

Memorandum on the Economy, Science and Transport (EST)

2013-14 Second Supplementary Budget

Enterprise and Business Committee – 19 February 2014

1.0 Introduction

This paper is a response to the Committee's specific requests for financial information:

- 2013-14 Economy and Science six monthly update and additional information requested by the Committee following the scrutiny of the 2014-15 Draft Budget;
- Out-turn and performance for the 2012-13 financial year compared with budget plans;
- Additional information requested by Committee for key budgets; and
- In-year position for 2013-14 following publication of the Second Supplementary budget 2013-14 and decisions behind those changes.

Following the tabling of the Second Supplementary Budget on 11 February 2014 a note will be provided to the Committee to explain the changes to the allocations in comparison to the First Supplementary budget.

2.0 Six Monthly Update and Response to Committee's Recommendations

2.1 Programme for Government

The six monthly update on the Programme for Government was provided for Transport for the scrutiny session on 17th October 2013. The update for Economy and Science is attached as Annex A. This update is based on the position as at September 2013 updated for current developments and details some of our key Programme for Government commitments on which we lead with outline commentary. We also contribute to a number of other key commitments including tackling poverty and sustainable development. Work is currently underway to prepare the end of year Programme for Government report. This will provide a full update on progress against EST objectives and outcomes and is due for publication in June.

We continue to make good progress against our objectives in Programme for Government. Growth and sustainable jobs are at the heart of our objectives and delivery against these is the overriding priority. We continue to build on the strong relationships we have with the business community and social partners to understand the needs of business and inform our policy and action. At the same time we are working to ensure that the required infrastructure is in place to support economic growth through the delivery of improved Transport infrastructure and services and the continued roll out of Superfast Cymru.

2.2 Measuring Performance

The Committee asked for an update in relation to outputs and outcomes. The most up to date figures for the key indicators for jobs and growth are provided in the table below is as at 31 December 2013:

Business Areas	Jobs Created	Jobs Safeguarded	Jobs Assisted	Investment Induced £m
Sectors	758	1,501	6,177	58
Entrepreneurship	3,158	1,121	0	
Science and Innovation	242	492	371	31
Access to Finance (inc SIF, Finance Wales)	1,034	909	493	46
Others	4	590	135	
Total	5,196	4,613	7,176	135

The figures in the table above represent the recorded position at end of Quarter 3 for key business areas. The following points need to be noted in relation to these figures:

- EST captures data on a wide range of outputs that cover both activities and results. Due to the wide ranging nature of these outputs the figures provided in the table above only relate to jobs and investment induced as these are the primary objectives for the Department and much of the Department's activity is aimed at contributing to these figures.
- These figures are taken at the end of quarter three and should not be seen as representing a linear progression towards the overall totals that will be achieved at the end of the year. Historically there is a sharp upturn in outputs during quarter four when projects are being completed and the associated outputs become eligible to be claimed. Collection and verification of final end of year outputs is normally completed by the end of May.
- The Sector figures above include outputs from schemes such as WEGF, Inward Investment and RBF that are delivered by Sector teams. Detailed updates on these schemes are provided later in this paper.

Due to timing issues, there is not a direct correlation between expenditure in-year and the outputs delivered which makes it difficult to draw a meaningful comparison at the half year. It is more appropriate to provide an annual update at an action level.

2.3 Inward Investment Jobs

As discussed in previous committees there is a lag between agreeing an inward investment and the project “going live” with associated investment and employment. In this financial year, as at December 2013 a total of 1,672 jobs supported have been evidenced from previous years FDI activity. The target for 2013-14 FDI jobs announced is 8,500.

2.4 Evaluations

In supporting our budget decisions a list of evaluations completed and underway since 2012 is attached at Annex B which shows the breadth of evaluation activity undertaken recently. While there is a role for the commissioning of external evaluations of policy and delivery, it is important that we retain a focus on value for money and choose the best approach to obtaining expert advice and learning. In considering the strategic priorities for jobs and growth the role of the independent boards such as WIDAB and the Sector Panels, for example are also important. Involving the private sector and other key stakeholders can help identify priorities for action and to provide advice on where improvements can be made.

The Programme for Government and the annual reports also represent an appropriate approach to assessing delivery against commitments we have made. It sets out:

- Key actions for the Government
- The evidence we use to judge whether actions are on track to deliver; and
- The indicators we use to measure progress on the long-term challenges.

3.0 Out-turn and Performance for the 2012-13 Financial Year

3.1 The outturn compared with the budget plans at an Action level is provided at Annex C. It has been restated in the format of the published tables to include Transport which was in the Minister for Local Government and Communities portfolio. The expenditure in 2012-13 was managed for Department priorities in the former portfolios.

The annual update of the Programme for Government achievements was published in June 2013 and can be accessed on the Welsh Government internet site:

<http://wales.gov.uk/about/programmeforgov/?lang=en>

In 2012-13, the total number of jobs supported totalled 17,173, of which 7,632 were jobs created, 7661 jobs safeguarded and 1,875 jobs assisted. This compares to a management target of 18,401.

Targets are set with the potential for pipeline projects to be accelerated. The actual performance reflects the responsive nature in intervening to support the economy during the financial year. There was a decrease in jobs created primarily due to slippage and economic conditions at that time. Outputs from projects that were delayed in 2012-13 were in the main collected in early 2013-14.

4.0 Additional Information Requested by Committee for Key Budgets

Budgets for the Department are aligned to delivery plans which were prepared as a result of the annual detailed review of spending plans. Given the current economic circumstances, budgets are under increasing pressure and projects are continually monitored to ensure they are delivering their outcomes. Where they are not found to be delivering as planned, the resource is reallocated to interventions that will deliver jobs and growth. These considerations are built into the business planning cycle and inform the decisions on final allocations and target for each business area for future years.

Through the monthly forecasting process we constantly assess progress and reprioritise the budget based on emerging priorities and the performance of each project.

