



**DRAFT**

**WELSH DEVELOPMENT AGENCY  
Review of Performance  
to 31st August 2002**

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1. Financial Summary

## **1. INTRODUCTION**

The Agency's planning cycle commences with the annual Remit Letter from the Economic Development Minister which was considered by the Economic Development Committee in January 2002. This letter sets out the context, key priorities, budgets and targets for the Agency for the following three years.

The Agency's Corporate Plan 2002/2005 which builds on this was considered by the Committee in July 2001. The Corporate Plan provides the framework for the Agency's detailed activities, their outputs and funding sources. This year's Operational Plan, i.e. 2002/2003 was presented to the Committee on 20 March 2002.

This review covers the Agency's performance against the priorities and targets set out in the Remit Letter for the first five months of this Financial Year, i.e. up to 31 August 2002.

When the Agency last attended the Committee in July, this was to discuss our Corporate Plan which covers the three year period from April 2003, and our performance over the financial year 2001-2002. This report relates to the priorities, budgets and targets set by the Assembly for this year's Business Plan (2002-2003)

## 2. OVERVIEW OF PERFORMANCE

### 2.1 OVERVIEW OF PERFORMANCE

- The Agency has an All-Wales remit to play a full role in contributing to the priorities and targets of the Welsh Assembly Government outlines in ‘A Winning Wales’. We aim to achieve this through the delivery of solutions which meet the needs of our customers drawn from new and existing businesses, individuals and communities across Wales. These solutions draw on the support of partners in the public, private and voluntary sectors.
- The Agency has been set a number of strategic and operational targets for the current financial year in the Remit Letter issued by the Welsh Assembly Government. Our performance to date and forecasts for the year are set out in detail in this report. The Agency aims to meet or exceed all of its’ strategic targets.
- We are on track to marginally exceed our jobs created and safeguarded targets. These are not net figures as details of total jobs numbers are not yet available.
- There is an increasing trend for new jobs in Wales to be of a smaller scale but of an increasing quality. This reflects the shift to a knowledge economy, increased support for SMEs and targeting investment in key growth sectors in Wales and from overseas.
- There is also evidence of the Entrepreneurship Action Plan bearing fruit, which we propose to reinforce through a Business Birthrate Strategy.
- Finance Wales has accessed substantial funding from Europe and the private sector. This has facilitated a significant number of equity, mezzanine and debt deals, however there has been a low take up of Finance Wales micro-loans. The demand for this latter facility appears to have been displaced by the introduction of grants together with family loans, credit etc.
- Agency expenditure to date is slightly below profile, which is skewed to the second half of the Financial year. We forecast a full spend of Grant-in-Aid and other funding sources, particularly EU Structural Funds, the draw down of which is being closely monitored.
- We have undertaken a comprehensive review of our strategic employment sites and are developing, with partners, a portfolio of premises which meet the needs of businesses in Wales from SME units to incubator space with on-site support to sector specific premises.

