



Cynulliad Cenedlaethol Cymru
The National Assembly for Wales

**WRITTEN ASSEMBLY QUESTION
TABLED ON 2 MARCH 2000
FOR ANSWER BY THE SECRETARY FOR ECONOMIC DEVELOPMENT
ON 8 MARCH 2000**

Nick Bourne (Mid and West Wales): What representations has he received regarding the omission of areas of South East Powys from the Objective 2 area, and will he publish these representations. (WAQ4172)

Rhodri Morgan: The previous First Secretary and I have received five letters specifically relating to South East Powys and Objective 2 and a copy of the correspondence and the replies have been placed in the Library. I have also answered two oral Assembly questions on this issue (ref: OAQ2160VB on 24 November and OAQ3534 on 16 February).

Casen,
Copies enclosed
6/3 FC



Rhodri Morgan AM MP

Cynulliad Cenedlaethol Cymru
The National Assembly for Wales

Ysgrifennydd y Cynulliad · Assembly Secretary

Our ref: RM 00417/99

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Cllr E.T.Morgan
Chairman
Brecon Beacons National Park Authority
7 Glamorgan Street
Brecon
Powys
LD3 7DP

10 November 1999

Dear Cllr. Morgan

Thank you for your letter of the 12th of October expressing your concern at South East Powys being left out of the new Objective 2 area.

The submission to the European Commission of proposals for an Objective 2 map is the responsibility of the United Kingdom Government. In formulating his proposals, the Secretary of State for Trade and Industry took account of advice from the Secretary of State for Wales, the First Secretary and me.

Within an envelope of total coverage of population of some 270,000, priorities were set having regard to levels of unemployment in combination with measures of high dependency on industry or agriculture and a decline in these sectors. For urban areas an index of local deprivation was used. In submitting our advice, the First Secretary and I sought to strike the best balance between coverage of disadvantaged urban and rural areas, having regard to these criteria.

However, for those areas in East Wales which currently qualify for Objective 2 (and the former Objective 5b) but which do not do so under the new Objective 2 map, there will be transitional arrangements to the 31st of December 2005. This is a major concession secured by the UK Government during negotiations of the Regulations and is designed to ensure that such areas are not adversely affected by an abrupt end to their Structural Funds eligibility. If you require further information on the transitional arrangements I suggest you contact Jon Simonds in Powys County Council as he is part of the editing team for the new programme.



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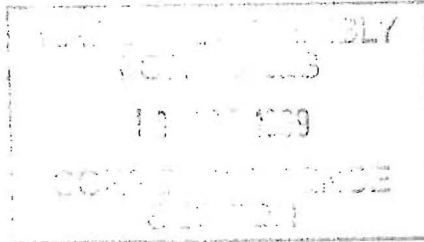
PARC CENEDLAETHOL BANNAU BRYCHEINIOG BRECON BEACONS NATIONAL PARK

Rt. Hon. Stephen Byers, MP
Secretary of State for Trade & Industry
Department of Trade & Industry
1 Victoria Street
London
SW1

Dyddiad
Ded 12 October 1999

Eich cyfeirnod
Your reference
Dedynhwyb am
Pwybnt hwyb am
Ein cyfeirnod
Our reference

NPA031/3519.let



*RM/417-99
R Morgan
Dr Lawlings*

Dear Mr Byers

Objective 2 Funding - Brecon Beacons National Park

The announcement made by you last Friday, 8 October regarding Objective 2 Structural Funding has been greeted with disbelief in Brecon Beacons National Park. Much of the Eastern section of the National Park has been excluded from Objective 2 funding.

This means that a large area, much of it Grade 5 mountainous land, and four towns in various stages of decline have been excluded from Objective 2. The towns of Talgarth, Brecon and Crickhowell, as well as Hay-on-Wye are not included. In particular, Talgarth which has lost 400 jobs with the closure of a large Psychiatric Hospital this year is unable to obtain funding for regeneration. There is no alternative employment in the area.

We are grateful that the Western part of the Brecon Beacons National Park has been included in the Objective 2 area. We were given to understand by Ministers that all of Powys was to become an Objective 2 area. Instead, an area in need in South East Powys has been unexpectedly excluded.

Brecon Beacons National Park has a mission to provide sustainable employment for local people in the area. Employment opportunities are few and far between. We have the expertise to make the most of grass roots initiatives in structural fund projects. The area has a low GDP and desperately needs such innovation. This was previously recognised by the entire area being included as a 5B area. We cannot understand that the neighbouring, much wealthier area of West Herefordshire has been included as Objective 2, to our exclusion.

We calculate that approximately 20,000 people have lost out in the Eastern Section of the National Park.





I write to ask that this decision be reconsidered and that the whole of the Brecon Beacons National Park be included as an Objective 2 area. It is of particular importance that the area of Talgarth is designated as such.

