

Date: 17 October 2002
Time: 9:00 to 12:30
Venue: Committee Room 1, National Assembly for Wales, Cardiff Bay
Title : **ASSEMBLY DRAFT BUDGET PROPOSALS FOR THE ECONOMIC DEVELOPMENT MEG** (A paper from the Economic Development Minister)

Purpose

1. To inform the Committee of proposed changes to the Economic Development MEG in the Draft Assembly Budget for 2002.

Summary

2. The attached table shows the changes proposed to budgets in the Economic Development MEG in the Draft Assembly Budget. Compared with 2002-03, the total additional provision for the MEG will increase by 6% in 2003-04, rising to 8% in 2005-06.

3. The proposed changes support my main priorities, which were endorsed by the Committee:

- **Structural funds** – together with planned increases, additional provision of nearly £50m will be available over the 3 years.
- **Broadband** - additional £15m over 3 years.
- **Creating Strong Communities** – In my MEG, this is predominantly addressed through the Corus response package and the Rural Development Plan, funding for which have already been announced.
- **Innovation** – additional funding has been provided to the WDA to support innovation. Together with the increases already planned in other budgets, this will provide a significant increase in funding for innovation over the next 3 years.
- **Research** – An additional £1.25m has been made available to support the work of the Economic Research Advisory Panel.

Further Information

4. An annex detailing how these new monies will be used will be circulated before the meeting.

This will help inform the Committee's consideration of the proposals in the Draft Budget.

Timing

5. The Final Budget is to be agreed in Plenary on 30 October.

Action for the Committee

6. The Committee is invited to note the proposals in the Draft Assembly Budget and that further information will be made available before the meeting to help them consider the proposals.

Contact Point

7. EDD Business Unit ICM3-David Hobbs

DRAFT ASSEMBLY BUDGET 2002 PROPOSALS FOR THE ECONOMIC DEVELOPMENT MEG

<u>Expenditure Groups</u>	2002-2003 Original Baseline Plans	2003-2004 Baseline	Initial Allocations 2003-2004	2004-2005 Baseline	Initial Allocations 2004-2005	2005-2006 Baseline	Initial Allocations 2005-2006
RSA-Projects & Business Improvement Support	44,551	44,551		44,551		44,551	
Communication Development	168	168		168		168	
International Trade Relations	4,934	5,938	280	5,938	1,040	5,938	2,200
International Relations	1,172	1,231	69	1,231	150	1,231	150
Innovation Design and Technology	4,309	6,409		6,409		6,409	500
Energy and Environment	2,450	2,450		2,450	250	2,450	500
Assembly Investment Grant	1,000	1,000		1,000		1,000	

Business Birth Rate Strategy	1,000	4,000		4,000	250	4,000	500
RSA AND OTHER BUSINESS SUPPORT	59,584	65,747	349	65,747	1,690	65,747	3,850
Public Sector Network	4,320	3,250		3,250		3,250	
All Wales Network of ICT Support Centres	750	750		750		750	
Broadband Telecommunications	6,100	6,000	4,000	6,000	5,000	6,000	6,000
ICT Advice Infrastructure	11,170	10,000	4,000	10,000	5,000	10,000	6,000
Pathway To Prosperity Fund	3,333	974		974		974	
Pathway To Prosperity Fund – Match Funding	18,000	19,000		19,000		19,000	
Euro Facilitators	500	500		500		500	
Pathway To Prosperity Fund	21,833	20,474	0	20,474	0	20,474	0

<u>Expenditure Groups</u>	2002-2003	2003-2004	Initial Allocations 2003-2004	2004-2005	Initial Allocations 2004-2005	2005-2006	Initial Allocations 2005-2006
	Original Baseline Plans						
WDA Running Costs	32,210	32,210		32,210		32,210	1,000
WDA: Capital Expenditure	46,674	50,321		50,321		50,321	
WDA Capital Receipts	-4,833	-4,175	-500	-4,175		-4,175	
WDA Current Expenditure	155,910	151,936	2,500	151,936	3,000	151,936	5,000
WDA Current Expenditure – Finance Wales	4,546	4,500	-401	4,500	-401	4,500	599
WDA Current Receipts	-76,787	-70,868		-70,868		-70,868	
WDA NLF/PDC	599	599	401	599	401	599	401

WDA Depreciation/ Cost of Capital (2)	40,813	38,268		38,268		38,268	
WDA Provisions (2)	1,100	1,100		1,100		1,100	
WDA Structural	1,810	1,878		1,878		1,878	
Funds Partnership							
Welsh Development Agency	202,042	205,769	2,000	205,769	3,000	205,769	7,000
Transfers to Local Government from Cardiff Bay Development Corporation	16,019	15,819		15,819		15,819	
Transfers to Local Government from Cardiff Bay Development Corporation	16,019	15,819	0	15,819	0	15,819	0
WTB Running Costs	4,912	4,700		4,700		4,700	
WTB Current Expenditure	14,376	16,027		16,027		16,027	
WTB Current Receipts	-4,060	-4,361		-4,361		-4,361	
WTB Capital Expenditure	5,220	5,220		5,220		5,220	
WTB Depreciation/ Cost of Capital (2)	300	304		304		304	
Wales Tourist Board	20,748	21,890	0	21,890	0	21,890	0
Miscellaneous European Support Services	450	450	100	450	100	450	100
Economic, Research and Evaluation	130	145	250	145	500	145	500
Other Economic Development	580	595	350	595	600	595	600

<u>Expenditure Groups</u>	2002- 2003 Original Baseline Plans	2003- 2004 Baseline	Initial Allocations 2003-2004	2004- 2005 Baseline	Initial Allocations 2004-2005	2005- 2006 Baseline	Initial Allocations 2005-2006
European Regional Development Fund	99,221	110,051	4,200	110,051	4,200	110,051	4,200
European Social Fund	58,000	58,000		58,000		58,000	
European Structural Funds Programme Support FIFG	542	779		779		779	
EAGGF	1,300	1,470		1,470		1,470	
Local Authority Projects - Match Funding	11,200	12,400		12,400		12,400	
	33,588	33,588		33,588		33,588	
WEFO – European Funding	203,851	216,288	4,200	216,288	4,200	216,288	4,200
ECONOMIC DEVELOPMENT – TOTAL	535,827	556,582	10,899	556,582	14,490	556,582	21,650