4.1 The Promotion of Trade and Inward Investment

Following the reorganisation of International Business Wales, trade and investment activity was embedded into business solutions and major projects supporting sectoral delivery. Trade and Inward Investment became a separate division on 1 October 2012.

At the start of the 2012-13 financial year, the budget for Trade and Inward Investment was contained within the Pipeline Development BEL. This BEL included activities to support the priority sectors and major projects. The indicative budget for the Trade and Inward Investment activities was £1.737m and the out-turn position was £0.658m. The shortfall was mainly due to the lead time in developing the pipeline projects and establishing the team.

The foreign direct inward investment jobs for Wales announced by UKTI in its 2012-13 annual report amounted to just over 7,000 forecast jobs, a significant improvement on the previous year's performance. Similarly, the number of projects for Wales reflected in UKTI's annual report grew from 23 in 2011-12 to 67 in 2012-13.

Marketing is integral to trade and inward investment. The Just Ask Wales campaign is focussed on sectors and aims to generate a pipeline of new enquiries and investment to help create opportunities for future jobs in Wales and support the strategic focus on Jobs and Growth. Further information can be found at:

<http://www.justask.wales.com/>

4.2 Priority Sectors

For 2012-13 the Final Budget is compared to actual expenditure for the priority sectors at Annex D. Overall the budget was £63.1m against an outturn of £60.8m.

Any in-year changes relate to the necessity for my Department to remain flexible in meeting the needs of the changing economy and providing the right support for businesses at the right time. Budget variations were as a result of slippage of some projects into future financial years and companies re-forecasting financial projections. Across the sectors this is offset for new opportunities and other projects brought forward.

The objectives of the sectors are determined by the sector panels and have been published in the sectors delivery plan available from:

<http://wales.gov.uk/docs/det/publications/130125deliveryplanen.pdf>.

During the year the sectors reported 1,306 jobs created and a further 3,410 safeguarded. In addition 1,875 jobs were assisted. The sector delivery also attracted into the Welsh economy over £95m investment induced from external private and public sectors.

Due to the length and complexity of some projects activity often extends over a number of years with expenditure and delivery occurring during different financial years.

4.3 Repayable Business Finance Scheme

At 31 March 2013 £3.2m of repayable business finance offers have been made.

The budget remains flexible and businesses are assisted with repayable business finance as appropriate. Each case is subject to an appraisal and assessed in terms of value for money and the ability to support jobs and growth.

4.4 Enterprise Zones

The development of Enterprise Zones is cross cutting and delivery of the policy challenge requires the alignment of existing resources from across the Welsh Government and local partners to create jobs and growth within and beyond the Enterprise Zones.

In 2012-13, the Enterprise Zone Boards developed their plans for the zones and the expenditure for the year amounted to £11.4m which was used for a range of activities such as feasibility studies, business rates scheme, purchase of land for development, site remediation and other capital works. These developments have been captured in regular statements which have been made to Plenary. More information is contained in the Enterprise Zone Progress report issued October 2013 report:

http://enterprisezones.wales.gov.uk/sites/test.enterprisezoneswales.co.uk/files/EZ_progress_update_281013.pdf

Performance will be tracked against the performance indicators for the Welsh Enterprise Zones which were published at the end of 2013. These indicators will monitor and track progress over the longer-term in key areas such as jobs, investment, land development, business support and enquiries. Preliminary targets for 2014-15 have also been published and these are available at:

<http://wales.gov.uk/topics/businessandconomy/publications/welsh-gov-ezw-key-performance-indicators/?lang=en>.

There is ongoing work and planning with all Sectors on taking forward outcomes of studies, master plan recommendations and capital works.

4.5 Support for Micro-Enterprises

In 2012-13 a budget of £7.84m was available for supporting Micro Enterprises. The funding included support for activities such as: the Regional Service Centre, supply voids, Business Wales, business engagement events and Corporate Social Responsibility initiatives.

Following the publication of the Micro-Business Report in January 2012 the Regional Centre Service was refocused to deliver a One Stop Shop concept for micro-businesses in Wales which was launched in January 2013. The service provision is also available to small and medium sized enterprises. Services include equality, environmental and procurement advice, international trade support and an information and signposting service to all businesses virtually through a network of 11 hubs located across Wales. In addition a dedicated Business Wales Mentoring service was launched in October 2013 to enable businesses to access mentoring support from a wide and diverse mix of experienced business people.

The Micro Business Report also emphasised going forward the role of government should be one of facilitation and filling market failure. The public, private and third sectors have key roles the delivery of support of the Business Wales one stop shop service.

Therefore 2012-13 was a transition year and resources were reallocated to other priorities in year with an outturn of £6.76m. The key outputs for supporting micro/SMEs are detailed in the table below:

Outputs	Regional Centre Service April – Dec 2012	Business Wales one stop shop service Jan– March 2013	Total
Enterprises Assisted	3,309	1,501	4,810
Information and signposting	10,228	2,843	13,071
Jobs Created	233	169	402
Jobs Safeguarded	288	268	556

Performance of both service provisions is regularly monitored via contract and delivery management arrangements. There are also established customer satisfaction processes in place. An independent evaluation was undertaken in late 2013 in preparation for the final evaluation of the EU funded provision for Customer Engagement/Business Wales which is detailed in Annex B. Targets and outcomes have been increased for the 2013-14 and 2014-15 financial years to reflect the redirection of the service.

The Micro Business Loan Fund of £6m was launched in March 2012. To date the fund has invested over £1m and has created and safeguarded 284 jobs to the end of December.

4.6 Social Enterprise Support

In 2012-13 the budget set for social enterprises in 2012-13 was £881k with an actual out-turn of £854k. Funding included support for the Wales Co-operative Centre, Wales Social Enterprise Coalition, Social Firms Wales, Development Trust Association Wales and Black Mountain.

