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Enterprise and Business Committee

Meeting Venue:
Committee Room 3 – Senedd

Meeting date:
16 October 2014

Meeting time:
13.00

Cynulliad Cenedlaethol Cymru
National Assembly for Wales

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Agenda

1 Introductions, apologies and substitutions

2 Scrutiny of Welsh Government Draft Budget for 2015–16: Economy, Science and Transport (13.00–15.00) (Pages 1 – 91)

Edwina Hart AM, Minister for the Economy, Science and Transport
Ken Skates AM, Deputy Minister for Culture, Sport and Tourism
James Price, Director General, Economy, Science and Transport
Rob Hunter, Director, Finance and Performance

3 Motion under Standing Order 17.42 to resolve to exclude the public from the remainder of the meeting

De-brief (15.00–15.15)

Agenda Item 2

Document is Restricted

Memorandum on the Economy, Science and Transport (EST) Draft Budget Proposals for 2015/16

Enterprise and Business Committee – 16 October 2014

1.0 Introduction

This paper provides information on the EST budget proposals as outlined in the 2015/16 draft budget announced on 30 September. This paper does not cover the budget detail relating to culture and sport. The Deputy Minister for Culture, Sport and Tourism is addressing these areas at the Communities, Equality and Local Government Committee on 9 October.

2.0 Summary of Budget Changes

In overall terms, the 2015/16 budget allocations to support Economy, Science and Transport (excluding Annually Managed Expenditure (AME) have increased by £12.333m when compared to the June 2014 Supplementary Budget. This movement is made up of a revenue decrease of £28.967m and a capital increase of £41.3m, as shown in the table below.

	2014/15 Supplementary Budget £'000	2015/16 Proposed Budget £'000	2015/16 Changes £'000
Revenue			
Economy & Science	113,696	86,258	(27,438)
Transport	306,970	305,441	(1,529)
Total	**420,666**	**391,699**	**(28,967)**
Capital			
Economy & Science	123,647	123,147	(500)
Transport	296,349	338,149	41,800
Total	**419,996**	**461,296**	**41,300**
Non Cash	110,000	110,000	-
Total	**950,662**	**962,995**	**12,333**
AME	50,096	66,272	16,176
Total DEL	**1,000,758**	**1,029,267**	**28,509**

The decrease in revenue of £28.967m between the two years is explained as follows:

- An additional allocation of £5m in 2015/16 and £9.75m in 2016/17 for youth concessionary fares;
- For 2014/15 only, the revenue budget was increased subsequent to a UK budget consequential of £17.423m to support business rates schemes;
- A baseline reduction of £8.144m which was set in the indicative 2015/16 plans when the 2014/15 Final budget was laid; and

- A further baseline reduction of £8.4m in 2015/16 as a result of a prioritisation of portfolio budgets across Welsh Government.

Following the revenue baseline reductions, detailed reviews were conducted across the portfolio to deliver savings whilst minimising the impact on services and programme delivery. Although transport makes up the largest part of the Department's budget, the majority of savings have been found within Economy and Science. This is because the opportunity to achieve revenue savings across transport programmes is limited, as the budgets support public transport services and our statutory duties to maintain the safety and serviceability of our road network. Also, transport has several long term contracts that are linked to inflation which means that the costs of maintaining services (such as rail), increase year on year. We continue to work with service providers, the UK Government and key stakeholders to achieve the long term affordability of transport solutions.

The Department's review has sought to identify more efficiencies, re-prioritise and re-profile commitments where possible, optimise EU and other income, and make best use of funds managed by Finance Wales. The Wales SME Fund, Jeremie Fund, Property Development Fund and the newly created Wales Capital Growth and Technology Seed Funds, for example, provide significant access to finance for SMEs, alongside direct intervention by the Department. In supporting business, key services and infrastructure to deliver jobs and growth, the Department also levers significant additional investment from other funding sources such as the European Commission, UK Government and the private sector.

The increase of £41.3m to our capital budget represents a net movement in the amounts of capital and financial transaction reserve allocations between the two years.

This Draft Budget includes additional capital funding of £40m and financial transaction funding of £3m are set out below. This is offset by a net reduction of £1.7m for movements and previous one-off allocations included in the 2014-15 budget.

ACTION	**2015/16 CAPITAL £'000**	**STRATEGIC PRIORITY**	**SOURCE**
Deliver ICT Infrastructure	10,000	Next Generation Broadband Wales	Central Reserves
Road & Rail Schemes	30,000	Eastern Bay Link Road	Central Reserves
Sectors	3,000	Cardiff International Airport	Financial Transaction Funding
Total	**43,000**		

The Budget Expenditure Line tables attached at Annex A provide a full breakdown of the Department's revenue and capital budgets.

The EST MEG also includes a budget allocation for AME, which provides cover for charges that are outside the control of the Department, such as impairments on the property portfolio, joint ventures, investments and the roads network. This budget has increased by £16.176m from £50.096m in 2014/15 to £66.272m in 2015/16 in line with market condition indications.

The published 2015/16 Draft Budget narrative and integrated impact assessment outline our budget priorities in supporting growth and jobs, educational attainment, supporting children, families and deprived communities and health and well-being.

Sustainable development is the central organising principle, making decisions that take full account of the social and environmental objectives and impacts. In so doing, we are adopting an approach to embed collaboration, integration, long term, prevention and engagement into our policies and delivery as we take account of the progress of the Wellbeing of Future Generations (Wales) Bill.

We are working with the Council for Economic Renewal and the Climate Change Commission, exploring the role of green growth in Wales as a means of delivering long term economic growth and prosperity. This approach does not replace sustainable development; it puts it into action, helping to further embed social and environmental objectives into our way of working.

We are looking to identify actions to incorporate good growth practice across the whole of the economy, and we will be using this approach to influence the allocation of new European Structural Funds. We are making significant investment across a wide range of integrated policy interventions.

Our spending plans support and encourage employment retention and creation across Wales. Our focus is on tackling poverty by protecting jobs and public transport services, creating employment opportunities and improving the overall conditions for business, recognising that employment offers a high level of protection against poverty. Budgets support improvements in the overall business environment, creating the conditions for the private sector to create and maintain jobs that allow people in poverty, or at risk of poverty, to engage in a positive way with the labour market. They also include direct action to ease the pressure from challenges faced by businesses in the short term to stimulate investment and promote growth.

The Department is also working to promote an affordable, accessible and effective transport system that can make a practical difference to people, recognising that good transport connectivity is essential if people are to access jobs, training and key services. Better public transport will encourage business to invest to take advantage of the wider accessibility to a skilled workforce. Use of public transport will help to tackle climate change by helping to encourage a switch from private to public transport, and will help to tackle poverty by increasing investment in economic development and improve accessibility to employment opportunities.

The budget proposals maintain our commitment to supporting longer-term growth to address structural issues in the Welsh economy. The focus has been on actions to create a more balanced economy, supporting long-term, local growth and jobs; developing a modern transport system, rolling out broadband, improving our science and innovation base and developing infrastructure. Our investment for the long term will also be preventative, helping to reduce the cycle of problems reoccurring through the generations to come.

3.0 ECONOMY & SCIENCE

3.1 Programme for Government Commitments

Our 2015/16 spending plans are aligned to match our strategic objectives which encompass the commitments made in the Programme for Government. The mapping of expenditure from Actions to the delivery of the Programme for Government Commitments is detailed at Annex B.

The annual update of Programme for Government achievements and outcomes was published in June 2014 and can be found on the Welsh Government internet site.

http://wales.gov.uk/about/programmeforgov/?lang=en

The Annual Statement on Supporting Business and the Economy can be found here:

http://wales.gov.uk/topics/businessandeconomy/help/120607supportstatement/?lang=en

A six monthly update at 30 September 2014 for Economy, Science and Transport is provided in Annex C.

In the current economic climate, affordability continues to be a major issue and projects and programmes are continually monitored to ensure they are delivering their outcomes and targets. Where they are not found to be delivering as planned, the resource is reallocated to interventions that will deliver jobs and growth. The independent role of the Sector Panels and other external boards with representatives from key stakeholders groups is important in making improvements and supporting transparency.

Value for money is embedded into the decision making for all levels of expenditure. All applications for funding are subject to due diligence and the outcomes evaluated in terms of long term economic development. The Wales Infrastructure Plan outlines the major investment priorities. All capital allocations for strategic infrastructure projects are supported by 5 Case Business Model business cases. This is crucial in the evaluation of long term impacts and delivering results. Therefore there are robust processes in place to ensure that the efficient allocation of financial resources.

3.2 Key Policies

In delivering growth we continue to work closely in partnership with both internal and external stakeholders to maximise resources and intelligence to deliver policy aims. A number of policies are cross cutting and collaborative, the principles being embedded in the strategic priorities in the relevant business areas identified during the budget planning process. These policy developments have also been highlighted as part of the scoping for EU structural funds programme 2014-2020.

Additional information has been provided in response to the specific areas highlighted by the Committee as follows:

a) Access Broadband Cymru Scheme

The Access Broadband Cymru provides support to residential and business premises that have an immediate requirement for broadband connectivity. The scheme is one of the early stage interventions to support the estimated 4% of premises that will not receive access to next generation broadband services through the Superfast-Cymru project.

