statutory duty. Progress against these plans is reported quarterly to the Management Board and Cabinet. The Annual Report will report on progress against Wales: A Better Country commitments and the Welsh Assembly Government agenda.

Summary

20. The aim of the change is to bring the WDA's functions under Ministerial control to increase the efficiency and effectiveness of their delivery. In order to achieve this, the proposed change to the relevant legislation is necessary. It is not anticipated that there will be any significant compliance costs imposed on external stakeholders who should see improvements in the services delivered. No adverse competition effects are anticipated.

Additional Cost to the Welsh Assembly Government of Mergers

Type of Expenditure	Expenditure includes	Total additional cost to WAG for 2005-06 ⁽¹⁾ £ '000	Estimated total for WDA element ⁽²⁾ £ '000	Total additional cost to WAG for 2006-07 ⁽³⁾ £ '000	Estimated total for WDA element ⁽²⁾ £ '000
Support for Education and Lifelong Learning Department	<ul style="list-style-type: none"> • Departmental restructuring • Staff training • Departmental Awareness sessions 	163	0	68	0
Support for Economic Development and Transport Department	<ul style="list-style-type: none"> • Departmental restructuring • Staff training • Departmental Awareness sessions 	100	87	172	149
Finance Systems	<ul style="list-style-type: none"> • Systems analysis • Systems development • Training 	300	186	0	0
Human Resources People	<ul style="list-style-type: none"> • Staff training • WAG Awareness sessions • Employee support • Recruitment • Job Evaluation 	920	571	900	559
Facilities Management	<ul style="list-style-type: none"> • Security, Health & Safety, Disability Discrimination Act assessment and adaptations • Signage 	265	117	1,000	440
Business Information	<ul style="list-style-type: none"> • Library Services • Records management • Access to information • Information security 	100	62	0	0
ICT ⁽⁴⁾	<ul style="list-style-type: none"> • Departmental restructuring • Infrastructure, systems & software • Licences & contracts extension • Telephony • Wide Area Network (WAN) connectivity • System Security 	2,245	1,394	2,000	1,242

Total ⁽⁶⁾		4,093	2,417	4,140	2,390
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1. Based on costs estimated by mergers projects.
2. Estimated total costs have been apportioned to specific ASPBs using numbers of staff or buildings as appropriate.

	Staff ⁽⁶⁾	Buildings
ELWa	440	8
ACCAC	100	2
WDA	1181	11
WTB	181	4

3. Expenditure is expected for 2006-07. Estimates based on the latest information available.
4. The final plans for the work programme for ICT may change the distribution of costs between 2005-06 and 2006-07.
5. Not included in the breakdown are the estimates for work on phase 2 mergers affecting Health and Social Care Directorate, Environmental, Planning and Countryside Department and Culture Department. A small contingency reserve for 2005-06 (£500,000) remains to be allocated.
6. Figures provided by WAG HR 1 November 2005.

Annex B

Consultation on Draft Transfer of Functions and Abolition Orders List of Consultees

Contact	Organisation
David Harris A/Director	ACAS Wales
Wyn Mears	ACCA Wales
John Valentine Williams	ACCAC Wales
Chief Executive	Accountants Constructing Excellence
Chief Executive	Aerospace Wales Forum
Chief Executive	Age Concern Cymru
Chief Executive	Agricultural Dwelling House Advisory Committee
Bill Goldworthy	Agri-Food Partnership
Chief Executive	All Wales Saheli Association
Dafydd Wyn Jones Managing Director	Antur Dwyryd Llyn
Lynne Walters Managing Director	Antur Teifi
Menna Jones	Antur Waunfawr
Rev. Dr. Barry Morgan	Archbishop of Wales & Bishop of Llandaff
Chief Executive	Arena Network
Chief Executive	Arthritis Care in Wales
Chief Executive	Arts Council for Wales
Dr Pauline Peregrine	Asset Skills Wales
Chief Executive	Association of Chief Police Officers
Salem Kidwai	Association of Muslim Professionals
Graham Hoyle	Association of Learning Providers
Chief Executive	Association of Voluntary Organisations in Wrexham
Neill Sullivan	Asylum Seekers Project
Chief Executive	Audit Commission in Wales
Jeremy Colman	Auditor General for Wales
Director	Automobile Association
Helen Taylor	Automotive Skills Council
Abdul Latiff Mohamed Farook	AWEMA
Chief Executive	AWETU
Sue Camper	Bank of England Agency for Wales
Rhianon Pratley	Basic Skills Agency
Mutale Nyoni	BAWSO
Peter A Smith	BHA Wales Committee
Chief Executive	Biffa Waste Services Ltd
Ceri Doyle	Big Lottery Fund
Chief Executive	Black Environmental Network
Clive Sefia	Black Voluntary Sector Network Wales
Robin Morrison	Blaenau Gwent County Borough Council
Chief Executive	BP International
Chief Executive	Brecon Beacons National Park Authority
Chief Executive	Bridgend Association of Voluntary Organisations
I Keri Lewis	Bridgend County Borough Council
Mrs. Roz Pritchard	British Holiday and Homeparks Association
Chief Executive	British Waterways Board
Dr Olga Kelly	British Council Wales
Jeff Collins	British Red Cross
	Brynbras Castle
Chief Executive	BTCV Cymru
Graham Morris Managing Director	Business Connect Neath Port Talbot
Gareth Bray Executive Director	Business in Focus