## 2. OVERVIEW OF PERFORMANCE

### 2.2 STRATEGIC OUTCOMES SUMMARY

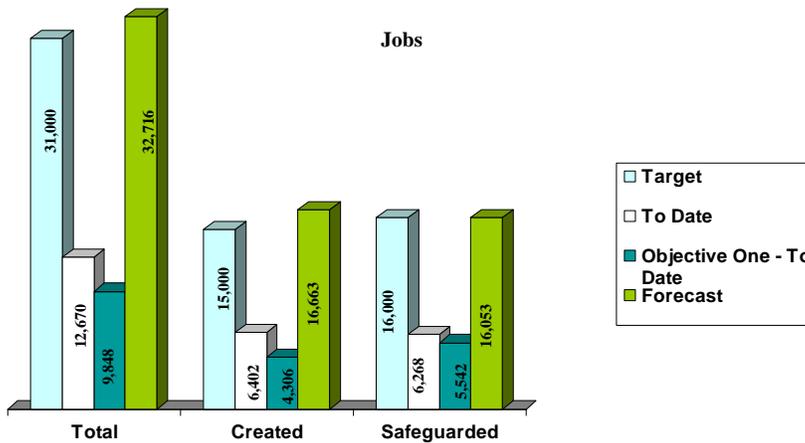
	Jobs Created			Jobs Safeguarded			PSI			New Starts		
	Original	Actual	Reforecast	Original	Actual	Reforecast	Original	Actual	Reforecast	Original	Actual	Reforecast
<b>Support For Businesses</b>												
General Support	4,500	1,268	4,751	3,500	1,355	4,337	14,000	14,925	23,527	2,000	1,265	2,606
Specialist Support	9,000	3,943	8,783	9,500	4,870	11,216	475,000	229,420	691,923	240	29	171
Business Infrastructure	50	5	132	200	15	31	55,000	81	36,781	-	-	-
<b>Support For Communities</b>	1,000	32	1,157	1,000	28	1,629	26,000	27,924	35,813	-	-	-
<b>Support For Individuals</b>	450	1,136	1,840	1,800	0	0	50,000	17,810	51,112	1,760	731	1,223
<b>Total Programme</b>	<b>15,000</b>	<b>6,384</b>	<b>16,663</b>	<b>16,000</b>	<b>6,268</b>	<b>17,213</b>	<b>620,000</b>	<b>290,160</b>	<b>839,156</b>	<b>4,000</b>	<b>2,025</b>	<b>4,000</b>
<b>West Wales and Valleys</b>	10,500	4,306	11,600	11,200	5,542	12,000	434,000	161,297	490,000	2,800	1,292	2,800

## 2. OVERVIEW OF PERFORMANCE

### 2.3 STRATEGIC AND OPERATIONAL TARGETS CHARTS

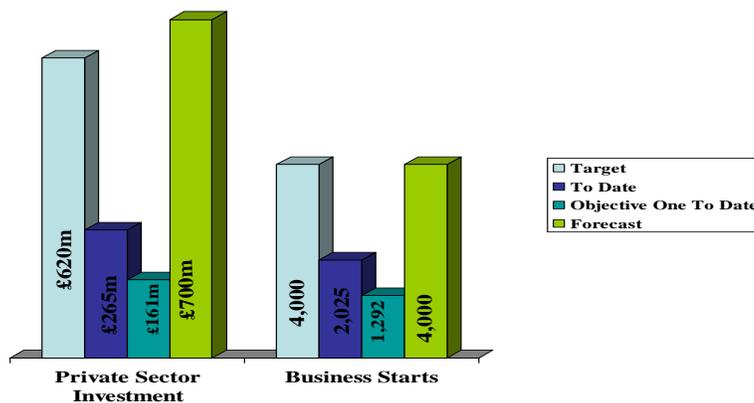
#### A) STRATEGIC TARGETS

**TARGETS & PERFORMANCE FOR 5 MONTH PERIOD TO END OF AUGUST 2002**



- Of the total to date, Inward Investment accounts for 2,145 new jobs and 3,263 safeguarded
- Total to date in West Wales & Valleys (Obj.1 area) is 9,848, i.e. 77% of total

**TARGETS & PERFORMANCE FOR 5 MONTH PERIOD TO END OF AUGUST 2002**



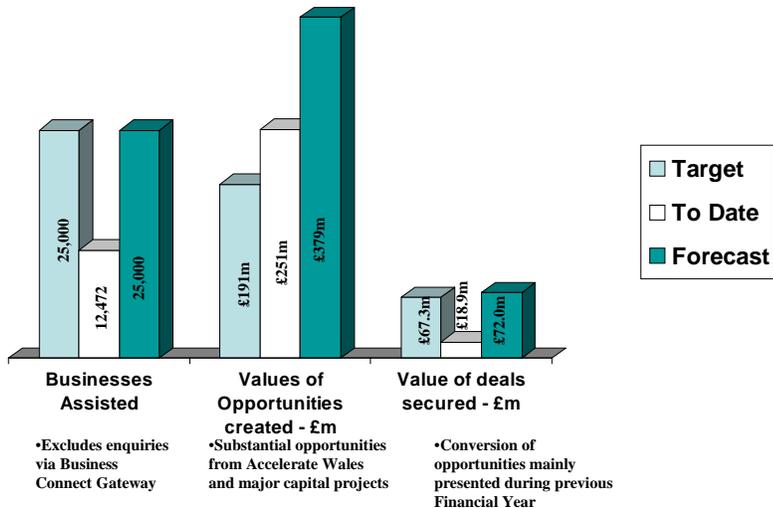
- Major investments include General Dynamics at Oakdale and BT Ignite in Cardiff Bay
- Entrepreneurship Action Plan beginning to reap dividends. Objective One Approval for Business Birthrate Strategy imminent
- Low take up of Finance Wales ( FW) Support for Start Ups compared with growth of existing businesses. FW staff now located in Regional offices promoting their services with key local intermediaries.

