

## CYPE(6)-14-22 – Paper to note 4

Vaughan Gething AS/MS  
Gweinidog yr Economi  
Minister for Economy

Our ref: DC-VG-00424-22



Llywodraeth Cymru  
Welsh Government

Russell George MS  
Chair, the Cross Party Group on Medical Research

13 June 2022

Dear Russell

Thank you for your letter following the meeting of the Cross-Party Group on Medical Research on 27 April and for providing further questions, which are answered below.

### **Assurance that the Input-Output table will be made available for researchers to utilise in future studies.**

High-quality, detailed and timely economic statistics are needed to support policy making in Wales and across the UK. This is particularly important given that the increased devolution of powers, EU exit and Covid-19 are changing the economic structure and linkages between different regions.

Supply Use Tables (SUT) are the backbone of National Accounts and bring together all available output, input, gross and value added, income and expenditure data in a consistent framework, presenting accounts of an area's economic activity and playing an important role in the quality of national accounts. Input Output Tables (IOTs) are derived from the SUT and facilitate estimation of impact assessments and economic models, which can be used to analyse the effects of national policies.

Cardiff University published analytical IOTs for Wales in 2007. Due to the age of this data and uncertainties around its validity, these statistics are no longer considered fit for purpose.

That is why the Minister for Finance recently approved up to £1.05m over the next three years for the improvement of Welsh economic statistics by establishing an in-house program of work to develop Input Output Tables for Wales.

Developing in-house IOTs will give Welsh Government greater control, influence and leadership over the development of this work, as well as the opportunity to develop in-house expertise. We plan to work closely with Cardiff University experts on this

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

work program and we will consult with Welsh Government colleagues as well as external organisations to understand the user need for these statistics.

To improve the availability and quality of data required for SUTs and IOTs, we will also need to boost funds to existing surveys where the sample size for Wales is low.

However, development of IOTs is not a quick task. Due to the technical nature of the work, the need to collect additional data, and the time lag associated with these surveys, it is unlikely that IOTs would be published until 2024-25, although experimental data may be available earlier.

**Commitment to write to Russell George MS as Chair of the CPG to draw upon the Group's insight and expertise to contribute to the consultation on its new cross-portfolio Innovation strategy and to provide a timetable concerning publication of the draft strategy for consultation.**

We are currently working with Plaid Cymru Designated Members, in line with the cooperation agreement commitment to jointly develop a new Innovation Strategy. It is important that we complete our engagement and involvement activities and comply with the Co-operation Agreement and Assembly timetable to ensure a full cross governmental commitment on the best way forward.

Publication of a draft strategy for consultation is planned for this summer. I have asked my Innovation officials to contact you when we issue the draft for consultation. I hope to have a final strategy in place before the end of the year.

**Whether the new strategy will come with a commitment to increased Welsh Government spending on medical research infrastructure**

Health and Care Research Wales has secured a further recurrent funding agreement for 2022/23 of £5 million from the Minister for Health and Social Services, increasing its overall budget to £47m/annum.

This will support the Covid Evidence Centre to cover more general (non-covid) policy areas; implementation of the UK Strategy for Clinical Research to ensure the NHS becomes people-centred and digitally enabled its approach to research; establishing a Health and Care Research Wales faculty initiative, supporting research career pathways and developing new personal award schemes to address gaps in current pathways in Wales; Implementation of the Wales cancer research strategy, and new investments in social care research and development, to address traditionally low levels of research capacity.

**More detailed briefing on the scope and content of meetings with the UK Government at which the Minister lobbied on behalf of research in Wales**

While the content of meetings between Welsh Government Ministers and officials with their counterparts in UK Government and the devolved administrations remains sensitive and often commercially confidential, I can assure you that every opportunity is taken to promote Wales and work towards ensuring the best possible outcomes for our ambitions for the economy and people of Wales.

## **Lack of support for developing surgical innovation and details of Welsh Government support available to individuals to innovate in a clinical setting.**

A range of Welsh government funded support platforms and interventions exist as part of our wider health and care innovation ecosystem, to support and develop innovation.

Our three main initiatives are (web links and descriptions provided below)

- The Life Sciences Hub Wales
- Accelerate Wales
- AgorIP

The [Life Sciences Hub Wales | Life Sciences \(lshubwales.com\)](https://lshubwales.com) exists to help transform the health and economic wellbeing of the nation through:

1. Accelerating the development and adoption of innovative solutions that support the health and social care needs of Wales.
2. Partnering with industry to advance economic development across the life sciences sector in Wales, driving business growth and creating jobs.

To help make this happen we support health and social care colleagues across Wales to understand the challenges and pressures an organisation may face. Once identified, we work with industry to source and support the development of innovative solutions to respond to these challenges.

[Accelerate Wales | Life Sciences \(lshubwales.com\)](https://lshubwales.com) is co-funded by the European Regional Development Fund, the Welsh European Funding Office, Welsh Government's Health and Social Services group, universities, Life Sciences Hub Wales and NHS Wales health boards.