During 2012-13 value for money reviews were undertaken for core funding arrangements for social enterprise development. The key outcomes were to:

- cease funding to the Wales Social Enterprise Coalition beyond 2012-13 commitment. However issues arose on the financial viability of the organisation and the funding was ceased immediately;
- continue to provide core funding of £259k to the Development Trust Association Wales to March 2015 to assist with the creation and development of new and emerging local development trusts in Wales; and
- provide Social Firms Wales with a further period of core funding of £106k for three years up to March 2016 which is necessary to allow the long term engagement required by social firms to create social change partnerships and social firm businesses in Wales. Social Firms Wales will receive £150k for a pilot project to develop models of social firms specialising in childcare and social care.

In addition core funding of £350k for three years 2013-15 has been confirmed for The Wales Co-operative Centre to develop co-operatives and other mutual organisations in Wales.

On an annual basis the Welsh Government provide circa £500k per year to specialist social enterprise support and membership within the social enterprise sector. Social enterprises are also able to access the business advice support available through the Department. Outcomes and outputs are monitored against the grant offer letter at quarterly meetings with the organisations.

The budget allocations may change following the report from the Welsh Co-operative and Mutuals Commission under the Chairmanship of Professor Andrew Davies. The remit of the Commission was to make recommendations on growing and developing the co-operative and mutual economy in Wales in order to create jobs and wealth.

Following the decision to cease funding to Wales Social Enterprise Coalition to continue to demonstrate support for the social enterprise sector the Minister agreed that a voice for social enterprise would continue to be supported. A Review, being undertaken by Robert Lloyd Griffiths (Chair of the Business Wales Strategic Board and Director (Wales) Institute of Directors), is currently underway with a view to advising on an updated role and principles and if this amended function should be housed within a new arm of a host organisation. The recommendations of the commission may also steer the future direction of this support.

4.7 Wales Economic Growth Fund

In 2012-13 the budget allocation for the Wales Economic Growth Fund was £30m. In response to the high level of interest shown by the business community the original allocation of £15m was doubled. The fund made commitments of around £31m to 118 projects with a potential of 3,400 jobs to be created/safeguarded. On a value for money basis the average cost per job was £9k.

Expenditure to date for this fund is over £21 million. The remaining funds were utilised for wider business support. The Wales Economic Growth Fund 1 was a time bound economic stimulus package that aimed to bring forward projects that could protect and create jobs, and maximise investment potential in a period of economic uncertainty. Due to the economic conditions a number of projects did not proceed or proceeded on a reduced basis. On a value for money basis the average cost per job remains at £9k.

The key outputs for this fund are jobs created and/or safeguarded. To date the actual number of jobs created and safeguarded is just over 2,300 with around 180 additional jobs to be created in the following two financial years. It is intended to undertake a formal evaluation of WEGF 1 early in 2014-15.

Following on from the success the fund, and in recognition of the continued economic uncertainty, WEGF 2 £30m fund was launched with the potential to create and safeguard up to 3,000 jobs. The funding is allocated as follows:

- 2013-14 £10m: for smaller projects to be considered with a grant requirement between £50k -£100k.
- 2014-15 £20m: to support larger projects with a grant requirement of over £100k.

All offers have now been made under the first phase of the scheme, with the following results: 124 offers worth £9.33 million. These projects have a projected job creation of 986 and safeguarding 877 jobs.

4.8 Sustainable and Integrated Transport

Overall transport projects were delivered in line with plans in 2012-13. Where additional funding became available in the wider Local Government and Communities Department, further investment was made in transport. This enabled a number of local authority projects to be completed or brought forward and significant investment in the maintenance and effective operation of the trunk road network.

Regional Transport Planning

As stated in the letter of 7 November 2014 in response to the Committee's recommendations officials are undertaking an evaluation of national and regional transport planning. An update will be provided by Easter 2014.

The key change in developing new bus funding arrangements was to bring together the separate funding paid to operators and local authorities into a single funding stream and ensure that was being spent where it would have the most impact. The Minister at the time asked the Regional Transport Consortia to administer the new funding arrangements and develop regional strategies identifying key routes.

My recent Oral Statement to the National Assembly for Wales outlined the next steps in terms of bus funding including establishing a group to advise on a refresh of bus policy and piloting new approaches in Ceredigion and the Vale of Glamorgan.

Concessionary bus travel

For several months officials have been negotiating with representatives of local authorities and the bus industry the terms of a new reimbursement arrangement from 1 April 2014. This followed an independent review of the current reimbursement arrangements which identified that operators were being over-compensated.

Community transport

Community transport is often a suitable alternative to a conventional bus service, especially in remote or rural areas. Continued support for community transport and monitoring of services is delivered by the Regional Transport Consortia.

In addition, the Welsh Government funds the Community Transport Association in Wales to develop and strengthen the community transport sector.

Bus compliance

Bus operators are required to register their service details with the Traffic Commissioner. The Commissioner has powers to impose financial penalties on operators that fail to comply with the terms of their registrations, but depends on referrals to him if he is to consider such actions. Any such “fines” are paid to the Welsh Government.

The Welsh Government funds Bus Users UK in Wales to employ three full-time Bus Compliance Officers whose responsibilities include monitoring bus services on our behalf. In this way, when Bus Users’ or local authorities or the Welsh Government becomes aware of apparent failures on the part of a bus operator to run services in compliance with its registrations, we ask the Bus Compliance Officers to undertake monitoring to establish the facts. Those findings are then reported to the Traffic Commissioner for his review.

The Traffic Commissioner has remarked very favourably on the activities of the Bus Compliance Officers and the positive impact their work has on the punctuality and reliability of bus services in Wales.

Bus Users UK in Wales

Bus Users UK has an office and three staff based in Wales. The organisation locally provides invaluable support to bus operators, local authorities and others in ensuring that the interests of bus passengers are represented effectively.