## 2. OVERVIEW OF PERFORMANCE

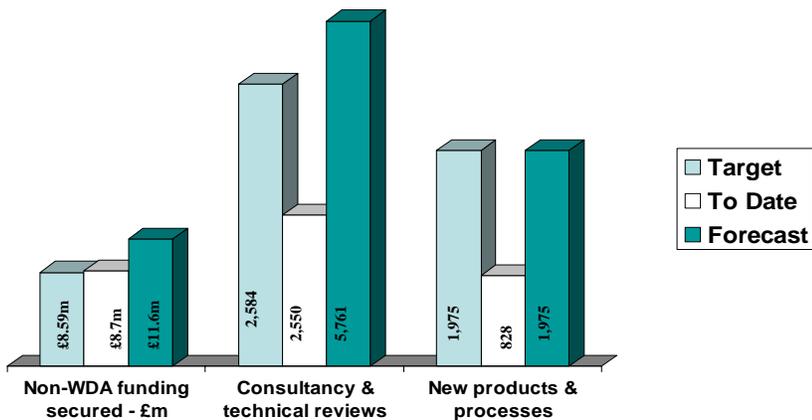
### 2.3 STRATEGIC AND OPERATIONAL TARGETS CHARTS

#### B) OPERATIONAL TARGETS

**TARGETS AND PERFORMANCE FOR 5 MONTH PERIOD TO END OF AUGUST 2002**



**TARGETS AND PERFORMANCE FOR 5 MONTH PERIOD TO END OF AUGUST 2002**



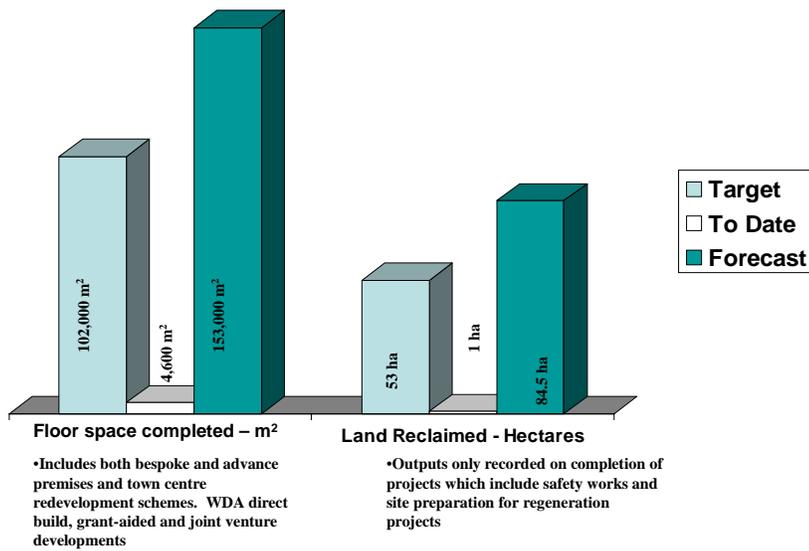
•Outputs from Innovation and Technology activities and Account Managers with wide product/support knowledge working closely with clients

## 2. OVERVIEW OF PERFORMANCE

### 2.3 STRATEGIC AND OPERATIONAL TARGETS CHARTS

#### B) OPERATIONAL TARGETS (Continued)

**TARGETS AND PERFORMANCE FOR 5 MONTH PERIOD TO END OF AUGUST 2002**



## 2. OVERVIEW OF PERFORMANCE

### 2.4 OPERATIONAL TARGETS DETAILED PERFORMANCE ACHIEVEMENTS

The activities and performance of the Agency are detailed below following the headings in the approved Business Plan.

#### 1.1 GENERAL BUSINESS SUPPORT

##### Objectives

Provision of high quality, impartial business advice and information; supporting companies through the Business Connect Gateway, enabling large numbers of new and small businesses to grow.