Those areas likely to benefit from the Access Broadband Cymru scheme are not in easily identifiable areas and are not necessarily in the deep rural areas that may be expected so communications activity will not focus on any particular geographic area.

New rules introduced on 4 August 2014 will mean that more people across Wales are able to benefit. Before the changes only people in those areas not in the published Superfast Cymru roll-out were eligible. Now people living in areas which will be covered by the roll-out can apply if they wish to do so.

Potential recipients will be given information about the Superfast Cymru roll-out so that can make a decision about whether to apply for a grant or wait for superfast fibre to be deployed in their area.

The new rules will help ensure that customers receive a fast broadband connection as the technology used will need to be capable of providing superfast speeds bringing them into line with Superfast Cymru.

The Welsh Government provides a maximum of £900 per premises, with customers making a ten per cent financial contribution which is in line with the cost of connection fees across the industry.

The funding can be used to cover the installation costs of the most appropriate technology, for examples satellite and wireless, to ensure they obtain access to a basic broadband connection. Basic broadband is defined as 2 mega-bits per second download. The scheme contributes to our objective of “basic broadband to be available to all” as set out in our strategic approach.

Our spending plans for the Access Broadband Cymru scheme anticipates that as the fibre footprint under Superfast-Cymru increases; the demand for basic broadband will reduce, consequently reducing demand on the scheme.

b) Superfast Cymru

Superfast Cymru is the largest partnership of its kind in the UK working to give, when combined with commercial roll-out, 96% of premises in Wales access to fast fibre broadband by 2016.

Superfast-Cymru will provide access to next generation broadband services in those areas in Wales where the private sector does not plan to invest in the next three years. The project will contribute to the delivery of a key *Programme for Government* commitment for all residential and business premises to have access to next generation broadband.

By the end of the project, the total investment in next generation broadband in Wales, including our investment in Superfast-Cymru and private sector commercial roll-out, will be approximately £425m. The public sector investment is £205m, including: £89.5m Structural Funds (ERDF); £56.9m UK Government funding; £28.6m EST capital budget and £30m Centrally Retained Capital funding.

Our partnership with BT to deliver the Superfast-Cymru project is the largest of its kind in the UK. The project will deliver an ambitious programme of work. By the end of 2016, Superfast-Cymru will provide the majority of businesses and residential premises with the capability of accessing broadband download speeds of at least 30 Mega-bits per second – this exceeds the EU's target of wide-spread Superfast broadband access by 2020, making Wales one of the most broadband capable countries in the World.

We have been able to secure very significant funds from Europe and the UK Government. Our spending plans for this budget reflect the need to draw-down these funds by mid-2015/16.

c) City Regions

The Welsh Government has established two City Regions in Wales – Swansea Bay City Region and Cardiff Capital Region. In both areas, Boards have been set up to provide strategic direction and facilitate partnership working to support shared aspirations for jobs and growth. The current focus of the Boards is on working with local authorities, the local business community and others to identify and prioritise transformative projects. Their objective is to maximise the role that cities and towns play as economic drivers, so that each City Region is well-connected, innovative, highly-skilled and capable of supporting inclusive and sustainable communities. There is a close relationship between City Regions and our other geographically targeted approaches to economic development in Enterprise Zones and Local Growth Zones, where we are seeking to align and focus existing budgets and activities to strategic priorities.

d) Enterprise Zones, Local Growth Zones, and Business Improvement Districts

Enterprise Zones

Business and investment activity within the seven Enterprise Zones is a powerful market signal for further investment. The contribution from the dedicated Enterprise Zones programme budget will support the targeted further development of the infrastructure required for further sustainable job creation and retention in the Enterprise Zones.

Capital proposals are supported by feasibility studies / business cases and opportunities to lever in additional funding are always part of the evaluation. The Enterprise Zone Boards have a strong private sector representation and this experience is utilised to help to prioritise competing capital projects. A report detailing information on the performance and outputs associated with Enterprise Zones will be published after the end of the current financial year.

Local Growth Zones

The development of local growth zones is an important factor in the economic sustainability of towns and rural communities as a more appropriate model than Enterprise Zones. It provides the opportunity to explore different policy options to encourage and support jobs, economic growth and offer the opportunity of testing different types of interventions. Building on the work of the Powys Local Growth Zone the concept has been extended more recently to the Teifi Valley, where consideration of the prominence use of the Welsh language has also been a feature.

Reports from the Task and Finish Groups in both Powys and the Teifi Valley have provided wide ranging recommendations which cut across a number of Ministerial portfolios. Welsh Government has responded positively to both reports and is taking forward a number of actions as a result. Many of the recommendations are for the local authorities to consider and take forward as appropriate also.

In Powys we are supporting a number of specific initiatives, including:

- Funding for the Severn Valley EFFECT project based on the Sirroli model of enterprise facilitation. This model advocates the deployment of a community based enterprise facilitator to engage with individuals to promote an enterprise culture and encourage self employment as a career path.

- In Llandrindod Wells a Business led group has been supported to develop an action plan to help address the future economic viability of the town, encouraging jobs and economic growth. Welsh Government has recently responded to the report and will be making available funds to appoint a town champion to help drive forward the action plan. In addition, we are supporting a number of other actions including more proactive business support via Business Wales, and work on ICT infrastructure.

In addition to the specific initiatives above, a number of other actions are being taken forward in the Local Growth Zone, including prioritisation of the roll out of Next Generation broadband and key transport projects, including the Newtown by pass.

In regard to the Teifi Valley, again the Welsh Government has committed to take forward a number of actions which address the recommendations contained in the report from the Task and Finish Group which address three broad themes – business development, people development and area development. Work is underway at present to scope out many of the actions.

In regard to a number of the business support recommendations, the Group recognised that much of the support is already provided, but suggested that additional emphasis is required on raising awareness locally and of adopting a more proactive approach. A pilot to test a more proactive approach to the provision of business services is being considered in the area, alongside the establishment of a local business network. The pilot will also explore and assess the current provision, perceived barriers to take up and demand for Welsh language services. The pilot will test the concept of Welsh language business support surgeries and a Welsh language SME support Fund. Work is underway to scope this at present.

Business Improvement Districts

Town centre regeneration is a key area of focus within the Welsh Government's regeneration framework.

The Welsh Government announced funding of £203,000 in January 2014 to support the development of nine BID proposals in Wales. The announcement was made following two reports that looked favourably upon BIDs; the Business Rates Wales Review and the inquiry into town centre regeneration by the National Assembly for Wales' Enterprise and Business Committee.

A BID can deliver a sustainable financial model to a defined geographical area, where businesses have voted to invest collectively in local improvements. BIDs are developed, managed and paid for by the commercial sector by means of a BID levy. They are often a partnership arrangement through which the local business community and the statutory authorities can take forward projects and activities which will benefit the local economy.

The nine BID areas are Bridgend, Caernarfon and Bangor, Llanelli, Pontypridd, Neath, Aberystwyth, Abergavenny, Pant and Merthyr Industrial Estates and Colwyn Bay and each will receive between £17,000 and £25,000.

This is a joint initiative, with the funding contribution split equally between Economy, Science and Transport and Homes & Places.

e) Wales Economic Growth Fund

There is no allocation for the Wales Economic Growth Fund in 2015-16.

f) Business Rates

The Welsh Government is committed to recognising business rates as a lever for economic growth and taking measures to support business, growth and jobs. We have achieved an agreement for the devolution of this important tax to Wales from 2015.

In the last financial year, we launched the Open for Business and New Developments Schemes. These schemes sought to incentivise business and construction. Steps are being taken to further raise awareness of these schemes. We will closely monitor the impact of this work.

We also successfully lobbied the UK Government to extend Small Business Rate Relief and implemented this in Wales during 2014/15. This relief benefits many businesses across the country. Business rates increases in 2014/15 were also capped at 2%, a move which has injected money into the Welsh economy and supported jobs.

Two additional schemes were launched in 2014/15. The Wales Retail Relief Scheme offers qualifying businesses a discount of up to £1,000 on business rates bills for qualifying retail, food and drink premises. Recognising that other sectors may also require assistance with their bills particularly in light of the postponement of revaluation, the Local Needs Scheme provides £3.5m across Wales for local authorities to develop business rate relief schemes that support local economic development priorities.

Decisions regarding the continuation of the Wales Retail Relief and Local Need schemes in 2015/16 will be made during this financial year. Any changes to the consequential allocation following the UK Government's Autumn statement may also form part of these considerations.

In assessing value for money, the success of the business rate schemes will be monitored against the number and type of businesses receiving relief and the numbers of premises refurbished or created.

Business Rates will be devolved to Wales from April 2015. This will give us an opportunity to consider developing the right regime for Wales.

g) Export Support & Inward Investment Support

The Trade and Inward Investment team works with the sector teams, the European and External Affairs Division, the London office, overseas offices and other partners (both internal and external). It helps companies in Wales internationalise through exporting globally and to attract inward investment - both foreign direct inward investment and investment from elsewhere in the United Kingdom. Whilst the primary aim for inward investment is to increase the stock of overseas owned companies in Wales through winning new investments, reinvestments have played, and will continue to play, a significant role in our overall inward investment results.