Bus Users also contributes extremely effectively to policy development and represents passengers who complain about their bus services.

Bus Users organises and undertakes up to 20 bus passenger surgeries each year throughout Wales to enable passengers to meet face-to-face with bus operators and local authorities.

Bus Users UK have recently agreed to join the new Public Transport Users’ Advisory Panel which will advise the Minister on public transport user matters.

Sustainable and Active Travel

In 2012-13 a range of initiatives were funded to develop active travel infrastructure and encourage people to use sustainable and active travel modes.

The Safe Routes in Communities scheme received £5.2m and this enabled a range of improvements to the safety and accessibility of communities across Wales when walking or cycling.

The personalised travel planning project saw an investment of £1.1m. Focusing on communities in Cardiff and South Wales, this programme provided 1:1 contact and tailored information about the sustainable travel choices in communities. The early results are promising and a more in-depth analysis of the first phase is being produced by the contractor.

This project also supports work with schools and businesses and has led to the development of tools and materials that can be used more widely. Other projects supported include Bike It.

Rail Services

In 2012-13, the Welsh Government continued to fund the Wales and Borders franchise operated by Arriva Trains Wales (ATW). The contract was awarded in 2003 and runs for 15 years. In April 2006 responsibility for the day-to-day management of the franchise was passed from the UK Government to the Welsh Government.

In addition to the core franchise originally specified, the Welsh Government's funding in 2012-13 included support for a number of additional services. These included the provision of additional capacity on the Valley, Cambrian and Borderlands Lines, increased service frequency on several lines (e.g. Merthyr Line, Cardiff-Holyhead route, Heart of Wales Line and Borderlands) and a concessionary rail fares scheme.

The future rail priorities and contribution to wider economic development are detailed in the Written Statement of 18 July 2013 which was provided to Committee as part of an update on transport matters in the letter of 9 October 2013.

5.0 Finance Wales

You have requested information in relation to Finance Wales. However, the Finance Committee is currently undertaking an enquiry into Finance Wales. I will provide an update for the Committee once it is finalised.

6.0 Cross Departmental Commitments

6.1 Tackling Poverty

The Department has an important role to play in helping tackle poverty, with our primary influence resulting from efforts to encourage and support employment retention and creation across Wales. Our focus is on tackling poverty by protecting jobs, creating employment opportunities and improving the overall conditions for business, recognising that employment offers a high level of protection against poverty.

The Department is taking forward a number of actions that support Welsh Government efforts to tackle poverty, with considerable Departmental budget committed to these activities. This includes funding to:

- deliver the Wales Economic Growth Fund and other job creating grant and business finance schemes;
- provide start up grants and entrepreneurship advice and support;
- develop and grow the childcare market;
- take forward social enterprise activity; and
- deliver our Corporate Social Responsibility programme.

Tackling poverty is also at the heart of transport policy and programmes. Transport is a significant area of expense for many households and rising costs of both fuel and public transport place additional pressures on households.

This means that promoting an affordable, accessible and effective transport system can make a real, practical difference to people. Good transport connectivity can also make it easier for people to access jobs and training, as well as access other services. Significant budget is committed to our portfolio of transport projects, including the Concessionary Fares Scheme.

6.2 Sustainable Development

Our aim is to deliver the Programme for Government priorities for Jobs and Growth, with a focus on sustainable development as the central organising principle. We are developing a green growth policy approach to further enhance our existing work on sustainable development and economic growth. This will act, in part, as preparation for the introduction of the Future Generations Bill, which is consistent with our approach to creating the conditions over the long term for a sustainable and prosperous low carbon resource efficient and socially just economy.

We are working with the Council for Economic Renewal and the Climate Change Commissioner for Sustainable Futures, exploring the role of green growth in Wales as a means of delivering long term economic growth and prosperity.

We are looking to identify early actions to incorporate green growth practice for the whole of the economy. We will be using this approach to influence the allocation of European Structural Funds, and we will be working with a range of stakeholders across the public, private and third sectors to link up policy initiatives. We will be looking to maximise the use of the levers we have available to set a course for long term sustainable economic prosperity for Wales.

6.3 Welsh Language

The Report from the Welsh Language and economic development task and finish group will be published shortly.

Also the Teifi Valley Task and Finish Group which was established on 25 June 2013 has explored the local growth zone model to assess interventions sensitive to the Valley's local economic circumstances, growth challenges and prominent use of the Welsh language. The published report can be accessed on the Welsh Government internet site:

<http://wales.gov.uk/topics/businessandconomy/publications/teifivalleyreport/?lang=en>

These are important reviews and the recommendations will be considered further in developing future policy and remaining responsive to individuals and the wider business community. All EU Structural Funds projects integrate the cross cutting theme of equal opportunities and, the Welsh language, in their implementation to contribute to the achievement of a well balanced, sustainable and innovative economy.

Currently there is no designated budget for the Welsh language as it is considered and embedded in the delivery of individual projects, programmes, support for businesses and signature events. Over the course of the last four years, the Department provided training on the cultural and historical context of the Welsh language. This enables staff members to contextualise the need to use and consider the Welsh language in our work. The investment has been in the region of £40k.