Accelerate helps innovators in Wales to translate their ideas into solutions, enabling them to be adopted in health and care.

Accelerate is led by Life Sciences Hub Wales, in partnership with [Cardiff University](https://www.cardiff.ac.uk) (CIA), [Swansea University](https://www.swansea.ac.uk) (HTC) and [University of Wales Trinity Saint David](https://www.trinity.ac.uk) (ATiC). Rather than providing funding or grants, this programme offers SME's and Enterprises in Wales the opportunity to tap into academic expertise, and the latest facilities needed by innovators and entrepreneurs to realise their ideas.

Accelerate can:

- Identify research and development collaborations.
- Connect this to experts in health technology, user experience, and clinical engagement.
- Help navigate the life sciences support ecosystem.

[AgorIP](#) is a new approach to innovation which can help bring ideas and innovation to life.

Thanks to EU and Welsh Government support, AgorIP can help you realise the potential of your idea, product or research. Our team of experts are here to help you take your "IP" to the marketplace and help make it a commercial success.

From a Business and Economy perspective, the route into Welsh Government support for an individual with a business idea is via [Business Wales \(gov.wales\)](#), which will consider a referral to Innovation or Entrepreneurship teams or other services, as most appropriate.

In terms of the support for health-related businesses, over the life of the current EU-funded SMART Cymru and our COVID RD&I schemes, Welsh Government has supported 89 businesses to deliver 123 projects, with total grant support of £9,012,404 and total project costs of £16,745,404.

Yours sincerely,

A handwritten signature in black ink that reads "Vaughan Gething". The signature is written in a cursive, slightly slanted style.

**Vaughan Gething AS/MS**  
Gweinidog yr Economi  
Minister for Economy

Cc.  
Clerk, Health and Social Care Committee  
Chair and Clerk, Children, Young People and Education Committee  
Chair and Clerk, Climate Change, Environment, and Infrastructure Committee  
Chair and Clerk, Economy, Trade and Rural Affairs Committee  
Altaf Hussein MS

Vaughan Gething MS  
Minister for Economy  
Welsh Government

Dear Minister

I am writing first to offer my sincere thanks to you for speaking at the most recent meeting of the Cross Party Group on Medical Research. I am particularly thankful for your insights around the potential of Medical Research to contribute to Wales's economic recovery from the Covid-19 pandemic and hope that you will consider the contributions of the Fraser of Allander Institute and British Heart Foundation Cymru this in any future budget discussion.

I understand your time is valuable and we appreciate your attendance for the limited time you have available. I have included with this letter the minutes of the meeting for your perusal. As you will see from the minutes after your contribution to the meeting, there were several areas of discussion which I promised Members of the Group I would raise with you for your response.

1. Though the team were able to construct an appropriate model with accurate findings, James Black who worked on the Fraser of Allander Institute report explained how the methodology for the study was constrained in its ability to model and compare Wales against the other UK nations. The team were unable to access the Input-Output table from the Welsh Government, preventing them from constructing a high-quality model for Wales. James explained that this apparent lack of transparency is being reconsidered by the Welsh Government. Are you able to shine further light on the situation and reassure the CPG that the Input-Output table will be made available for researchers to utilise in future studies?
2. The news that the Welsh Government will in the not-too-distant future consult on its new cross-portfolio Research and Innovation strategy is welcome. The commitment you made to write to me as Chair of the CPG to draw upon the Group's insight and expertise is also welcome.
3. Due to the cross-cutting nature of the planned strategy the CPG will also send copies of this covering note and CPG minutes to relevant Senedd scrutiny committee Chairs and Clerks to ensure they are also aware of this critically important piece of work in terms of their forward work planning. Any timetable from the Welsh Government concerning publication of a draft strategy for consultation would be welcome.

4. The CPG would also welcome your thoughts concerning whether the new strategy will come with a commitment to increased Welsh Government spending on medical research infrastructure which is desperately needed.
5. You shared with the CPG insight concerning the meetings you have had with the UK Government at which you lobbied on behalf of research in Wales. Can the Welsh Government furnish the CPG with a more detailed briefing on the content and scope of these meetings. This will assist the CPG in establishing recommendations which support an inter-Governmental approach.
6. Finally, my colleague Altaf Hussein MS described his own personal frustration developing a surgical innovation, and the lack of support for realising an idea. We would welcome your thoughts concerning the Welsh Government support available to individuals to innovate in a clinical setting.

Once again, your contribution was appreciated by all who attended the meeting of the CPG and we all look forward to your response.

Yours sincerely

A handwritten signature in black ink that reads "Russell George". The signature is written in a cursive style with a horizontal line underneath.

Russell George MS

Chair, the Cross Party Group on Medical Research

Cc.

Clerk, Health and Social Care Committee  
Chair and Clerk, Children, Young People and Education Committee  
Chair and Clerk, Climate Change, Environment, and Infrastructure Committee  
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Altaf Hussein MS