

Economic Development & Transport Committee

Date: 13 October 2004
Time: 9.00 am to 12:30 pm
Venue: Committee Room 1, National Assembly, Cardiff Bay
Title : Economic Development & Transport Minister's Report

Supporting Business

1. Mid Wales Manufacturing Group - I opened the annual conference of the Mid Wales Manufacturing Group on 29 September. Held at the Royal Welsh Show-ground in Builth Wells, the conference was coupled with an exhibition and this year the theme focussed on innovation in manufacturing.
2. Structural Funds - As part of the Mid-term Reviews of the Objective 1, 2 and 3 Programmes, the final versions of the programming documents have been sent to the European Commission. WEFO is expecting a decision from the Commission by the end of October. Following this, new versions of the programming documents will be made available on the WEFO website.
3. Wales Rally GB - The 2004 rally, which was supported by Assembly Government, the WDA and other Team Wales partners was an enormous success. I attended a number of events associated with the Rally. I addressed the Society of Automotive Engineers (SAE) UK Performance Conference at the Felindre Rally Centre, Swansea on 16 September. SAE not only covers the automotive industry but is also a leader in the aerospace industry. I also opened the Wales Rally GB Education Day at Felindre on 18 September.
4. Admiral, Cardiff & Swansea - Few could have missed media coverage of the flotation of insurance company, Admiral. Admiral received RSA to both establish and expand its operations in Cardiff and Swansea and, in the space of only 11 years, has grown into one of the UK's largest direct insurance groups, employing almost 1,500 staff - a real Welsh success story.
5. I am pleased to note that three Welsh firms, Caerphilly based Pelikon, Cwmbran based Comtec and Birchfield Interactive, Cardiff, have been identified as amongst the fastest growing hi-tech ventures in the UK according to The Sunday Times' Microsoft Trade 100 List of best performing UK companies.
The Companies have a combined turnover of £12m and employed a total of 149 people in the financial year 2003. All of these Companies have been supported by either the Assembly Government or the Welsh Office.

Promoting Information and Communication Technologies

6. Broadband Wales Programme - On 29 September 2004, the Prime Minister reaffirmed his commitment to ending the digital divide by stating that every home in Britain that wants broadband should be able to access it by 2008. Ofcom has issued a number of papers recently, including proposals for the future pricing of Wireless licences and a consultation on its approach to new voice services, including Voice over Broadband, which will deliver calls over the internet rather than via traditional telephone networks. My officials are working in order to ensure that Wales's opinions continue to be heard.

Setting a Fresh Direction

7. Environmental Technologies Workshop: 28-30 September - A group of leading young scientists, environmental experts and managers from 8 of the new EU member states (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia) visited Wales to explore solutions for some of the environmental problems facing the UK and Central Europe. The visit was arranged by the Assembly Government, the Foreign and Commonwealth Office and the British Council, as part of the UK Government's Crossroads for Ideas initiative.
8. The visit provided opportunities for exchanging ideas, experiences and skills and for building new networks and partnerships with the new member countries. During their stay they visited leading institutions and businesses, including Cardiff University's Geo-Environmental Research Centre, the Millennium Coastal Park, the University of Glamorgan and the Swansea Technium. I was delighted to open the event, which included sessions by Wales Trade International, the Environment Agency and the Welsh Development Agency and to host a dinner for the participants at Cardiff Castle.
9. I opened the new office of the Mid Wales Energy Agency in Aberyswyth. This new office represents the expansion and progress of the MWEA, previously Powys Energy Agency, in promoting energy efficiency and renewable energy in the mid Wales area. The day also included presentations and workshops on renewable energy and I took the opportunity to confirm my support of the agency's activities in helping Wales work towards its sustainable development objectives.