In 2015/16 £2.1m has been allocated for trade and inward investment activity. The outcomes are monitored closely in terms of delivering value for money.

UKTI's annual report for 2013/14 shows that the number of inward investment projects attracted to Wales in the year to the end of March 2014, a record number of successes for Wales since records began thirty years ago. Over 10,000 new and safeguarded jobs were also won during the year, the third highest level since records began.

The rise in project wins, building on the 191% rise in 2012/13 over 2011/12 – a combination of new investments, expansions by existing foreign owned companies and merger and acquisition activity – represented just over 4% of the total number of foreign direct investment projects for the UK.

The projects secured promise the creation of over 2,800 new jobs, just over 4% of the UK total. Projects include those by Sony, Meritor, Airbus, General Dynamics, EE, Carey Glass and TongFang.

For trade, the key performance measure is the value of new export business secured by the companies that we have supported. In 2013/14 new orders worth £32.8m in new business has been reported. This is a return on investment of over 16:1 on net programme expenditure.

h) Support for Social Enterprise

In taking forward the recommendations of the current Social Enterprise Action Plan (2009) the Welsh Government provides circa £360,000 per year to specialist social enterprise support and membership organisations that specialise in bespoke support/services within the social enterprise sector. These organisations operate alongside the mainstream Business Wales service.

A value for money review was undertaken to inform decisions on the future core funding for both Social Firms Wales and the Development Trust Association Wales (DTAW). The findings of this review are available on the Welsh Government Website:

http://wales.gov.uk/topics/businessandeconomy/help/vfmreviews/?lang=en.

In line with the recommendations of the Review grant funding to DTAW will cease from 31st March 2015.

In line with guidance relating to the allocation of grant funding, a minimum of four monitoring meetings a year are held with the Wales Co-operative Centre, Social Firms Wales and the Development Trusts Association Wales to ensure that objectives and targets set are being met.

In October 2012, following a value for money review, funding provided to the Welsh Social Enterprise Coalition beyond the 2012/13 commitment was ceased. A Review was undertaken and completed in July 2014 by Robert Lloyd Griffiths, Chair of the Business Wales Strategic Board and Director (Wales) Institute of Directors. Recommendations from the Review will be aligned with the recommendations of the Welsh Co-operative and Mutuals Commission.

Welsh Government provides match funding towards the £8m Social Enterprise Support Project led by the Wales Co-operative Centre. The project raises awareness of social enterprises and provides specialist business support in Convergence and Competitive areas of Wales.

Areas in Wales that are not covered by the Social Enterprise Support Project are still able to take advantage of Welsh Government funded specialist advice. Social Enterprises are also encouraged to access Business Wales for general advice and support.

i) Partnership for Growth – The Welsh Government's Tourism Strategy

Tourism makes a vital contribution to the economic and social wellbeing of Wales. As part of the Welsh Government's commitment to supporting and developing the tourism sector, the Tourism Advisory Board was tasked with developing proposals for a new Tourism Strategy for Wales. The tourism strategy *Partnership for Growth 2013-2020* was launched in June last year providing an overall vision for growing tourism by 10% by 2020.

This is a challenging target as real growth of 10% (after inflation) would equate to a growth of around 28% in total visitor spend by 2020 (including inflation at 2% per annum). However, the first year of the strategy has seen a rate of growth above that needed to achieve our ambition, with an increase in volume and value of trips supporting thousands of additional jobs.

A number of strategic indicators have been identified to monitor progress of the strategy against a range of key outcomes including visitor volume and earnings, market share, visitor satisfaction and employment in tourism. These are supported by a separate set of Key Performance Indicators that measure the contribution that the Welsh Government is making via its activities to strategic outcomes.

A detailed update on first year progress against the tourism strategy and its related framework action plan is on the Welsh Government website:

http://wales.gov.uk/topics/tourism/abouttourism/stratdevreports/?lang=en

Further information has been provided separately for the Committee's inquiry into tourism, scheduled for 2 October 2014.

j)Priority Sectors

The objectives of the priority sectors are determined by the sector panels and have been published in the sectors delivery plan available from:

http://wales.gov.uk/docs/det/publications/130125deliveryplanen.pdf.

The key indicators for jobs and growth are monitored closely to ensure that expenditure is maximised in delivering on Programme for Government Commitments.

In 2013/14 we supported over 37,000 jobs across Wales. When compared on a like for like basis, this represents a 65% increase on the prior year's performance.

Welsh Government has published statistics which includes data on Gross Value Added (GVA), employee jobs, hourly earnings by gender, employment by qualification level and some local authority estimates:

http://wales.gov.uk/statistics-and-research/priority-sector-statistics/?lang=en

The investment in our nine key sectors has been prioritised to enable targeted investment and capacity building initiatives that, together, will create a sustainable business environment.

Due to the length and complexity of some projects activity often extends over a number of years with expenditure and delivery occurring during different financial years.

k) Science for Wales & Ser Cymru Programme

Science for Wales Strategy sets out our vision for where Wales should be going in the future in research, science teaching and the commercialisation of research for economic gain. It also provides information on the key initiatives we will take and how we measure success. The Science for Wales Strategy can be found on the Welsh Government Web Site:

http://wales.gov.uk/topics/businessandeconomy/csaw/publications/130319sfw/?lang=en

The 2013/14 Annual Update supports the work undertaken in delivering the strategy can be found at:

http://wales.gov.uk/topics/businessandeconomy/csaw/publications/delivery-plan/?lang=en

An equality impact assessment was conducted for Sêr Cymru. Gender representation remains a long-standing problem in the scientific workforce (only 17% of STEM professors in the UK are women, despite initiatives to improve diversity). Evidence has identified that the reasons for this are complex and relate to the perceptions of STEM subjects at school, the structure of academic careers, the prevalence of short-term contracts in the HE workforce and difficulties in reconciling research work which often demands long, anti-social hours and disrupts family life.

To address these issues the Welsh universities, as with their peers across the UK, participate in various schemes such as Athena SWAN, Project Juno, Investors in People, Stonewall Diversity Champions and other similar initiatives to encourage diversity in the research workforce and in the HE sector more generally.

l) Welsh Language and Economic Development Task and Finish Group

The requirements of the impending Welsh Language Standards as part of the implementation of the Welsh Language Measure 2011, call for continuation of good practice and attention in areas where improvements are required. The majority of this work will not incur any costs. Several pieces of work are under consideration in relation to this issue.

The Welsh Language and Economic Development Task and Finish Group was established to explore the relationship between the Welsh Language and Economic Development and to recommend ways to develop practical approaches to foster a positive relationship.

The report of the Group was published on 21 February 2014 and it endeavoured to build upon existing good practice to produce recommendations that were realistic, achievable and that sought positive outcomes in relation to both the language and the economy.

In terms of overarching messages the report reinforces that the Welsh language is integral in creating a stable and favourable business environment, promoting skills and investing in economic infrastructure including transport and information technology. The Group reflect that the language consolidates the identity of Wales which is important in the development of the Wales brand.

The Welsh Governments response was published on the 6 August.

http://wales.gov.uk/topics/businessandeconomy/policy/wled/?lang=en

3.2 Measuring Performance - Outputs and Outcomes

The Department uses a wide range of outcomes and outputs to measure delivery. As part of Programme for Government a set of macro-economic indicators are used to understand economic progress:

- Gross Disposable Household Income (GDHI) per capita
- Primary Income per capita
- Gross Value Added (GVA) per capita
- Employment rate.

These should not be considered indicators upon which the Welsh Government's policies alone can seek to have direct, obvious or significant influence, particularly in the short-term.

A wide range of indicators are used to measure delivery by the operational areas of EST and these are made up of a combination of activity and results. They have been developed to meet the requirements to provide a core key indicator set for use across all operational areas, to be compliant with any WEFO regulations when European Funding is utilised and to provide local indicators for individual business areas.

As part of the annual business planning process EST requires business areas to submit internal management baseline targets against indicators when budgets have been agreed.

3.3 Preventative Spending

As stated above, the Draft Budget gives clear priority to accelerate economic recovery, create employment opportunities and establish the foundations for long-term promotion of economic growth and sustainable communities. Employment offers a high level of protection against poverty for individuals and families. We are working to tackle worklessness and poverty by encouraging and supporting employment retention and creation across Wales.

The entire budget for Economy and Science supports intervention aimed at growth in the economy to increase prosperity. In terms of preventative spend, this has positive outcomes for health and social challenges and assists in establishing a fairer and more equal society.

The Science and Innovation budget is also important in supporting the improvement in education, training and research to assist in tackling unemployment.

4.0 ECONOMY & SCIENCE - FUNDING OF SPENDING PROGRAMME AREAS

The 2015/16 proposed total budget for Economy and Science has decreased by £27.938m when compared to the 2014/15 Supplementary Budget (excluding Annually Managed Expenditure).

This includes a decrease to the resource budget of £27.438m as a result of revenue reductions and 2014/15 in-year allocations and a net decrease of £0.5m to the capital budgets, as shown in the table below.