Economy & Science commitments in Programme for Government (as at September 2013 and updated for current developments)

Commitment	Progress
Build on the new relationship Welsh Government has with the business community and our social partners to create the flexible framework and conditions needed for companies and businesses to thrive and grow	<ul style="list-style-type: none"> • Council for Economic Renewal and officials working group in place. Special meetings held on certain policy topics such as business rates. • In addition, Ministers regularly engage with the business community and social partners on issues to enable businesses to create jobs. • Private Sector-led panels have provided advice on encouraging jobs and growth, development of city regions, enterprise zones and business rates.
Support high performing, quality companies in all those parts of the economy which can create employment, wealth and sustainable Wales	<ul style="list-style-type: none"> • Business Wales Service operational since 2 January 2013. Improved Sell2Wales website launched in June 2013 offering increasing range of useful services and information for buyers and suppliers. • On-going investment support provided by the £40m Wales SME Investment Fund; Wales Economic Growth Fund, up to £100m Welsh Life Sciences Fund and the £6m Micro business loan fund. Property Development Fund £10m launched May 2013.
Continue to build strong links with our anchor companies and develop strategic, mutually supportive and beneficial relationships with these key companies, embedding them in the Welsh Economy through developing close links with our further and higher educational institutions and maximising supply and chain opportunities	<ul style="list-style-type: none"> • List of 44 anchor companies available on Welsh Government website at http://wales.gov.uk/topics/businessandconomy/economicrenewal/programmepapers/anchor/?lang=en • Formal account management procedures in place for individual anchor companies. • Pilot programme of CSR events has been run with some companies. Results will inform future events.
Work with UK Trade and Investment (UKTI) and others to promote trade and investment opportunities through targeted trade missions and offices abroad	<ul style="list-style-type: none"> • UKTI figures show the number of inward investment projects for Wales increased by around 191% compared with previous year. • A programme of more than 40 trade missions and exhibition in more than 20 overseas markets taking place in 2013/14.
Promote Wales as a destination making a high quality tourism offer	<ul style="list-style-type: none"> • Arkenford awarded tender submission to produce a report on screen tourism in Wales. This relates to work Visit Wales undertaking in partnership with

Commitment	Progress
	Capital Region Tourism who are taking the lead.
Work to extend the tourism season and associated benefits	<ul style="list-style-type: none"> • Tourism Investment Support Scheme (TISS) provided support for all weather/undercover attractions to help extend the season. • Tourism business also being encouraged to market themselves all year round with Digital Tourism Business Framework programme developed to encourage greater use of ICT for marketing. 635 applications received for ICT reviews, 58 project grants awarded and 23 projects on reserve list.
Identify opportunities to improve visit infrastructure and product in Wales	<ul style="list-style-type: none"> • Tourism Investment Support Scheme (TISS) now supports infrastructure projects through destination amenity schemes.
Support investment in staff training and management to support a high quality (tourism) industry	<ul style="list-style-type: none"> • Partnerships lead on training provision for businesses in their areas. Coupled with funding from TISS helps ensure quality tourism product and service in Wales. • During 1st April 2012 to 31 March 2013 48 grant offers were made with grant value of £2.3m – supporting total project costs of £11.8m. Projected job total of 237 against this investment.
Introduce Enterprise Zones to strengthen competitiveness of Welsh economy	<ul style="list-style-type: none"> • Seven Enterprise Zones established. Delivery in each zone guided by Enterprise Boards working closely with Welsh Government. to maximise impact of incentives on offer. These include financial support, simplified planning and roll-out of superfast broadband. • Further information on Enterprise Zones can be found at: www.enterprisezoneswales.gov.uk
Invest in quality tourism businesses and market more effectively Wales' quality visitor attractions, accommodation and food industry	<ul style="list-style-type: none"> • In 2012/13 TISS provided £2.3m in support of businesses. TISS support is linked to Quality Grading Scheme. The number of 4 and 5 star businesses is at overall level of 69.3% and the membership of grading scheme is over 5,800. • During 2012/13 Regional Tourism Partnership developing the promotion of Food tourism in Wales and its food culture.

<p>Implement the Welsh Government's Digital Wales strategy, using digital technologies to open up opportunities and provide better and more cost effective and accessible services for all our citizens, businesses and communities</p>	<ul style="list-style-type: none"> • Digital exclusion has now reduced to 24% and roll-out is underway in first areas to benefit from next generation broadband in Gwynedd. Over 300,000 patients can now book GP appointments and repeat prescriptions through My Health Online. • 90% of all major Welsh public sector organisations use the Public Sector Network. • Full details provided in Digital Wales: A review of delivery report at http://wales.gov.uk/topics/businessandconomy/digital/wales/
<p>Seek to establish a Wales business Crime Unit to tackle business crime</p>	<ul style="list-style-type: none"> • Business Crime Unit established. Multi-agency business crime stakeholder advisory group appointed June 2013 to steer development and implementation of Business Crime Unit. • Business Crime Wales website live on 20 June 2013 providing on line tools and guides for businesses to raise awareness of impact of business crime and provide prevention advice.
<p>Work with industry to move to resilient low carbon energy production. We will bring together the major generators to share best practice in carbon reduction</p>	<ul style="list-style-type: none"> • Professor James Durrant has been appointed in November 2013 as the Ser Cymru Chair in Solar Energy research at Swansea University concentrating on PhotoVoltaic thin films. Working in other forums such as energy summits and meetings with specific generators to move Wales further in this direction.
<p>Strengthen creative industries in Wales and increase number of Welsh productions on the main television networks</p>	<ul style="list-style-type: none"> • Over the past two years creative companies have been awarded Welsh Government Repayable Business Finance to total value of £2.4m. • Support includes drama production Hinterland being made in Welsh and English for Welsh language broadcaster S4C and BBC Wales. Children's animation series Igam Ogam produced in Wales and secured network commission for second series to screen on Channel 5 and S4C. • Majority of projects supported have been in film, TV and digital media production including dramas Atlantis and Season 2 of Da Vinci's Demons being broadcast during 2013/14. • Digital Development Fund launched in December 2011. £2m pilot fund providing seed funding to small creative companies. Anticipate supporting development of more than 50 new digital products and create/safeguard more than 130 jobs. To-date 40