Outputs	Target	Actual y.t.d	Forecast out-turn
Businesses Assisted (1)	8,200	3,071	8,260
Diagnostic reviews (2)	4,000		
New businesses established (3)	2,000	1,265	2,847
Value of new business opportunities (4)	£6.7 m	£8.8m	£14m
Value of new business secured (5)	£1.6 m	£1.08m	£1.6m

- 1. Excludes 11,292 enquiries handled by Gateway National Call centre, but includes referrals to WDA*
- 2. Reclassified under Specialist support technology reviews*
- 3. Increase in forecast outturn due to success of Enterprise functions transferred from TECs*
- 4. Increase in forecast due to reclassification of some outputs from Supply Chains & Networks programme as general business to business*
- 5. Majority increase of business secured from opportunities realised from the previous financial year.*

## 1.2 SPECIALIST SUPPORT FOR TECHNOLOGY AND INNOVATION, e-COMMERCE AND SECTOR GROWTH

### Objectives

Delivering specialist support to businesses, focussing on sectors of key strategic importance in the Welsh economy at national and regional level. Encouraging the establishment of sector fora, providing market intelligence and tailored programmes of advice on new markets and productivity improvements and integrating the voice of the industry into mainstream Agency strategy when designing products and services.

### 1.2.1 Supply chain development

Supporting companies in supply chains to access lean manufacturing methodologies and other efficiency programmes. Increasing the value of business opportunities available to Welsh businesses.

Outputs	Target	Actual y.t.d	Forecast out-turn
Businesses assisted	1,200	843	1,200
Value of new business opportunities secured (1)	£101 m	£238.3m	£294m
Value of new business secured	£41 m	£17.1m	£46.8m

*1. Over £160 million potential supply chain opportunities from GE Power investment on Deeside; continuing success of Accelerate Wales*

### 1.2.2 Innovation and technology programmes

Helping organisations launch new products and processes; helping to create spin-outs companies from education and research institutions; assisting organisations to facilitate the commercialisation of research, and securing investment funding for research and development.

Outputs	Target	Actual y.t.d	Forecast out-turn
Businesses assisted (1)	5,000	1,902	4,235
New products/processes introduced	1,450	828	1,449
R&D investment secured	£5.5	£3.4	£5.5
Technology reviews	1,620	817	1,656

### 1.2.2 Innovation and technology programmes

1. Following the transfer from the former TECs the definition of businesses assisted has been rebased to reflect higher levels of support. This rebasing is reflected in a reduction in the forecast outturn.

### 1.2.3 Finance Wales

Providing SMEs with equity and loan finance to support viable projects and supporting the creation of new business starts. Finance Wales plc has successfully secured £45 million of ERDF and private sector funding for new equity, mezzanine and loan funds for the Objective 1 areas of Wales. An application of £9.7 million has been made for Objective 2 funds, will give FW plc access to £39 million of funds for the support of businesses in the assisted area.

Outputs	Target	Actual y.t.d	Forecast out-turn
Business assisted (1)	800	124	615
New business starts (2)	150	18	76

1. The forecast take-up of the newly introduced micro loans fund (1,000-10,000k) has been over optimistic.
2. Similarly the number of new business starts has been lower than expected, apart from technology based spin-outs.

### 1.2.4 Information society and media development programmes

Promoting the benefits of ICT applications to business; helping companies to market and carry out transactions on-line and re-engineering their business to increase competitive advantage through web based technologies.

Outputs	Target	Actual y.t.d	Forecast out-turn
Businesses assisted	1,100	587	1,100
Technology reviews carried out (1)	900	1,425	3,500

1. Original estimates of the impact of the ICT Centres network were conservative. Take up of services has accelerated, and is reflected in the forecast outturn.

### 1.2.5 Agri-Food programmes

Supporting and developing businesses in the Agri-Food sector, implementing the Rural Recovery Plan including Farming Connect, Agri-Food marketing and Farm Diversification.