I sincerely hope you will give these representations your full attention.

Yours sincerely



Cllr E T Morgan
Chairman





Rt Hon Alun Michael JP MP AM

Cynulliad Cenedlaethol Cymru
The National Assembly for Wales

Prif Ysgrifennydd · First Secretary

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Our ref: FS01392/99
Your ref: RL/NSD/Euro

Richard Livsey CBE MP
House of Commons
London
SW1A 0AA

14 November 1999

Dear Richard,

Thank you for your letter of the 22 of October about the new Objective 2 map recently submitted to the European Commission.

I think I have to point out with some strength that it is not a matter of some wards being "excluded", as you put it: it is a matter of getting the best we can for Wales within the rules. Our proposals were drawn up on the basis of very clear criteria set out in the Structural Funds Regulations and taking account of the fact that the UK as a whole had to take a cut of one third in its total Objective 2 coverage for the new period. The UK Government successfully argued for the inclusion of a "safety net" into the Structural Funds Regulations. This means that areas previously funded under the Objective 2 and 5b programmes will receive transitional funding for a period of up to six years.

I am more than willing to meet to talk through the issues surrounding the new programmes. Please contact my Diary Secretary Beverley Summers on Cardiff 826031 to make the arrangements.

Yours sincerely
Alun



Richard Livsey CBE MP
Brecon & Radnorshire



HOUSE OF COMMONS

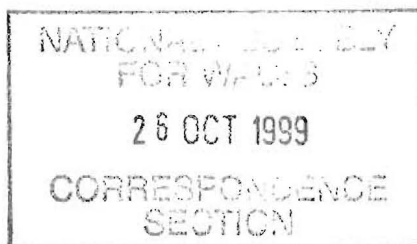
LONDON SW1A 0AA

Hon Alun Michael AM
Secretary of the Welsh Assembly
Welsh Assembly for Wales

10 Downing Street
London

Reference: RL/NSD/Euro

13/1392
Fuzi Sec
P. Jones



ACKNOWLEDGED

22nd October 1999

Dear Alun,

Objective 2 Funding in Powys – Exclusion of 14 Wards

You will know of the proposed geographical distribution of the 14 Wards in Powys, which have been excluded from designation for Objective 2 funding. All lie within the Brecon and Radnorshire constituency.

I must say I am very angry indeed at the exclusion of the Wards from Objective 2 designation. During the lead period prior to this announcement I was promised by Welsh Office Ministers on three separate occasions that the whole of Powys would become an Objective 2 area. At no time was there any indication whatsoever that any wards in Powys would be excluded. Indeed, Alun, I attach a copy of a letter I received in 1998 indicating that Powys would be included.

Powys County Council made an excellent case for the whole of Powys to be designated Objective 2. The 14 wards concerned have previously had Objective 5B status. Much of the land is poor Grade 5 agricultural land. A special case had been made out for the inclusion of Talgarth in the Objective 2 area. The town and district has been heavily dependent for employment on the Mid Wales Hospital, a psychiatric hospital which as recently as five years ago employed up to 400 people. It is being closed this autumn and shut down at the very moment. If it is to have worthwhile development on site it needs Objective 2 funding now.

I attended a meeting addressed by Stephen Byers in the DTI last week. When I asked why these areas in Powys were not getting Objective 2 funding I was informed that there had been a meeting between the DTI, DETR, Welsh Assembly and the Scottish parliament. As a result certain areas previously designated were 'shaved off.' When I asked for these areas to be







restored I was informed that the Welsh Assembly had to be lobbied as they were party to the discussion.

Therefore, I seek a meeting with you at the earliest possible moment before the Objective 2 map is accepted in Brussels. I wish to make the strongest possible representations to you. My office will contact yours as soon as possible.

Yours sincerely

A handwritten signature in cursive script that reads "Richard".

Richard Livsey MP



Rhodri Morgan AM MP
Assembly Secretary for Economic Development



Cynulliad Cenedlaethol Cymru
The National Assembly for Wales

Our ref: RM00450/99

Ysgrifennydd y Cynulliad · Assembly Secretary

Kirsty Williams AM/AC
The National Assembly for Wales
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24 November 1999

