

**Date:** 22 May 2002  
**Time:** 14:00 to 17:30  
**Venue:** Committee Room 1, National Assembly for Wales, Cardiff Bay  
**Title :** END YEAR OUTTURN

**Purpose**

1. To inform the Committee of progress made during 2001-02 and expenditure on programmes funded by the Economic Development MEG.

**Summary**

2. The paper reports on progress for all programmes funded by the Economic Development MEG except the Structural Funds, for which the Committee receives separate reports on a regular basis.

3. Original provision was £411m, and we have spent £444.4m, an additional £33.4m against the provision at the start of the year (8.1%).

4. This year has seen a record number of offers for RSA and the numbers of jobs and level of investment from projects supported by RSA, the WDA and the WTB are forecast to be significantly higher than in 2000-01. The paper also gives information on the achievements of WalesTrade International and the programmes that support innovation, and lists the key achievements in 2001-02 towards the goals set out in A Winning Wales.

5. Details are in the attached Annex.

**Timing**

5. This information may assist the Committee prior to the forthcoming discussion of budget priorities for future years.

**Action for the Committee**

6. The Committee is invited:

- To note the achievements in 2001-02 in programmes that are funded by the Economic Development MEG

- To use this information to inform the discussion of budget priorities for future years
- To note that detailed information on end year outturn for the WDA, the WTB and RSA will be provided at future meetings

## Contact Point

### 7. EDD Business Unit ICM3

## Annex

### ECONOMIC DEVELOPMENT DEPARTMENT: KEY ACHIEVEMENTS IN 2001-02

#### Investment projects announced include:

<b>Project</b>	<b>Location</b>	<b>Jobs</b>
ASA Creditsafe	Caerphilly	60 n
Borg Warner Automotive Ltd	Maesteg	199 s/g
BT Ignite	Cardiff Bay	200 n
Calsonic	Llanelli	800 s/g
Conduit/ 118 European call centre	Cardiff	250 n
Continental Teves Ltd	Ebbw Vale	116 n
CW Cosmetics Ltd	Maesteg	425 s/g, 150 n
Desklink Ltd	Tredegar	75 n
Elev 8	Ammanford	200 n
Euro DPC	Llanberis	30 n
Faurecia Automotive Seating Ltd	Deeside	240 n
General Dynamics (UK) Ltd	Oakdale	400 n
Griffin Windows Ltd	Treorchy	131 n
International Rectifier	Newport	260 n
Legal and General Financial Services	Cardiff	400 n
Mollertech UK Ltd	Cwmfelinfach	110 n
Pachem Gmbh	Rhyl	50 n
The Book People	Bangor	200 n
The Pension Service	Swansea	500 n

n- new jobs

s/g – safeguarded jobs

## End Year Outputs

## Regional Selective Assistance

Offers made	270
Value of offers	£143.3m
Associated investment	£624m
Jobs created	9,189
Jobs safeguarded	3,984
<b>Total jobs created/safeguarded</b>	<b>13,173</b>

## Welsh Development Agency

	Target	Actual at half year	Forecast out-turn
Total jobs supported	24,300	12,603	26,249
Private Sector investment	£538.6m	£246.8m	£556m
Objective One – total jobs supported	16,300	7,880	18,400
Objective One – Private sector investment	£264.5m	£112m	£374m
Inward investment - Jobs supported	8,500	3,996	10,500
Inward investment – Private Sector investment	£250m	£152.3m	£385.6m
Inward investment - jobs supported in Objective One area	5,000	2,494	8,000
Inward investment Private Sector investment Objective One area	£100m	£83.5m	£197.6m

## Wales Tourist Board

Job Target from remit letter	500
Jobs created	641
Jobs safeguarded	422
<b>Total jobs created/safeguarded</b>	<b>1063</b>

## SMART Wales

Offers made	131
Value of offers	£4.8m

## Finance Wales

Businesses assisted	210
Start ups	27
Private sector leverage	£21.6m

Jobs created	1,200
Jobs safeguarded	721

## **WalesTrade International**

Business deals secured (target £39m)	£62m
Business opportunities created (target £405m)	£483m
Companies based in Wales helped to begin exporting	27

## **Innovation Support Services**

- Innovation Technology Counselling Service - 1,541 new contacts were made; 1,533 repeat visits were dealt with and 797 projects were undertaken.
- Design Wales – Undertook 669 company visits and a number of high quality seminars were developed and held throughout Wales. Four specialist Design Counsellors were recruited on short-term secondments to provide advice in the areas of eco-design; fashion and textiles; the wood and timber industry; and web design.
- Inside Welsh Industry – 80 visits were undertaken.
- Know-How Wales – undertook 751 technical queries. 74 industrial/academic links were created. A College Business Partnership mentoring scheme was developed with Knowledge Exploitation Fund support. 28 HE/FE events were supported.

## **Cymru Prosper Wales**

Student placements (target 325)	247
Graduate placements(target 375)	322

## **Key Achievements**

### **A Winning Wales**

- Strategy approved in Plenary on 13 December.
- Implementation already underway, with Team Wales Project Group established.