Wales in the World

10. On 28 September, I hosted a dinner in honour of The Hon David Campbell MP, Minister for Regional Development and Minister for Small Businesses of the New South Wales Government. He visited Wales as part of a UK wide study tour looking at Economic Development and particularly the regeneration of former industrial areas such as Cardiff Bay and the Rhondda. New South Wales is a coal mining and steel producing area.
11. Mr Campbell met representatives from the WDA; Cardiff Harbour Authority; Rhondda Heritage Park; Economic Policy Division, Assembly Government; WTB; Wales Millennium Centre; WalesTrade International and the Millennium Stadium amongst others. Wales has a Memorandum of understanding (MOU) with New South Wales to promote co-operation. This visit follows the re-affirmation of the MOU by the First Minister when he led a trade mission to

Australia last November.

12. Visit to USA - I will be visiting the USA during the last week of October. The purpose of the visit is to further strengthen links between Wales and the Greater Philadelphia Region. This includes my attendance at the British American Business Council Fall Conference, where I will address the delegates at a Welsh themed breakfast.
13. A trade mission, arranged by WalesTrade International, will be in the region at the same time and I shall be meeting the participating companies. I will then move on to the West Coast, where I will be undertaking a series of key inward investment meetings in Seattle, San Diego and Los Angeles. These will include meetings with both existing and potential investors.

Improving Transport

14. Walking and Cycling Strategy - I have agreed to the establishment of a Walking and Cycling Forum for Wales chaired by my Deputy, Dr Brian Gibbons AM. This will assist in joining up the various aspects of work relating to commuting, leisure, exercise, fitness and tourism initiatives undertaken by the Assembly Government and its partners. The first meeting of the Forum is arranged for 24 November.
15. My officials have been in contact with other Assembly Government Divisions (Sports, Health Promotion, Environment) about linking this strategy and other transport policy programmes into their activities. Officials have also met Sustrans and Living Streets to discuss this approach.
16. New Train Services - I participated in a launch ceremony for Virgin Trains new direct weekday London to North Wales train service on 27 September. And then on 3 October, I was delighted to launch the first train under the new winter Sunday service on the Heart of Wales line, which I am funding over the next three years, in a ceremony at Swansea station.
17. Anti-Drink Drive Campaign - The four Welsh Police Forces launched an anti-drink and drive enforcement campaign over the period 6–20 July. They report that during the campaign over 50% more motorists were stopped compared to the previous summer campaign (2003). Throughout Wales 4,669 motorists were tested, of which 328 proved positive or failed/refused to provide a sample. This is 7% of the total, with no change in this percentage for the last 3 years. There was an increase in the number of motorists who proved positive at a scene of a collision. There were 61 road collisions across Wales where alcohol was a known contributory factor. This is an increase of over 40% on the previous year.
18. The Assembly Government supported the campaign by placing poster adverts in washrooms in pubs and clubs at coastal and holiday locations throughout Wales. These reminded the public that the Police would be out enforcing the don't drink and drive message. The campaign was also supplemented by anti drink driving messages being flashed above the M4 and A55.

Job News

Gains

- Office for National Statistics, Newport - Following on from the Lyons Review, it has been

announced that 600 London based statisticians jobs are to come to Newport. The Office for National Statistics already has a major complex at its Business Statistics Office in Cardiff Road, Newport.

- ING Direct, Cardiff is to create over 300 new jobs in Cardiff with the opening of their new call centre at Callaghan Square. The investment has been backed by an RSA grant. The company was also aided in selecting the location by a team from the Assembly Government and the WDA.
- Overall Aerospace, Llanelli has announced that it expects to create 53 full time jobs over the next 13 months. The company specialises in manufacturing food preparation and storage galleys for aircraft, and has received an RSA offer of £200,000. It is located at the former BE Aerospace site and has taken on staff who were made redundant when the operation closed.
- DeepStream Technologies, Bangor has announced it plans to create 120 skilled jobs manufacturing miniaturised 3D sensors. RSA of £1.2m has been offered to a project that will cost £10m over 5 years.
- The Evan-Evans Brewery, Llandeilo aims to create 40 jobs in Llandeilo with the opening of a new brewery, assisted with RSA. Simon Buckley also plans to open a visitor centre and pub on the same site.

