
EDUCATION AND ECONOMY SCRUTINY COMMITTEE
12/02/26

Present:

Councillors: Councillor Cai Larsen (Chair)
Councillor Rhys Tudur (Vice-chair)

Councillors: - Beca Brown, Jina Gwyrfai, Dawn Lynne Jones, Elwyn Jones, Gareth Tudor Jones, Gwilym Jones, Beth Lawton, Dewi Owen, Geraint Parry, John Pughe Roberts, Huw Llwyd Rowlands, Dyfrig Siencyn, Gwynfor Owen and Sian Williams.

Co-opted Members: Sharon Roberts (Arfon Parent / Governor Representative) and Gweno Glyn Williams (Dwyfor Parent / Governor Representative).

Officers in attendance: Bethan Adams (Scrutiny Adviser) and Jasmine Jones (Democracy Services Officer).

Present for item 5 - Councillor Nia Jeffreys (Council Leader), Hedd Vaughan-Evans (Head of Operations, Ambition North Wales), Eilw Hughes (Growth Deal Programme Manager, Ambition North Wales) and Sioned Williams (Head of Economy and Community).

Present for item 6 - Councillor Medwyn Hughes (Cabinet Member for Economy and Community), Sioned Williams (Head of Economy and Community Department), Roland Evans (Assistant Head of Culture) and Sian Jones (Tourism, Marketing and Events Manager).

1. APOLOGIES

Apologies were received from Councillor Richard Glyn Roberts and Colette Owen (The Catholic Church).

2. DECLARATION OF PERSONAL INTEREST

None to note.

3. URGENT ITEMS

None to note.

4. MINUTES

The Chair signed the minutes of the previous meeting of this committee held on 11 December 2025 as a true record.

5. BENEFIT OF THE GROWTH DEAL FOR GWYNEDD

The Leader of the Council presented the report noting that, following concerns raised at the Committee's June meeting when scrutinising the Cabinet Member for Economy and Community's performance report, it was intended to provide the Committee with an overview of the work of the Growth Deal and the benefit it would bring to Gwynedd. It was explained that the Growth Deal is a significant regional investment designed to strengthen the north Wales economy, create jobs, develop skills and support businesses.

It was noted that the programme included several projects across areas such as innovation, energy, digital, tourism and workforce development. It was elaborated that the report before them summarised the progress made with the relevant projects along with the highlights of quarter two, namely the period from June to September 2025. It was confirmed that an update would be given on the plans for the development of the Trawsfynydd site.

It was pointed out that this meeting was timely as the Cabinet had supported an outline business plan for the establishment of a science park in Trawsfynydd and the development of an innovation, skills and business centre there. The Committee was invited to consider the information, scrutinise progress and arrangements and make comments or recommendations to help ensure that the Growth Deal delivers the maximum benefits to the communities and people of Gwynedd.

The Head of Operations at Ambition North Wales, then took over and he thanked the member for the opportunity to present the work of the Growth Deal. A presentation was given on the main highlights during the year, including some of the latest developments since sharing the quarter two report.

It was noted that the aim of Ambition North Wales was to develop the region's economy in a sustainable way to create opportunities for people, communities and businesses. It was explained that the Growth Deal was a regional investment programme, with £240 million Government funding and a target of achieving over £1 billion investment in the region by 2036, along with the creation of up to 4,200 new jobs. It was noted that the Growth Plan was being implemented across five programmes, namely innovation in high value manufacturing, digital connectivity, agri-food and tourism, land and property and low carbon energy.

An overview of the main highlights thus far was given, namely:

- The Growth Plan and portfolio management team had been transferred to the Corporate Joint Committee on 1 April 2025.
- That a reserve list had been created for 17 new projects in May, and the Clean Energy Fund was launched in July.
- The Parc Bryn Cegin Joint Venture Agreement with the Welsh Government was completed in August.
- That the Economic Well-being Sub-Committee approved business cases for the Prince Project, the Manufacturing and Business Capability Project 5.0, North Anglesey Sites and Freeport at the October meeting.
- In November, the CanfodAu building was officially opened along with the launch of the Academi Croeso project.
- That the Sub-Committee approved business cases for the Port of Mostyn, Albert Gubay Business School and the Padeswood Rail Improvement Project at the December meeting.
- Two Non-Executive Consultants were appointed to the Corporate Joint Committee in January.

It was noted that good progress had been made so far over the year. The latest situation at the end of quarter three was referred to, noting that the quarter three report had just been approved by the sub-committee. It was explained that six projects were now operational, another ten had been approved but were not yet operational, and seven were developing business cases, with six of these having already received outline approval from the sub-committee. It was noted that one project was still under review, the hydrogen hub in Holyhead, and that fifteen projects on the reserve list were competing for approximately £62 million of unallocated funding to date.

In terms of the benefits seen so far, it was noted that 49 new jobs had been created along with an additional 49 construction jobs. It was acknowledged that these numbers were low, but it was explained that the Growth Deal had faced significant delays and challenges at its start-up, including Covid, cost increases, planning problems and changes in Welsh and UK Government policies, which had had an impact on the original portfolio. It was emphasised, however, that there had been a significant increase over the last year in the number of projects approved, and that over the next few years this would translate to an increase in the number of jobs created. It was further noted that by the end of quarter three, just over £29 million would have been invested in the region, of which £26 million would be direct investment from the Growth Deal.

Responding to the Committee's particular interest in local benefits for Gwynedd, it was explained that Ambition North Wales considered each project within the Growth Deal as a regional project that contributes to the regional vision and overall targets. It was recognised, however, that there was a full understanding of Members' interest in local benefits. It was noted that the Growth Deal projects create local benefits in four main ways, namely through direct investment, through local and regional job creation, through supply chain opportunities, and through social and community benefits delivered through the projects and specifically through the procurement process.