Dear Kirsty

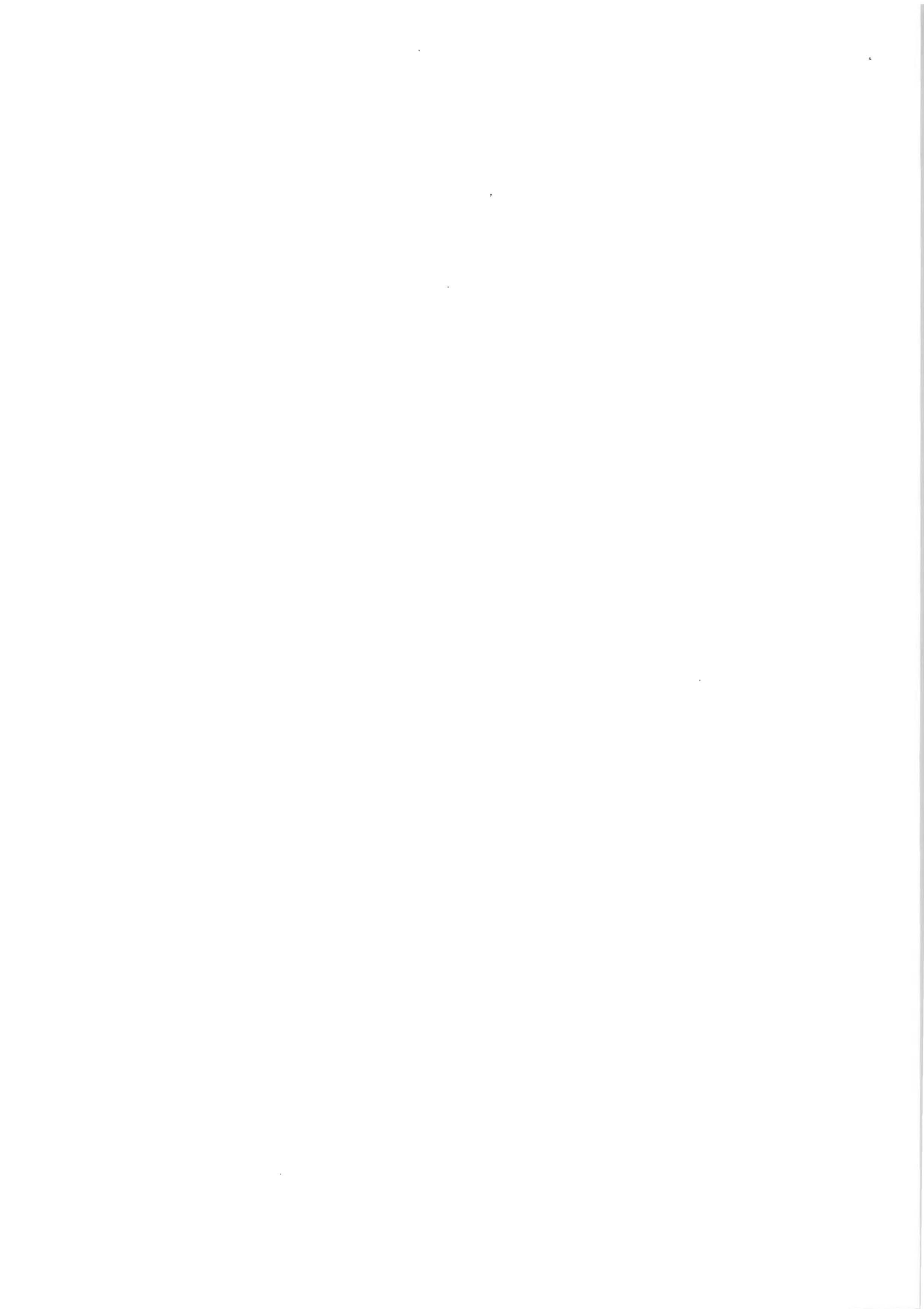
Thank you for your letter of the 28th of October expressing your concerns over the proposals for the coverage under the new Objective 2 programme.

We have been looking, within the population coverage available, to strike the best balance between urban and rural support. The coverage in Powys is focused on those areas that are less prosperous as regards employment and unemployment and other social indices. I must also emphasise that those areas not included in the new programme will be eligible for transitional funding as well as funding under the Objective 3 programme.

You have asked why neither Plenary nor Economic Development Committee were consulted in advance on these matters. The Assembly's Cabinet structure means that executive decisions are taken under the authority which the Assembly as a whole has delegated to the Cabinet. We are of course accountable for those decisions both to the Assembly as a whole and to subject committees. However, it would not be workable for Plenary and/or subject committees to be able to discuss or approve every such decision beforehand.

Every decision of this kind involves dissatisfying someone in Wales but we could not negotiate an envelope of more than 270,000 for Objective 2 and as a result not every theoretically justifiable claim could be met.