Malcolm James	Business North Wales
Chief Executive	CADW
Malgwyn Davies	Caerphilly County Borough Council
Chief Executive	Capital Region Tourism
Den Bannister (Secretariat)	Caravan and Camping Forum for Wales
Annie Thompsett	Carbon Trust Wales
	Cardiff Bay / Cathays Park Libraries
Mark Freeman	Careers Wales Cardiff & Vale
Ms Trinia Neilson	Careers Wales Gwent
Mr Wayne Feldon	Careers Wales Mid Glamorgan
Mrs Joyce M'Caw	Careers Wales North East
Dr John Llewelyn	Careers Wales North West
Ray Collier	Careers West Wales
Chief Executive	Cardiff Chamber of Commerce
Byron Davies	Cardiff County Council
Jon Horne	Cardiff International Airport
Noad Hashimi	Cardiff Somali Women & Youth
Mutale Nyoni (Chair)	Care Council for Wales
Chief Executive	Carmarthenshire Association of Voluntary Services
Geoffrey Williams (Chair)	Carmarthenshire Local Access Forum
Mark James	Carmarthenshire County Council
Tim Giles	Carmarthenshire Tourist Association
David Rosser	CBI Wales
Chief Executive	Ceredigion Association of Voluntary Organisations
R. Owen Watkin	Ceredigion County Council
Kieth Edwards	Chartered Institute of Housing Wales
Peter Clark	Childrens Commissioner
Ruth Marks	Chwarae Teg
Mike Bialyj	CITB
Chief Executive	Citizens Advice Bureau
Chief Executive	City and County of Swansea
Chief Executive	CLAW
Sofie Evan	Coastal Cottages of Pembrokeshire
Chief Executive	Coed Cadw (the Woodland Trust)
David & Sue Morgan	Coedmor-fach Cottages
Robert Chappell	Cogent SSC Ltd
Chris Myant	Commission for Racial Equality
Chief Executive	Community Development Cymru
Shannon Robinson	Community Enterprise Wales
Linda Groom (Chair)	Conwy County Borough Council
Ken Simms	Conwy Enterprise
Derek Barker	Conwy Local Education Authority
Chief Executive	Conwy Voluntary Services Council
Karen Wilkie	Co-operative Party
John Raisman CBE (President)	Council for Education in World Citizenship
Jackie Bennet Senior Policy Advisor	Council for Mortgage Lenders
Chief Executive	Countryside Council for Wales
Cathi Marcus	Creative & Cultural Industries
Veronica Wilson	CWVYS
Chief Executive	Cyberium
Merfyn Williams	Cynnal Cymru
Geraint Edwards	Cyngor Sir Ynys Mon / Aglesey County

	Council
Alan Brown	D'Arcy Development Ltd
Del Morgan	
Tessa Jowel MP	Department for Culture Media and Sport
Ian Miller	Denbighshire County Council
Brian Thomas	Denbighshire Enterprise
Chief Executive	Denbighshire Voluntary Services Council
	Department for Education and Skills Consultation Unit
Carole Ann Davies	Design Commission Wales
William Bee	Disability Rights Commission (Wales)
Rhian Davies	Disability Wales
Chief Executive	Disabled Persons Transport Advisory Committee
Rev. Aled Edwards	Displaced People in Action
Peter Williams	DTA
Chief Executive	Dulas Engineering
Chief Executive	Dyfed Powys Police
Chris James	Elmar Investments Ltd
Elizabeth Raikes	ELWa
Jon Waters	ELWa - Corporate Strategy & Planning Team
Jane Mackenzie	Energy & Utility Skills
Martin Bibey	Engineering Employers Federation
	Environment Agency Wales
Kate Bennet	Equal Opportunities Commission
Delyth Knight, Secretariat	ESTYN
Arwyn Owen	Farmers Union of Wales
Paul Nielson	FDA
Chair	Federation of Awarding Bodies
Geoff Bridgeman	Federation of Master Builders
Russell Lawson	Federation of Small Businesses
John Graystone, Chief Executive	Fforwm
Brian Howes	Finance Wales
Philip McGreevy	Flintshire County Council
Mike Eden	Flintshire Enterprise
Chief Executive	Flintshire Local Voluntary Council
Chief Executive	Food Standards Agency
Mike Theodoulou	Foothold Youth Enterprise
Chief Executive	Forestry Commission
Chief Executive	Forum for the Future
Chief Executive	Funky Dragon
Ian Gallagher	Freight Transport Association
Jerry MacKinlay	Go Skills
Sue Price	Groundwork Wales
Group Captain Neil Bale BSc MIITT FCIM RAF (Ret'd)	
Chief Executive	Gwent Association of Voluntary Organisations
Harry Thomas	Gwynedd County Council
Hilary Neagle, Chief Executive	Health Professions Wales
	Health Promotion Library
	Herian Partnership
Jennifer Stewart	Heritage Lottery Fund
Professor Philip Gummatt	Higher Education Funding Council for Wales
Paul Byard	Hills Industries
Mark Walker	Hilton Cardiff and Cardiff Hoteliers

	Association
James Hervey-bathurst (President)	Historic Houses Association
Chief Executive	House Builders Federation
	House of Commons Library
	House of Lords Library
Howard & Anne Marie Street	St. Hilary Hotel,
David Lerrmon Wales Manager	ICAEW: Wales Business Centre
Huw Rees	Improve
	Information Link Libraries (40 copies)
David Lerman	Institute of Chartered Accountants in England & Wales
Roger Young	Institute of Directors
Alice Earp	Institute of Rural Health
	Institution of Civil Engineers
Chief Executive	Interlink
Chief Executive	InvestE Limited
Jeff Rees	
Christine Davies	JobCentre Plus Wales
Chief Executive	JMU Partnership
Michael Carey	KPMG
Chief Executive	LA sustainable development co-ordinators
David Williams	Llandudno Hospitality Association
Duncan Gardner	Lantra
Janet Paraskeva	Law Society
Chief Executive	Lesbian, Gay, Bisexual Forum
Guto Lewis	Lewis Consulting
Bob Hardwick	Lifelong Learning
Mrs S G Smith(Chair)	Local Government Boundary Commission
Chief Executive	Local Government Procurement Unit
Kate Saunders	LWT Marketing Services
Chief Executive	Machynlleth Town Council
Marie Mehigan	
Chief Executive	Mantel Gwynedd
Chief Executive	Mantell Gwynedd
Mary Jones	
Chief Executive	Medrwn Mon
Glyn Howells	Meat Promotoion Wales
Chief Executive	MENCAP Cymru
Chief Executive	Menter a Busnes
Gerallt Llewelyn Jones	Menter Mon
Chief Executive	Merched y Wawr
Alister Neill	Merthyr Tydfil County Borough Council
Justin Baird-Murray	Metropole Hotel
Yolanda Sokirimunn	Mewn Cymru
D M Thomas	Mid Wales Partnership
Valerie Hawkins	Mid Wales Tourism
Terry Threadgold	Migration Asylum Refugee Group
Colin Berg (Acting CEO)	Monmouthshire County Council
Lydia Green	NAFTH Wales
Anna Brychan	National Association of Head Teachers
Stuart Dandy	National Asylum Support Service
Chief Executive	National Audit Office
Steve Cranston	National Energy Action
Andrew Green	National Library of Wales
Michael Houlihan	National Museums and Galleries of Wales
Paul Loveluck	National Museums and Galleries of Wales