An overview was given of the 7 projects in Gwynedd that had either received outline approval or final approval. It was noted that these included:

- The Digital Signal Processing Centre (£3 million) and the Centre for Environmental Biotechnology (£2 million) at Bangor University,
- Albert Gubay Business School Project (£7.3 million),
- Responsible Adventures Project (£5.6 million),
- Academi Croeso Cymru - Tourism Talent Network (£2 million),
- Glynllifon Rural Economy Hub (£11.8 million) with Grŵp Llandrillo Menai, and
- Parc Bryn Cegin Project (£5.9 million).

It was explained that these projects represent a total investment of £38.5 million of Growth Deal funding in Gwynedd, with a total investment of almost £72 million when including other funding sources. It was noted that £5.5 million of that funding had already been invested in the Digital Signal Processing Centre, the Centre for Environmental Biotechnology and in Portmeirion through the Academi Croeso project. It was noted that these projects aim to create 700 jobs over the next ten years in the region, with the majority of these likely to be in Gwynedd.

It was explained that there were four other projects or regional funds in the energy and digital areas, that were either live now or about to go live, which were seeking investment of over £51 million across the region, and they would work with businesses and communities in Gwynedd to try and secure investment as part of these funds.

It was noted that four projects within Gwynedd on the reserve list were competing for the funding that had not yet been earmarked, namely phase two of the Parc Bryn Cegin project with the Welsh Government, the Trawsfynydd Centre for Innovation, Business and Skills, Bangor Health Hub and the 'Quarry Battery' project.

It was confirmed that some of the projects on the reserve list, such as the Trawsfynydd scheme, could be subject to a separate report for closer scrutiny in due course as the details mature and move through the North Wales Ambition processes.

During the discussion, the following observations were made: -

The arrangements for prioritising projects were questioned and what process was in place to decide which projects were prioritised over others. In response, it was noted: -

- That several processes had been carried out over the years to appoint projects for the Growth Deal, including a process earlier in the year to appoint projects on the reserve list.
- That a thorough process of analysing project information was being carried out.
- The three main factors underpinning the decisions included the contribution of the projects towards the targets in terms of creating jobs and securing investment for the region, the wider benefits that the projects could offer to the region, and the level of maturity and readiness of the projects to move forward to deliver.
- The last factor was particularly important given the delays that had occurred during the first five years of the Growth Deal, and the challenges faced with some projects.
- The implementation period was originally 15 years, but 10 years was now available to deliver the projects and secure the benefits of the Growth Deal.

The long-term vision of the Growth Deal was questioned. In response, it was noted that there was a clear vision to grow the economy in a sustainable manner and create opportunities across the region and sectors. It was emphasised that the Growth Deal was only one source of funding within a more complex funding system now, and that it would be important to ensure that diverse funding streams work together rather than compete against each other. It was emphasised that there was a significant opportunity in north Wales over the coming years to take advantage of the Growth Deal, the Free Port project, the Flintshire and Wrexham Investment Zone, the Artificial Intelligence Growth Zones, and potential developments at Wylfa. It was noted that the important role of Ambition North Wales as a regional body was to ensure that these investments together add value and deliver across the region.

The amount of money contributed by the Council towards the realisation of the Growth Deal was questioned. In response, the Head of Economy and Community noted that specific figures were not to hand but could be provided following the meeting. It was explained that all councils and partners within Ambition North Wales, including the universities and colleges, contribute annually to the running costs of the programme, which are the resources and staff within Ambition North Wales working on the Growth Deal. It was elaborated that partners were also contributing towards future borrowing

costs, as borrowing would be needed in the short term to enable projects to move forward before the funding from both Governments is received for the period.

The Leader of the Council noted that an underspend had been identified at a recent meeting of the Ambition North Wales Board. Disappointment was expressed about this, particularly at a time when councils and other departments were facing overspending and significant pressures on local government budgets. A personal disappointment was expressed, and on behalf of Gwynedd Councillors and members of the Committee, that the Trawsfynydd scheme had slipped onto the reserve list. The view was expressed that that project should be a priority for Gwynedd, specifically for south Meirionnydd.

In response, it was noted that only capital funding was available through the Growth Deal, and there was no funding available for the implementation and running of the schemes. It was elaborated that this was why the partners needed to invest in setting up the programme office in the first place to be able to develop the schemes. It was confirmed that further details would be shared with Committee members in due course regarding Trawsfynydd.

Comments were made by a member based on experience of being part of the North Wales Ambition Board, noting that the Board was a partnership between the six counties, colleges and the private sector, and that it was set up years ago to take advantage of the UK Government's scheme with subsequent Welsh Government contribution. It was noted that the Growth Deal had been on a long and challenging journey, and that sustaining such partnerships was a significant challenge, particularly given the need to maintain a partnership between the two Governments.

Attention was drawn to the fact that both Governments had submitted plans that overlapped with the Ambition Board's plans, such as the Flintshire and Wrexham Investment Zone and the Wylfa developments, which did not exist at the start of the journey. The view was expressed that this confused the picture and made it difficult for the Board to establish itself as a body capable of acting for the benefit of all counties in north Wales.

It was noted that it was a matter for Councillors and politicians to consider the future vision, especially in view of the Senedd elections. Reference was made to discussions about the creation of an economic development body like the former Welsh Development Agency across north Wales and the possibility of establishing some sort of body to boost the rural economy. The view was expressed that it was important to consider what messages should be conveyed to a new Government in Cardiff, whoever would be in power.