Yours
Rhodri





Cynulliad Cenedlaethol Cymru
The National Assembly for Wales

01 NOV 1999

Kirsty Williams AM/AC
The National Assembly for Wales
Cynulliad Cenedlaethol Cymru
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28 October 1999

Rhodri Morgan AM
National Assembly for Wales
Cardiff Bay
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RN/ASO
Rhodri Morgan
28/10/99



ACKNOWLEDGED

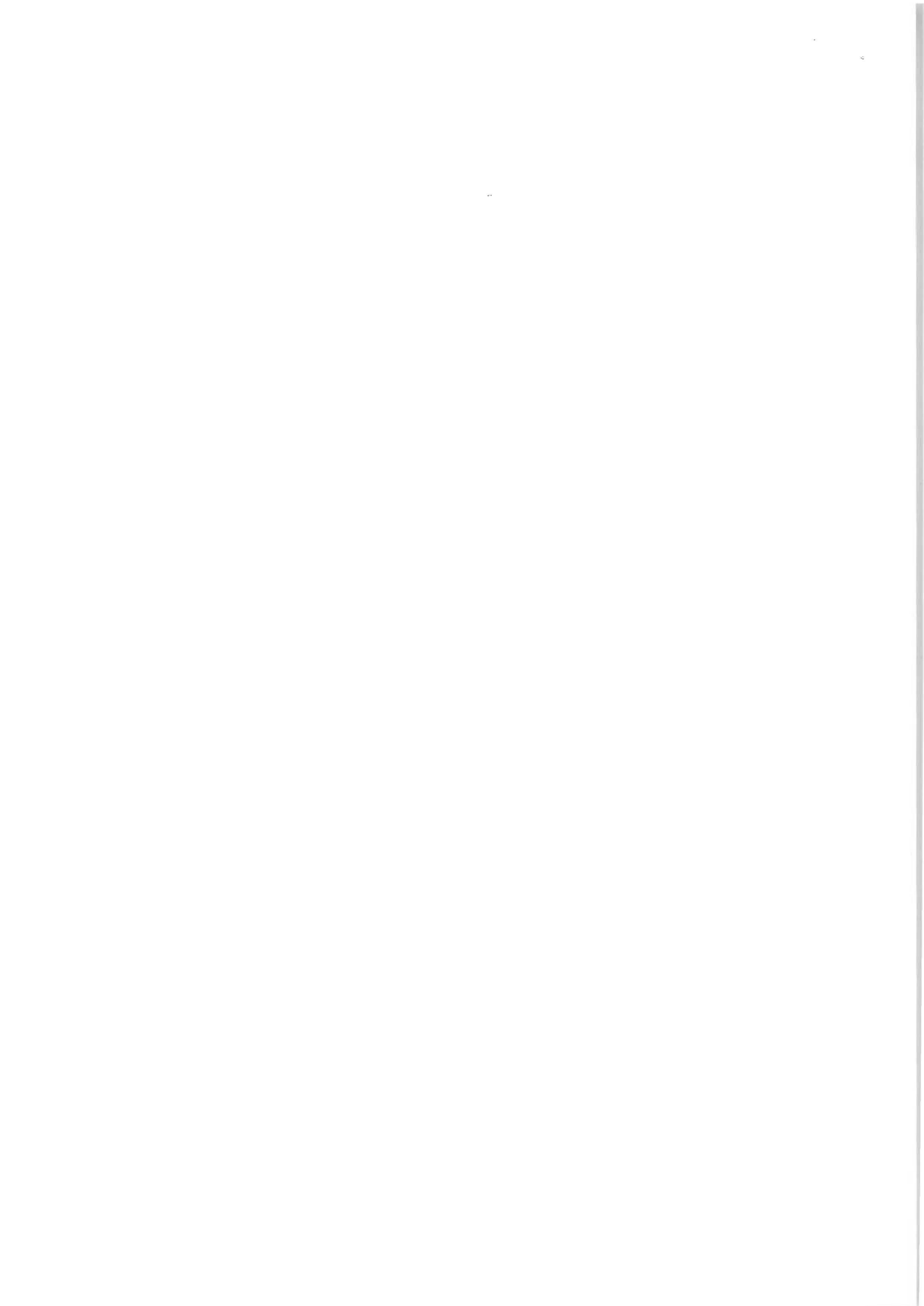
Our ref: KW/VW/O/L/003

Dear Rhodri

I am writing to express my deep concern at the exclusion of certain areas of Powys for eligibility for Objective 2 status for European funding. I would be grateful if you could explain the reasoning behind this decision, since it baffles me completely.

It appears that most of the fourteen wards that are excluded comfortably meet the criteria for rural Objective 2. I would like to highlight the plight of the people in Talgarth in particular. Here four hundred jobs have disappeared in the last four years with the closure of the Mid Wales Hospital and yet this ward, with a population of 1800, is not eligible for Objective 2 status.

It is in this particular area that there would have been a real chance for job creation, if only the line had been drawn differently.





Cynulliad Cenedlaethol Cymru
The National Assembly for Wales

I understand that you gave advice to the Secretary of State for Trade and Industry on this matter. Why was this matter not discussed either in Plenary, or in the Economic Development Committee before the advice was given?