Terry Jones (chair)	National Training Federation Wales
Ruth Williams	National Trust
James Knight	National Union of Students
Geraint Davies	NASUWT
Gaynor Richards	Neath Port Talbot Council for Voluntary Service
Ken Sawyers (Chief Executive)	Neath Port Talbot County Borough Council
Jeremy Newton CE	NESTA
David Russ	Newport & Gwent Enterprise
Chris Freegard (Managing Director)	Newport City Council
Graham Moore	Newport Unlimited
Barbara Bale	NLIAH
E Meurig Royles	North Wales Economic Forum
Susheela Lowrie	North Wales Race Equality Council
Adrian Barsby	North Wales Tourism
	Northern Ireland Assembly
Dr Heledd Hayes	NUT
Chief Executive	Oakwood
Iwan Richards, CEO	One Voice Wales
John Bennett	Pack-It Group
Tim Arthur	PC Holidays
	PCS
Chief Executive	Pembrokeshire Association of Voluntary Services
Richard Packman	Pembrokeshire Business Initiative
D Bryn Parry-Jones (Chief Executive)	Pembrokeshire County Council
Kefin Wakefield	Pembrokeshire County Council
Chief Executive	Pembrokeshire National Park Authority
Karen Long	People 1st
	Peter McGowan
Chief Executive	Planed
Director of Wales	Planning Inspectorate
Chief Executive	Powys Association of Voluntary Organisations
Constance Adams	Powys Association of Voluntary Organisations
Mark Kerr	Powys County Council
Chief Executive	Powys Environment Agency
Peter Heard	Preveli Tourist Association
Chief Executive	PREN
Tom Davies	Princes Trust Cymru
Alan Hearsum	Process & Manufacturing SSC
Deborah Simpson	Professional Association of Teachers
Chief Executive	Prospect Cymru
	Publications Centre Archive
	Publications Centre Stock
	Rail Passengers Committee
Jazz Iheanacho	Race Equality First
J Cliffe (Air Officer Wales)	RAF
Ralph Bettany	Ralph Bettany Associates Ltd
Vanessa Bucolli	Refugee Media Group
Chief Executive	Constructing Excellence in Wales
Kim Ryley (Chief Executive)	Rhondda Cynon Taff County Borough Council
Richard Essex	RICS
Chief Executive	Royal National Institute for the Blind

Chief Executive	Royal National Institute for the Deaf
Chief Executive	Royal Soc of Architects in Wales
Chief Executive	Royal Town Planning Institute in Wales
Amanda Townsend	Royal Welsh College of Music & Drama
Chief Executive	RSPB
Chief Executive	RSPCA
Rob Holt	Ryder Cup Wales Ltd
Chief Executive	SCOVO
Chief Executive	SDCC
Christopher Duff	Sector Skills Development Agency
Brian Rowlands	Secondary Heads Association
Bill Peaper	SEMTA
Chief Executive	Shotton Paper
	Skill Wales
Richard Tobutt	skillsActive
Michelle Sayers	Skills Council for Financial Services
Joanne Thomas	Skillfast UK
Jacky Drysdale	Skills for Care & Development SSC
Sally Ambrose	Skills for Justice SSC
Katherine Whittall	Skillsmart
Gwawr Hughes	Skillset
Maria Whittaker	Skills for Health
Jane Colthup	Skills for Logistics
Chief Executive	Snowdonia National Park
Byron Davies	SOLACE
John Sheppard	South East Wales Economic Forum
Dave Phillips	South East Wales Race Equality Council
Richard Crawshaw	South West Wales Economic Forum
Gary Davies Regional Strategy Director	South West Wales Tourism Partnership
Huw Davies	Southside United Travel
Huw G Jones (Chief Executive)	Sports Council for Wales
Derek Walker	Stonewall Cymru
Kathryn Morgan	Summit Skills
Chief Executive	Sustainable Development Commission Wales
Chief Executive	Sustainable Gwynedd Gynladwy (SGG)
Chief Executive	Sustainable Wales
Chief Executive	Sustrans
Taha Idris	Swansea Bay Race Equality Council
Chief Executive	Swansea Council for Voluntary Service
Tim Thorogood	Swansea County Council
Elaine Ballard	Taff Housing Association
Chief Executive	Tai Eryri
Martin J Taylor	Teaching & leadership Division
Chief Executive	Tearfund
John McDowell, Chair & Peter Trevitt CE	Techniquet
Lowrie Morgan Manager Wales	The Law Society
Chief Executive	The Pedestrians Association
Chief Executive	The Welsh Consumer Council
Peter Durkin (Acting CEO)	Torfaen County Borough Council
Chief Executive	Torfaen Voluntary Alliance
Dee Reynolds Regional Strategy Director	Tourism Partnership Mid Wales
Dewi Davies	Tourism Partnership North Wales
Diana James	Tourism Training Forum for Wales
TR Murphy	
Felicity Williams, General Secretary	Trades Union Congress
Paul Watts	TSCP1
Sarah Jones	Ufi

