

## Enterprise and Business Committee

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Meeting Venue:  
**Committee Room 3 – Senedd**

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Meeting date:  
**20 February 2013**

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Meeting time:  
**10:30**

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



For further information please contact:

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### Agenda

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**Pre-meeting (10:30 – 11:00)**

**1. Introductions, apologies and substitutions**

**2. Active Travel (Wales) Bill: Stage 1 – Approach to Scrutiny (11:00 – 11:15)**

**Break (11:15 – 11:20)**

**Pre-meeting (11.20–11.30)**

**3. Economic Sector Policy – Ministerial Scrutiny Session (11.30–12.30) (Pages 1 – 2)**

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

Jeff Collins, Director of Delivery, Department for Business, Enterprise, Technology and Science

Tracey Burke, Director, Strategy, Department for Business, Enterprise, Technology and Science

**De-brief in private (12.30-12.40)**

**4. Papers to note** (Pages 3 - 6)

## PAPER TO THE ENTERPRISE AND BUSINESS COMMITTEE WELSH GOVERNMENT SECTOR POLICY

### Introduction

1. The purpose of this paper is to set out written evidence on Welsh Government Sector Policy for the Enterprise and Business Committee.
2. As part of its approach to economic development, the Department for Business, Enterprise, Technology and Science support is focussed on nine Sectors which are key to the economy of Wales. This approach complements wider interventions both within the Department and across the Welsh Government to encourage jobs and growth.

### Role of the Sector Panels

3. Each Sector has their own panel, made up of private sector business people. The role of each Sector Panel is to provide advice on the opportunities and needs of the Sectors, using their private sector expertise to identify the opportunities for business growth and inform the Welsh Government's future policy developments and investment priorities.
4. The role and approach of the Sector Panels is currently being reviewed as the work of the Sector Panels moves from planning to delivery

### Sector Priorities

5. Strategic priorities for each of the nine key Sectors are outlined in the Sectors Delivery Plan published on the Welsh Government website. The Plan outlines the opportunities and challenges, as well as the short, medium and long-term strategic priorities aligned to impact. The Plan can be accessed through the following link:
6. <http://wales.gov.uk/topics/businessandconomy/publications/130125deliveryplan/?lang=en>

### Welsh Government Budget and Support for Sectors

7. There are a range of targeted interventions for the Sectors with budget specifically aligned to Sectors.
8. In addition, Sectors can access wider Welsh Government support such as Business Wales "One Stop Shop", supply chains, entrepreneurship support, R+D and Innovation support, online information and signposting and property. The Sectors and Business budget for 2012/13 and 2013/14 are set out at table 1.
9. The Sectors can also access other forms of direct financial support, such as the £150m European-backed Wales JEREMIE fund, the £100m Life Science Fund and the £40m Wales SME Investment Fund.
10. A Single Business Model is being introduced to support the Sectors. This is aligning resources to present a more streamlined offer to business, with a more structured approach to marketing, supported by a clear enquiry management process.

Table 1 – Sectors and Business Delivery Budget

	<b>2012/13 £'000</b>	<b>2013/14 £'000</b>
<b>Sectors &amp; Business</b>	147,858	114,366

### **Grants and Loans**

11. The following table sets out current grant and loan commitments for Sectors and Business:

<b>Committed Grant / Loan Offers made for the period 01/04/11 to 31/12/12</b>	<b>Amount</b>	<b>Number of Offers</b>
Sector Delivery	£68,861,794	*489

*\* based on current committed offers*

### **Monitoring and Evaluation**

12. A list of activities underpins the aims and objectives for each Sector. Key Performance Indicators (KPIs) are used to monitor their effectiveness. There are a wide range of KPIs across the Sector teams focussed on Jobs and Growth and dependant upon the policy areas they are supporting.

13. Progress on delivery of our commitments and monitoring of our tracking indicators is set out in Annual Programme for Government updates. This detail will be supplemented over time by looking at the outcomes achieved from longer term investments, to provide a more balanced understanding of progress.

### **Relationship to Enterprise Zones and Inward Investment**

14. Enterprise Zones have a sectoral focus and offer business the opportunity to co-locate alongside established industry clusters, exploit supply chain opportunities, or capitalise on strategic projects planned for the zones.

15. The Trade and Inward Investment team works closely with the Sector teams and with Enterprise Zones teams to ensure that activities are integrated. However the approach is flexible to accommodate multi-sector trade missions and inward investment outside of the key Sectors.

### **Approach to Marketing and Communications**

16. We are committed to marketing the sectoral approach and the Welsh Government offer. This is reflected in our marketing plans, alongside our wider marketing here in Wales and overseas. For example, the re-launch of the new Business Wales website and the launch of the Business Wales “One Stop Shop” for businesses.

Carl Sargeant AC / AM  
Y Gweinidog Llywodraeth Leol a Chymunedau  
Minister for Local Government and Communities



Llywodraeth Cymru  
Welsh Government

Eich cyf/Your ref  
Ein cyf/Our ref SF/CS/0447/13

Nick Ramsay AM  
Enterprise and Business  
Committee  
National Assembly for Wales  
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5<sup>h</sup> February 2013

On Thursday 24 January I was pleased to attend the meeting of the Enterprise and Business Committee as part of your Inquiry into Integrated Public Transport.

You will remember that I undertook to write providing additional information in response to questions that were put to me towards the end of the session, but which I could not fully address in the time available. I hope that the following, additional information is helpful, and will further assist the Committee's work on this important issue.

