

Enterprise and Business Committee

Meeting Venue:
Committee Room 3 – Senedd

Meeting date:
29 November 2012

Meeting time:
13:15

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



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Agenda

Pre-meeting (13:15 – 13:30)

1. Introductions, apologies and substitutions

2. Business Rates: Ministerial Scrutiny Session (13.30 – 14.30) (Pages 1 – 2)

Edwina Hart, Minister for Business, Enterprise, Technology and Science

Professor Brian Morgan, Professor of Entrepreneurship, Director, Creative Leadership and Enterprise Centre – Cardiff Metropolitan University

Tracey Burke, Director Strategy, Welsh Government

3. City Regions, Enterprise Zones: Ministerial Scrutiny Session (14.30 – 15.15) (Pages 3 – 4)

Edwina Hart, Minister for Business, Enterprise, Technology and Science

Tracey Burke, Director Strategy, Welsh Government

Agenda Item 2

PAPER TO THE ENTERPRISE AND BUSINESS COMMITTEE BUSINESS RATES

Introduction

1. The purpose of this paper is to set out written evidence on Business Rates for the Enterprise and Business Committee.
2. The Business Rates Task and Finish Group, chaired by Professor Brian Morgan, was set up in autumn 2011 to assess how the business rates regime in Wales could be used as a targeted policy intervention to encourage economic development and growth.

Engagement

3. The Group met regularly between November 2011 and April 2012. The Group engaged with a wide range of stakeholders and citizens, and took evidence at various locations around Wales.
4. Following publication of the Business Rates Review Report in June 2012, the Task and Finish Group held a range of meetings with stakeholders across the summer period to explain their findings. This included meetings with the Enterprise Zone Chairs; Sector Panels; Council for Economic Renewal; Charity Retail Association and others. They also took a number of written responses on the final report. I have also been consulting with Cabinet colleagues on the recommendations.

Response to the Report and recommendations

5. The report contained 19 recommendations. On 23 October, I published the Welsh Government response to report and gave an oral statement in plenary. The response sets out that we will take action now and over the next year to respond positively.
6. Given that business rates are non-devolved, on some of the recommendations, we will press the UK Government for action. This includes retaining Small Business Rate Relief; and improving the Empty Property Rates regime and the relief offered for investment in renewable energy.
7. Whilst we support the devolution of business rates to Wales in principle, this should not be done in a piecemeal way. Our aim is to secure a comprehensive set of financial reforms for Wales that would include fairer funding and effective borrowing arrangements.
8. In response to the report I announced a £20million business rate scheme in the seven Enterprise Zones, targeting support for start-ups and SMEs that are creating jobs, a £1.5million annual scheme to support renewable energy producers, and a £200,000 fund to encourage the development of Business Improvement Districts (BIDs) in Wales.
9. Other recommendations involve working with partners, such as the Welsh Local Government Association, to ensure that local authorities are aware of their powers to offer discretionary rate relief and with the Valuation Office Agency to produce clear and accessible guidance to businesses.

PAPER TO THE ENTERPRISE AND BUSINESS COMMITTEE BUSINESS RATES

10. In addition to the recommendations a number of other actions were announced including that the Task and Finish Group has been asked to consider how to encourage new development through rate reliefs following advice from the Construction Sector Panel; and examining the effectiveness of recently introduced schemes in Northern Ireland and Scotland to bring empty properties back into use and whether these could work in Wales. The Group have been asked to provide their view on the UK Government decision to postpone the revaluation exercise in England to 2017.
11. Professor Brian Morgan and Juliet Luporini have agreed to undertake further work on their recommendation to consider the relief available to charities. This will involve seeking the views of different groups and extending the considerations to social enterprises and credit unions.

Agenda Item 3

PAPER TO THE ENTERPRISE AND BUSINESS COMMITTEE CITY REGIONS AND ENTERPRISE ZONES

Introduction

1. The purpose of this paper is to set out written evidence on City Regions and Enterprise Zones for the Enterprise and Business Committee.
2. We have examined a range of policies and actions to support long-term, local growth and jobs. City Regions and Enterprise Zones are two of these approaches.

City Regions

3. The City Regions Task and Finish Group, chaired by Dr Elizabeth Haywood, was set up in autumn 2011 to examine whether the City Regions approach could support economic development in Wales.

Engagement

4. The Group held a number of meetings around Wales where it took oral evidence. In addition, the Group held a call for evidence and received over 60 responses to inform the final report.
5. Following publication of the report in July 2012, the Group held a number of regional engagement sessions around Wales and held a briefing session with Assembly Members. Dr Haywood has also met with local authority leaders to discuss this approach.

Report and recommendations

6. The City Regions Task and Finish Group Report published on 11 July contains 22 recommendations.
7. The report recommends that two City Regions should be recognised, one in South East Wales and one in Swansea Bay. The Group did not find sufficient evidence for the establishment of a City Region in any other part of Wales.
8. The only area which had potential for this was North East Wales when Chester and West Cheshire was included. However, the Group found that this area lacked the sufficient critical population mass to support a City Region and that support from across the cross-border area was patchy. Nevertheless the Group did suggest several options for economic development in this area including strengthening the Mersey Dee Alliance.
9. Dr Haywood has been commissioned to take forward a specific piece of work in North Wales that will further explore the report's findings and issues raised.
10. The other recommendations were focussed on the structures to support the City Region approach in Wales. These included a number of recommendations about better collaborative, spatial and regional working which include adapting or revising the Wales Spatial Plan and the creation of regional strategic planning tiers.
11. The Centre for Cities will work with officials to invite representatives from other City Regions to come to Wales and share practice.

PAPER TO THE ENTERPRISE AND BUSINESS COMMITTEE CITY REGIONS AND ENTERPRISE ZONES

Enterprise Zones

12. Our Enterprise Zones are designated areas where specific incentives are offered to attract new businesses and industry to that prime location. Good progress continues to be made with Enterprise Zones in Wales. All seven Enterprise Zones are now well established, with most having been in operation for more than six months.

Enterprise Zone Boards

13. The Enterprise Zone Boards have prepared their strategic objectives in plans for each of the Enterprise Zones. These are being considered by officials and are already having an impact as the Zones are developed.
14. The Boards are proving to be an effective model, with permanent governance arrangements now taking effect. Officials will continue to support the work of the Boards over the coming weeks and months.
15. Marketing plans have now been completed for the seven Enterprise Zones, including individual delivery and targeting strategies, detailed marketing propositions and planned activity. These are being used to promote the Zones in the local and international marketplaces. There is a good level of interest and we have a good enquiry pipeline across all of the Zones.

Enterprise Zone Offer

16. A range of policies and actions are being aligned in each and every Zone to deliver jobs and growth. This process is being informed by the Strategic Plans of each Enterprise Zone Board, to ensure a tailored solution for each Zone not a one size fits all approach.
17. The Enterprise Zone offer encompasses infrastructure support; next generation broadband; a simplified and more efficient planning process; training and skills provision; and financial incentives such as Business Rates support and Enhanced Capital Allowances.
18. I will provide a further update on Enterprise Zones in plenary on 27 November.