Chief Executive	UNISON
Sue Price	Unit 7 Business
Anthony Chapman, Senior Vice Chancellor	University of Wales
Melanie Bent	University of Wales Institute Cardiff
Margaret Davies	Trinity College Carmarthen
Judith Watkins	University of Glamorgan
Rachel Connor (Executive Director)	Vale Centre for Voluntary Services
John Maitland Evans	Vale of Glamorgan Council
Ron Davies	Valleys Race Equality Council
Chief Executive	Venture Wales
	Visit Britain
Chief Executive	Voluntary Action Cardiff
Chief Executive	Voluntary Action Centre
Chief Executive	Voluntary Action Merthyr Tydfil
Ian Rutherford	Wales Association of Visitor Attractions (WAVA)
Lyn Llewellyn (Director)	Wales Association of Community and Town Councils
Chief Executive	Wales Association of Self Catering Operators
Tim Williams	Wales Automotive Forum
Chief Executive	Wales Centre for Health
Simon Harris	Wales Co-operative Centre Ltd
Chief Executive	Wales Council for the Blind
Chief Executive	Wales Council for the Deaf
Phil Jarrod	Wales Council for Voluntary Action
Ruth Marks	Wales Employment Advisory Panel
Chief Executive	Wales Enterprise
Gareth Hall	Wales European Centre
Derek Roberts	Wales Official Tourist Guides Association
Chris Ward	Wales Management Council
Chief Executive	Wales Social Partners Unit Ltd
Julian Burrell	Wales Tourism Alliance
Jonathan Jones	Wales Tourist Board
Tim Gorin	Wales Trade International
Derek Walker	Wales TUC Cymru
Mary Slatter	Wales Women's National Coalition
Karin Pittick	WDA
Wendy Boddington	WDA North Wales, Innovation & Technology Manager
Dafydd Williams	WDA, Media & Communications Executive
Bethan Jones	WDA Analyst (International)
	WDA, Environmental Goods and Services Team
Chief Executive	Welsh Anti-Nuclear Alliance
NJ Wheeler	Welsh Association of National Park Authorities
Chris Jackson	Welsh Association of Visitor Attractions
Andrew Jones	Welsh Collaboration for Health & the Environment
Chief Executive	Welsh Consumer Council
Gareth Hall	Welsh Development Agency
Chief Executive	Welsh Electronics Forum
Valerie Barrett	Welsh Industrial Development Advisory Board
Gareth Piarce	Welsh Joint Education Committee
Mari Huws	Welsh Language Board
Steve Thomas	Welsh Local Government Association

Chief Executive	Welsh Procurement Initiative
David Farnsworth	Welsh Refugee Council
Joan Ashby	Wales Rural Development Network
William Gruffydd Roberts	
Tim Hooper Policy Officer (Regeneration)	WLGA
Chief Executive	Womens Workshop, Cardiff Training Centre
Isobel Garner (Chief Executive)	Wrexham County Borough Council
Howard Thomas	WNACC
Yanov Isaovich	
Ioan Jenkins	Young Enterprise Wales
Anne Wesson (Board Secretariat)	WDA Board Members
Kathy Barker (Board Secretariat)	Finance Wales Board
Laura Brown (Board Secretariat)	WTB Board Members
Tania Contino (Board Secretariat)	ELWa Board Members

ANNEX C

Deddfwriaeth Uno'r Cyrff Cyhoeddus a Noddir gan y Cynulliad â'r Llywodraeth Assembly Sponsored Public Bodies Merger Legislation

Christine Gwyther: We discussed the draft Orders on 8 June, and there has also been a consultation between May and July. This is now an opportunity for committee members to bring up any anomalies or difficulties that they have seen in the Orders so that they can be discussed today. I have not had anything in writing yet. Minister, do you want to introduce the Orders before we go into the discussion?

Andrew Davies: Yes. First, I apologise for the slight delay in issuing the papers. The committee considered an earlier draft of these Orders on 8 June, and it is my understanding that there have not been any major changes since then. I am joined by Dylan Hughes, from the Directorate of Legal Services, and Bob Macey, who is currently head of the Economic Policy Division and is taking a lead on the merger issue. I know that Gwyn has been working closely with our lawyers on the Orders. I look forward to hearing the Members' views.

Lisa Francis: In the papers that we have received, it says that the merger of the WTB anticipates that costs will be minor, and will be around changing stationery and so on. In the schedules that we have had there is reference to changing the name 'Wales Tourist Board' to 'Welsh Assembly Government'. That brings me back to the stationery and the WTB logo. The WTB has just had a very successful campaign with the 'Big Country' campaign, and its branding logo is recognised. Will its livery be that of the Welsh Assembly Government, and will that extend to its advertising campaigns? I am thinking about how that will sit with other tourist boards such as the Scottish Tourist Board and the equivalent in England. Will it not look a little odd to use the name 'Welsh Assembly Government'? How will you brand yourself?

You do not anticipate any increase in regulation; you have said that this is not foreseen as an outcome of the merger. We know what regulation we can expect if statutory registration comes into being, and presumably you have identified costs surrounding that. However, who will be carrying out the inspections relating to that? Will it be the Welsh Assembly Government, or will you be putting it out to different groups? Similarly, what about grading? How will that be done and who will be undertaking that? Have you explored the costs of that as well? Currently, the Wales Tourist Board undertakes grading through its own various bodies. Can you be sure that there will be no increased costs to regulation?

Christine Gwyther: I propose that we take all the comments on the Wales Tourist Board first as a block, because we will obviously need to make our amendments as necessary, and then go on to the Welsh Development Agency.

Andrew Davies: On the proposed legislation on statutory registration of tourism accommodation, that is actually a separate issue from the legislation. We are dealing with the Orders to do with the merger. Lisa is asking me about policy issues to do with a discrete piece of legislation, which is actually outside the Orders that we are considering today.

Christine Gwyther: Is reference made to that in the Order?

Lisa Francis: No, it is not; it is just the regulatory aspect.

Christine Gwyther: Perhaps we can come back to that in a future meeting. Maybe I have misunderstood as well; I thought that, because you were talking about it, it was contained in this Order somewhere.

Lisa Francis: No, it is not. I was wondering about the implications for it in the future.

Andrew Davies: We will come back to the committee on this. The committee has considered statutory registration and, obviously, your party is clear on this. However,

three other parties were supportive of statutory registration and it is on that basis that we have made that bid. That legislation would go ahead whether the Wales Tourist Board was coming into the Assembly Government or not. It is separate.