The people of south-east Powys feel let down by the government on this matter, and it is particularly galling to learn that this was a result of advice from a member of the National Assembly's Cabinet.

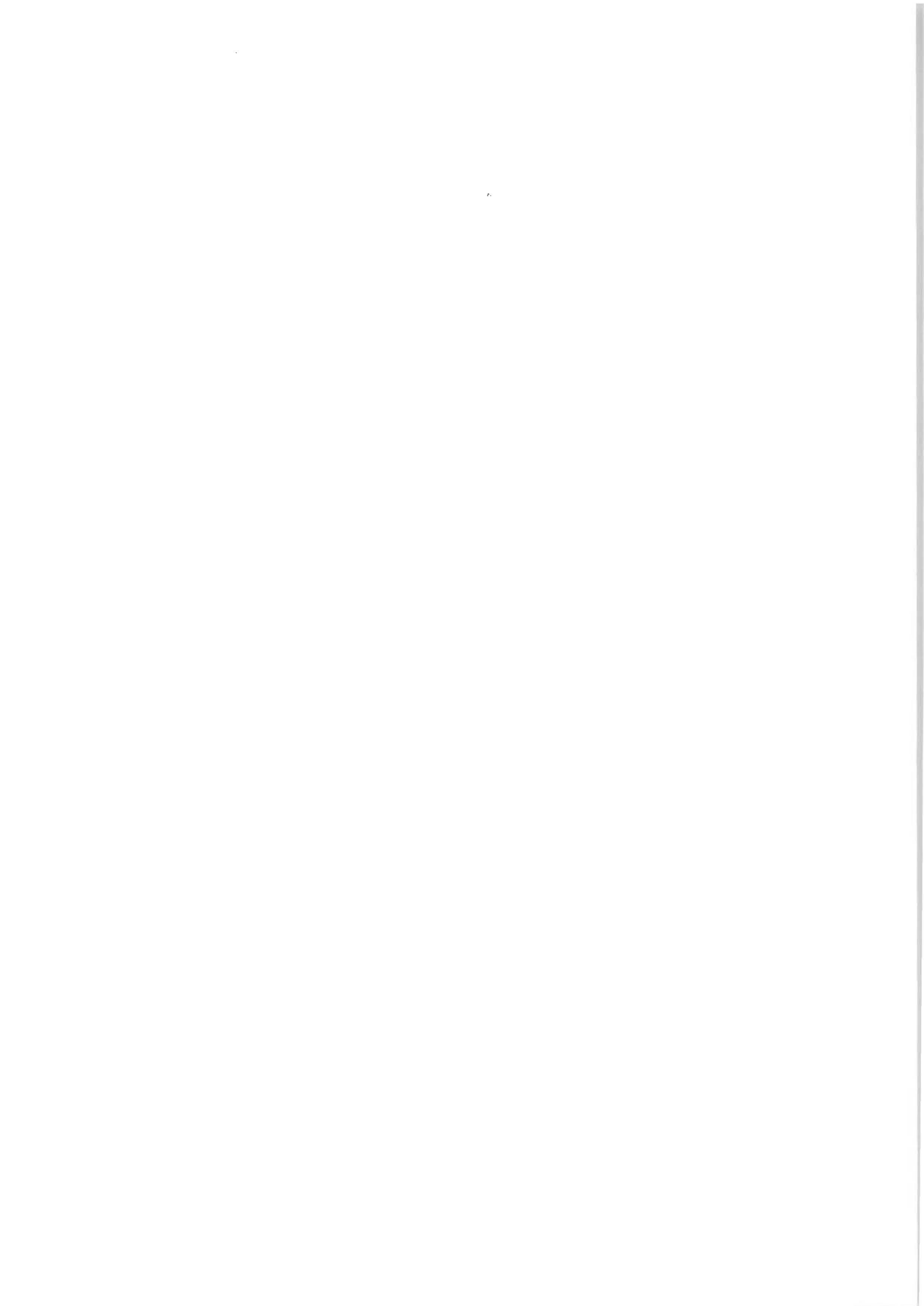
I would be grateful for if you could fully explain why this advice was given.

I look forward to hearing from you shortly.

Yours sincerely

KIRSTY WILLIAMS AM/AC

*Brecon and Radnorshire
Brycheiniog a Sir Faesyfed*





Rt Hon Alun Michael JP MP AM

Cynulliad Cenedlaethol Cymru
The National Assembly for Wales

Our ref: FS01518/99

21 December 1999

County Cllr Gareth Morgan
Chairman
Powys County Council
Powys County Hall
Llandrindod Wells
Powys
LD1 5LG

Alun Michael

Thank you for your letter of the 13 of October to the Secretary of State for Trade and Industry regarding Objective two coverage in Powys. As this is an Assembly matter I am replying.