It was noted that these external interventions posed the greatest challenge to the work of the Ambition Board, and that natural tension existed as everyone was trying to get the best for their own county. The view was expressed that some counties, due to the external interventions, had received a good proportion of the benefits to date, and that Gwynedd would need to be prepared to get the most out of the partnership. It was noted that this was an important partnership, and the view was expressed that the North Wales Ambition partnership should have a budget from both Governments without any restraint, so that it could make its own decisions for the region and devolve power to the region.

A member expressed disappointment at the long time it took for the projects to become operational and bear fruit. Specific reference was made to plans for Gwynedd, noting that there was nothing at all for the south of Gwynedd. It was requested that Trawsfynydd be given due attention. Disappointment was noted that the scheme was on the reserve list and its importance in securing benefits for south Gwynedd was emphasised. They were asked about the very low number of jobs created to date, asking how many of those had been created within Ambition North Wales and its own management team. In response, it was noted: -

- That the disappointment about the development speed of some projects was acknowledged.
- There was a feeling that the situation had turned a corner in the last 12 months, and it was hoped that the picture would be more positive the next time a report was presented.
- Of the 49 jobs created, only seven of those were within Ambition North Wales, as only permanent jobs were included in the official figures.
- That there were more jobs within Ambition North Wales, but that many of those were temporary posts as the Corporate Joint Committee did not have a central budget from the Welsh Government.

The Leader of the Council noted that she had raised issues relating to jobs at the Board meetings, and that this had received attention. The view was expressed that the job figure needed to be further refined, asking whether they were full-time jobs, permanent jobs, and at what salary level they were. It was noted that, in relation to Trawsfynydd, support for the work there was very valuable, and it was expressed that the Cabinet's decision was a positive step. The view was expressed that the Council's investment in that area was innovative and an opportunity for Gwynedd to take matters into its own hands rather than waiting for the UK Government to decide on matters for the region. It was noted that the Committee's support helped to shift the focus away from the A55 corridor and to secure benefits for south Gwynedd.

Appreciation was expressed for the comments made by the Leader of the Council in relation to efforts to fight for Gwynedd, but dissatisfaction was noted with the responses given regarding prioritisation, stressing that this was not a personal fault but rather a reflection of the terms of reference the Government had set. It was pointed out that prioritising projects based on job creation meant that projects in the south of the county were at a disadvantage, as it would never be realistic for them to create hundreds or thousands of jobs.

The view was expressed that 10 or 15 jobs in rural wards such as Harlech, Llanbedr or other areas could be equally valuable to the local economy and proportionate to thousands of jobs in Wrexham. It was therefore noted that it was difficult to see a direct benefit to those areas from hearing about major investments along the A55 corridor or in Flintshire and Wrexham. Reference was made to other significant investments by the Welsh Government in an improved transport system in the east, and the view was expressed that the same kind of consideration would be due to transport lines between Wrexham, Harlech and Tywyn.

Disappointment was expressed that Trawsfynydd was now on the reserve list. It was noted that there was no reference in the report to investment in Meirionnydd other than

Trawsfynydd, and Llanbedr airfield was mentioned as a key site for future investment. Reference was made to the significant investments already made by the Government in Llanbedr, and disappointment was noted that Ambition North Wales had not highlighted the importance of the Llanbedr bypass to the region's economy.

The view was expressed that the region was so large that the phrase "what's best for the region" did not mean much to areas such as south Meirionnydd, as it was that area that was losing young people in their hundreds to look for work elsewhere. It was noted that this was leading to an influx of older people and increasing pressure on services, and it was therefore emphasised that investment in south Meirionnydd and rural areas of Gwynedd was crucial. The view was expressed that jobs in the east or in Bangor served areas where a population already lived, but that the greatest need for jobs was in the rural areas of the region. In response, it was noted: -

- There had been significant challenges in bringing projects forward in more rural areas compared to more industrialised areas, particularly in terms of meeting targets around job creation and the size of investment.
- Discussions were underway with both Governments to see if greater flexibility could be achieved within the region to invest in projects that looked at inclusive growth.
- That ambition North Wales are looking in to commissioning a piece of work to create evidence to underline the exact point made about the value of creating fewer jobs in rural areas compared to urban and industrial areas.
- That one way was to try to simplify the process and make it easier for communities and businesses across north Wales to benefit from Growth Deal funding through the digital and energy funds, without having to meet the same level of targets in terms of investment and jobs.

Regarding Trawsfynydd, it was explained that there had been a significant change in what was being offered there since the Growth Deal was first established, and this was the main reason for the delay. It was emphasised that Ambition North Wales was very supportive of the proposal developed by Gwynedd for the centre in Trawsfynydd, and that the site was of strategic importance not only for Gwynedd, but for the whole of north Wales. It was noted that the Trawsfynydd site was an opportunity to change the narrative from being a decommissioned site that was closing to a growth site, with the potential to attract several future investments.

The fact that the Gwynedd Cabinet had approved the Trawsfynydd business case was welcomed. It was noted that there was a further process to be followed to assess whether the business case stood up, and if so, it would be submitted to the sub-committee for a decision. In relation to transport issues and the Llanbedr bypass, it was noted that officers were looking at these issues and in discussions with the Government. It was stressed that it was important that these points were regularly raised by the Leader of the Council in committee meetings and with Government officers.

In relation to transport, reference was made to the fact that the Growth Deal had contributed to a transport scheme in the Flintshire area. It was asked if pressure could be impressed on the Growth Deal to contribute to the Llanbedr bypass. It was noted that Ken Skates MP, Cabinet Secretary for Transport and North Wales at the time, had

indicated that the bypass would cost around £55 million and that he expected the Corporate Joint Committee to contribute that amount. The view was expressed that this would be very difficult, but that attracting funding from different sources could help to reach the total, and a contribution from the Growth Deal would be a significant help.