### **Encouraging innovation**

- Centres of Excellence programme launched in September 2001
- Secured funding and agreement to Regional Centre of Manufacturing Excellence and Genetics Knowledge Park for Wales
- Secured funding for launch of Technology Commercialisation Centre
- Established a new materials R&D centre at Port Talbot in conjunction with Corus
- Launched programme of Inventors Clubs and new Innovation Credits scheme

### **Encouraging entrepreneurship\_**

- Developed and launched new all Wales Assembly Investment Grant to support investment by SMEs
- Funding secured for 2002-03 and future years to implement Business Birth Rate Strategy

### **Promoting ICT**

- Telehouse in Wales - RSA application from BT / Ignite announced October 2001
- @TEB Objective One project approved February 2002
- Launch of Opportunity Wales
- Funding secured for continuation of ICT advice centres across Wales
- £18.4m in-year funding secured to begin roll out of broadband to the public sector and launch Life-long Learning Network

### **Supporting businesses**

- Business Support Review - Implementation plan agreed
- Finance Wales – Objective One project launched in November 2001
- Wales Social Partners Unit - Established September 2001, Unit became operational Feb 2002
- SMART Wales innovation grant scheme transferred to WDA

## **Setting a fresh direction**

- Carbon Trust Wales formally launched in Wales on 9 October 2001.
- Wales a major contributor in the development of the Carbon Trust UK Business Plan.
- 362 companies with Environmental management Systems (exceeds target of 350).
- Highly successful Business & Environment conference on 9-10 October attracting prominent speakers and over 700 delegates.
- Welsh bid for a Regional Programme of Innovative Actions was submitted to the EC in May 2001 and approved at the end of 2001 for launch on 1 January 2002.

## **Establishing Wales in the World**

- Wales World Nation Project
- Phase 2 Communications Package delivered, including development of a web-site in 4 languages, a CD-Rom photo library and a general information pack.
- Phase 3 well underway – development of a coherent strategy to Brand Wales.
- EC Agreement on Urban II and Interreg IIIB - Urban II programme for Wrexham agreed in December and handed over to WEFO. Interreg IIIB was approved in March.
- International Trade Strategy – Developed in 2001-02 and due to go to consultation shortly

## **Creating strong communities**

- Corus Regeneration Package
- South East Wales Regeneration Framework substantially complete.
- "Anniversary" package unveiled on 31 January – widely welcomed as an appropriate, well thought through response reflecting well on the Assembly and its partners.
- WDA have accelerated development of business and industrial premises in South East Wales, with potential to accommodate thousands of jobs.
- New £100,000 UK Steel Enterprise Kick-Start Fund, to help small businesses get off the ground, launched in Blaenau Gwent.

## Supporting Rural Wales

- Foot and Mouth
- Positive response from the Assembly in the wake of the crisis.
- Rural Recovery Package announced.
- Additional funding secured for development of tourism, which together with the increase in the baseline from 2000-01 represents a 45% increase in spending. On top of this, Objective 1 projects for tourism were approved and began implementation in 2001-02.
- New Assembly Investment Grant available across Wales, including rural areas

## Research

- Agreement reached on setting up of Economic Research Advisory Panel to oversee implementation of new economic research programme. Panel appointed April 2002.

## Budget Outturn for 2001-02

- Figures for the expenditure at the end of 2001-02 are show in the attached table. In 2001-02, expenditure was managed at MEG level by EDD. This included taking account of expenditure on ICT and by WEFO.
- Original provision was £411m, and we have spent £444.4m, an additional £33.4m against the provision at the start of the year (8.1%). This represents a much-improved performance on last year, mainly due to having the flexibility to manage expenditure at MEG level.
- An additional £44.4m was allocated to the MEG in December - £18.4m for ICT, £9m for Rural Recovery and £17m for WEFO. Along with some transfers out of the MEG, this produced a net addition of just under £42m with overall provision at £454.1m. A subsequent transfer out of the MEG of just under £0.5m in March gave a final total provision of £453.6m.

£000's

**ECONOMIC DEVELOPMENT MEG**

**Original  
Provision**

**Adjusted  
Provision**

**FINAL  
OUTTURN**

<b>ICT Advice Infrastructure</b>	0	19,400	3,989
<b>Other Economic Development <sup>(1)</sup></b>	520	600	430
<b>Pathway to Prosperity Fund</b>	29,143	13,759	13,661
<b>Rural Recovery Plan</b>	0	8,650	8,616
<b>RSA &amp; Other Business Support</b>	58,775	66,804	64,983
<b>Wales Tourist Board</b>	20,086	24,566	23,840
<b>Welsh Development Agency</b>	149,231	157,137	161,226
<b>WEFO – European Funding</b>	135,239	145,294	155,999
<b>Cardiff Bay Development Corporation</b>	18,019	17,369	11,677
<b>TOTAL</b>	<b>411,013</b>	<b>453,579</b>	<b>444,421</b>

(1) Does not include Labour Force Survey budget of £871k, which was transferred out of the MEG early in the year.