	2014/15 Supplementary Budget £'000	2015/16 Change £'000	2015/16 Proposed Budget £'000
Revenue	113,696	(27,438)	86,258
Non Cash	1,309	-	1,309
Capital	123,647	(500)	123,147
Total	**238,652**	**(27,938)**	**210,714**

4.1 Sectors & Business

SPA	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Sectors and Business	Revenue	51,065	(3,532)	47,533
	Capital	83,144	8,489	91,633
	TOTAL	**134,209**	**4,957**	**139,166**

The total budget of £139.166m in 2015/16 provides funding for Sectors, Legacy SIF, Entrepreneurship and Business Information, Trade and Inward Investment and Enterprise Zones. There is a decrease in the revenue budget of £3.532m which is made up of a number of incremental changes between years and movements in budget areas in 2014/15 to align commitments. There is a net increase of £8.489m in the capital budget which reflects net additional allocations of £25.5m from central reserves for Finance Wales funds and the financial transactions fund. This is offset by the decrease in budget of £20m for the non recurrent allocation for WEGF2.

Additional financial transaction funding of £3m will enable targeted investment in route development for Cardiff Wales Airport Ltd.

The Sectors and Business budgets are key to delivering against the Programme for Government areas for growth and sustainable jobs, tackling poverty and education and equality of opportunity.

4.2 Legacy SIF

Action	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Legacy SIF	Revenue	1,703	(500)	1,203
	Capital	10,325	0	10,325
	TOTAL	**12,028**	**(500)**	**11,528**

This budget supports the Department's contractual commitments under the legacy SIF/RSA schemes to honour grant offers to Welsh based companies provided that conditions and targets for growth and jobs have been met. The reduction of £0.5m reflects the reducing level of commitment as projects are completed.

4.3 Sectors

Action	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Sectors	Revenue	36,264	1,821	38,085
	Capital	72,819	8,489	81,308
	TOTAL	**109,083**	**10,310**	**119,393**

The budget of £119.393m supports the delivery of the Sector priorities, Enterprise Zones and Trade and Inward investment. A detailed breakdown of the activities by Budget Expenditure Line is included in Annex A. Overall the sectors budgets have been reprioritised with a net increase in the revenue budget of £1.821m. This supports new initiatives particularly in the ICT Sector such as the digital innovation and a software university. In addition marketing activity for £1.2m was transferred to Tourism to consolidate international initiatives.

The Sectors budget includes an allocation for pipeline activity of £12.5m to ensure that funding is available to respond quickly to projects as they are developed and £27.5m FTR allocation for business development funds.

The increase of £8.489m in the 2015/16 capital budget for Sectors reflects additional allocations from reserves and financial transactions as follows:

1. In 2015/16 additional financial transactions funding of £3m will support route development in Cardiff Wales Airport. This investment will significantly increase the commercial potential by attracting new airlines, supporting long term economic development.

2. A movement of £5.5m in previously announced financial transactions funding for Finance Wales funds of £30.5m is offset by 2014/15 non recurrent allocations for WEGF2 £20m and Cardiff Wales Airport for £5m.

4.4 Entrepreneurship

Action	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Entrepreneurship and Business Information	Revenue	13,098	(4,853)	8,245
	TOTAL	**13,098**	**(4,853)**	**8,245**

The Entrepreneurship and Business Information budget supports youth entrepreneurship, start-ups, SME and micro-businesses and responsible business practices. It also ensures that the mutual and co-operative sector has access to appropriate and robust business advice. Responsible Business practices will facilitate corporate social responsibility commitments by requiring businesses to behave ethically and contribute positively to the economic development.

The reduction of £4.853m is due to the increased intervention rates for EU programmes in the 2014-2020 round and re-profiling of EU income on Entrepreneurship. The drawdown of EU monies will be prioritised for the start of the new programme. Consequently the budget requirement will be lower in the early years of the projects and will increase as the programme is delivered.

4.5 Science and Innovation

SPA	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Science & Innovation	Revenue	13,202	(3,256)	9,946
	Capital	11,979	(9,000)	2,979
	TOTAL	**25,181**	**(12,256)**	**12,925**

The funding of £12.925m supports initiatives to deliver the Science for Wales Strategy and the Innovation Strategy.

4.6 Science

Action	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Science	Revenue	3,310	2,259	5,569
	Capital	11,479	(9,000)	2,479
	TOTAL	**14,789**	**(6,741)**	**8,048**

The budget includes revenue and capital funding of £8.048m to support the Ser Cymru and National Science Academy (NSA) initiatives. The additional revenue allocation of £2.259m in 2015/16 supports the current delivery profile for the Ser Cymru programme which aims to strengthen research capacity in Welsh Universities by providing support to recruit world-class scientific researchers into Wales. The funding contributes to the total £50m Welsh Government commitment to this five year programme, which is also supported by Health and Education budgets.

The NSA encourages interest in science, technology, engineering and mathematics (STEM) subjects amongst both young people and adults. The NSA works with partners across Wales to co-ordinate, deliver and support STEM 'outreach' activities and events.

There is a decrease of £9m in the capital budget for 2015/16, as the 2014/15 budget included a non recurrent allocation of £9m for the development of the Menai Science Park in North Wales.

4.7 Innovation

Action	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Innovation	Revenue	9,892	(5,515)	4,377
	Capital	500	-	500
	TOTAL	**10,392**	**(5,515)**	**4,877**

Funding of £4.877m is allocated to encourage businesses to invest in innovation and develop links with academia through the Business Innovation, A4B and SMART Cymru Programmes. These are all EU funded projects.

There is a £5.515m reduction in the revenue budget due to an increased intervention rate for the EU programmes and re-profiling of EU drawdown to the early years of the new programmes. In addition the potential to co-finance new programmes using external funding is anticipated to release the domestic budget.

4.8 Major Events

SPA	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Major Events	Revenue	4,456	(538)	3,918
	TOTAL	**4,456**	**(538)**	**3,918**

The £3.918m budget for Major Events will support work with National, UK and international sports federations to ensure more major events are hosted in Wales. In 2015, with support from the Major Events budget, Glamorgan Cricket will continue to build its position among the world's leading international cricket venues by hosting another Ashes Test Match and the Millennium Stadium will again play host to eight matches (including two quarter finals) of the Rugby World Cup. It also supports a diverse range of cultural events such as the Hay Festival, Machynlleth Comedy Festival, Festival No6 (awarded NME's Best New Festival Award 2013) and the Association of Independent Festivals Annual Congress.

The change in the budget of £0.538m has resulted from a managed reduction in line with spending priorities.

4.9 Infrastructure

SPA	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Infrastructure	Revenue*	19,446	(775)	18,671
	Capital	28,456	-	28,456
	TOTAL	**47,902**	**(775)**	**47,127**

*includes non fiscal resource DEL of £1,309k

The 2015/16 budget of £47.127m provides support for Property Related Infrastructure, ICT Infrastructure and the Next Generation Broadband for Wales project (NGBW - also known as Superfast Cymru).

4.10 ICT Infrastructure

Action	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Deliver ICT Infrastructure	Revenue*	7,986	(700)	7,286
	Capital	26,304	-	26,304
	TOTAL	**34,290**	**(700)**	**33,590**

*excludes non fiscal resource DEL of £1,309k

The £33.590m ICT Infrastructure budget supports the delivery of a number of key projects, including the delivery of the Superfast-Cymru project (discussed earlier) and the Public Sector Broadband Aggregation project.

Investment in ICT infrastructure is explicitly supported in Programme for Government and the Wales Infrastructure Investment Plan. High quality ICT infrastructure is fundamental in creating a thriving, competitive digital economy; increasing growth, jobs and wealth. Access to reliable broadband services is seen as a business critical utility in the modern age. It makes it possible for businesses to be located anywhere and can improve opportunities for business creativity and entrepreneurship, particularly for small and micro businesses. Being on-line allows rural businesses to open up new markets and increase their sales volume, creating local growth and job opportunities.

Public Sector Broadband Aggregation (PSBA)

PSBA is a managed network which connects nearly all areas of the public service in Wales to a secure network - for public service use only. It provides networking and related services in Wales, to support effective and efficient delivery of services to the public. It is a key enabler for the delivery of many Welsh Government Programme for Government commitments.

PSBA provides a mechanism to aggregate demand for, and collaborative purchasing of, wide area networking services. It lays the foundations for much closer public service integration and achieves scale benefits which each partner could not achieve alone.

The project has been running for seven years. There are currently over 80 partners (Recipient Organisations - RO's) on the PSBA network which covers in excess of 3,500 sites. Public services currently using PSBA include the local authorities, police, fire and rescue, higher and further education, NHS and other publically funded organisations.

The new PSBA contract is currently being re-procured with a view to driving further value for money and providing a solid foundation for continued cross-public services collaboration and partnership. The short listed bidder has been selected, clarifications are underway and a new contract is scheduled to commence on 1 December 2014.

The programme of work has been reprioritised in year to achieve revenue reductions of £0.7m for PSBA and ICT Schemes.