In response, the Council Leader noted that those points were consistently made at Ambition Board meetings. It was highlighted that the Cambrian Railway line, as well as the main railway line along the coast, was vital to the area and to north Wales. Support was expressed for the points regarding Llanbedr, and it was noted that she had already invited the other five council leaders to visit Llanbedr. It was stressed that nothing made the case stronger than seeing the situation locally, and the economic difference the plan could make. It was confirmed that an invitation had already been extended to the Ambition Board and the Corporate Joint Committee to visit Llanbedr.

It was asked how much money Gwynedd would receive from all north Wales funding. It was further asked how much attention had been given to the poorer areas, such as Blaenau Ffestiniog, when making decisions. It was highlighted that the area was among the three poorest areas in north Wales, and it was asked what kind of investment was being made in the area and why more consideration had not been given to the situation there.

The view was expressed that Blaenau Ffestiniog and other areas of Gwynedd were being hit hard by a lack of investment, and that a lack of work meant that young people were leaving, and the Welsh language was declining as a result. The view was expressed that if the targets of the Growth Deal involved improving the economy for people, more emphasis should be given to the poorest areas. It was emphasised that there was a lack of equity within the current priorities of the Growth Deal. It was further noted that there was no clear timetable in the programme but only references to quarters. The view was expressed that a full plan was needed to manage projects correctly and avoid delays to projects as had been seen. In response, it was noted: -

- It was agreed that investing in poorer and more deprived areas was crucial.
- The fact that a project comes from a more deprived area or near such an area was one of the wider factors that would be considered when assessing the benefit and impact of the project.
- That the role of Ambition North Wales involved funding projects, not developing projects from scratch.
- That the door was always open to any projects from any area of north Wales, and Ambition North Wales would work together to see if they could be funded through the Growth Deal or, if not, help identify other available sources of funding.
- There were challenges for such areas to bring forward projects that would fit within the framework set for the Growth Deal.
- That the sub-committee and officers must operate within the framework agreed with the Welsh Government and the UK Government, as it was their funding that was being invested.

Reference was made to the Glynllifon Rural Economy Hub and the sheep's milk scheme, asking whether this was now complete and, if so, whether an update on its

benefit to the community could be obtained at a meeting later in the year. A question was also asked about low carbon performance. Reference was made to a recent open meeting with Professor Prysor Williams of Bangor University, and the view was expressed that Gwynedd could have missed an opportunity by not looking at this field more broadly. In response, it was noted: -

- That the sheep dairy element has been approved within the Glynllifon project.
- Further elements were part of the project, including a cattle dairy.
- That a north Wales company, OBR, has been appointed to carry out the sheep dairy work.
- An initial event to launch the work was scheduled for the following week.
- That a report to the Committee could be tailored in due course to provide a full update on the dairy and what this would mean for the industry.
- That this was an exciting development for north Wales, and something new for the agricultural sector.
- The aim was to share information with farmers in north Wales about various ideas to diversify, providing them with new options for alternative sources of income in challenging times.

It was asked whether data or figures were available regarding Gwynedd's position with the benefits that the Growth Deal brings to the area, and whether there were targets to be improved to realise the ambition for the county. In response, it was noted that targets had not been set for individual councils as the Growth Deal targets were on a regional basis. It was emphasised that the Growth Deal was a regional investment programme, and this was what was being reported back to the sub-committee and both Governments.

It was elaborated that 24 of the 49 jobs created to date had been created in Gwynedd, as the first two projects were to be implemented within the county. It was explained that the level of analysis currently available for sharing was limited due to where the projects were in their development. It was noted that six projects were now being implemented, with most of them under construction, and that they would start creating jobs once they were operational. It was emphasised that the data and information available over the next few years would increase and allow for a more detailed analysis, something to which continued attention was being given at sub-committee level.

The Leader of the Council acknowledged that Ambition North Wales works within a framework set by the UK and Welsh Governments, with targets being set at a regional level. Nevertheless, it was emphasised that this was not really government money but public money, and therefore it must be ensured that the benefits were spread across the whole of Gwynedd. In response, it was noted: -

- Quarterly information was released based on outputs.
- That information could be shared so that Committee members could see how the data was changing over time.

- The team could be asked to provide more specific information, for example how many of those jobs were in Gwynedd, so that the information was available to members.
- That programmes were available to support businesses to look at carbon conversion, and the details could be shared.

It was asked what difference the election in Wales would make to Ambition North Wales. It was further asked whether there was any collaboration between north and mid Wales, noting that residents of Meirionnydd often felt that they were closer to mid Wales than north Wales, and therefore did not receive any benefit from the northern partnership. Frustration was expressed that everything seemed to be heading towards the A55 and Caernarfon, and it was asked if there was any co-operation between south and mid Wales in the Growth Deal. Concerns were raised about the emigration of young people from Gwynedd, the decline in the number of pupils in schools and the threat to the Welsh language as a result. It was emphasised that it would not be possible to maintain the Welsh language without securing employment for the young people of the county.

Concern was expressed about the net zero agenda, expressing views that it did more harm than good to businesses. The view was expressed that there were already enough wind turbines in the area and the member did not want to see more in case the area was over-industrialised. The view was expressed that the planning and economy departments did not work well enough together, with economy supporting one thing and then planning opposing the same development.