On the issue of marketing and the functions of what is now the Wales Tourist Board, it is clear that a tourist board should market Wales. It promotes Wales as a destination for visitors; it does not promote the Wales Tourist Board. I intend for the very successful marketing and advertising campaigns that the tourist board has run in the past to continue. If anything, I hope to make sure that they are even better. In terms of the functions of the tourist board, whether in marketing or business support, I want to build on its success and use that marketing expertise in other areas of Assembly Government activities, where possible.

Lisa Francis: I appreciate that its job is to market Wales and not itself, but it is a recognised brand.

Christine Gwyther: Is this in the Order?

Lisa Francis: If you are going to replace the words 'Wales Tourist Board' with 'Welsh Assembly Government', I am interested to know whether you are saying that its stationery, its logos and everything else will change as well. I think that that is a fair question; I do not think that is unreasonable.

Andrew Davies: The brand will be Wales and the Welsh Assembly Government. There will no longer be a brand, a body, or an organisation called the Wales Tourist Board. In Scotland, they have gone through variations. It used to be the Scottish Tourist Board, it is now VisitScotland. I do not think that people outside will think about the organisations promoting tourism, whether in Scotland or Wales.

Lisa Francis: I am thinking about people's identification with the good work that they have done to date.

Leighton Andrews: The last time that we had the chief executive of the Wales Tourist Board here, which was just before the summer, he said that the brand was Wales and not the WTB. We have dealt with this issue with the chief executive of the WTB in front of us, so I am slightly surprised that this has come up now in the context of a discussion on Orders. It illustrates the fact that the opposition does not have anything to say about the Orders.

Christine Gwyther: I think that you might be wrong there.

Leighton Andrews: Sorry, I mean the Conservatives.

Christine Gwyther: I will move on to Elin. We will carry on the discussion, and then if Members have amendments that they would like to make to the Orders, I will have to take votes. So, let us discuss the Wales Tourist Board (Transfer of Functions to the National Assembly for Wales and Abolition) Order 2005.

Elin Jones: It is on the WDA.

Christine Gwyther: It is on the WDA, is it? Are everyone else's points on the WDA? Would anyone else like to comment on the Wales Tourist Board Order? Do you have any amendments that you want to put forward, Lisa?

Lisa Francis: No, I just wanted to know ostensibly about the branding, if we can call it that, particularly because stationery was mentioned, which made me think about a change of name and the effect of that.

Andrew Davies: Within the newly structured Assembly Government, there will be a dedicated tourism Wales operation. There will be a senior director in charge of that, so the functions that the tourist board currently discharges will continue to be discharged and, as I said, I hope that they will be improved even more. However, there will no longer be an organisation called the Wales Tourist Board. There are costs involved in terms of stationery. However, in future, the tourism operation will appear as part of the Assembly Government directly as opposed to a stand-alone organisation.

Christine Gwyther: Okay. Thank you. We will return to this in detail in a future meeting. Right; now the WDA.

11.30 a.m.

Elin Jones: Mae gennyf ddau gwestiwn sy'n cyfeirio at baragraffau 29 a 32 yn Atodlen 1 i'r Gorchymyn. Cyfeiria baragraff 29 at yr angen i ailenwi Deddf Awdurdod Datblygu Cymru 1975 yn Ddeddf Datblygu Cymru yn lle. Pam bod angen ailenwi Deddf a grëwyd yn 1975? Nid wyf yn deall y rhesymeg y tu ôl i hynny, fel pe bai'n ryw ymdrech i ailysgrifennu hanes. Efallai y gallwch egluro pam mae hynny'n ofyniad cyfreithiol.

Elin Jones: I have two questions referring to paragraphs 29 and 32 of Schedule 1 to the Order. Paragraph 29 refers to the need to rename the Welsh Development Agency Act 1975 the Welsh Development Act. Why do we need to rename an Act that was made in 1975? I do not understand the rationale behind that; it is as though this is an attempt to rewrite history, somehow. Perhaps you could explain why that is a legal requirement.

O ran pwerau benthyg y Cynulliad—pwynt yr wyf wedi ei godi yn y gorffennol—mae paragraff 32(3) yn dweud bod rhaid cael cytundeb y Trysorlys cyn benthyg unrhyw arian cyfred, ar wahân i'r bunt. Pam? A yw hyn yn fater o bolisi neu yn fater cyfreithiol? Gofynnaf yn benodol yng nghyd-destun yr ewro, a gallu'r Cynulliad i fenthyg gan Fanc Buddsoddi Ewrop, dyweder. Byddai hynny'n fuddsoddiad mewn ewros, wrth gwrs, ac mae'r paragraff hwn yn ein clymu i gael cytundeb y Trysorlys cyn gwneud hynny.

On the Assembly's borrowing powers—a point that I have raised in the past—paragraph 32(3) states that we must have the Treasury's agreement before borrowing any currency other than sterling. Why? Is that a policy matter or a legal requirement? I ask specifically in the context of the euro, and the Assembly's ability to borrow from the European Investment Bank, for instance. That would be an investment in euros, of course, and this paragraph binds us to having the Treasury's agreement before going ahead.

Mr Hughes: Atebaf fi y ddau gwestiwn. Ynglyn â'r cwestiwn cyntaf, nid yw'n anghenraid cyfreithiol i ailenwi'r Ddeddf, ond yr oeddem yn teimlo ei bod yn fwy addas gwneud hynny gan na fydd yr awdurdod yn bodoli bellach. Felly, er mwyn gwneud pethau'n gliriach, ac oherwydd y byddai'n edrych yn rhyfedd, tynnwyd y gair 'Agency' o'r teitl, gan nad oes cyfeiriad o gwbl at yr awdurdod yn y Ddeddf. Nid mater cyfreithiol mohono, ond rhywbeth y bu inni ei drafod gyda thîm y Cwnsler Seneddol, sy'n drafftio deddfwriaeth sylfaenol. Dywedasant wrthym nad oedd yn beth arferol i'w wneud, ond ei fod wedi'i wneud yn y gorffennol am resymau tebyg, hynny yw nad oedd yn synhwyrol i gadw teitl fel ag yr oedd.