	<p>projects approved for funding totalling over £1.3m.</p> <ul style="list-style-type: none"> • Since May 2011 Wales Screen Commission recorded approximately £46m in actual production spend on projects it has assisted that have shot in Wales. • MEDIA Antenna Wales instrumental securing 778,129 Euro to Welsh businesses in 2012-13 and a total of 2,554,054 Euro in non repayable grants since beginning of MEDIA 2007 programme.
<p>Press for a fairer share of TV production from UK broadcasters such as BBC for Wales-based independent production companies</p>	<ul style="list-style-type: none"> • The Broadcasting Advisory Panel has been created, to advise on all aspects of Public Service Broadcasting in Wales, including the opportunities it presents for Welsh businesses. • £100k awarded to the Channel 4 Alpha Fund, to support creative ideas from new start ups, new creative talent, new businesses and grass root innovation specifically in Wales' independent tv sector.
<p>Expect any business seeking Welsh Government support, including public procurement contracts, to sign up to our principles of corporate social responsibility, with a commitment to sustainable development, training and good employment practice. This will include supported employment settings such as Remploy.</p>	<ul style="list-style-type: none"> • Corporate Social Responsibility (CSR) Framework published in September 2012. • A series of joint events held with anchor companies and Business in the Community.
<p>Review what entrepreneurial support is needed by start up and small firms with real potential to thrive and grow, and how we can embed an entrepreneurial culture in Wales</p>	<ul style="list-style-type: none"> • Business Wales service became operational on 2 January 2013. Strategic Board established to oversee the Business Wales Service. Business Wales mentoring service launched October 2012. • £6m Micro Business Loan Fund set up to support at least 300 businesses and became operational in July 2012. WCVA and Credit Union delivering the fund to social enterprises in Wales. Finance Wales delivering to the rest of micro business in Wales. • Youth Entrepreneurship Delivery Plan 2012-2015 set out course of action. The Plan extends reach of Dynamo Role Model project, primary flagship competition and challenge for 16-24 year olds, Regional FE/HE Hubs and face to face events and communication with young people through www.bigideaswales.com

	<ul style="list-style-type: none"> • Since service started in 2008, 10,000 jobs and 4,350 new enterprises have been created. A network of seven Business Entrepreneurship Champions has represented Wales at key events including G20 Young entrepreneurs Summit and Great British Business Start Up Show.
Ensure that the mutual and cooperative sector has access to appropriate and robust business advice and that Ministerial lead will be in the Economy Department	<ul style="list-style-type: none"> • Welsh Co-operative and Mutuals Commission will report in early 2014. • In 2013/14 Wales Co-operative Centre, Social Firms Wales and Development Trusts Association were funded to provide specialist membership services and policy advice to WG.
Support high performing, quality companies in all those parts of the economy which can create employment, wealth and a sustainable Wales	<ul style="list-style-type: none"> • The Life Sciences Fund established to make Wales an even more attractive location for life sciences R&D, and an even better place in which to start and grow a life sciences business. • (to July 2013) Business Innovation Support has delivered (334) New Products/ processes launched, (231) new registrations of Intellectual Property.
Work with Cardiff to explore the feasibility of bidding to host the Commonwealth Games in 2026	<ul style="list-style-type: none"> • Ove Arup appointed to undertake further detailed technical advice on potential venues. • Working with partners on a potential bid and will take full account of costs and benefits of Glasgow 2014 Games ahead of any decision regarding a bid.
Use digital technologies to take Wales to the world and bring the world to Wales by establishing a web gateway on what Wales can offer - in terms of tourism, investment, educational opportunities and culture - to the outside world	<ul style="list-style-type: none"> • The investment element of the gateway has been strengthened with new content, including: <ul style="list-style-type: none"> ○ updated case studies; ○ Enterprise Zones; ○ top level content translated into a number of different languages and a Twitter feed. • A focused programme of promotion has been established to deliver increased visibility and visits.
Implement and further integrate our economic, education, skills and planning policies across all relevant Welsh Government departments and other delivery bodies. The overarching priority over the next Assembly term will be delivery. We will review and refresh our actions based on fresh evidence to ensure the	<p>We use a range of mechanisms to ensure Welsh Government's departments focus on delivery to encourage greater inter-departmental working and focus on priorities for jobs and growth.</p> <ul style="list-style-type: none"> • A review of the implementation of the Welsh Minister's Business Scheme across Welsh Government Departments has been completed and considered by the Council for Economic Renewal. • The Business Scheme is made under section 75 of

<p>maximum effectiveness and flexibility of all those Welsh Government departments and other organisations providing support for businesses</p>	<p>the Government of Wales Act 2006 which requires the Welsh Ministers to make a scheme setting out how they propose, in the exercise of their functions, to take account of the interests of business.</p> <ul style="list-style-type: none"> • http://www.assemblywales.org/bus-home/bus-business-fourth-assembly-laid-docs.htm?act=dis&id=244902&ds=3/2013
<p>Maintain our commitment to the Sustainable Development Scheme - One Wales One Planet - that sets out how the Government will use its devolved powers - from health, transport to education - to make all our public services sustainable and reduce Wales' environmental impact on the world (contributory)</p>	<ul style="list-style-type: none"> • The Sustainable Development Annual Report details the actions taken across the Department. • The Welsh Government's most recent report, with the contribution from ES&T, was published in December 2013. • The next Welsh Government report will be published later this year.
<p>Encourage more young people to gain the skills that will develop Wales' potential for economic growth. Subjects such as science, technology, engineering and mathematics (STEM) are especially important in this regard. We will promote engagement in these subjects across the curriculum and age range into Higher Education and at postgraduate level, through the National Science Academy (NSA) which will be linked to the wider science agenda and the work of the new Chief Scientific Adviser for Wales</p>	<ul style="list-style-type: none"> • The National Science Academy launched a two-year grant funding round in summer 2013, ending in March 2015. 57 bids were received, for over £3million of schemes, and were independently appraised. Circa 30 projects were recommended, totalling £1.4 million for Science, Technology, Engineering and Mathematics (STEM) focus.
<p>Promote engagement in science, technology, engineering and mathematics (STEM) subjects through the National Science Academy</p>	
<p>Seek to ensure that all residential premises and all businesses in Wales will have access to Next Generation Broadband by 2015 with the ambition that 50% or more</p>	<ul style="list-style-type: none"> • Work started on the roll-out of Superfast-Cymru in February 2013. During 2013/14 work has started in two thirds of the unitary authorities in Wales. • More than 100,000 homes and businesses now have