4.11 Property

Action	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Deliver Property Related Infrastructure	Revenue	10,151	(75)	10,076
	Capital	2,152	-	2,152
	TOTAL	**12,303**	**(75)**	**12,228**

The Property Related Infrastructure budget of £12.228m covers the management and development of the property portfolio, land reclamation activity and property offers to business. Activity is focused on meeting sector and spatial priorities within EST.

The reduction of £0.075m in the revenue budget reflects efficiencies in portfolio management arising from the new facilities management arrangements introduced in September 2013.

4.12 Strategy and Corporate Programmes

SPA	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Strategy & Corporate Programmes	Revenue	26,836	(19,337)	7,499
	Capital	68	11	79
	TOTAL	**26,904**	**(19,326)**	**7,578**

The 2015/16 budget of £7.578m supports the core funding for Finance Wales, Marketing, Health Challenge Wales Programme, National Loans Fund (NLF) repayments, and strategy support activity. It also supports the economic analysis and developments in legislation which underpin many spending decisions.

4.13 Corporate Programmes

Action	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Corporate Programmes	Revenue	3,147	(114)	3,033
	Capital	68	11	79
	TOTAL	**3,215**	**(103)**	**3,112**

The revenue reduction of £0.114m reflects efficiencies that were identified in the operational costs of the Customer Relationship Management database by re-scoping core ICT departmental programmes.

The capital budget supports the NLF repayments profile.

4.14 Marketing

Action	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Marketing	Revenue	2,815	(1,200)	1,615
	TOTAL	**2,815**	**(1,200)**	**1,615**

Marketing supports key campaigns and activities to help communication and success of delivery of the Department's programme and projects. The initiatives are particularly important to communicate offers to businesses and support the development of the Wales brand.

Marketing budget for infrastructure and international marketing activity of £1.2m was transferred to the Sectors budget to align the delivery to Tourism.

4.15 Finance Wales

Action	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Finance Wales	Revenue	3,000	(600)	2,400
	TOTAL	**3,000**	**(600)**	**2,400**

This budget provides an operating grant to Finance Wales who support the administration of investment funds for businesses.

The operating grant has been reduced by £0.6m following identification of operational efficiencies.

4.16 Strategy Programmes

Action	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Strategy Programmes	Revenue	17,874	(17,423)	451
	TOTAL	**17,874**	**(17,423)**	**451**

The budget supports the economic analysis and strategic engagement to inform key strategies spending decisions.

The 2014-15 budget included a consequential for business rates of £17.423m. Non domestic rates will be devolved from 1 April 2015. The consequential for 2015-16 will be confirmed when decisions are made in relation to schemes.

5.0 TRANSPORT

Transport has a critical role to play in improving Wales' economic competiveness and providing enhanced access to jobs and services. The current transport investment programme ensures that it is focused on improving Wales' economic competiveness. It is without question that an affordable, effective and efficient transport system is important in tackling poverty and is integral to delivering interventions and policies for growth and jobs.

Therefore, we continue to provide substantial investment in major transport infrastructure improvements, such as road improvements on the M4 Corridor around Newport, A465 Brynmawr to Tredegar A487 Caernarfon – Bontnewydd and Cardiff Eastern Bay Link. In recognising the role that rail plays in promoting economic growth and enabling greater access to jobs and services, we have chosen to invest to bring forward improvements in network capacity and the accessibility and quality of stations.

We also continue to invest very substantial resources in transport services including the rail franchise, the concessionary fares scheme and grants to support bus service provision.

A key focus of the work of the Department is the development of a new National Transport Plan, which will be published for consultation before the end of the 2014.

It will provide the context and evidence to inform decisions on all transport investment and will present information such as the level of accessibility different communities have to employment sites and key public services. Using that information, it will identify the type of interventions needed to improve accessibility.

It will also set out our priorities for future investment by others. For example, the priority locations for new railway stations which would need to draw down UK Government funding to progress.

5.1 Programme for Government Commitments

The table at Annex B provides a mapping of Programme for Government commitments with details of associated cost.

5.2 Key Policies

Additional information is provided in response to the specific requests made by the Committee as follows:

a) M4 Developments

Further to strategic level assessment and consultation, a Plan and Preferred Route for the M4 Corridor around Newport was announced on 16 July 2014 (link to oral statement:

http://wales.gov.uk/about/cabinet/cabinetstatements/2014/9026924/?lang=en)

b) Provision for the Active Travel Bill

In progressing the Active Travel (Wales) Act 2013 the including statement of conformity to the design and consultation requirements and integrated network maps are anticipated to cost £289,650 in 2015/16.

Costs of making year-on-year improvements will be determined by budget availability. The costs of enhancing provision in new road schemes will be factored into the costs of existing schemes.

These costs will be met from within Walking and Cycling and the strategy budgets.

Work on active travel is closely coordinated across the two Departments and funding for active travel primarily lies within the portfolio. Transport officials are supporting the Minister for Natural Resources, in relation to implementation.

There is no impact arising from any UK legislation on the Transport budget.

c) Opportunities provided by EU funding for the Transport sector

We have engaged proactively with the opportunities provided by EU funding, including the Connecting Europe Facility and have provided regular updates to Members on that engagement.

We have started a dialogue with ports and the Irish Government about potential projects under 'Motorways of the Sea', one of the horizontal priorities under TEN-T, and we stand by to liaise directly with the Innovation and Networks Executive Agency (the technical arm of DG MOVE) once we have further detail on projects for potential bids.

However, it is important to recognise the amount available for TEN-T in non-accession states is relatively modest. It is also a competitive bidding process which is likely to be heavily over-subscribed due to the number and scale of likely projects.

d) Investment in rail, bus and community transport

On rail, our programme of investment continues across Wales. In 2014-15 we are delivering the following:

- National Station Improvement Programme schemes at Aberystwyth, Rhyl, Pontypridd and Ystrad Mynach.
- National Station Improvement Programme Plus scheme access humps at numerous stations across Wales.
- Access for All improvement projects at Chirk and Ystrad Mynach.
- Cardiff Area Signal Renewal scheme projects at Pontypridd, Barry and Tir Phil.
- Completion of the North-south journey times/capacity improvement project.

- The completion of a new station at Pye Corner on the Ebbw Vale Line.

In 2015-16 we will deliver the following:

- Mid Tier Access improvement programme schemes at Radyr, Llandaf, Chirk, Machynlleth and Ystrad Mynach.
- National Station Improvement Programme scheme at Port Talbot.
- Work will also commence on further access upgrades for Barry, Cathays, Flint, Llanelli, Taffs Well, Treforest, and Treherbert.

An update on the South Wales Metro was published in August 2014 and can be found on the Welsh Government's website:

http://wales.gov.uk/docs/det/report/140826-cardiff-metro-update-report-august-2014-en.pdf

In 2014-15 under the Metro Phase 1 package of schemes we will deliver the following:

- Completion of Newport Bus Station.
- Extension of the Ebbw Vale Line and construction of a new station at Ebbw Vale Town.
- Completion of a package of several active travel routes.

In 2015-16 we will deliver the following:

- Improvements to the Ebbw Vale Line to enable frequency enhancements.
- A package of bus priority schemes across South East Wales.
- Station improvements at a number of stations between Cardiff and Merthyr Tydfil.

The introduction of improved TrawsCymru longer distance bus services in north Wales on the T3 Barmouth to Wrexham and the T2 Bangor to Aberystwyth routes commence in November. These improvements will include:-

- More frequent services throughout the day (the frequency of the T3 is to be increased by 20%).

- The introduction of cycle carriage facilities on the T3 service are enabling people to access popular sections of the Sustrans National Cycle Network in north Wales at Dolgellau - Mawddach Trail and the Llangollen Canal.

- More affordable tickets will be introduced on both routes aimed at encouraging young people to use the services such as the Bwmerrang Ticket which will offer discounted weekend travel.

Work is underway to better coordinate bus and rail services in the Conwy Valley through the introduction of joint ticketing, improved bus services for rural communities allowing them to more easily access rail stations and key centres in the Valley. This will be complemented by the provision of improved information for passengers.

With regard to the North Wales Coastal Quality Bus Partnership Scheme, we are working with local authorities and bus operators to introduce a package of improved bus services linking key centres along the north Wales coast stretching from Holywell to Llandudno. The objectives of the Scheme are to improve the frequency and hours of operation of services, provide better links to key health care facilities and provide better integration with the rail network.

Community Transport Improvements in Meirionnydd includes funding provided for Gwynedd Council to improve the availability of accessible community transport services in the Dolgellau area.

e) National Transport Plans from 2015

We have issued guidance to Local Authorities to inform the development of Local Transport Plans earlier this year and recently amended the subordinate legislation on how local authorities can group together to produce Local Transport Plans to provide greater flexibility. We are aware that work is progressing with the development of these plans and that local authorities in many parts of Wales are working together to produce joint plans.

Work on the National Transport Plans is progressing and the scoping exercise for the Strategic Environmental Assessment and Strategic Habitat Regulations Assessment is underway. We intend to consult on the draft National Transport Plan and associated assessments towards the end of October.

An important focus of the work in developing the new National Transport Plan has been to develop the evidence base and identify regional issues. In some cases there will be specific actions to address regional priorities included in the draft Plan and in other cases we will be committing to carry out further work to identify specific interventions.