Mr Hughes: I will answer both questions. On the first question, it is not a legal requirement to rename the Act, but we felt that it was more appropriate to do so because the agency will no longer exist. Therefore, in order to make matters clearer, and because it would look strange as there is no reference to the agency in the Act, the word 'Agency' was omitted. This was not a legal issue, but it was something that we discussed with members of the Parliamentary Counsel team, who draft primary legislation. They told us that this was not normal practice, but that it had been done in the past for similar reasons, namely that it did not make sense to keep a title as it was.

O ran yr ail gwestiwn am y cyfeiriad hwnnw at y Trysorlys, y rheswm yw am ei fod yn bodoli yn flaenorol. Drwy gydol y broses hon, yr ydym yn cadw'r status quo. Mae'r gofyniad i gael cytundeb y Trysorlys i'w weld yng Ngorchymyn Cynulliad Cenedlaethol Cymru (Trosglwyddo Swyddogaethau) 1999. Mae'r holl beth yn mynd yn ôl at y setliad datganoli yn 1999, pan ddywedwyd bod angen cytundeb y Trysorlys i fenthyg mewn unrhyw arian cyfred heblaw am y bunt, felly dyna pam mae'n rhaid ei osod yn yr un modd.

Regarding the second question on the reference to the Treasury, the reason is that that is what existed previously. Throughout this process, we are maintaining the status quo. The requirement of having the Treasury's approval is found in the National Assembly for Wales (Transfer of Functions) Order 1999. It all goes back to the devolution settlement

in 1999, which stated that Treasury approval was required before borrowing any currency other than sterling, so that is why it has to be done in the same way now.

Fel yr wyf wedi esbonio o'r blaen, mae'r Ddeddf gyfan wedi ei drafftio er mwyn cyfleu setliad datganoli. Er enghraifft, mae'r cyfeiriadau ar yr Ysgrifennydd Gwladol hefyd wedi mynd, er mwyn cyfleu cynnwys y Gorchymyn trosglwyddo swyddogaethau yn 1999.

As I have explained before, the whole Act has been drafted in such a way as to convey the devolution settlement. For example, references to the Secretary of State have been removed, in order to convey what is contained in the transfer of functions Order of 1999.

Elin Jones: Yr wyf ychydig yn anghyffyrddus ynglyn â newid enw Deddf gan gyfeirio at Ddeddf Awdurdod Datblygu Cymru 1975. Nid wyf yn siwr ar ba sail yr wyf yn dweud hynny, ond teimlaf fod elfen o ailysgrifennu hanes yma—er nad yw'n fwriadol, ac nid wyf yn pwyntio bys at neb. Yn syml, yr wyf yn hoffi'r syniad o gadw enw gwreiddiol y Ddeddf, fel rhywbeth parhaol. Nid yw'n *die-in-a-ditch issue* i mi, ond teimlaf y byddai'n gyson i gadw'r enw fel ag yr oedd.

Elin Jones: I am a little uncomfortable about changing the name of an Act, referring to the Welsh Development Agency Act 1975. I am not quite sure on what I base that statement, but I just feel as though there is an element of rewriting history here—though not intentionally, and I am not pointing the finger at anyone. Put simply, I like the idea of keeping the original name of the Act, for continuity's sake. It is not a die-in-a-ditch issue for me, but I feel that it would be consistent to keep its name as it was.

Ar eich ateb i'r ail gwestiwn, derbynïaf y pwynt ynglyn â pheidio â mynd y tu hwnt i'r hyn sy'n bodoli eisoes. Y cyfan a ddywedaf yw nad oedd yr ewro yn bodoli yn 1999, ac efallai y dylem ystyried rhoi mwy o hyblygrwydd i'r Cynulliad i fenthyg, ac i wneud hynny o dan y gyfundrefn Ewropeaidd, sydd mor bwysig erbyn hyn yng nghyd-destun economi Cymru.

On your response to the second question, I accept the point about not going beyond what already exists. I would only say that there was no such thing as the euro in 1999, and perhaps we should consider giving the Assembly more flexibility to borrow, and to do so within the European system, which is now so important in the context of Wales's economy.

Christine Gwyther: The first point is stylistic, and the second point is crucial, so can you respond to that?

Mr Hughes: Efallai nad fy lle i yw ateb yr ail bwynt, ond efallai y dylwn fod wedi ychwanegu y bydd teitl hir y Ddeddf yn aros, hynny yw:

Mr Hughes: It may not be for me to answer the second point, but perhaps I should have added that the long title of the Act will remain, namely:

'An Act to establish a Welsh Development Agency and a Welsh Industrial Development Advisory Board; and for connected purposes'.

Dyna'r teitl a ddefnyddiwyd pan aeth drwy'r senedd. Ni all hynny newid, er y bydd pob cyfeiriad arall at yr awdurdod wedi mynd. Felly, nid oeddwn yn hollol gywir yn yr hyn a ddywedais y tro diwethaf. Bydd un llinell yn cyfeirio at yr awdurdod; bydd rhywfaint o gyfeirio yn ôl at ei fodolaeth.

That was the title used when it went through parliament. That cannot be changed, although every other reference to the agency will have been removed. Therefore, I was not quite correct in what I said last time. One line will refer to the agency, and there will be some reference to its existence.

Christine Gwyther: Do any other Members have a view on this either way? I see that you do not. Therefore, shall we ask that the word 'agency' be left intact? I see that that is what Members want.

Elin Jones: Wow.

Christine Gwyther: I know—that is power.

Elin Jones: I think that I might have more trouble with the second one.

Christine Gwyther: Yes, I think that you might.