#### Outputs

<b>Outputs</b>	<b>Target</b>	<b>Actual y.t.d</b>	<b>Forecast out-turn</b>
Businesses assisted (1)	5,000	1,954	5,429
Value of new business opportunities secured (2)	£64m	£4.2m	£64m
Value of new business secured (3)	£22 m	£0.7m	£22m

*1. Numbers of businesses assisted now includes those supported through the RRP and farming Connect.*

*2/3 Value of opportunity and deals will increase following the Food exhibition and events programme during the autumn and winter season.*

### 1.2.6 Specialist premises

Developing suitable premises for SMEs such as the Technium network of incubators and facilities for spin-out companies from academia, and bespoke premises for new inward investors and expansion of existing business.

#### Outputs

<b>Outputs</b>	<b>Target</b>	<b>Actual y.t.d</b>	<b>Forecast out-turn</b>
Specialist advance premises floorspace (1)	26,500 sq. m	954 sq. m	16,575 sq. m
Bespoke premises floorspace (2)	28,500 sq. m	1,585 sq. m	64,227 sq. m

*1. Most projects will be scored on completion in the latter half of the year  
Reduction in forecast due to delayed approvals for Technium II/AutoTechnium*

*2. Significant increase in bespoke forecast relates to a number of major projects being brought forward e.g. Book People.*

### 1.3 Business infrastructure

#### Objectives

Addressing the shortage of suitable sites and premises for competitive businesses where private sector provision is inadequate or absent and ensuring the availability of world class communications networks.

#### Activities

Supporting the provision of all-Wales Broadband wholesaling initiative in partnership with Cymru Arlein; Creating advanced commercial and industrial floorspace for companies in Wales, to stimulate businesses to locate in specific locations; preparing serviced land to ensure the future development of advance and bespoke premises in support of business. Land Division services make land available for the development of employment sites across Wales.

#### Outputs

Outputs	Target	Actual y.t.d	Forecast out-turn
Businesses assisted (1)	200	0	200
Advance floorspace created (2)	22,000 sq. m	0	16,752 sq. m
Employment land generated (3)	20 ha	0.2 ha	10 ha
Potential jobs supported (4)	1,500	0	1,151

1. *Forecast support for companies from the Broadband project still under development.*
2. *Advance floorspace projects delayed awaiting Objective One approvals*
- 3/4 *Employment land sites sales deferred to next year including Brocastle (awaiting EU funding approvals) and Brackla; Risca site now designated for housing.*

### 1.4 SUPPORT FOR COMMUNITIES

#### Objectives

Developing holistic community regeneration plans in long term partnership with local authorities and others, including support for Communities First.

## 1.4 SUPPORT FOR COMMUNITIES

### Activities

Undertaking the reclamation of land, urban and rural renewal projects including Town Improvement Grants, Regeneration Investment Grants, Environmental Improvement Grants and community initiatives such as the E-communities programme and LEADER+. Key projects also include the Rural Recovery Plan and the Small Towns and Villages programme. Land Division services will also provide amenity land to assist community regeneration.

### Outputs

Outputs	Target	Actual y.t.d	Forecast out-turn
Land reclaimed (1)	53 ha.	0.24 ha.	84.4 ha.
Amenity land generated (2)	2.0 ha	2.0 ha	4.0 ha

1. *Land reclamation projects will be scored in latter half of year*
2. *Increased forecast for amenity land is due to the disposal of a site at Penrhyndeudreuth for a Millennium pathway and a Llangollen site disposal to create mooring facility.*

## 1.5 SUPPORT FOR INDIVIDUALS

### Objectives

Helping to provide the means and opportunity for people to enter the workforce and encouraging under represented groups to enter employment and set up their own businesses.

### Activities

Encouraging participation and enterprise through programmes within the Entrepreneurship Action Plan initiative and working in close partnership with ELWa. The Land Division will contribute to increasing the availability of housing through the acquisition and disposal of housing land.

### Outputs

Outputs	Target	Actual YTD	Forecast out-turn
Businesses assisted (1)	3,500	3,982	4,500
New business starts (2)	1,760	731	1,223
Housing land created (3)	20 ha.	5 ha.	28 ha.
Potential housing units	500	134	550

## 1.5 SUPPORT FOR INDIVIDUALS

1. *Number of businesses assisted has increased through success of Potentia project targeted at underrepresented groups.*
2. *New starts forecast reduced because of late start of Women's Enterprise and Enterprise factory*
3. *Increase in forecast outturn due to Risca site now designated for housing.*

## 2. CORPORATE PROGRAMMES

These programmes support the operational programmes outlined above.