### **Go Cymru**

I explained during the meeting that we are continuing to discuss with Arriva Trains Wales how we can include train travel along with bus journeys as part of our Go Cymru integrated Smartcard scheme. I am expecting to be able to announce in the next few months significant progress for having a firm timetable for the Go-Cymru card to be accepted by train companies significantly ahead of the new franchise. This will include the consideration of forward looking approaches such as paperless and mobile phone technologies.

### **Community Transport Concessionary Fares Initiative (CTCFI)**

During 2012 my officials undertook detailed, face-to-face meetings with each of the 15 CTCFI projects that we have been supporting financially since 2005. The aim was to provide further assistance to them in identifying potential new sources of funding, should their CTCFI funding cease. In the event, you will recall that I announced on 17 January that Welsh Government funding of these CTCFI projects will end after Friday 12 April 2013.

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Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)

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A majority of the 15 projects reported that they expected to continue to operate services without CTCFI funding, although passengers were likely to have to contribute financially by paying a fare. Others were actively exploring alternative funding sources, including the introduction of Section 22 public services which would be eligible for reimbursement under our concessionary bus travel scheme. The meetings were undertaken at least four months ago, so some time has passed since that information was obtained.

My officials are in the process of writing to each of the 15 CTCFI projects to remind them that they need to discuss with their Regional Transport Consortium how to bid for funding under the new Regional Transport Services Grant (RTSG) scheme that will be introduced on 1 April 2013.

### Community transport eligibility under RTSG

My officials are preparing detailed Notes for Guidance for the Regional Transport Consortia to assist them in administering the new RTSG scheme. As part of that process, the Consortia and the Community Transport Association in Wales have been asked to propose specific categories of service that should be designated “community transport” for the purposes of being funded from the ring-fenced £2.5m for community transport under the RTSG scheme in 2013-14.

I would not wish to pre-empt the work of the Bus Funding Review Implementation Group in considering those proposals, but the Committee may be assured that – consistent with my decision to protect the future of community transport by ring-fencing funding – I would hope that as wide a range as possible will be included.

### Investment in the bus and rail network

The following details underline the importance that I attach to supporting an effective, efficient and integrated public transport system in Wales.

Budget Expenditure Line	2013-14 Revenue budget £000s	2013-14 Capital budget £000s	2014-15 Revenue budget £000s	2014-15 Capital budget £000s
Bus support and local transport	26,134	1,000	26,128	1,000
Rail franchise	171,579		171,577	
Rail investment		37,083		20,971
Concessionary fares	53,453	9,433	55,057	9,716
	<b>251,166</b>	<b>47,516</b>	<b>252,762</b>	<b>31,687</b>
Sustainable Travel Towns and Smartcards (1)	2,000	7,500	2,000	7,500
Regional Transport Plans	500	15,557	500	15,557
	<b>2,500</b>	<b>23,057</b>	<b>2,500</b>	<b>23,057</b>

Note (1) This partially funds investment in rail and bus networks where relevant projects are approved as part of overall plans.

## **Additional rail-related legislation**

The Welsh Government is reviewing the role of the Welsh Ministers in the decision-making process for rail, which includes the level of accountability of the various bodies involved in delivering rail services and infrastructure. Our present role is defined through legislation, and we are able to influence decisions on certain issues (such as on the specification of the next Wales and Borders franchise) as both a consultee (and as a co-signatory in the case of the franchise). Before any decisions are made on the future arrangements, we must consider the implications of a change to the balance of risk and funding responsibility that currently sit with the UK Government

I have established a productive working relationship with the Secretary of State for Transport and his Ministerial team. This worked well as we made the case for electrification in south Wales, where we could recognise our statutory roles for decision making and at the same time build common ground and deliver my priorities.

With certainty on electrification secured I accelerated the process of shaping the future of rail in Wales by hosting a "call for evidence" conference in October 2012. This conference is part of our external engagement, with industry experts and leaders invited to share their views with each other and the Welsh Government on what should be up for consideration, the type of benefits that exist and the scale of the risks of which we should be aware.

Later this year, I will consult on the policies that should underpin our approach to the future of rail. Again, I will be seeking industry and user views on how the future rail needs of Wales should be delivered. Alongside this, my officials will be working closely with the Office of Rail Regulation, Network Rail, train operating companies, the Unions and the Department for Transport to complete the picture of what might need to change to meet our aspirations for rail in Wales. Once this information has been collated and analysed I will be in a position to make an informed decision on what needs to happen to better align decision making with delivering my priorities.



**Carl Sargeant AC / AM**

Y Gweinidog Llywodraeth Leol a Chymunedau  
Minister for Local Government and Communities



Ein cyf/Our ref: SF-FM-0147-13

Nick Ramsay AM  
Chair, Enterprise and Business Committee  
enterprise.committee@wales.gov.uk

11<sup>th</sup> February 2013

Dear Nick

I am writing in response to your letter of 30 January requesting additional information on Cardiff Airport, following our discussion at the Committee meeting.

I am unable to provide specific details on the timing of the due diligence activity because of commercial sensitivity. I will provide a statement on the outcome of the process as soon as it is appropriate to do so.

Whilst the Cardiff Airport Task Force has agreed a high level commercial in confidence strategy for developing routes specifically for Cardiff Airport – which was an immediate priority – I accept that broader work is required to develop a long-term strategy for air transport across the whole of Wales. I will announce further specific details on this matter when I am able to update members on the outcome of the due diligence activity.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carwyn Jones', written in a cursive style.

**CARWYN JONES**