Our proposals were drawn up on the basis of the criteria set out in the Structural Funds Regulations. The criteria were subject to public consultation and had to take account of the fact that the UK as a whole had to take a cut in its total Objective two coverage for the new period. We have had to look, within the population coverage available, to strike the best balance between urban and rural support. In Powys it is focused on those areas that are less prosperous than other parts of Powys. Those areas in Powys not included in the new programme will be eligible for transitional funding as well as funding under the Objective three programme.

Yours sincerely
Alun Michael

15 OCT 1999

Handwritten notes and a checkmark at the top right of the page.

Powys County Council,
Powys County Hall,
LLANDRINDOD WELLS,
Powys.
LD1 5LG.

13th October, 1999.

Rt. Hon. Stephen Byers M.P.,
Secretary of State for Trade & Industry,
Department of Trade & Industry,
1 Victoria Street,
LONDON,
SW1H 0ET.

FS/1518
Fusr Sec
Dr Rowlands



Dear Secretary of State,

EU Objective 2 Areas.

ACKNOWLEDGED

I am writing to express our acute concern at the exclusion of certain parts of Powys from your list of areas proposed as eligible for Objective 2 European Union funding.

Whilst we are clearly very pleased that the exceptionally strong case for Powys has been recognised in proposing the majority of wards as eligible for Objective 2, we are at a complete loss to understand the basis on which certain wards in the south east of Powys have been excluded.

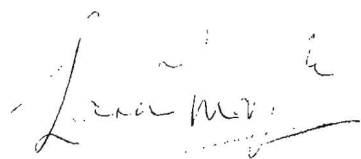
Most of the fourteen excluded wards quite clearly and comfortably meet your own criteria for rural Objective 2. Moreover the former "District" of Brecknockshire, of which these wards form part, also meets the same criteria. In the Talgarth ward alone (population 1,800) four hundred jobs have disappeared in the last four years since the closure of the Mid Wales Hospital, yet the Objective 2 line has been drawn in a way that puts Talgarth just the wrong side of the line. Understandably the people from that area and their representatives on this Council are both perplexed and distressed at the apparent injustice of your decision.

A potentially disastrous implication of this is that the only significant development site with real potential for job creation within a 10-mile radius may remain undeveloped because the Objective 2 line was drawn as it has been.