### 2.1 Foreign Direct Investment

#### Activities

International Division will target key sectors in advanced manufacturing and tradeable services creating and safeguarding jobs according to the Invest UK criteria.

#### Outputs

<b>Outputs</b>	<b>Target</b>	<b>Actual y.t.d</b>	<b>Forecast outturn</b>
Jobs created (I-UK)	5,500	875 <sup>1</sup>	5,500
Jobs safeguarded (I.UK)	2,550	2,281	2,550
New jobs from overseas (I.UK)	2,600	449	2,600

*Includes expansion by Calsonic, Cogent Defence, Excel Industries, General Dynamics; new projects include Rand Technology, ETL Solutions, BMiBaby.*

<sup>1</sup>*The inward investment market is becoming increasingly tough, as evident by UNCTAD's recent report which estimated that global FDI outflows declined by 55% in 2001, the first decline in over a decade.*

*Nonetheless, we envisage that we will achieve the overall annual target for 2002/03, despite a reduction in new jobs in the year to date, and the emerging trend towards smaller projects.*

*We are in on-going negotiations with potential investors in all of our target sectors, with an even spread across Advanced Manufacturing and Internationally Traded Services, such as IT & Software and Financial Services. This reflects the global trend in FDI projects over the last four months which has seen Retail, IT & Software, Financial Services, Auto Components, Chemicals and Food & Drink as leading global sectors.*

## 2.2 Marketing

Promotion of Business Support initiatives, generating business in Wales through sector advertising and promotion, pan-Wales property campaign.

### Outputs

Increased take-up of Agency products and services to be measured during plan year
Increased client satisfaction to be measured during plan year

### **3. PRIORITIES AND TARGETS**

#### **3.1 A Winning Wales**

- The Agency's Key priorities, activities and outputs as set out in the latest Corporate Plan relate directly to the aims, strategies and targets of the Welsh Assembly Government in 'A Winning Wales'.
- The objectives in 'A Winning Wales', and other strategic documents, are the basis for the Agency's activities which are currently being worked up in detail through our business planning process.

#### **3.2 Entrepreneurship and Innovation**

##### ***Innovation & technology***

- The SMART, SPUR and RIN grant schemes for investment in research and development have been successfully transferred from the Welsh Assembly Government to the Agency. An evaluation of the schemes is currently underway to be completed by March 2003.
- The Technium concept is being rolled out across Wales with Technium II and Digital Technium in Swansea, Optic Technium in St. Asaph and proposals for Software Technium at Parc Menai, and Regional Techniums in Aberystwyth and the Valleys well advanced.
- To date 1,688 companies have benefited through the all Wales Technology & Innovation programmes creating or safeguarding 676 jobs. £3.3 m funding has been secured for Welsh organisations, leveraging in £8.76m funding from the private sector.

##### ***Entrepreneurship and Enterprise Support***

- The Enterprise functions of the former TECs have been successfully absorbed within the Agencies activities.
- The Entrepreneurship Action Plan will encourage entrepreneurship among young people through a new project, Dynamo, a £10 m, 3 year initiative. The project has been launched in Welsh schools and over 70 role models have been identified to help project the message.

### **3.2 Entrepreneurship and Innovation**

- Supplier Development programmes which support business efficiency are leading to increased opportunities for Welsh suppliers: a new analysis tools enable local suppliers to demonstrate to buyers the true cost of sourcing components from low cost countries to be higher than local sourcing; Harlow Pressings, has secured its £2 million annual contract with Sony for metal shields after achieving a zero defect rating through participation in the Supplier Development Programme; new 'Six Sigma' quality enhancement programme has been developed following a successful pilot which saved 10 companies some £2 million through adopting new efficiency measures.