The Leader of the Council noted that she constantly raised points about south Gwynedd. It was explained that the picture of an economic ecosystem with prosperity in the eastern areas bringing benefits to areas in the west through jobs that can be reached via a public transport network was unfair and impractical for areas such as Pen Llŷn and Meirionnydd. It was stressed that there was a need to be pragmatic and try to get the best out of the current Growth Deal. Reference was made to the Welsh Government's Arfor scheme, expressing the view that this framework could be better suited to rural and Welsh-speaking areas. It was noted that the scheme would be likely to receive more attention in the future. In response, it was noted: -

- That Ambition North Wales was ready to work with any new Government.
- That there had been no change to the Growth Deal agreed in 2020, despite the changes that had already taken place in the UK Government since then.
- That Ambition North Wales works very closely with the Mid Wales Growth Deal, and that many of the challenges they faced were like those faced in rural areas of north Wales.
- That collaboration had taken place between the two bodies to secure 'Innovate UK' funding for the 'Launchpad' project.
- There were opportunities within the net zero agenda to create high-value skills and jobs that could keep young people in the region.
- That work was underway with partners such as the North Wales Skills Partnership, not only to create jobs but also to train young people and to ensure that young people were aware of the opportunities available in the region's economy.

- That young people were likely to leave for new experiences, whether abroad or across the border, but attracting them back was important.

Regarding the 'Launchpad' project, it was noted that the project was a collaboration with Tyfu Canolbarth Cymru, Aberystwyth University and M-SParc. It was explained that the aim was to foster innovation within the agri-food and technology cluster in north and mid Wales, and to enable small companies in both regions to develop, nurture ideas and strengthen to enable them to attract more funding from sources from organisations such as UK Research and Innovation (UKRI). It was confirmed that the project had been running for over a year and remained strong, with an event scheduled in Aberystwyth at the start of March.

It was emphasised that the Trawsfynydd project should be removed from the reserve list. Further explanation was sought regarding the new jobs figures within the report and protected jobs. It was asked whether comments could be included by an external review by both Governments in the quarterly reports. It was further questioned whether comparative data on the number of jobs created in other regions of Wales could be included to put the situation in context. In response, it was noted:-

- Only permanent jobs were counted within the Government's targets, i.e. 49 jobs.
- That the construction jobs were in addition to the permanent jobs identified, and they were important jobs but were not part of the official targets.
- Protected jobs were also an area of interest but were not part of the Government's targets.
- That the UK Government had a very tight definition of what exactly 'protected jobs' were, namely that a job would have to be at risk of disappearing within 12 months to be counted.
- That technical reasons made it difficult for businesses or bodies such as universities to formally confirm this.
- A detailed vetting process would be required even if a project would report that jobs had been protected, to ensure that it fits the UK Government's definition.
- That there were four growth plans in Wales, and that they all report regularly to their own boards, with the information publicly available on their websites.
- Links to those websites could be shared, but it was noted that it would not be appropriate for Ambition North Wales to repeat or interpret that data in its own reports.

Reference was made to an inconsistency within the report relating to the 'Responsible Adventures' project, requesting confirmation as to whether the e-bus element remained an element of the project. In response, it was confirmed that the e-bus element was no longer part of the scheme and that the documents would be corrected to show this in due course.

It was questioned that, from a commitment to high quality jobs, how many of the jobs would be on zero-hour contracts within the 'Responsible Adventures' project. In response, it was noted: -

- The information would be refined in more detail once a full business case was presented to the Board.
- A detailed overview of the nature of the jobs, including the contracting arrangements, would be sought at that time.
- This was the basis for the sub-committee to decide whether the investment should go ahead.
- That the intention of the project included extending the tourist season and creating more jobs throughout the year.
- That 'Zip World' was committed to the Academi Croeso project, which would create more apprenticeship opportunities.
- That work had been underway with local communities to provide more opportunities through employment sharing, further academy and collaboration with local schools.
- All these details would be included in the business cases to assess the quality of the jobs that would be created.

It was noted by the member that she understood that the percentage of zero-hour contracts was perhaps as high as 80%. In response, it was noted that information derived from the outline business case suggested that around 50% of the jobs created were likely to be zero-hour contract jobs.

RESOLVED

- 1. To accept the report and note the wide range of observations made, expressing dissatisfaction that some of the schemes were slow to mature, and regarding the balance between rural and urban investment.**
- 2. That the Committee receives a report on the Trawsfynydd Science Centre and Glynllifon Rural Economy Hub projects as soon as possible.**
- 3. Request an outline of the Growth Deal's cost to Cyngor Gwynedd and the outcomes for Gwynedd in terms of high-quality jobs, particularly in deprived areas.**
- 4. Request that future progress reports include more detail in relation to the jobs created specifically in Gwynedd and include the type of contracts.**

6. VISITOR LEVY

The Cabinet Member for Economy and Community presented the report noting that tourism and the visitor economy was a very important industry in Gwynedd. It was explained, for context, that several models and presumptions were used to measure the visitor economy, but that ensuring reliable data at the Gwynedd level had been extremely challenging as data did not exist in the way they would have desired.

It was noted that the frequently used STEAM model, the Scarborough Tourism Economic Activity Monitor, highlighted the following recent statistics for Gwynedd: economic impact of £1.78 billion; 7.75 million visitors; 24.9 million visit days; total employment of 17,600; nearly 4 million overnight visitors; and nearly 20-million-day stays. It was emphasised that this was a very significant contribution to the economy, but it was also recognised that visitors create challenges in some parts of the county,

resulting in additional pressures on Council services, the environment, language and culture, and communities.

It was explained that this was the reason for adopting the 2035 Gwynedd and Eryri Sustainable Visitor Economy Plan, to ensure that the visitor economy was sustainable in the area. It was noted that data from the International Passenger Survey and the Great Britain Tourism Survey, which were based on a smaller sample of people than STEAM, showed a much lower value to the visitor sector than that shown by STEAM.