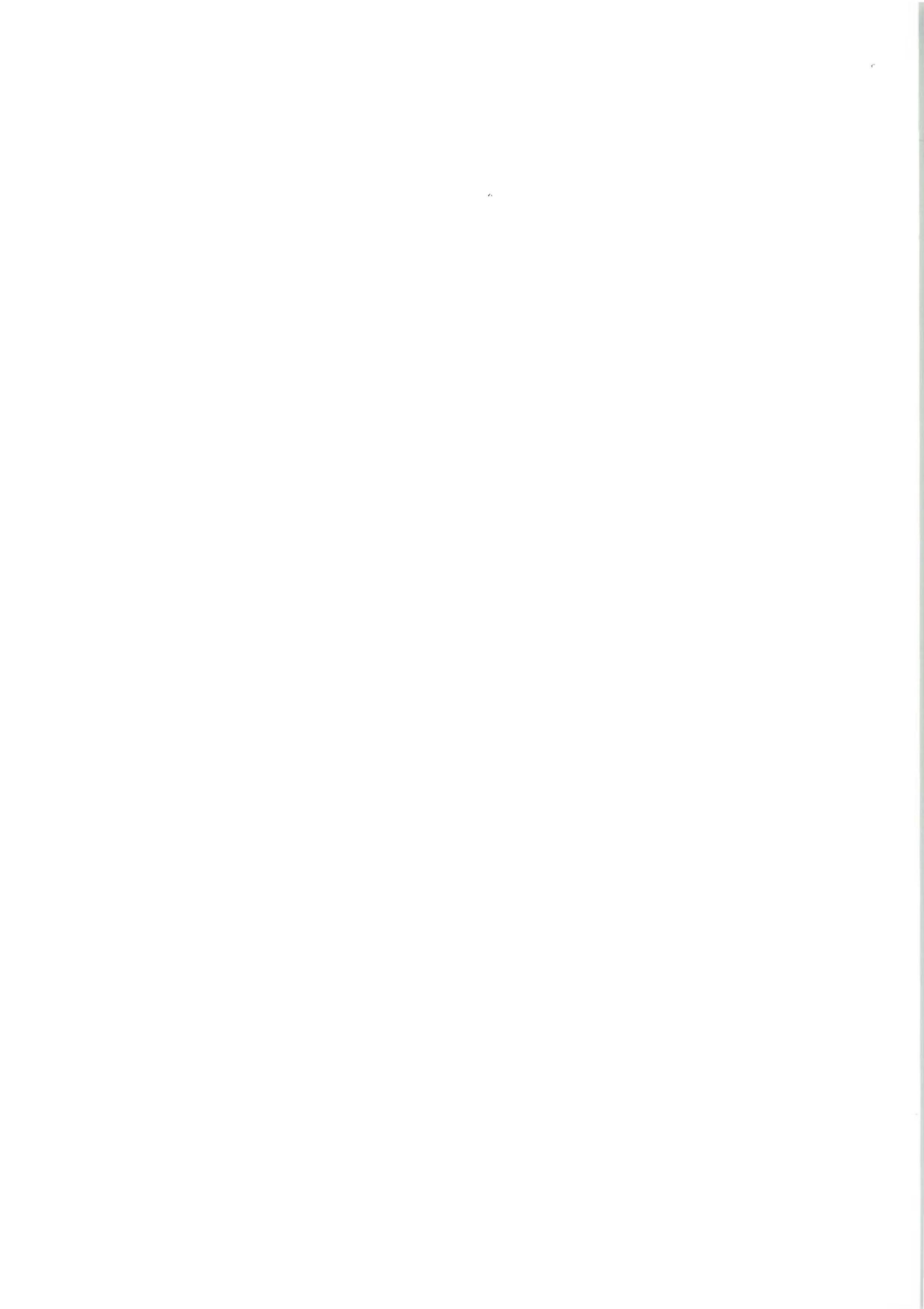


I urge you to reconsider the case for including these particular wards, or provide me with an explanation as to the statistical and/or other justification for their current exclusion.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G. Morgan', with a long horizontal flourish extending to the right.

**County Cllr. G. Morgan,
Chairman, Powys County Council.**





Rt Hon Alun Michael JP MP AM

Cynulliad Cenedlaethol Cymru
The National Assembly for Wales

Prif Ysgrifennydd · First Secretary

Our ref: FS01816/99

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Cynog Dafis MP
House of Commons
London SW1A 0AA

22 December 1999

Alun Gwynn

Many thanks for your letter dated 1 December regarding your concerns over the omission of certain wards from the proposed Objective 2 area.

The formulation of the Objective 2 area was drawn up in line with Structural Fund regulations, and had to recognise the cut in the UK's Objective 2 coverage as a whole. The proposals are based on a number of criteria including rates of unemployment, dependency on industry or agriculture, and an assessment of local deprivation such as poor housing provision and overcrowding. Discussions were held between a number of governmental departments, the National Assembly for Wales and the Scottish Executive. Representations from all areas were given equal consideration in the analysis of the data. Our concern was to ensure that regional priorities were met as closely as possible within the constraints of Structural Funds legislation.

The European Commission is recommending acceptance of the Objective 2 programme which was submitted as part of the wider UK plan some time ago. While the Scottish and English plans were subject to adjustments by Europe, the Welsh proposals were accepted in their entirety and recommended for approval. The Commission has therefore, it would seem, accepted the fundamentals of the Objective 2 proposal.

It is worth noting that the UK government has secured a major concession for areas previously funded to ensure they would not be adversely affected by an abrupt end to their previous Structural Funds eligibility. Those areas which currently qualify for Objective 2 and former Objective 5b programmes, but which do not fall under the proposed Objective 2 map, will be eligible for transitional funding for up to six years. Moreover, all areas outside of the Objective 1 region will be eligible for funding under the Objective 3 scheme.

Yours sincerely *Alun Gwynn*



The Rt Hon Stephen Byers MP
Secretary of State for Trade and Industry



Secretary of State
**Department of
Trade and Industry**

1 Victoria Street
London SW1H 0ET

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TLO.Byers@tlo.dti.gov.uk

Cynog DafisMP
House of Commons
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03 DEC 1999

18 December 1999

Your ref.

