

Date: 11 July 2001
Venue: Committee Room 1, National Assembly Building
Title: **WELSH DEVELOPMENT AGENCY: Draft Corporate Plan 2002-03 to 2004-05**
(A paper from the Minister for Economic Development)

Purpose and Action

1. This paper provides the Committee with background to the Welsh Development Agency's draft Corporate Plan 2002-03 to 2004-05 (attached at Annex A).
2. The Committee is invited to note and comment on the contents of the draft Plan (including its proposals for new three-year Strategic Targets).
3. WDA officials will attend the Committee meeting to present the draft Plan and field questions. They are:
 - Graham Hawker - Chief Executive; and
 - Gareth Hall – Executive Director, Strategic Planning.

Background

4. The WDA's Corporate Plan forms an important part of its planning cycle (a model of this cycle is at Annex C). This year, for the first time, the Committee is considering the draft Plan in July, rather than in the Autumn, in order to allow it to feed into the Assembly's budget planning round. It is a strategic document covering the three-year period from 2002-03 to 2004-05, and draws on the guidance set out in the Assembly's Strategic Guidance letter, issued on 21 March 2001 (a copy of which is attached at Annex B).
5. The draft Plan is NOT intended to contain detailed proposals for specific projects; rather, it is an overview of the Agency's proposed activities over the forthcoming three years. It will form the strategic base upon which the WDA's detailed Business Plan for 2002-03 will be compiled.

Strategic Targets

6. Paragraph 17 of the Strategic Guidance Letter (at Annex B) asked the WDA to include in its draft Corporate Plan proposals for three-year Strategic Targets, based on the real impact that the WDA is making on the Welsh economy.

7. The draft Plan at Annex A contains proposals for such targets (at section 6), together with a narrative of exactly how these targets will be calculated, and how success will be measured. The WDA and the Assembly's Economic Advice Division have discussed this issue and agreed the bases upon which these the targets are to be calculated.

8. The key point for members to note is that these are "net", rather than "gross", targets – i.e. allowance will be made for 'non-additional' jobs, to ensure that the WDA measures its net impact on the Welsh economy. Although the headline figures will be substantially lower than at present, I welcome the fact that the WDA is attempting to accurately measure its impact. If this is successful, the lower targets will prove at least as demanding for the WDA as the previous gross targets.

Comment

9. I am very pleased with the WDA's work in preparing this draft Plan, particularly given that we are in a period of change. The National Economic Development Strategy and the Committee's own Review of Business Support and Development Services will impact heavily on the WDA's future planning.

10. The draft Plan represents a far more strategic approach from the WDA, and I am looking forward to hearing the views of the Committee.

Compliance

11. The WDA was established by the Welsh Development Agency Act 1975 (as amended by the Government of Wales Act). Powers under that Act have been transferred to the Assembly and delegated to the Minister for Economic Development and his staff.

12. The WDA's Management Statement (section 3.5) states that the Agency will produce, every year, a three-year Corporate Plan. This is an Agency document and as such there is no requirement for the Committee (or, indeed, the Minister for Economic Development) to "approve" the draft Plan. However, the WDA will wish to hear the views of the Committee. There are no issues of regularity and propriety.

Financial Implications

13. The costs associated with the WDA's activities during this financial year will be met from within the WDA's existing budget provision. The Assembly's budget published on 29 March 2001 includes planned funding for the WDA for each of the next 3 financial years. It is these figures that have been used in the funding statement at page 10 of the draft Plan.