5.3 Preventative spending

In delivering better outcomes preventative spending measures are important for the long-term. The majority of Transport expenditure for programmes and policies in concessionary fares, network management and road safety may be attributed as preventative spend.

An assessment to establish the benefits of the concessionary fares scheme from a preventative spend perspective found:

- £10.5 million in indirect health and social care benefits from the Concessionary fares scheme. The concessionary fares scheme promotes both greater physical activity and more social interaction, both of which delay the onset of dementia and therefore, delaying the need for local authority funded residential care. It also brings other cost savings for the NHS by reducing the number of or delaying the onset of various conditions.

- This means that for every £1 spent on concessionary fares, there is around 14p of savings in the health and social care budgets.

- The concessionary fares scheme is subject to the multi-annual agreement with bus operators. The process for reaching a new agreement requires that the principle of 'no net gain, no net loss' is adhered to and the reimbursement rate tested. This demonstrates value for money.

6.0 TRANSPORT FUNDING OF SPENDING PROGRAMME AREAS

Compared to 2014/15, there is a £40.271m increase in the total Transport budget for 2015/16, comprising a revenue decrease of £1.529m and a capital increase of £41.8m.

	2014/15 Supplementary Budget £'000	2015/16 Change £'000	2015/16 Proposed Budget £'000
Revenue	306,970	(1,529)	305,441
Non Cash	108,691	-	108,691
Capital	296,349	41,800	338,149
Total	**712,010**	**40,271**	**752,281**

6.1 Motorway & Trunk Road Network Operations

SPA	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Motorway & Trunk Road Network Operations	Revenue	61,455	(3,666)	57,789
	Capital	71,450	(8,900)	62,550
	TOTAL	**132,905**	**(12,566)**	**120,339**

The Welsh Government is directly responsible for the Motorway and Trunk Road Network, one of Wales' most important infrastructure assets. It supports the delivery of many of the Programme for Government commitments across most policy areas including, the economy, health and education and has a depreciated replacement cost of over £13bn. Adequate funding for network maintenance is therefore essential to maintain the condition and service levels required for the Welsh Government to meet its statutory duties for safety and achieve its wider policy objectives for Wales.

On 4 June 2014, the Minister for Economy, Science and Transport issued a written statement concerning the Arrangements for the management of Motorways and Trunk Roads in Wales:

http://wales.gov.uk/about/cabinet/cabinetstatements/2014/motorwaytrunkroads/?lang=en.

A review of the current operational arrangements has shown that there is merit in considering further changes to the management and delivery structures, so as to obtain more improvements in service delivery and Value for Money.

Overall, there is a revenue reduction of £3.666m from the reprioritisation of the network maintenance programme and anticipated savings.

The capital budget of £62.550m funds capital maintenance and improvement of the existing road network.

The capital reduction of £8.9m is primarily due to the following key changes:

1. The transfer out of £30m to the Road and Rail Schemes Action for the Brynglas Tunnels;

2. Additional capital of £7m which reflects a net movement between financial years for changes in the profiles of additional capital allocations from central reserves for specific works; and

   A movement of £14.1m in the delivery of the capital maintenance programme between financial years.

6.2 Improve and Maintain Trunk Road Network (Domestic Routes) - Non Cash

Action	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Improve and Maintain Trunk Road Network (Domestic Routes)	Revenue	108,691	0	108,691
	TOTAL	**108,691**	**0**	**108,691**

This budget covers the annual depreciation of the trunk road network.

6.3 Rail & Air Services

Action	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Rail & Air Services	Revenue	163,968	21,711	185,679
	TOTAL	**163,968**	**21,711**	**185,679**

The budget supports the Wales and Borders Franchise and Intra Wales Air Service. Affordability of the Wales and Borders Franchise is a particular concern in the long-term. The increase in the revenue budget of £21.711m is mainly due to the reallocation of funding specifically to cover the inflationary pressure of the franchise; bonus payments; and provision for additional services for the Cambrian line; Heart of Wales line and Fishguard services. The budget has been reprioritised in response to consultation with service users. The improvement to services is important in boosting the local economies and providing access to services and employment. These services are crucial in supporting rural communities.

6.4 Road and Rail Investment

Action	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Road & Rail Schemes	Capital	151,766	30,819	182,585
	TOTAL	**151,766**	**30,819**	**182,585**

The budget funds road and rail capital improvements. In 2015/16 we are allocating £150.7m to deliver road infrastructure priorities and £31.9m to deliver rail investment projects. The increase of £30.8m includes additional capital allocations from central reserves of £30m to support the Eastern Bay Link and a net additional £0.8m which reflects a net movement between financial years for changes in the profiles of additional capital allocations from central reserves for specific works, and the re-prioritisation of capital schemes in line with programme delivery. The net movement also reflects a transfer in of £30m from Motorway and Trunk Road Network Operations Action for the Brynglas Tunnels which has been offset by a realignment of capital funding to support the concessionary fares scheme.

6.5 Improve & Maintain Local Roads Infrastructure

Action	Expenditure Category	**2014/15 Supplementary Budget £'000**	**Change £'000**	2015/16 Proposed Budget £'000
General Capital Funding - Roads	Capital	13,667	-	13,667
	TOTAL	**13,667**	**-**	**13,667**

This budget reflects the transport capital component of the local government settlement. This funding cannot be used for any other purpose.

6.6 Sustainable Travel

Action	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Sustainable Travel	Revenue	77,304	(25,095)	52,209
	Capital	52,566	19,881	72,447
	TOTAL	**129,870**	**(5,214)**	**124,656**

This budget supports investment in integrated transport, active travel, concessionary fares, smartcards and bus, rail and local roads.

Concessionary Fares: Following a detailed negotiation, a new three-year concessionary fares agreement was reached with the bus industry. The budget shows funding for the concessionary fares scheme of £60.5m in 2015/16. This amount is supplemented by the local authorities and an administration fee.

A new Bus Services Support Grant (BSSG) (replaced Regional Transport Services Grant (RTSG)) was introduced 1 April 2014. The BSSG maintained our previous level of funding granted under RTSG of £25m and the commitment for a minimum set percentage to be allocated to community transport. This grant is provided to local authorities to help them subsidise socially-necessary bus and community transport services. Each authority determines which services to support, based on its assessment of local circumstances and priorities using this grant and their own resources.

Overall there is a revenue budget reduction of £25.095m. The funding requirements of the bus operators in delivering the concessionary fares scheme in 2015/16 requires a reclassification of a proportion of revenue to capital to reflect the associated capital expenditure they incur, for example the acquisition of additional vehicles. Consequently there is a reduction in revenue of £29m. This is offset by a net reallocation of funds of £4m for the BSSG to support other bus services.

The increase in the capital budget of £19.881m is due to the increased capital requirements for concessionary fares of £29m offset by a net reduction of £10m between financial years for additional capital allocations from central reserves and for re-prioritisation of capital schemes in line with delivery.

6.7 Youth Concessionary Fares

Action	Expenditure Category	**2014/15 Supplementary Budget £'000**	**Change £'000**	2015/16 Proposed Budget £'000
Youth Concessionary Fares	Revenue	-	5,000	5,000
	TOTAL	**-**	**5,000**	**5,000**

We are allocating £5m in 2015-16 to support a new discounted bus travel scheme for 16 and 17 year olds. This investment will have a positive impact on young people enabling them to access opportunities for work, education, training and apprenticeships and will be of particular benefit to people from low income households and help to tackle poverty.

6.8 Improve Road Safety

Action	Expenditure Category	2014/15 Supplementary Budget £'000	Change £'000	2015/16 Proposed Budget £'000
Improve Road Safety	Revenue	4,243	521	4,764
	Capital	6,900	-	6,900
	TOTAL	**11,143**	**521**	**11,664**

The budget supports capital road safety engineering improvements on the trunk and local road networks. It also supports engagement and funding arrangements with external partners in the public, private and third sectors to achieve casualty reduction, using the road safety governance structures to support the implementation of the Road Safety Delivery Plan. The Plan sets out our strategic approach to road safety to 2020. There is an additional requirement of £0.521m to fund the partnerships.

7.0 LEGISLATION

Planning Bill

The Planning Bill implements many of the recommendations set out in the report on the planning system by the Independent Advisory Group. EST has been involved in the development of the Planning Bill and is still engaged as the Bill proceeds through its next stages.

We are also likely to be involved with the second planning Bill, the Planning Consolidation Bill. Whilst there is an impact on staff time in terms of the ES&T lead official's time plus the time of other ES&T officers providing assistance with the Bill when called upon, it is envisaged that it is unlikely there will be any direct budgetary impacts.

Wellbeing of the Future Generations (Wales) Bill

The Wellbeing of the Future Generations (Wales) Bill proposes to place on specified public bodies, including the Welsh Government, a duty to set objectives which contribute to the achievement of 6 goals contained in the Bill, and to apply sustainable development principles. This means that ES&T will have to demonstrate how our business and financial planning processes align with the six 'Goals' in the Bill and how they make this operational. The Bill is timetabled to become law in spring 2016.