<p>have access to 100mbps. As with the Welsh Government's previously successful Broadband Wales programme, we believe however that the Next Generation Broadband for Wales Project must be a balance between supply side & demand stimulation actions.</p>	<p>access to high speed broadband as a direct result of Superfast-Cymru. The programme is fully on track.</p> <ul style="list-style-type: none"> • Further information on the new scheme is available on the Welsh Government's website.
<p>Seek to ensure that fast broadband access is made available to rural areas</p>	<ul style="list-style-type: none"> • In 2013/14 work is scheduled in two thirds of the unitary authorities in Wales, the majority of which are rural. Roll-out will be underway in all unitary authorities during 2014/15. • The Broadband Support Scheme supports homes, businesses and communities that have an immediate need for a basic broadband connection. Since July 2010 the scheme has supported over 5,500 beneficiaries, including 31 communities, with a total funding commitment of around £4.8m. The scheme was extended to 30 September 2013. A new scheme available since October 2013 is the first step in addressing the 4% of hard to reach premises not currently covered under the Superfast-Cymru programme. Further information on the new scheme is available on the Welsh Government's website.
<p>Work with Ofcom to ensure that regulation is used as a tool to ensure that rural communities have access to faster broadband speeds and new digital services</p>	<ul style="list-style-type: none"> • We continue to work with Ofcom to promote improved access to digital services both through regular dialogue, and through representations and contributions to their consultations. • We are working with Ofcom and the mobile network operators to ensure that the recently auctioned licences will lay the path for 4G mobile broadband to roll-out across Wales from summer 2013. The licence awarded to Telefonica 02 carries a coverage obligation of at least 95% of the population in Wales by the end of 2017. The roll-out will have significant benefits for people particularly in rural Wales, many of whom have never been able to access 3G mobile services. • We have commissioned feasibility studies to determine suitable interventions to improve mobile coverage across Wales, including mobile services across the rail network.
<p>Use these [digital] technologies to create even</p>	<ul style="list-style-type: none"> • Welsh Government is now leading on the development of a Digital First strategy for the Welsh

<p>greater accountability and transparency in our democratic processes to ensure that all our citizens play a full part in society by making decision making information and services more accessible on-line</p>	<p>public sector – setting out how all our public services will, where possible, be made accessible to citizens through digital channels.</p> <ul style="list-style-type: none">• The Digital First strategy will be published later this year.
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Annex B

Evaluation of Programmes

Programme	Evaluation Date
Destination Marketing (EU funded) project	September 2013
Visit Wales Marketing Evaluation project	Ongoing project
National Transport Plan – Delivery of Major Road Projects	Follow a six stage approval process from an initial transport appraisal to construction. A formal evaluation of each project is carried in order to progress to each stage. Final project business cases are subject to robust scrutiny through the Local Public Inquiry process.
Next Generation Broadband Wales (Superfast Cymru) Full Business Case	July 2012
PSBA Outline Business Case	July 2013
PSBA Value for Money review	December 2012
PSBA Gateway Review 2	July 2013
Business Innovation – Mid Term	March 2013
Smart Cymru – Mid Term	October 2013
Value for Money Review of the Welsh Government's Core Funding Arrangements for Social Enterprise Development: - Welsh Social Enterprise Collation - Social Firms Wales - Development Trusts Association Wales	- Dec 2012 - Jan 2013 - July 2013
Entrepreneurship Provision in Wales, including review of Youth Entrepreneurship, Start-up and High Potential Starts	December 2013
Business.Wales & Sell2Wales Website Evaluation	Report due March 2014
Customer Engagement First Stage Evaluation	December 2013
High Potential Starts EU Project Mid Term Evaluation	Report due February 2014
Enterprise Networks Final EU Project Evaluation	September 2013
Mid-term evaluation of the EU Digital Tourism Business Framework Programmes	May 2013
Economic Impact Review of Investment within the Welsh Tourism Sector	July 2012
Sustainable Tourism	June 2012
Coastal Tourism	June 2012
External Review of the Public Transport Users' Committee for Wales	September 2013
Review of the Cardiff Express Bus Service	Report due Jan 2014
Independent review of concessionary bus	This assessment is in progress

travel reimbursement	
eBusiness & ICT Support – EU Programmes for Competitiveness & Convergence end of programme evaluation	March 2013
eCrime Wales EU Project end of project evaluation	April 2012
Marketing - Sector-led signature events – post-event evaluations. (e.g. BioWales annual March event)	On-going
Sector-led appointment setting services at external Wales industry conferences & exhibitions	On-going
Business Wales end of campaign evaluation	Annually at end of financial year
Start up & Entrepreneurship end of campaign evaluation	Annually at end of financial year
Mid term JEREMIE report Access to Finance Review – Stage 1 Access to Finance Review – Stage 2	February 2012 June 2013 November 2013
Wales Economic Growth Fund (WEGF)	Ongoing throughout the campaign – and summary at end
TrawsCymru – Long Distance Bus Network- Review by the Bevan Foundation.	Completed in January 2014
Sectors Review: <ul style="list-style-type: none"> • Financial & Professional Services • Advanced Materials & Manufacturing • Tourism Advisory Board • Construction • Creative • ICT • Life Sciences • Energy & Environment 	These reviews are in progress with the aim of completing in April 2014 . Annual detailed statistics are published for the priority sectors.
OGC Gateway™ Review 2: Delivery Strategy of the Construction Futures Wales programme	February 2013
Wales Enterprise Zones <ul style="list-style-type: none"> • Wales Enterprise Zones: Progress Update • Longitudinal survey of businesses located in Enterprise Zones 	<ul style="list-style-type: none"> • October 2013 • Underway, reporting in March 2014
Public Transport Users' Committee	Summer 2013 and report subsequently published
Core funding for Sustrans	Grant review completed by September 2013
Core funding for RoSPA	Grant review completed by September 2013