Mr Griffiths: Hoffwn ychwanegu at yr hyn a ddywedodd Dylan ynglyn â'r ail bwynt. Fel cynghorydd cyfreithiol y Pwyllgor Deddfau, byddai'r hyn y mae Elin yn ei awgrymu yn mynd y tu hwnt i'n pwerau o dan y Ddeddf, oherwydd y byddai'n mynd ymhellach na throsglwyddo swyddogaethau. Byddai'n newid natur y swyddogaethau drwy leihau'r cyfyngiadau arnynt. Felly, byddwn yn dadlau y byddai hynny'n mynd y tu hwnt i'n pwerau. Mae'n bwynt dilys, ond nid mewn Gorchymyn o'r math hwn sydd ond i fod i drosglwyddo swyddogaethau, ac nid i fynd ymhellach nag sydd ei angen i wneud hynny.

Mr Griffiths: I would just like to add to what Dylan said on the second point. As the legal adviser to the Legislation Committee, what Elin suggests would go beyond our powers under the Act, because it would go further than transferring functions. It would change the nature of the functions by reducing the limitations on them. Therefore, I would argue that that would go beyond our powers. It is a valid point, but not in this kind of Order, which is only supposed to transfer functions, and should not go any further than is required to do so.

Christine Gwyther: Are you content not to die in a ditch, Elin?

Elin Jones: Derbyniaf hynny, a gwyddwn hynny i ryw raddau. Felly, mae hynny'n iawn.

Elin Jones: I accept that, and I knew that to be the case, to a certain extent. So, that is okay.

Janet Davies: I have some concern about the not very strong references to sustainability and the environment. I assume that the references to sustainable development in the Government of Wales Act 1998 will supersede this anyway. However, for example, on page 11, Schedule 1 to the Welsh Development Agency Act 1975, there is a reference to the improvement, development or redevelopment of the environment. That was before there was any such requirement to have regard to sustainable development. Could a reference be included to protecting the biodiversity of Wales by the new departments, or is that out of order? I see Gwyn shaking his head.

Mr Hughes: Fel yr esboniodd Gwyn yn gynharach, mae'r un pwynt yn codi: ni allwn ychwanegu pethau at y Ddeddf; rhaid cadw yr hyn sydd yno ar hyn o bryd.

Mr Hughes: As Gwyn explained earlier, the same point arises: we cannot add things to the Act; we have to keep what is there at present.

Alun Cairns: I seek guidance in the first instance. I have been through the documents many times. The powers relating to the compulsory purchase orders have been well aired in previous discussions. However, I cannot see in here the rights of appeal, and so on, in the Orders themselves. I may be missing the obvious, or not, so forgive my naiveté. I am looking for guidance either from Mr Griffiths, Mr Hughes, or even Mr Macey. Talk me through the simple process of the compulsory purchase, and direct me to the section in the Order, if possible.

Mr Hughes: Y ffordd y mae hwn yn gweithio yw bod pwerau yn Neddf Awdurdod Datblygu Cymru 1975 i brynu tir. Mae'r pwerau hynny yn cyfeirio yn ôl at Ddeddf Caffael Tir 1981. Felly, yn y Ddeddf honno caiff yr holl broses ei disgrifio. Mae dwy broses—un pan gaiff tir ei brynu gan awdurdod lleol, ac un pan gaiff tir ei brynu gan Weinidog. Yr oedd Deddf Awdurdod Datblygu Cymru 1975 yn nodi bod yr awdurdod yn cael ei drin fel awdurdod lleol. Felly, yr hyn oedd yn digwydd oedd bod yr awdurdod lleol, neu'r awdurdod datblygu, yn gwneud y gorchymyn prynu gorfodol, wedyn yr oedd rhaid i'r Cynulliad gadarnhau hynny, yn yr un modd ag y byddai awdurdod lleol yn ei wneud.

Mr Hughes: The way that this works is that there are powers contained in the Welsh Development Agency Act 1975 to purchase land. Those powers refer back to the Acquisition of Land Act 1981. Therefore, within that Act, the whole process is described. There are two processes—one when the land is purchased by a local authority, and one when it is purchased by a Minister. The Welsh Development Agency Act 1975 stated that the authority is treated as a local authority. Therefore, what happened was that the local authority, or the development agency, made the compulsory purchase order, then the Assembly had to confirm that, in the same way as a local authority would do.

11.40 a.m.

Yr hyn yr ydym wedi gorfod ei wneud, gan na fydd yr awdurdod yn bodoli bellach, yw cyfeirio yn ôl at Ddeddf Caffael Tir 1981 a dweud bydd y broses o'r Gweinidog yn prynu tir yn cael ei defnyddio yn lle. Felly, mae rhan 2 Deddf Caffael Tir 1981 yn cyfeirio at pan fydd awdurdod lleol—ni fydd yn y Gorchymyn oherwydd dyna sut mae'r system yn gweithio; mae'n gymhleth, ond nid oedd dim y gallem ei wneud am hynny. Mae rhan 2 Deddf Caffael Tir 1981 yn gosod allan y broses ar gyfer yr awdurdod fel ag y mae yn awr, ac mae Atodlen 1 i'r Ddeddf honno yn gosod allan y broses pan fydd Gweinidog yn prynu tir.

What we have had to do, because the agency will no longer exist, is refer back to the Acquisition of Land Act 1981 and say that the process when the Minister purchases land will be used instead. Therefore, part 2 of the Acquisition of Land Act 1981 refers to when a local authority—it will not be in the Order because that is not how the system works; it is complex, but there was nothing that we could do about that. Part 2 of the Acquisition of Land Act 1981 sets out the process for the agency as it is now, and Schedule 1 to that Act sets out the process for when a Minister purchases land.

Felly, yr hyn sy'n digwydd yn ymarferol, a'r hyn fydd yn digwydd yn y dyfodol, yn yr un modd â phan fo'r Cynulliad yn prynu tir ar gyfer heol newydd, er enghraifft, yw y dilynir y broses yn Atodlen 1 i'r Ddeddf. Pe bai rhaid cael ymchwiliad, byddai ymchwiliad yn cael ei gynnal. Hefyd, mae arolygydd yn adrodd yn ôl i'r Gweinidog. Mae'r apêl yn gweithio drwy ganiatáu adolygiad barnwrol o'r penderfyniad, os nad yw'r Gweinidog yn dilyn penderfyniad yr arolygydd neu'r ymchwiliad.