### **3.3 Information and Communications Technology**

- Following the launch of the £100 million Broadband Wales programme by Andrew Davies AM, Minister for Economic Development, the first two action lines are underway. The DSL Satellite Subsidy and the Try Before You Buy schemes have both moved into the implementation phase. The Satellite Subsidy scheme provides financial support to SMEs in all parts of Wales who cannot access ADSL to bridge the price gap between satellite and terrestrial ADSL, thus creating a level playing field. The Try Before You Buy scheme will allow SMEs all over Wales to experience first hand the benefits of broadband communications.
- To date over 550 companies have been assisted on E-Business Support programmes with over 1,400 companies receiving technical review through the network of ICT centres. This follows the success of awareness raising via the WIS Technology Trailer roadshow which is well underway, visiting key locations across Wales.
- The Wales Screen Commission has been established, with core funding from the Agency, to co-ordinate Film Commission Activity on an all-Wales basis. This provides for Wales to be more effectively marketed on a global scale as an ideal location for film production and maximises benefits at the local level.

### **3.4 Business Support Review**

- The network of local Gateways is now in place with 36 offices around Wales provided by 15 different organisations, and an interim National Call Centre and Website have been established, with options for long-term arrangements considered, taking account of experiences elsewhere: (Review will be completed by end October 2003 with implementation from January 2003), operational client management groups have been established in each of the four regions.

### **3.4 Business Support Review contd.**

- A review of the positioning, branding and key messages for the Gateway will be completed by end October 2002 with launch planned for January/February 2003.
- A best practice review of new business starts and diagnostic consultancy services was completed in April 2002 and the recommendations implemented with immediate effect. A review of the WDA Account Management System has been undertaken with the recommendations being used as the basis for dialogues with ELWa as a joint field force.
- The mapping of WDA business support products and services has taken place with data input now complete. Analysis and streamlining proposals are being debated which will feed through into marketing, business planning and delivery in 2003/04.

### **3.5 Rural and Community Regeneration**

- The Agency has launched the document 'A Commitment to Rural Wales' which outlines our support for businesses, communities and individuals in rural Wales through both mainstream and specific activities such as Agri-Food, Timber II and Farming Connect.
- Assembly funding under the Rural Recovery Programme is supporting communities and businesses affected by Foot & Mouth disease, shows and events etc.
- The Agency's tool-kit approach to community led regeneration builds on best practice developed in rural Wales bringing together revenue and capital support.
- Consideration is being given to the roll out of the successful Llwybro Routes tracking study of young people, linking into the work underway by the Assembly on the Age Balance Communities Study.

### **3.6 Marketing of Wales**

- 'Busnes', the Customer Magazine designed to develop the WDA's customer databases and to help communicate the business support propositions was launched in September and distributed to 60,000 businesses.
- Wales is the first region of the UK to be represented in Beijing. The WDA is already in talks with leading Chinese business groups about investment into Wales, and working closely with Wales Trade International and the Welsh Assembly Government.

- The launch of the new WDA website is imminent, which will improve the signposting and access for indigenous and International businesses.

### **3.7 Finance Wales**

- £45 million of Objective One funding has now been secured by Finance Wales for investment in SMEs in Wales which will range from a £1k loan to £750k of equity.
- £14 million has already been invested in 124 companies, including Lanergy, CDSM, OfficeLogic and Portico Software. The investment by Finance Wales has levered in a further £70 million from the private sector.
- 18 new commercial ventures have been spun out of Welsh universities and colleges in the first six months of the Finance Wales Spinout Fund, compared with 20 in the previous 3 years.

### **3.8 CORUS**

- The Newport Urban Regeneration Company has been established, with the task of attracting new jobs and investment to Newport and a focus on the development of key sites.
- The £14m site development programme is on course deliver 25,000sq ft of working space in Caerphilly, Blaenau Gwent, Ebbw Vale, Newport and Torfaen. The first development of a 3,530 sq.m. high spec manufacturing unit at Queensway Meadows is underway.
- Ring Fenced Assembly funding being invested by the Agency in and Engineering Centre for Manufacturing and Materials (EMC<sup>2</sup>) in former Corus laboratories at Port Talbot, advance offices build with private sectors at Baglan Energy Park, and regeneration projects in Gorseinon.
- Proposals are being examined for the creation of a learning campus and community hospital on the Ebbw Vale steelworks site, following its demolition.

### **3.9 Ryder Cup 2010**

- The Agency was actively engaged with partners including WTB, sports Council and Celtic Manor Resort in a number of the events taking place during the course of the Wales Summer Festival of Golf 2002. These have been instrumental in raising the profile of Wales as home of Ryder Cup 2010 and as a destination for business and golf tourism.