Indicators as measures of progress will be set by Ministers and this will require the compilation, recording and management of evidence for annual reporting of how we spend and deliver against the Goals. This will have impacts on staffing (such as new duties allocated amongst staff or new staff positions needed) and managerial processes to put all this in place.

A Commissioner for Future Generations to promote and support organisations to embed sustainable development principles will be established. The commissioner will be able to call for evidence from organisations to drive improvement, and this is likely to have an impact on the allocation of resources to be able to prepare the ES&T case.

There may be system requirements and associated staff costs in connection with the compilation and management of evidence. However, is unlikely there will be any direct budgetary impacts.

Annex A

ECONOMY, SCIENCE & TRANSPORT
Budget Allocations 2015/16

Departmental Structure			REVENUE		2014/15	2015/16
GROUP	SPA	ACTION	BEL	BEL Name	Published Supp Budget £'000	Proposed Budget £'000
Sectors & Business	Sectors & Business	Legacy SIF	4029	Single Investment Fund	**1,703**	**1,203**
		Sectors	3765	ICT	6,820	8,961
			3764	Life Sciences	2,824	2,319
			3763	Financial & Professional Services	225	190
			3762	Creative Industries	1,284	1,154
			3761	Advanced Materials & Manufacture	3,816	3,779
			3760	Energy & Environment	2,200	1,400
			6250	Tourism	10,837	10,431
			3752	Construction	769	451
			3753	Pipeline Development	1,251	3,688
			3754	Trade and Inward Investment	2,142	2,116
			3755	Enterprise Zones	750	839
			3756	Enterprise Zones - Business Rates Scheme	3,255	2,666
			4051	Regional Engagement	91	91
					36,264	**38,085**
		Entrepreneurship	3893	Entrepreneurship & Business Wales	13,098	8,245
					13,098	**8,245**
		Total SPA			**51,065**	**47,533**

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	Innovation & Science	Innovation	3744	Innovation Centres & R&D Facilities	2,255	2,185
			3746	Academia & Business Collaboration	6,255	841
			3742	Business Innovation	1,382	1,351
					9,892	**4,377**
		Science	3745	Science	**3,310**	**5,569**
		Total SPA			**13,202**	**9,946**
	Total Group				**64,267**	**57,479**

Departmental Structure			CAPITAL		2014/15	2015/16
GROUP	**SPA**	**ACTION**	**BEL**	**BEL Name**	**Published Supp Budget £'000**	**Proposed Budget £'000**
Sectors & Business	Sectors & Business	Legacy SIF	4029	Single Investment Fund	**10,325**	**10,325**
		Sectors	3765	ICT	1,053	1,053
			3764	Life Sciences	5,855	15,855
			3763	Financial & Professional Services	1,065	1,065
			3762	Creative Industries	1,049	1,049
			3761	Advanced Materials & Manufacture	7,900	10,900
			3760	Energy & Environment	2,584	2,584
			3752	Construction	755	755
			3753	Pipeline Developments	41,298	36,787
			3755	Enterprise Zones	9,000	9,000
			4051	Regional Engagement	260	260
			6250	Tourism	2,000	2,000
					72,819	**81,308**
		Total SPA			**83,144**	**91,633**
	Science & Innovation	Innovation	3746	Academia & Business Collaboration	500	500
					500	**500**
		Science	3745	Science	**11,479**	**2,479**
		Total SPA			**11,979**	**2,979**
	Total Group				**95,123**	**94,612**

Departmental Structure			REVENUE		2014/15	2015/16
GROUP	**SPA**	**ACTION**	**BEL**	**BEL Name**	**Published Supp Budget £'000**	**Proposed Budget £'000**
Infrastructure	Infrastructure	ICT Infrastructure	3822	Public Sector Broadband Aggregation	4,544	4,444
			3860	ICT Infrastructure Operations	3,442	2,842
					7,986	**7,286**
			3860	ICT Infrastructure Non-Cash	**1,309**	**1,309**
		Property Infrastructure	4052	Land & Buildings - Expenditure	**10,151**	**10,076**
	Total Group				**19,446**	**18,671**

Departmental Structure			CAPITAL		2014/15	2015/16
GROUP	**SPA**	**ACTION**	**BEL**	**BEL Name**	**Published Supp Budget £'000**	**Proposed Budget £'000**
Infrastructure	Infrastructure	ICT Infrastructure	3822	Public Sector Broadband Aggregation		
			3860	ICT Infrastructure Operations	26,304	26,304
					26,304	**26,304**
		Property Infrastructure	4052	Land & Buildings - Expenditure	2,152	2,152
					2,152	**2,152**
	Total Group				**28,456**	**28,456**

Departmental Structure			REVENUE		2014/15	2015/16
GROUP	SPA	ACTION	BEL	BEL Name	Published Supp Budget £'000	Proposed Budget £'000
	Major Events	Major Events	4231	Marketing & Major Events	4,456	3,918
		Total SPA			**4,456**	**3,918**

Departmental Structure			REVENUE		2014/15	2015/16
GROUP	**SPA**	**ACTION**	**BEL**	**BEL Name**	**Published Supp Budget £'000**	**Proposed Budget £'000**
DGOT & Strategy	Strategy & Corporate Programmes	Corporate Programmes	3899	Health Challenge Wales	999	949
			4028	National Loans Fund	1,677	1,666
			4023	Corporate Programmes & Services	471	418
					3,147	**3,033**
		Strategy Programmes	3891	Economic Analysis	158	158
			3897	Strategic Engagement	293	293
			3898	Strategic Initiatives	17,423	0
					17,874	**451**
	Marketing	Marketing	4230	Operations Marketing	**2,815**	**1,615**
	Finance Wales	Finance Wales	4024	Finance Wales	**3,000**	**2,400**
		Total SPA			**26,836**	**7,499**

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Departmental Structure			CAPITAL		2014/15	2015/16
GROUP	**SPA**	**ACTION**	**BEL**	**BEL Name**	**Published Supp Budget £'000**	**Proposed Budget £'000**
DGOT & Strategy			4028	National Loans Fund	68	79
					68	**79**
		Total SPA			**68**	**79**

Departmental Structure			REVENUE		2014/15	2015/16
GROUP	**SPA**	**ACTION**	**BEL**	**BEL Name**	**Published Supp Budget £'000**	**Proposed Budget £'000**
Transport	Motorway & Trunk Road Network Operations	Motorway & Trunk Road Operations	1885	Network Operations	56,880	53,264
			1884	Network Asset Management & Support	4,575	4,525
					61,455	**57,789**
		Improve and Maintain Trunk Road Network (Domestic Routes) - Non Cash	1886	Network Asset Management & Support	108,691	108,691
					108,691	**108,691**
	Rail & Air Services	Rail & Air Services	1890	Rail Franchise	162,368	184,079
			1883	Air Services	1,600	1,600
					163,968	**185,679**
	Sustainable Travel	Sustainable Travel	2030	Sustainable Travel & Walking & Cycling	500	500
			1880	Bus Support & Local Transport	24,501	28,448
			2000	Concessionary Fares	51,303	21,261
			1881	Smartcards	500	2,000
			1882	Regional Transport Plans	500	0
					77,304	**52,209**
		Youth Concessionary Fares	New BEL	Youth Concessionary Fares	0	5,000
					77,304	**57,209**
	Improve Road Safety	Improve Road Safety	1892	Road Safety	4,243	4,764
					4,243	**4,764**
	Total Group				**415,661**	**414,132**

Departmental Structure			CAPITAL		2014/15	2015/16
GROUP	**SPA**	**ACTION**	**BEL**	**BEL Name**	**Published Supp Budget £'000**	**Proposed Budget £'000**
Transport	Motorway & Trunk Road Network Operations	Motorway & Trunk Road Operations	1885	Network Operations	71,450	62,550
					71,450	**62,550**
	Road & Rail Investment	Road and Rail Schemes	1889	New Road Construction & Improvement Studies	1,900	1,900
			1888	New Road Construction & Improvement	95,266	148,785
			1891	Rail Investment	54,600	31,900
					151,766	**182,585**
	Sustainable Travel	Sustainable Travel	2030	Sustainable Travel & Walking & Cycling	7,350	8,350
			1880	Bus Support & Local Transport	0	0
			2000	Concessionary Fares	9,716	39,297
			1881	Smartcards	2,100	600
			1882	Regional Transport Plans	33,400	24,200
					52,566	**72,447**
	Improve & Maintain Local Roads Infrastructure	General Capital Roads Funding - Roads	2040	General Capital Fund - Road	13,667	13,667
					13,667	**13,667**
	Improve Road Safety	Improve Road Safety	1892	Road Safety	6,900	6,900
					6,900	**6,900**
	Total Group				**296,349**	**338,149**