It was noted that the Council had been considering the possibility of introducing a levy for several years, with research on the benefits of tourism completed in 2018 highlighting the levy as a source that could generate significant income for reinvestment in the visitor economy. It was noted that the Cabinet had in the past expressed support for introducing legislation to establish a visitor levy in Wales. It was clearly emphasised, however, that no decision had been made to date regarding the introduction of a levy in Gwynedd, and that the discussion before them only represented the first step in the process.

It was noted that the Council was working closely with Conwy and Anglesey on the research into the impact assessments and in considering the introduction of a levy. It was explained that the economic impact assessment highlighted that the impact on jobs could, in the worst-case scenario, mean the loss of 50 jobs, or, in the best-case scenario, the creation of 21 jobs. It was further noted that the introduction of a levy could generate between £2.4 million and £2.8 million of annual revenue for Gwynedd. It was elaborated that if STEAM data was used instead, the figures would be around four times higher, with a greater impact on jobs and the potential to raise up to £12 million through the levy. It was expressed that the amount raised was likely to be higher than the conservative figure of £2.5 million noted.

It was explained that if there was support from the Full Council to proceed with a consultation, the procedure set out in the Act would be clear, and that the principles of public consultation would have to be followed. It was noted that the evidence gathered would inform the final impact assessments submitted to the Full Council.

It was noted that the Act clearly outlined the areas in which the levy income could be invested, together with the arrangements for leading thereon. It was explained that a Levy Partnership Forum would need to be established at local authority level, and that the draft proposal suggested that the income should be invested in projects and activities that would be consistent with the principles of the Gwynedd and Eryri Sustainable Visitor Economy. Reference was made to possible examples of investments, including cultural use, the Welsh language, environmental protection and promotion, local infrastructure and facilities, support for businesses and communities, marketing and communication campaigns. It was noted that these areas were examples of the type of investment that could result from the levy, but it would be the Levy Partnership Forum that would recommend priorities for subsequent consideration by the Cabinet.

It was emphasised that the current discussion regarding the visitor levy was the start of the journey. Given the economic climate, the endless cuts, and the importance of ensuring a sustainable visitor economy, it was noted that this needed to be considered as one possible future option.

During the discussion, the following observations were made: -

Concern was expressed that the term 'visitor levy' was not entirely appropriate, as Gwynedd residents would be likely to be affected if they chose to go on holiday or camp within the county. The need to avoid sending a negative message to visitors that could encourage them to go to other areas was highlighted. They questioned how the scheme would be managed in practice, who would be responsible for ensuring full compliance by businesses, and how the true cost and hidden loss of imposing an additional tax on the tourism sector could be measured. Specific reference was made to the possibility that more people could turn to wild camping or stay in campervans rather than using registered accommodation. There was concern that the levy could lead to an increase in the number of visitors deciding to stay for the day rather than staying overnight, and therefore this would have a negative impact on the sector. The administrative costs of the arrangements for small businesses were further questioned. In response, it was noted: -

- That the national administrative arrangements were the responsibility of the Welsh Revenue Authority, and that it would administer the statutory registration system for accommodation providers across Wales.
- That all accommodation businesses must register from September onwards, whether there was a levy or not, with fines for those who did not register.
- That the Welsh Revenue Authority had already commenced communication and engagement work across Wales to raise awareness among businesses about the new register.
- That some businesses in Gwynedd were already trialling the registration system on behalf of the Welsh Revenue Authority, with the aim of refining the system before it was formally implemented.
- There was a real risk that some visitors might turn to wild camping, choose to stay in neighbouring areas or opt for day visits rather than staying overnight, and there was a need to be open to monitoring that situation should the levy be introduced.
- Schemes such as Arosfan were already part of the response to the pressures of motorhomes in some locations.
- That the regulatory and enforcement system in relation to wild camping already took place through the Environment Department.
- That the Welsh Revenue Authority sought to make the procedure as simple as possible for businesses, including working with platforms such as Airbnb and Booking.com to integrate the system and reduce the administrative burden.
- Businesses could report to the Welsh Revenue Authority either quarterly or annually.
- That Gwynedd was working with Conwy and Anglesey to try to ensure a consistent procedure for businesses in the three counties.

The practicality of policing camping sites and caravans was questioned. Uncertainty was expressed as to how full compliance could be achieved in a more dispersed market.

It was questioned what safeguards were in place to ensure that the same procedural difficulties that arose in relation to Article 4, would not arise again. It was questioned which other counties in Wales were already ahead of the game or were planning to proceed with the levy. It was further questioned whether categories of businesses could be excluded or show the differences between categories of businesses, raising particular concern about very small businesses that could face a disproportionate administrative burden compared to large premises. The principle and objective of the levy was emphasised to ensure that any income was used to address the side effects of tourism rather than using it to expand the problem. In response, it was noted: -

- That the Council was working closely with Conwy and Anglesey and followed Welsh Government guidance in detail in the preparation of this work.
- That economic impact assessment work had already been commissioned to ensure that the evidence base was as robust as possible before moving forward.
- That Cardiff Council had already decided to proceed to the consultation phase and was therefore the first county in Wales to do so.
- That Gwynedd was in the second phase with Conwy and Ynys Môn and hoped to submit reports to their full councils to seek permission to consult.
- Some other counties had indicated that they did not intend to proceed for the time being, while others were waiting to learn lessons from what would happen in the first counties.
- Regular discussions were taking place with other county officers in Wales who were considering the matter.
- That the Act itself clearly defined what types of accommodation and stays fall within the scope of the levy, and that there was little room to create additional local exemptions based on the size of the business.
- All paid stays in visitor accommodation fall within the system unless it was one of the specific exceptions set out in the legislation.
- That the Welsh Revenue Authority had been consulting with large and small businesses to try to ensure a system that was as simple as possible.
- Workshops had already taken place, including a session in Llandudno before Christmas, to provide further clarification for businesses.
- That a toolkit and further guidance were about to be issued to support businesses.
- That any change of this kind created additional work for businesses in the transition period and the Council, if it wishes to move forward in the future, needed to consider how local businesses could be supported to understand the arrangements and make the best use of the new systems.