### **3.9 Ryder Cup 2010 contd.**

- Steps are being taken with the National Assembly to set up a public sector sponsored Company to deliver on the Ryder Cup bid commitments. This Company will manage the Team Wales input to the event, liaise with the Celtic Manor and commercialise the opportunities afforded to Wales.

### **3.10 European Structural Funds**

- The Agency provides executive support to six Objective One regional partnerships and the Objective Two regional partnership, and a joint secretariat with the Wales European Funding Office for two of the Objective One Strategy Partnerships. The Agency is an active participant in local partnerships, Monitoring Committees and other groups associated with the implementation of the Structural Funds Programmes and Community Initiatives.
- The Agency has had some 30 projects approved since the start of the Objective One programme which are forecast to attract over £65 million. In addition, the Agency has enabled more than 20 other projects to go ahead across Wales to date by acting as a partner to the lead applicant.
- The position of pipe-line projects is encouraging with over 20 projects in the process of application, either with the Agency as a lead or partner. These range from those at an early stage of development to some nearing submission.

### **3.11 Partnership Working**

- The Agency has developed close working relations with key partners in the public, private and voluntary sectors at both a strategic and operational level.
- A joint meeting of the Agency Board and the National Council ELWa was held to discuss common issues and the implementation of the Action Plan under memorandum of understanding.
- The Agency has participation in close co-operation with WTB on promoting tourism projects and holds regular meetings with Welsh Social Partnership Unit and its' members.

### **3.12 Evaluation, Monitoring and Review**

- A major review of existing and potential performance indicators is being undertaken with a view to introducing new performance measures during the 2003/04 Operational Plan year.
- Major work underway to validate client information to allow benchmarking and comparative performance of Agency supported businesses against ONS official statistics.
- First stage analysis of the key sectors which offer potential for growth completed. More detailed work planned in conjunction with the Welsh Assembly Government and ELWa to prioritise future strategies.
- Evaluation of the Entrepreneurship Action plan underway with major benchmarking study allowing comparison with other UK regions.

## ANNEX 1 : FINANCIAL SUMMARY

### WELSH DEVELOPMENT AGENCY 2002/2003 INCOME & EXPENDITURE BUDGETS HALF YEAR REVIEW

	Approved Budget £'000	Proposed Budget Changes £'000	Proposed Revised Budget £'000
<b><u>EXPENDITURE</u></b>			
Programme Expenditure (Including all European Programmes)	250,211	13,893	264,104
Unfunded Special Projects	13,240	(5,458)	7,782
Management Running Costs	34,923	1,732	36,655
VAT/TAX	3,500	0	3,500
ECSC / NLF Deficit	1,800	0	1,800
Capital Charges	41,913	0	41,913
<b>TOTAL (EXC. LAND DIVISION)</b>	<b><u>345,587</u></b>	<b><u>10,167</u></b>	<b><u>355,754</u></b>
Land Division Programme	20,700	0	20,700
Land Division MRC	2,560	0	2,560
<b>TOTAL EXPENDITURE</b>	<b><u>368,847</u></b>	<b><u>10,167</u></b>	<b><u>379,014</u></b>
<b><u>FUNDING</u></b>			
<b>Assembly Funds:</b>			
Grant In Aid	212,569	20,300	232,869
Public Dividend Capital	599	500	1,099
Funding of Capital Charges	41,913	0	41,913
<b>Total Assembly Funds:</b>	<b><u>255,081</u></b>	<b><u>20,800</u></b>	<b><u>275,881</u></b>
Capital Receipts:	16,760	5,458	22,218
Unfunded Special Projects	13,240	(5,458)	7,782
Revenue Receipts	7,160	6,037	13,197
European Receipts	26,543	(7,051)	19,492
Assembly Match Funding	26,803	(9,619)	17,184
<b>TOTAL (EXC. LAND DIVISION)</b>	<b><u>345,587</u></b>	<b><u>10,167</u></b>	<b><u>355,754</u></b>
Land Division Self Generated	23,260	0	23,260
<b>TOTAL EXPENDITURE</b>	<b><u>368,847</u></b>	<b><u>10,167</u></b>	<b><u>379,014</u></b>