

Ken Skates AC/AM
Ysgrifennydd y Cabinet dros yr Economi a Thrafnidiaeth
Cabinet Secretary for Economy and Transport



Llywodraeth Cymru
Welsh Government

Russell George AC/AM
Chair, Economy Infrastructure & Skills Committee

6 March 2018

Dear Russell

Economy, Infrastructure & Skills Committee – Action Points

At the Committee meeting of 14 February, I undertook to provide you with additional information in relation to the Enterprise Zone programme.

Action Point 1

The Cab Sec mentioned a survey that had been conducted on enterprise zones and would share the detailed responses with us

The responses to two waves of the enterprise Zones Longitudinal Survey have been published bilingually and can be found at:

<http://gov.wales/topics/businessandconomy/growing-the-economy/enterprisezones/?lang=en> (scroll down to the bottom of the page)

Action Point 2

A question from Adam Price on Enhanced Capital Allowances, Mick is going to supply further information to the committee

I intend to request the Treasury extend deadlines for ECAs beyond 2020.

The UK Government has announced as part of the Industrial strategy that it will support an **Industrial Strategy Challenge Fund**. This has resulted in a significant increase to the budget for research and innovation available for businesses, universities and other research organisations (some £2 billion to the period 2021/22).

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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.

Government has worked with businesses and academics to identify the biggest core industrial challenges where:

- The UK has a world-leading research base and businesses ready to innovate
- There is a large or fast-growing and sustainable global market

Several challenges have already been announced as part of wave 1 and these include:

- The Faraday battery challenge
- Robots for a safer world
- Medicines manufacturing

Competitions have already been run in these areas and funding is starting to be allocated; further competitions are expected.

A second wave of challenges and funding is in the process of being agreed with treasury, challenges proposed are:

- Energy revolution (energy systems)
- Transforming construction
- Healthy ageing and data to early diagnosis
- Audience of the future, next generation services and transforming food production.

There is an alignment between many of the challenges and Enterprise Zones and its hoped that organisations within the zones will proactively work to submit compelling proposals once the competitions are open. All funding will be allocated following an open competition, the projects will need to demonstrate impact within the funding period, all projects will also require significant match funding from industry to demonstrate a strong pull. The scale of the funding will vary from SMEs' collaborating on a R+D project requiring £200K grant to Centres/ hubs seeking c £20M. Businesses and research organisations will be developing project ideas until any funding is confirmed these will be commercially in-confidence.

Officials are also working with BEIS counterparts to propose genuine, value-added, Welsh solutions to the challenges within the **ISCF** and the **Sector Deals**. This includes Enterprise Zone solutions whenever they are relevant.

We welcome too the publication of the **Nuclear Sector Deal** proposals. We aim to work with the Nuclear Industry Association to ensure that any Deal fully takes into account the needs of the sector in Wales and provides genuine opportunities which will be of benefit to the Welsh supply chain.

The Welsh Government continues to work closely with the North Wales Region and the North Wales Economic Ambition Board to consider how a **North Wales Growth Deal** can best support their ambitions to bring further economic growth.

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At this stage it is too early to say what form the Welsh Government's support will take, though any support for the Ambition Board's proposals will be based upon an assessment of their contribution towards delivering the aims of our national Prosperity for All strategy and emerging Economic Action Plan.

Action Point 3

Also the breakdown of spend for each EZ minus the infrastructure spending to see how much is spent on each EZ - Duncan to send this information

The requested figures are provided in the attached document.

Yours sincerely



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Public Investment Breakdown

Anglesey -£6,015,718.74
£19,778,000.00

	£	Source
2012 - 2017	£3,920,635.06	Direct Business Support
	£2,331,161.00	Transport
	£105,084.00	Infrastructure
	£40,369.00	Property
Total	£6,397,249.06	

Cardiff Airport & St Athan

	£	Source
2012 - 2017	£3,584,281.26	Direct Business Support
	£10,178,000.00	Transport *
	£28,860.50	Infrastructure
	£12,103.06	Property
Total	£13,803,244.82	

Central Cardiff

	£	Source
2012 - 2017	£33,980,000.00	Transport
	£14,866,983.25	Direct Business Support
	£13,135,577.00	Infrastructure
	£12,755.00	Property
Total	£61,995,315.25	

Deeside

	£	Source
2012 - 2017	£27,330,531.28	Direct Business Support
	£1,611,250.00	Transport
	£121,852.87	Infrastructure
	£32,049.00	Property
Total	£29,095,683.15	

* includes Cardiff air routes loan

Ebbw Vale

	£	Source
2012 - 2017	£88,340,000.00	Transport
	£5,307,004.77	Direct Business Support
	£915,896.00	Property
	£9,738.00	Infrastructure
	Total	£94,572,638.77

Haven

	£	Source
2012 - 2017	£6,681,296.04	Direct Business Support
	£2,326,500.00	Transport
	£203,635.00	Infrastructure
	£107,033.00	Property
Total	£9,318,464.04	

Port Talbot

	£	Source
2012 - 2017	£2,066,000.00	Transport
	£1,714,505.28	Direct Business Support
	£17,162.00	Infrastructure
	£0.00	Property
Total	£3,797,667.28	

Snowdonia

	£	Source
2012 - 2017	£1,236,872.00	Transport
	£1,124,197.61	Direct Business Support
	£219.00	Infrastructure
	£0.00	Property
Total	£2,361,288.61	

All Zones

	£	Source
2012 - 2017	£132,469,783.00	Transport
	£74,129,434.75	Direct Business Support
	£14,275,076.06	Property
	£4,993,065.37	Infrastructure
	Total	£225,867,359.18