Therefore, what happens in practice, and what will happen in the future, is that, in the same way as when the Assembly purchases land to build a new road, for example, the process in Schedule 1 to the Act is followed. If an inquiry is needed, it would be undertaken. In addition, an inspector reports back to the Minister. The way that the appeal works is that, if the Minister does not follow the decision of the inspector or the inquiry, then a judicial review can be undertaken into that decision.

Alun Cairns: Under the current arrangements, should the WDA seek to introduce a compulsory purchase order over a parcel of land, the owners then have the right of appeal to the Minister. However, under the new process, because the Order is being made in the Minister's name in the first instance, that right of appeal goes, other than maybe in relation to an inquiry that has led to a recommendation, and then a judicial review. Therefore, I am concerned that it removes a lot of rights from individuals or organisations that are subject to a compulsory purchase order.

Mr Hughes: Mae'n wir nad oes dau gorff gwahanol yn y broses, ond mae hynny'n anorfod, gan na fydd yr awdurdod yn bodoli bellach. Fodd bynnag, mae proses glir yn bodoli eisoes pan fydd y sefyllfa honno'n codi.

Mr Hughes: It is true that there are not two separate bodies in the process, but that is inevitable, given that the agency will no longer exist. However, a clearly defined process already exists for when that situation arises.

Alun Cairns: I hope that you understand my concerns about the Order as it stands. This is natural, because it goes according to a previous Act, the Acquisition of Land Act 1981. However, what mechanism could be available to us to secure that right of appeal to some body? Could we insist that it is contained in this Order?

Mr Griffiths: The problem with any changes that you try to make to this Order is that the scope of the Order is limited by section 28 of the Government of Wales Act 1998 to those changes that are necessary either to abolish functions or bodies, or to transfer them. Therefore, creating new procedures would not form part of this Order. However, the Assembly has all sorts of powers in relation to planning procedures, and a range of other powers, though not under section 28, to make legislation in relation to its procedures. Therefore, that is a separate matter that the Assembly would have to consider. I can give further thought to how that might be done. For example, there is the

question of the delegation of some of those powers—some of them could be retained by the Assembly or its committees, rather than delegated to Ministers; that is one way of doing it. However, they would not be matters that could be addressed in this Order.

Alun Cairns: I ask, therefore, through you, Cadeirydd, that the committee consider this matter in much further detail at an appropriate time. I am concerned that the rights of individuals and organisations are being withdrawn, partly because of the restriction of the Government of Wales Act 1998. Are there other means and mechanisms by which we can secure those rights, perhaps by asking the Minister or committee responsible for planning to look at it, or by coming up with a recommendation or something like that?

Christine Gwyther: That might be more appropriate.

Alun Cairns: I am just asking that we look at this in a bit more detail, if not now, then on another occasion.

Christine Gwyther: Sure. It is not something that we can effect now, and that is quite clear from the responses. However, it was very useful to flag it up, and it could be that we provide a note for the planning committee asking if it would look at this, because a backstop is clearly being removed, which is causing you some concern, and that obviously needs to be addressed. Is there anybody else on the WDA Order?

Alun Cairns: I have one final issue. I am not sure whether this directly relates to the Order, or just to the regulatory appraisal, but it is about accepting liabilities. Within the costing of the regulatory appraisal, I do not notice anything about pension liabilities being inherited, and I wondered whether we could have some guidance about whether that is relevant to the Order. It certainly should have been included, in my mind, within the regulatory appraisal that we are now discussing.

Mr Macey: I will pick up on the regulatory appraisal element. The judgment here is that the mergers themselves do not change the pensions position, in as much as if there is a deficit, there is a deficit, and the act of merging the organisations does not materially impact on the fact that there is a deficit. Therefore, it does not flow from the mergers that an additional cost arises. Having said that, I think that it could be identified as an issue within it, and addressed, but I would say that it is not an additional cost flowing from the mergers in the context of a regulatory impact assessment, the primary function of which is about the impact on business.

Alun Cairns: I accept that, but can you give us any guidance in terms of the liability that could be inherited? Is there an impact in terms of any finance restrictions that the Assembly has about the amount of liabilities or total costs of liabilities from, say, the Treasury?

Mr Macey: The WDA pension fund is in deficit, and there are ongoing discussions with the Treasury as to how that might be addressed.

Christine Gwyther: Let us bring this back to the Order, because that is what we are discussing this morning. Does any of this pertain to the Order?

Alun Cairns: It relates to the papers that have been presented to us, namely the regulatory appraisal.

Christine Gwyther: Okay. Go on.

Alun Cairns: The point that I am making is that it is not contained in the regulatory appraisal, and Mr Macey has highlighted that maybe there is an argument that it could or could not be—I am not going to hold him to that. However, what I am asking—and this is probably a question for the Finance Minister, but it needs airing at this stage—is this: are there any restrictions or guidance from the Treasury on the fact that the liability is now of an Assembly's agency, and not of the Assembly, but that it becomes a liability of the Assembly? Does that have an implication for any guidance from the Treasury, because of the public sector liability guidance that it has in general?

Mr Macey: Any liability of the agency, as I understand from the Order, becomes the Assembly's liability. That flows from the transfer of functions Order.

Alun Cairns: But is there a difference in interpretation, in any way, in guidance from the Treasury? That is the point I am making.

Mr Macey: There are discussions taking place with the Treasury as to how this might be handled and managed, given the rules and regulations that exist for central Government and for other parts of the public sector. Assembly civil servants are part of the principal civil service pension scheme, WDA employees are not, and WTB employees are in yet another scheme. There are discussions taking place, but I am not in a position to give you the detail on where we are on those; it is, essentially, being taken forward on the personnel side of the organisation.

Alun Cairns: Can we come back to this?

Christine Gwyther: We can return to this, but not this morning. I want to tie down the amendment that was proposed by Elin Jones, that, in section 29, which deals with the citation, we ask for point 1 to be removed. Point 1 asks for the Welsh Development Agency Act 1975 to substitute Welsh Development Act 1975. Is the committee agreed that that article be removed completely? I see that it is. Is the Government willing to accept that? I see that it is. Thank you.

11.50 a.m.