It was questioned when and in what way a clear policy on the use of the income would be formulated. It was questioned whether further details on spending priorities would be available before or after the implementation of any levy. In response, it was noted: -

- That Welsh Government guidance required that a report be produced before going out to consultation, and that the report would have to outline an initial proposal for the use of the income.

- That an initial draft of that proposal had already been prepared and shared as a basis for the discussion.
- That draft was likely to change and evolve over time because of further engagement and the results of the consultation.
- That a Levy Partnership Forum would need to be established if the levy was to be introduced, and that it would be responsible for recommending spending priorities to the Cabinet.
- That the income must be allocated to the areas permitted by the Act, namely the management and improvement of destinations, including mitigating the impact of visitors, promoting the Welsh language, supporting sustainable economic growth, and providing or improving relevant infrastructure and services.
- Further work to set the more specific priorities was part of the consultation and the next steps.

It was questioned whether Council Members would be adequately informed about legislation and its implications before the matter reached the Full Council, highlighting the fact that Value Added Tax (VAT) applied to the levy and that the legislation had powers for the Welsh Government to change the rates of the levy and allow local authorities to charge a premium on the levy. In response, it was noted:-

- That it was intended to arrange a briefing for Members prior to the meeting of the Full Council to clarify the background and implications of the Act.
- That discussions had taken place between the Welsh Government and the UK Government Treasury regarding VAT, with a clear argument from the Welsh Government that the levy should not be subject to VAT.
- That the Treasury's current position was clear, namely that the payment was subject to VAT.
- That further discussions were still ongoing between the Welsh Government, the Scottish Government and the Treasury on this matter.
- That the legislation allowed the imposition of a local premium, but that the system had now changed so that this cannot be implemented without consultation with the Welsh Government.

Concerns were raised about motorhomes waiting in inappropriate places, with specific reference to local situations where vehicles had been staying in front of houses and on beaches such as Morfa Bychan. It was asked whether these implications had been considered, and whether any work was underway to strengthen the powers or management arrangements in this field. In response, it was noted that this was a clear example of the kind of local pressure that could be prioritised and financed through levy income. It was emphasised that many of these problems cannot be adequately addressed within the Council's existing resources, and that having a specific source of income would provide an opportunity to target the tensions that arise in communities and areas where tourism creates additional pressure. It was further noted that the coast would be likely to be among the main areas that would need attention if the levy was to be introduced.

The need to have the facts clear before proceeding to a public consultation was emphasised, specifically how much income the levy would generate, who exactly would have to pay, and how clarity about the impact of the scheme could be achieved. A particular concern was raised about Airbnb accommodation, asking who would keep an eye on them and how compliance could be checked. Wild camping and motorhomes were highlighted, noting that these problems were particularly pronounced in some places, especially near lakes. Concern was expressed about vans waiting overnight in lay-bys, and who would be responsible for control and enforcement in these situations was questioned. It was asked how much the levy administration cost would be to businesses, and how much of the income would then be returned for the benefit of the tourism sector. The view was expressed that any income should be earmarked for tourism only, to improve facilities for visitors and to advertise tourism in the area. Objection was expressed to the need to pay VAT on the levy. Concerns were raised about the possibility that Powys would not charge a levy, and that visitors could choose to stay there and then visit south Meirionnydd as day visitors, leaving Gwynedd facing the same pressure but without the corresponding income. In response, it was noted: -

- That the economic impact assessment represented the best data currently available, although it was recognised that it was very difficult to obtain robust data at a Gwynedd level.
- That the consultation process was likely to help further strengthen the evidence, as a survey would be carried out among residents, businesses and visitors to Gwynedd.
- That the Act was clear about who had to pay and who was exempt, and that the number of exemptions was relatively small.
- That the national proposal was to make the procedure as simple as possible so that businesses would not have to challenge individuals or ask for evidence as people arrive to stay.
- That children under the age of 18 were exempt if they stay in hostels or in a camping sites but would have to pay at hotels.
- That the national registration system would make it mandatory for all visitor accommodation providers to register, which included Airbnb's.
- That this arrangement was an attempt to address the current lack of information regarding the location and number of Airbnbs in Gwynedd and Wales.
- It was therefore expected that it would be easier to know where the Airbnbs were and if they had registered, and that they would then administer the levy through the Airbnb app or website if the levy came into effect.
- There was a risk that some visitors may choose to stay in Powys rather than in Gwynedd to avoid the levy, but personally the levy was not a factor to discourage people from staying in an area. It was noted that the situation would need to be monitored very carefully.

It was noted that the point about wild camping and the use of lay-bys was fair, and that this area would need to be carefully monitored if the levy were to be introduced in Gwynedd. Reference was made to the Arosfan pilot scheme which was already managing to help tackle this problem. It was suggested that further discussions could be held with the Environment Department to obtain more figures on the use of lay-bys and the number of enforcement cases within the county's lay-bys.

