

WELSH DEVELOPMENT AGENCY

'Activating Business Success'

BUSINESS PLAN

2001-2002

Working Draft

February 2001

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EXECUTIVE SUMMARY

Introduction

The Agency's Corporate Plan for 2001/2003 'A New Economy for Wales' sets out the Strategic Priorities of the Welsh Development Agency (the Agency): increasing participation, increasing added value, encouraging entrepreneurship and creating internationally focused businesses, or internationalisation.

This Business Plan consolidates and provides a strategic outline of all planned programme activity by the Agency in the period 1 April 2001 to 31 March 2002. It has been prepared following consultation on the Corporate Plan with Agency partners and with support and advice from the Assembly's Economic Policy Division and other officials.

Notwithstanding the above, the Plan has been prepared against the background of continuing uncertainties due to:

- the review of the provision of business support and development services across Wales;
- the preparation of the National Economic Development Strategy;
- the Quinquennial Review of the Agency;

all of which are being undertaken by the National Assembly and are scheduled for completion during the Plan year.

The details provided within the Business Plan constitute the formal submission by the Agency to the Minister for Economic Development for approval to implement the 2001/2002 Programmes in accordance with section 1(14) of the Welsh Development Agency Act 1975, as amended and enlarged under the Government of Wales Act 1998, and as required by the Management Statement.

The application of resources has been focused and prioritised to meet the objectives of the Corporate Plan. This requires the development of a comprehensively applied knowledge base in Wales with individuals and firms that take maximum advantage of e-business; focusing on businesses that grow by competing successfully in global markets and creating an attractive environment for new investment through strategic area development and the application of sustainability.

During the lifetime of the Plan, all Wales action plans will be put in place for developing the knowledge base and encouraging e-business. Operational programmes will focus on supporting business in Wales, attracting business into Wales and strategic area development.

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Key Actions

During the lifetime of the Business Plan the Agency proposes to achieve the following:

- Create and safeguard 23,000 jobs of which 16,000 will be in West Wales and the Valleys.
- With the support of an additional £1m for inward investment, develop a major strategic programme for attracting high added value investment to Wales with the potential to create an additional 3,000 jobs in 2002/03.
- Play a full and supporting role in the operation of European Structural funds.
- Maximise the application of Objective One funds to support the development of strategic employment sites, increasing levels of innovation and technology, and encouraging the application of e-business consistent with the Agency's strategic priorities.
- Support the continued creation of high value added clusters in Wales through the rationalisation of business support programmes to develop key sectors, encourage greater links between business and the Higher Education sector, increase levels of industrial Research & Development and begin to implement a Wales wide network of innovation centres.
- Commence the implementation the Entrepreneurship Action Plan.
- Undertake the smooth transition of 'E' from the TECs, including the development of a Business Birth-rate strategy for Wales.
- Publish the Agency's sustainable development policy 'Learning to Work Differently' and build on the Agency's existing exemplar position to ensure that sustainable development becomes embedded in all of its activities.
- Introduce new performance measures and evaluation mechanisms.

Summary of Outputs

Jobs supported 23,000

PSI secured £543m

Land reclaimed 158 ha

Land sales £37m

New Business start-ups 2,600

Business opportunities £170m

Business secured £52m

Funding secured for business £6m

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Additional Outputs

Jobs PSI

West Wales & Valleys 16,100 £380m

East Wales 6,900 £163m

Budgets

The availability of European Structural Funding, dedicated to improving the Welsh economy, plus the WDA's own revenue raising activities, provide the potential to substantially increase the level and scope of the Agency's activities to increase prosperity across Wales. The ambitious proposals of the Agency will require total funding of some £273m, building on the initial £132m of Grant-in-Aid core funding, supplemented by additional match funding from the National Assembly which will allow access to European Structural Fund monies. The successful implementation of this Business Plan will be wholly dependent on accessing match funding, obtaining approval for European projects, and efficient cash flow management, including the prompt processing of claims for expenditure.

The charts below show:

- *The Operational Budget Summary by Corporate Programme*
- *Funding Statement indicating the source of finance to underpin the Plan*
- *The estimated balance between committed and uncommitted funds for 2001/2002*



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INDICATIVE

COMMITTED / UNCOMMITTED FUNDS



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