

PAPER TO THE ENTERPRISE AND BUSINESS COMMITTEE – 14 MARCH 2012

BUSINESS, ENTERPRISE, TECHNOLOGY AND SCIENCE PORTFOLIO PRIORITIES

Introduction

1. The purpose of this paper is to set out written evidence to the Enterprise and Business Committee on developments in the Business, Enterprise, Technology and Science portfolio.

Access to Finance

2. The Wales Economic Growth Fund attracted 498 applications with a grant request value of £155 million. As of the end of February offers had been made to 44 businesses with a value of just over £13 million. These are expected to create and safeguard around 1300 jobs in Wales. For example, the £162k offered to Drias Transnat has helped to secure their move to Cardiff with the immediate creation of 30 jobs, and the £3.4m towards Tallent Automotive's £12m investment will assist in securing the medium term future of the Plant and safeguarding of 302 jobs at the site. Given the success of the scheme and volume of applications received an additional £15m has been allocated to the scheme.
3. The Wales SME Investment fund, administered by Finance Wales opens for applications from businesses across Wales this month. This is a £40 million Fund which will complement the existing JEREMIE Fund and will ensure that SMEs, including those who deal direct with consumers, can access essential finance in the form of equity and loans are eligible for repayable capital investment.
4. Following pressure from the Welsh Government to the Business Secretary, Dr Vince Cable, we are awaiting Welsh-level data on bank lending from Project Merlin.
5. A session was held in Wales earlier this month by Tim Breedon as part of the UK Government review of the challenges facing businesses in diversifying their finance.
6. The Welsh Government submitted a bid to host the Green Investment Bank in Wales. The bids are currently being reviewed and an announcement is expected by the Business Secretary imminently.

Broadband in Wales

7. The competitive process to secure the Next Generation Broadband Wales Project is underway and the aim is for deployment of infrastructure to begin from summer 2012.
8. The Broadband Support Scheme, which provides a grant of up to £1,000 to residents, businesses and third sector organisations located in broadband notspots (defined as sub-2Mbps connectivity) to obtain a broadband connection, has been extended for a further 12 months beyond 31 March 2012 with additional funds for the fiscal year 2012-13. To date, £1,719,000 has been awarded under this scheme to 2,400 applicants to improve broadband connectivity across Wales.

Business Rates Policy

9. Rates relief for small businesses has been extended, so that around half of small businesses in Wales will pay no business rates until April 2013.

PAPER TO THE ENTERPRISE AND BUSINESS COMMITTEE – 14 MARCH 2012 BUSINESS, ENTERPRISE, TECHNOLOGY AND SCIENCE PORTFOLIO PRIORITIES

10. The Business Rates Task and Finish Group will be completing their independent review of Business Rates policy in Wales by the end of March 2012.

City Regions

11. The City Regions Task and Finish Group have issued a call for evidence. The group will continue the evidence gathering exercise until Wednesday 18 April 2012 and will be supported by focus groups held around Wales. The Group will issue their final report this summer.

Enterprise Zones in Wales

12. Five candidate zones are progressing to being given full Enterprise Zone status. These are Cardiff Central Business District; St Athan; Ebbw Vale; Deeside and Anglesey. It is proposed that these zones will be operational in April 2012, in line with the English zones. Discussions continue with the UK Government for flexibility on the number of zones attracting enhanced capital allowances, the size of projects and the overall funding ceiling.
13. Interim governance arrangements are being put in place. As in England the approach will allow a degree of local discretion. In the interim, Chairs have been put in place for the five zones until the end of May to maintain momentum. The Boards can use this time to make their own arrangements following best practice guidelines.
14. Two new zones, Snowdonia EZ, Trawsfynydd and Haven Waterway, Pembrokeshire are to be given preferred status and will be subject to further assessment.
15. A short-term Task and Finish Group is being established to explore the proposals for local growth zones in Powys as an alternative approach to Enterprise Zones and will be expected to produce an interim report before the end of March 2012. Discussions are ongoing with the unsuccessful bidders to see how some of the benefits of their proposals could be realised without Enterprise Zone status

Knowledge Transfer Partnership programme for Wales

16. The Knowledge Transfer Partnership (KTP) programme in Wales is being enhanced. The enhanced KTP programme will build on the success of the existing programme and allow key companies in Wales, particularly the anchor companies and their associated supply chains, to engage at high level with their international offices and overseas academic institutions.

Micro-Business

17. The Micro-Business Task and Finish Group report recommended that the Welsh Government focuses on five primary priorities to sustain and grow micro-businesses: Access to and awareness of business support services; access to finance; mentoring and coaching; procurement; and regulatory burden. Details of how the recommendations will be implemented are set out in the Written Statement issued on 29 February.

Sectors

PAPER TO THE ENTERPRISE AND BUSINESS COMMITTEE – 14 MARCH 2012 BUSINESS, ENTERPRISE, TECHNOLOGY AND SCIENCE PORTFOLIO PRIORITIES

18. The sector approach is ensuring targeted funding at key industries, which is vital during a time when public spending is being cut from Whitehall. The Sector Strategic Priority Executive Summaries are now published on the Welsh Government Business Wales web site. They are currently published in draft format, whilst policy elements are developed.

Top Domain Name

19. Nominet will be taking forward applications to ICANN for both .wales and .cymru domain names. Nominet is a membership organisation operating on a not-for-profit basis. It has maintained the .uk top level domain over the past 15 years and has a strong track record in the technical excellence of its registry operation.

20. Nominet will work with the Welsh Government to develop a Memorandum of Understanding that will provide the basis of the working relationship and ensure ongoing alignment with Welsh Government policy.

Tourism in Wales

21. Visit Wales continues to work closely with the tourist industry, encouraging investment in, and improving the quality of, the visitor experience in Wales, as well as marketing Wales within the UK and internationally. The 2011 Wales Visitor Survey shows that the natural environment and the friendliness of Welsh people come out top when visitors rate their holiday in Wales. The overall satisfaction with Wales as a place to visit is very high across all visitor types and having been to Wales on holiday, the likelihood to recommend Wales was also very high.

Trade and Investment

22. A new Major Projects team has been established to lead on trade and investment. Flexible financial support, investment in infrastructure, and a focus on 21st Century communications will ensure a responsive and credible offering required by high-quality inward investors in a global economy.

Working Smarter

23. The "Working Smarter" report, into the regulatory burden on Welsh farmers and land managers in Wales, was published on the 31 January and includes 74 recommendations to the Welsh Government on how to deliver better regulation within an appropriate framework, improved customer service for the farmers and a sector with increased profitability from a business perspective. A full Action Plan detailing how the recommendations will be implemented is being drawn up and will be published in the spring.

Summary

24. The evidence in this paper outlines some of the key portfolio developments that are helping to deliver our commitment to support and invest in high performing, quality companies in all those parts of the economy which can create employment, wealth and a sustainable Wales.

Edwina Hart MBE OStJ AM
2 March 2012