It was questioned, from the perspective of the Eryri National Park, who would receive the levy if someone stayed within the Park area, and how it would be possible to ensure that the Park received a fair share of the income. It was emphasised that the National Park was the area where a great deal of the pressure from tourism was taking place, and it was asked how it could be ensured that it would receive what was appropriate. In response, it was stated that Cyngor Gwynedd would be the responsible authority in this case, and therefore the Council would receive the income. It was clarified that prioritising the use of the income would be a matter for the Levy Partnership Forum, which would include representation from the National Park. It was therefore confirmed that it would have a voice around the table, and that the Levy Partnership Forum would seek to identify the main challenges for Gwynedd and Eryri and seek to work to prioritise those areas. It was noted that it was likely that a significant proportion of the income would have to be spent in areas within the National Park and along the coast.

Support was expressed for the principle of the levy, noting that it was common in other parts of Europe and did not seem excessive given the cost of a holiday in general. It was noted that loopholes exist within all schemes and there was a need to focus on the levy principle. Attention was drawn to the possibility of using the income to improve the lives of Gwynedd residents, strengthen the Welsh language, and better manage the effects of tourism. It was emphasised that the levy was a positive step forward in ensuring that the tourism industry benefits Gwynedd and its residents. It was asked whether the timetable for the public consultation could be moved as the summer season was the hospitality industry's busiest period.

In response, it was noted that the Welsh Government's statutory guidance in terms of the duration and principles of the consultation must be followed. It was explained that the intention was to hold as many face-to-face sessions as possible before the start of the summer holidays, to reduce the burden on businesses in their busiest period. It was noted that an online questionnaire and a range of other methods of engagement would be part of the process, but that the Council was keenly aware of the importance of timing the work sensitively.

Questions were asked about commissioning Quod, an external company from outside Wales, to carry out equality and language assessments. Disappointment was expressed that a local or Welsh company was not used instead. It asked what evidence was available of the impact of similar schemes elsewhere. In response, it was noted: -

- That the work was commissioned through a partnership arrangement with Conwy and Anglesey and that the Anglesey procurement process was used in this case to progress in a timely manner with the assessments.
- That the Quod company had been used as a basis for that arrangement, but that they were not carrying out the specific assessment on the Welsh language.
- That the Welsh language elements had been drawn up in collaboration with Cyngor Gwynedd's language officers, drawing on the Welsh Government's internal work and language impact work.
- A resident survey was conducted online last October, with nearly 1,000 responses.
- That survey included questions about the impact of tourism locally, schemes such as Arosfan, and views on the levy.
- A business survey had also been conducted recently.

- That prioritisation workshops with the Gwynedd and Eryri partners had contributed to shaping the local picture.
- All this information would add to the data obtained through any future formal consultation.
- Research by Bangor University looked at the implementation of levies in seven international areas, including the Balearics, Catalonia, Gunnison, Iceland, Jackson Hole, Orange County and Italy.
- That the research looked at how income was raised, what was spent, and its impact.
- There was no formal levy yet in any other part of the UK, but that Edinburgh would introduce one this year, which would be an important experience to monitor.
- That the arrangements in Manchester and Liverpool were similar in principle but based on business improvement districts fee rather than on a formal levy.

The need to prioritise local companies in the procurement process, whether it was a partnership with another county or not, was emphasised.

Questions were asked about how the exemptions and refunds would operate in practice, particularly in relation to disabled people or individuals fleeing domestic violence. Specific concern was expressed about the sensitive information that would have to be shared in some cases, and it was questioned whether there was confidence that the safeguarding systems and communication mechanisms were robust enough. In response, it was noted that the criteria for exemption and refund have been set nationally through the Act by the Welsh Government and the Welsh Revenue Authority. It was explained that the repayment arrangements would be administered by the Welsh Revenue Authority, and the specific question would have to be raised regarding individuals fleeing domestic violence but not being accommodated through a charity or local authority. It was clearly recognised that the information in such situations was extremely sensitive, and it was emphasised that very secure arrangements would be required if the levy were to be introduced. It was noted that the Council would have to work closely with the Welsh Revenue Authority on communication and on ensuring that the messages about exemptions and refunds reached the relevant groups.

It was suggested that Members should be given regular updates to keep them informed of developments. It was questioned whether the costs of running and administering the scheme had already been included in the financial estimates. In response, it was noted:-

- That it was possible to share regular updates through a members' bulletin.
- A dedicated page had already been created on the Council's website under the business section to provide information about the levy.
- Businesses were already receiving updates through the business bulletin.
- The Welsh Government provided a budget for the establishment of systems, communications, marketing and administration.
- That the Welsh Government was committed to ensuring that the costs of administering the system did not exceed 10% of the income collected in any area.

It was asked whether the levy could only be raised during certain seasons, referring to overseas examples where there was a difference between the peak season and the quiet season. In response, it was noted that the current legislation did not allow seasonal differences. It was explained that if a local authority adopted the levy, it would have to be implemented throughout the year. It was confirmed that 12 months' notice could be given to revoke the levy if a local authority wished to do so in the future.

RESOLVED

- 1. To accept the report and note the observations.**
- 2. Recommend to the Cabinet Member for Economy and Community:**
 - **To ensure that full consideration is given to all the complexities involved in introducing this new levy.**
 - **If the Council decides to introduce a Visitor Levy:**
 - **That there is a specific commitment on how the money raised would be spent, giving priority to areas relating to tourism and the community.**
 - **That thorough consultation takes place across the county and with relevant partners to identify community priorities.**
 - **There needs to be transparency with those who pay the levy regarding how the money will be spent.**
 - **That communication about exceptions is effective and sensitive as necessary.**

The meeting commenced at 10:30am and concluded at 2:35pm

Chair