Losses

- Chubb, Ferndale formally announced the closure of its Ferndale operation on 1 October, with the loss of 154 jobs. Every effort was made by the Assembly Government and WDA to safeguard the future of the Ferndale operation. Unfortunately, Ferndale simply could not compete with the manufacturing costs associated with a new operation in China. I understand Chubb is very satisfied with the support it received from both the Assembly and WDA. Manufacture at Ferndale will cease in Autumn 2005. (News of likely closure was originally reported to EDTC on 7 July)
- Panasonic, Pentwyn has now issued redundancy notices to 480 workers, a consequence of the formal decision to transfer colour tv and set-top box production to its sister plant in the Czech Republic. When the original announcement was made in January 2004, 600 jobs were under threat. The Assembly Government and WDA are actively working with Panasonic to safeguard the future of the plant. (Originally reported to EDTC on 25 February)

Action Outstanding from EDT 28 January 2004

EDT Minister to keep the Committee fully informed on the work of the Cabinet sub-group set up to look at Childcare issues (Item 2.13)

Up-date on the Childcare Working Group

Meetings

Since the establishment of the Group in January this year, 7 meetings have been held to date. The Group

has received presentations on and has so far discussed the following issues:

- The Needs and Rights of the Child
- The Foundation Phase
- Regulation Policy and the operational role of the Care Standards Inspectorate for Wales
- Action to Build, Train and Develop the Workforce
- Training and Qualifications in Early Years and Childcare
- Business Support and Childcare Enterprises
- Using European Structural Funds to Increase Childcare Provision in Wales
- Views from Caerphilly Parent Focus Group.
- Tax credits/Sure Start consultation in England on extension to Home Childcarer Scheme/ implications for Wales.
- Childcare and the needs of children and families from ethnic minority backgrounds.
- Factors affecting the development of good quality, affordable and accessible childcare in rural areas.
- Community Focussed Schools

Interim Report

The Group's Interim Report was the subject of a statement in Plenary on Wednesday 7 July. Public consultation on the report was launched on that date with the consultation period running until 30 September 2004. The consultation document is also available for completion on line on the Assembly's web site at:

<http://www.wales.gov.uk/subichildren/content/childcare-e.htm>

<http://www.cymru.gov.uk/subichildren/content/childcare-w.htm>

The Assembly Government has contracted with the Daycare Trust to provide support by drafting both the interim and final reports, including the review of the preliminary meetings and the collation of existing written sources on childcare and best practice. This will enable the reports to have an internal consistency, and will provide re-assurance that the group's reporting deadlines may be met. The Daycare Trust is well known across the UK for its championing of childcare, though this is the first time that they have undertaken work in Wales.

The interim report is in the nature of a stock take of the issues covered by the Group's terms of reference. It invites consultees to comment on some of the key issues for childcare currently, in order to provide a basis for the Group to develop recommendations in the autumn.

Childcare Symposium

The Assembly Government is hosting a childcare symposium on Thursday 23 September in Cardiff, for members of the Childcare Working Group and other stakeholders. The purpose of the event is to provide

an information day for the Group to broaden their knowledge and illustrate examples of best practice. The programme for the event includes speakers with strong UK-wide credibility, covering the following aspects:

- Aspirations for universal childcare
- Assessing the impact of childcare upon children's development
- International perspective of childcare development
- Integrating childcare with early years education, play and family support
- Group work around the question "Do we need bricks and mortar buildings to integrate services?"

Development of the Group's Final Report

Monthly meetings of the Group will continue till December. The October meeting will take the form of an evidence taking session to further inform the Group's knowledge of the issues. At this stage, the Group will also be in a position to consider the responses to the consultation on the interim report. This information will assist the development of the Group's final report, which will be the subject of a debate in Plenary in February 2005.