Outturn Tables 2012-13

EXTRACT - MAIN EXPENDITURE GROUP (MEG) OUTTURN 2012/13 - ECONOMY, SCIENCE AND TRANSPORT			
		REVENUE BUDGET - Departmental Expenditure Limit	
		£000s	
SPA	Actions	2012-13 Supplement ary Budget New Plans Feb 2013	2012-13 Outturn
Sectors and Business	Legacy SIF	4,360	4,241
	Sectors	31,442	29,193
	Entrepreneurship & Business Information	14,429	12,294
	Total Sectors and Business	50,231	45,728
Science & Innovation	Innovation	9,324	9,894
	Science	1,332	964
	Total Science & Innovation	10,656	10,858
Major Events	Major Events	4,831	4,142
	Total Major Events	4,831	4,142
Infrastructure	Deliver ICT Infrastructure	9,245	20,028
	Deliver ICT Infrastructure - Non Cash	1,813	2,282
	Deliver Property Related Infrastructure	10,932	11,536
	Total Infrastructure	21,990	33,846
Strategy & Corporate Programmes	Corporate Programmes	3,901	3,105
	Corporate Programmes - Non Cash	347	425
	Marketing	2,796	3,236
	Finance Wales	4,802	3,147
	Strategy Programmes	979	304
	Total Strategy & Corporate Programmes	12,825	10,217
Motorway & Trunk Road Network Operations	Motorway & Trunk Road Operations	62,987	68,093
	Improve and Maintain Trunk Road Network - Non Cash	140,000	133,052
	Total Motorway & Trunk Road Network Operations	202,987	201,145
Rail & Air Services	Rail & Air Services	177,780	176,224
	Total Rail & Air Services	177,780	176,224
Sustainable Travel	Sustainable Travel	101,507	104,268
	Total Sustainable Travel	101,507	104,268
Improve Road Safety	Improve Road Safety	5,716	5,885
	Total Improve Road Safety	5,716	5,885
	Total Revenue	588,523	592,313

	CAPITAL BUDGET - Departmental Expenditure Limit	£000s	
SPA	Actions	2012-13 Supplement ary Budget New Plans Feb 2013	2012-13 Outturn
Sectors and Business	Legacy SIF	20,004	18,170
	Sectors	77,623	83,351
	Total Sectors and Business	97,627	101,521
Science & Innovation	Innovation	1,107	755
	Science		6,200
	Total Science & Innovation	1,107	6,955
Major Events	Major Events		350
	Total Major Events	0	350
Infrastructure	Deliver ICT Infrastructure	4,172	5,287
	Deliver Property Related Infrastructure	53,559	51,177
	Total Infrastructure	57,731	56,464
Strategy & Corporate Programmes	Finance Wales	-15,500	-15,700
	Corporate Programmes	417	78
	Total Strategy & Corporate Programmes	-15,083	-15,622
Motorway & Trunk Road Network Operations	Motorway & Trunk Road Operations	62,358	58,090
	Total Motorway & Trunk Road Network Operations	62,358	58,090
Road & Rail Investment	Road & Rail Investment	114,535	116,816
	Total Road & Rail Investment	114,535	116,816
Sustainable Travel	Sustainable Travel	31,095	33,831
	Total Sustainable Travel	31,095	33,831
Improve & Maintain Local Roads Infrastructure	Improve & Maintain Local Roads Infrastructure	13,996	13,883
	General Capital Funding - Roads	15,332	15,332
	Total Improve & Maintain Local Roads Infrastructure	29,328	29,215
Improve Road Safety	Improve Road Safety	6,900	8,202
	Total Improve Road Safety	6,900	8,202
	Total Capital	385,598	395,822
	REVENUE BUDGET - Annually Managed Expenditure	£000s	
SPA	Actions	2012-13 Supplement ary Budget New Plans Feb 2013	2012-13 Outturn
Infrastructure	Deliver Property Related	20,000	14,036

	Infrastructure - Non Cash		
Motorway & Trunk Road Operations	Motorway & Trunk Road Operations	35,233	14,013
	Total Infrastructure	55,233	28,049
	Total AME	55,233	28,049

		£000s	
	Summary	2013-14 Supplementary Budget New Plans Feb 2013	2012-13 Outturn
	Revenue	588,523	592,313
	Capital	385,598	395,822
	Total	974,121	988,135
	Annually Managed Expenditure	55,233	28,049
	Total	1,029,354	1,016,184

2012-13 Outturn - Priority Sectors

REVENUE		2012/13	
BEL	BEL Name	Supp Budget £'000	Outturn £'000
3765	ICT	6,510	4,012
3764	Life Sciences	331	575
3763	Financial & Professional Services	121	212
3762	Creative Industries	1,153	876
3761	Advanced Materials & Manufacture	1,557	1,482
3760	Energy & Environment	1,500	334
2970	Promoting Welsh Food	5,438	5,872
6250	Tourism	11,123	12,014
3752	Construction	97	62
		27,830	25,439

CAPITAL		2012/13	
BEL	BEL Name	Supp Budget £'000	Outturn £'000
3765	ICT	3,108	1,610
3764	Life Sciences	3,106	7,603
3763	Financial & Professional Services	1,695	1,989
3762	Creative Industries	1,022	809
3761	Advanced Materials & Manufacture	13,772	11,290
3760	Energy & Environment	5,838	2,204
2970	Promoting Welsh Food	2,117	6,524
3752	Construction	1,652	758
6250	Tourism	2,995	2,553
		35,305	35,340
Total Budget		63,135	60,779