Dear Cynog

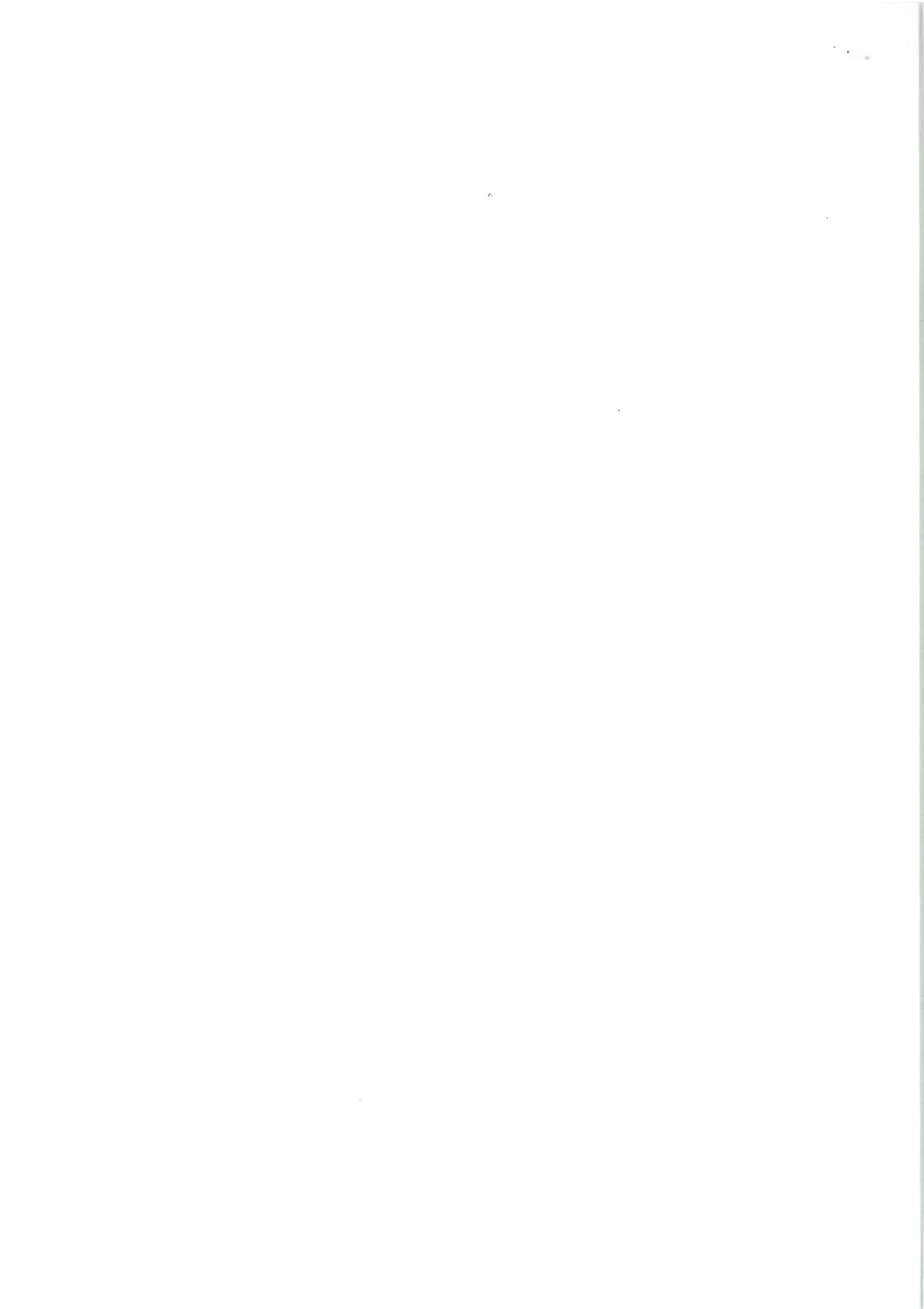
Thank you for your letter to Stephen Byers of 5 November, concerning the EU Objective 2 Areas.

The issues you raise fall within the responsibility of the National Assembly for Wales, and I am therefore transferring your correspondence to Alun Michael's office for reply.

regards
Sandy

Sandy Mc Intosh
Assistant Private Secretary
Ministerial and Parliamentary Support Team
Department of Trade and Industry

dti



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barth a'r Gorllewin/Mid & West

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Cynulliad Cenedlaethol Cymru
The National Assembly for Wales

Rt Hon Stephen Byers, MP
Secretary of State for Trade & Industry
Department of Trade & Industry
1 Victoria Street
London
SW1H 0ET



5 November 1999

Our Ref: CPA/106/12

Dear Stephen

I have seen a copy of Powys County Council's letter to you concerning EU Objective 2 Areas and I enclose a copy for your convenience.

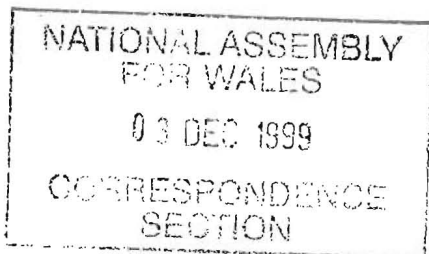
I too am at a loss to understand why Talgarth in particular has been left out of the Objective 2 Area. It is clear too that the decision to exclude 14 wards which by all appearances meet the criteria needs to be justified. My fear is that this is merely a cost-cutting exercise by the Government.

I would be glad to have your comments.

Yours sincerely

Cynog

KEITH MASSON MBE



13 NOV 1999

Fs/
Fust Sec

DR Paulings