Action Outstanding from EDT2 13-04, 22 September 2004

Economic Development and Transport Minister agreed to provide more information on the Watchkeeper UAV project (Item 2.2)

The multi-million pound WATCHKEEPER (UAV) programme, will provide surveillance and reconnaissance on the future battlefield. The New Chapter of the Strategic Defence Review, published in 2002 highlighted the key part that UAVs will play in contributing to network enabled capability, in order to improve the ability to find, identify and act decisively against the enemy. UAVs will be linked with 'strike' systems, including artillery, army attack helicopters or ground attack aircraft.

WATCHKEEPER is planned to be in service for 30 years, with an initial operating capability in 2006. The WATCHKEEPER programme will be complemented by the Joint Service UAV Experimentation Programme (JUEP), which will assess the wider operational use of UAVs in the tri-service battle environment.

The Secretary of State for Defence announced at the Farnborough Air Show on 20 July 2004 that Thales Defence Ltd is the preferred bidder for the WATCHKEEPER Demonstration and Manufacture Phase. Thales is establishing a JV company with Elbit Systems in Leicester to manufacture tactical UAV sub-systems to supply WATCHKEEPER and has indicated its interest in undertaking flight-testing and evaluation of WATCHKEEPER in Cardigan Bay.

Economic Development and Transport Minister to provide the Committee

with details of the number and frequency of meetings held and the amount of correspondence between the Assembly Government and DARA (Item 2.3)

Both the First Minister and I have met with DARA this year. Assembly officials and staff of the Welsh Development Agency involved with Project Red Dragon have had regular contact with DARA and have kept the First Minister and I fully briefed on progress.

Economic Development and Transport Minister to check the handling of publicity for the TAN 8 Consultation (Item 2.6)

The consultation documents in relation to the draft Ministerial Interim Planning Policy Statement (MIPPS) and draft Technical Advice Note 8 (TAN8) on Renewable Energy were sent out by the Assembly Government's Planning Division to around 600 selected parties, throughout Wales on 13 July 2004. The document is intended to provide guidance on national planning policy for renewable energy in support of Planning Policy Wales, as amended by the MIPPS, and technical advice on a range of renewable technologies.

The draft TAN is aimed primarily at local planning authorities, but will also be of interests to developers, government agencies, environmental groups and members of the public. It will provide an objectively developed planning framework to support development of renewable energy schemes that will facilitate developments that will help achieve our 4TWhr to 2010 renewable energy benchmark targets. The consultation is for a 12 week period, which closes on 8 October 2004.

A Joint Ministerial statement reflecting the publication of the above draft guidance was issued by the Minister for Economic Development and Transport and the Minister for Environment Planning and Countryside on 13 July 2004.

Following a number of requests received by the Assembly Government's Planning Division for a formal extension to the TAN 8 consultation period, the Minister for Environment, Planning and the Countryside has agreed to extend the consultation period for a further four weeks, to close on 5 November 2004.

Economic Development and Transport Minister to provide a note on inter-modal transport links (Item 2.7)

The Welsh Assembly Government is funding a number of transport packages that develop inter-modal transport via the Transport Grant. An example is the Holyhead Transport and Environmental package which was allocated £1.7 million of Transport Grant in 2004-05. This scheme involves the construction of pedestrian and cycle links between the rail, coach and ferry terminals and the town centre. It will also create new bus coach and taxi facilities that will facilitate the transportation of visitors to the town. When completed this scheme will enable the town to benefit more from the throughput of passengers to Ireland.

In the south-west SWWITCH are taking forward the Swansea transport package which was allocated £4.6 million in 2004-05. This package is designed to encourage modal shift and provide better access for people using public transport. It includes the redevelopment of the high street interchange to reallocate road space and improve facilities for buses, taxis and pedestrians as well as funding to procure the Quadrant Bus and allow its complete redevelopment, improving access.

Economic Development and Transport Minister to provide a breakdown of spending region by region and to question why there was no increase in Mid Wales (Item 2.8)

The Wales Tourist Board is responsible for promoting the whole of Wales to UK and overseas visitors, which of course includes Mid Wales, which is promoted on an equal basis. The Wales Tourist Board, via its UK campaign 'Wales the Big Country', promotes the whole of Wales to the UK Market. As part of this campaign people are able to request information on the 13 individual holiday areas of Wales – which includes Powys and Ceredigion in Mid Wales, as well as Snowdonia Mountains and Coast.

In addition to this, the WTB under its activity marketing banner runs campaigns on core activities – walking, cycling, biking, mountain biking, fishing, horseriding – and Mid Wales is in a strong position to make the most of visitors seeking adventure when on holiday in Wales.

The WTB works with Mid Wales Local Authorities. Powys and Ceredigion councils are both marketing areas and are full partners in WTB's response work, as are all other marketing areas. Both Ceredigion and Powys also take part in the coordinated work that WTB carries out on behalf of all Marketing Area partners. During 2003/4 Ceredigion contributed £46,000 and Powys contributed £29,000 (This contribution was helped by Objective 2 funding). Ceredigion had 25,000 responses both for the Wales and coordinated campaigns and Powys had 26,000 responses. In comparison, the maximum response was for Snowdonia at 42,000 responses.

The View of Wales Magazine cross-promotes all of the Marketing Area brochures and the following features have recently promoted Powys:

Spring /Summer 04

- Clive Mantle-cycling in Powys borderlands.
- Aled Jones visit to Brecon Jazz and National Eisteddfod in Meifod.
- Bill Bryson's trip by train through heart of Wales

Autumn Winter 04

4-page article on Sue Cook's visit to Cardigan and surrounding area.

TPMW Regional Marketing

TPMW has just completed a successful awareness raising campaign for the region. A series of advertorials was placed in prestigious lifestyle magazines such as the Sunday Times Travel Magazine and Country Walking. The advertorials featured a website link as well as a brochure request mechanism. Together the magazines had a total readership of over 345,000, ensuring excellent coverage of Mid Wales. TPMW coordinates all its regional marketing with the WTB main and partner UK Coordinated campaigns to ensure synergy and avoidance of duplication of effort.

TPMW is currently finalising a Healthy Lifestyle campaign with its PR consultants, FBA. The Campaign is designed around a healthy lifestyle, keeping fit and general wellbeing. It will target the region's priority markets of empty nesters, young actives and the affluent retired. The campaign will reinforce the message that Mid Wales is the natural and healthy location to take a short break or longer holiday, with beautiful surroundings, plenty of space and opportunities to enjoy a wide range of activities at any level. Alongside this TPMW is looking to develop a web-based activity marketing campaign in conjunction with its partners.

Economic Development and Transport Minister to provide a list of projects currently under discussion in light of an LRF under-spend (Item 2.12)

Information to be provided at a later date.

Economic Development and Transport Minister to provide an up-date on discussions he has had in relation to the café at Snowdonia (Item 2.14)

Snowdonia National Park Authority have been granted planning permission for the substantial refurbishment of the Snowdon summit building, at a cost of some £7.9m, excluding a likely trading loss claim of £1.26m from the Snowdonia Mountain Railway Company. To date, only £1.74m funding has been secured and the Park Authority is looking at substantial European Objective One funding support (nearly £4m) as well as the Heritage Lottery Fund and the Welsh Assembly Government. Ministers are of the view that the proposals as they stand are over reliant on public funds and that a more equitable private/public split is required. The Park Authority are now pursuing this, and officials are waiting to here further from them on how they are progressing this.

Economic Development and Transport Minister to provide a note on the legislative process in light of the WDA/WTB merger (Item 2.15)

Item to be provided at a later date.

Broadband Wales to provide a league table of the take up of Broadband in Wales compared to other countries, split between the private sector and other users (Item 3.6)

Item to be provided at a later date.

WEFO to provide details on the disaggregation of the 'Other Partnership' figures contained in the report, for each local partnership area as far as possible (Item 4.)

Information was provided to Members on 23 September..