ECONOMY, SCIENCE & TRANSPORT
Programme for Government Mapping of Expenditure

Budget Action	Budget 2015-16 £'000	Sub-Outcome	Chapter
Legacy SIF	11,528	Supporting the economy and business	Growth and Sustainable Jobs
Sectors	119,393	Supporting the economy and business	Growth and Sustainable Jobs
		Supporting continuous improvement in our public services	Public Services in Wales
		Reducing the level of crime and fear of crime	Safer Communities for All
		A thriving rural economy	Rural communities
		Creating a sustainable, low carbon economy	Growth and Sustainable Jobs
		Widening access to our culture, heritage and sport, and encouraging greater participation	Culture and Heritage of Wales
Entrepreneurship & Business Information	8,245	Supporting the economy and business	Growth and Sustainable Jobs
Innovation	4,877	Supporting the economy and business	Growth and Sustainable Jobs
Science	8,048	Supporting the economy and business	Growth and Sustainable Jobs
		Improving Further and Higher Education	Education
Major Events	3,918	Supporting the economy and business	Growth and Sustainable Jobs
		Widening access to our culture, heritage and sport, and encouraging greater participation	The Culture and Heritage of Wales
Deliver Property Related Infrastructure	12,228	Supporting the economy and business	Growth and Sustainable Jobs
Deliver ICT Infrastructure	33,590	Improving our infrastructure	Growth and Sustainable Jobs
		Supporting continuous improvement in our public services	Public Services in Wales
		Ensuring rural communities have access to faster broadband speeds and new digital services	Rural Communities
Deliver ICT Infrastructure- Non Cash	1,309	Improving our infrastructure	Growth and Sustainable Jobs
		Supporting continuous improvement in our public services	Public Services in Wales
		Ensuring rural communities have access to faster broadband speeds and new digital services	Rural Communities
Marketing	1,615	Supporting the economy and business	Growth and Sustainable Jobs
		Supporting continuous improvement in our public services	Public Services in Wales
Finance Wales	2,400	Supporting the economy and business	Growth and Sustainable Jobs

Budget Action	Budget 2015-16 £'000	Sub-Outcome	Chapter
Strategy Programmes	451	Supporting the economy and business	Growth and Sustainable Jobs
		Tackling worklessness and raising household income	Tackling Poverty
		Living within environmental limits and acting on climate change	Environment and Sustainability
Corporate Programmes	3,112	Supporting the economy and business	Growth and Sustainable Jobs
		Preventing poor health and reducing health inequalities	21st Century Healthcare
Motorway & Trunk Road Operations	120,339	Improving our infrastructure	Growth and Sustainable Jobs
Improve and Maintain Trunk Road Network Non Cash	108,691	Improving our infrastructure	Growth and Sustainable Jobs
Rail & Air Services	185,679	Improving our infrastructure	Growth and Sustainable Jobs
		Reducing the level of crime and fear of crime	Safer Communities for All
Sustainable Travel	124,656	Improving our infrastructure	Growth and Sustainable Jobs
		Improving safety in communities	Safer Communities for All
		Tackling worklessness and raising household income	Tackling Poverty
		Improving public services for rural communities	Rural Communities
		Ensuring people receive the help they need to live fulfilled lives	Supporting People
Youth Concessionary Fares	5,000	Tackling worklessness and raising household income	Tackling Poverty
		Supporting the economy and business	Growth and Sustainable Jobs
Improve Road Safety	11,664	Improving safety in communities	Safer Communities for All
Road & Rail Investment	182,585	Improving our infrastructure	Growth and Sustainable Jobs
		Improving safety in communities	Safer Communities for All
General Capital Funding - Roads	13,667	Improving our infrastructure	Growth and Sustainable Jobs
TOTAL	**962,995**		

PROGRAMME FOR GOVERNMENT
SIX MONTHLY UPDATE AS AT SEPTEMBER 2014

	Commitment	September Update
1/001	Central to the recovery the First Minister will build on the new relationship the Assembly Government has with the business community & our social partners to create the flexible framework & conditions needed for companies & businesses to thrive & grow.	No change to published version
1/003	..to implement and further integrate our economic, education, skills and planning policies across all relevant Assembly Government departments and other delivery bodies. The over-arching priority over the next Assembly term will be delivery. We will review and refresh our actions based on fresh evidence to ensure the maximum effectiveness and flexibility of all those Assembly Government departments and other organisations providing support for businesses.	No change to published version
1/004	Support high performing, quality companies in all those parts of the economy which can create employment, wealth and a sustainable Wales	No change to published version
1/005	Expect any business seeking Assembly Government support, including public procurement contracts, to sign up to our principles of corporate social responsibility, with a commitment to sustainable development, training & good employment practice. This will included supported employment settings such as Remploy.	No change to published version
1/006	Continue to build strong links with our anchor companies & develop strategic, mutually supportive/beneficial relationships with these key companies, embedding them in the Welsh economy through developing close links with our further & higher educational institutional & maximising supply & chain opportunities.	Two satisfaction surveys were undertaken in September 2013 and summer 2014 and the results are being used to develop future events, training and support to anchor companies.
1/007	Review what entrepreneurial support is needed by start-up & small firms (SMEs), with real potential to thrive & grow, & how we can embed an entrepreneurial culture in Wales.	Micro-Business Loan Fund to date has created and safeguarded 545 jobs. Business Start Up service has supported 17,304 jobs and 9,978 new enterprises since 2008.
1/008	Ensure that the mutual & cooperative sector has access to appropriate & robust business advice & that Ministerial lead will be in the Economy Department	No change to published version
1/012	Promote Wales as a destination making a high quality tourism offer.	With focus by WG on Ireland, Germany and USA a secondee now works with VisitBritain to deliver further PR, campaign and travel trade activity in these key markets taking advantage of significant opportunities

	Commitment	September Update
		that arise.
1/013	Work to extend the tourism season & associated benefits.	Several significant pipeline projects are being discussed that complement the Tourism Strategy for Wales 'Partnership for Growth' including hotel and spa development, and all year round, all weather, attractions.
1/014	Identify opportunities to improve visitor infrastructure & product in Wales.	Zip World and Bounce Below at the Llechwedd Slate Caverns, Blaenau Ffestiniog, for example, and Surf Snowdonia (Dolgarrog), are both high profile /impact projects already attracting significant attention.
1/015	Support investment in staff training and management to support a high quality [tourism] industry.	Tourism Advisory Board has agreed a number of key actions on skills, prioritising the development of evidence based skills framework to address future challenges of servicing new markets and developing prestigious / highly paid employment opportunities. Visit Wales works with DfES- and the education and training sector - to ensure right training/qualifications structures are in place.
1/016	Seek to ensure that all residential premises & all businesses in Wales will have access to Next Generation Broadband by 2015, with the ambition that 50 per cent or more have access to 100mbps. As with the Assembly Government's previously successful Broadband Wales programme, we believe however that the Next Generation Broadband for Wales Project must be a balance between supply side & demand stimulation actions.	Our delivery partners, BT, have already provided access for over 216,000 premises; expectation over 480,000 premises enabled by spring 2015. At the end of July 2014 fibre was available in parts of eighteen local authority areas across Wales. More information is available at www.superfast-cymru.com.
1/023	Prioritise the objectives of the National Transport Plan to ensure that the existing transport funding is used effectively, the level of resources enhanced and that future investment decisions are made against these overarching strategic priorities.	No update to published version
1/024	Consider using the provisions of the Transport Wales Act 2006 to establish one or more Joint Transport Authorities.	Professor Kevin Morgan's report was published on the Welsh Government website http://wales.gov.uk/docs/det/publications/140522-governing-metro.pdf
1/025	We will review the arrangements for winter road maintenance currently undertaken by local authorities and consider the potential for these being carried out by the Trunk Road Agencies in Wales.	No update to published version
1/026	We will examine the feasibility of the Wales and Border rail franchise being run on a not-for-dividend basis, such as Glas Cymru.	Discussions with the UK Government about the possible transfer of rail franchising functions are ongoing
1/027	Make the case to the UK Government for greater accountability of Network Rail to the Welsh Government.	Discussions with the UK Government about the possible transfer of rail franchising functions are ongoing
1/028	Continue to argue strongly for the electrification of the main south Wales-London Paddington line through to Swansea. We will also develop the business case for the electrification of other parts of the local rail network in Wales.	The Ministerial Task Force on North Wales Transport will consider the Welsh Government's contribution to developing the business case for North Wales rail electrification at its meeting on 19 September. Discussions are ongoing with the UK Government on how to enable delivery of electrification in South Wales.
1/029	Seek to establish a Traffic Commissioner	No update to published version

	Commitment	September Update
	based in Wales.	
1/030	Work with partners to enhance the quality, reliability and safety of local bus service provision.	No update to published version
1/031	Continue to improve services such as the Trawscambria network and the popular on-demand Bwcabus scheme.	A new TrawsCymru T1 service, funded by WG, was introduced linking Aberystwyth – Lampeter – Carmarthen in August 2014 designed to connect with Bwcabus at key hubs and through fares are offered. Preparations are being made to introduce further TrawsCymru services later in 2014/15 on key routes linking Aberystwyth to Bangor, Wrexham to Barmouth and Aberystwyth – Cardigan – Haverfordwest.
1/032	Retain free bus travel for pensioners and disabled people and their carers.	A new three year reimbursement arrangements has been announced, following negotiations with the bus industry, covering 2014-17 for a reimbursement total of £189m. The funding available to local authorities to enable them to reimburse bus operators in 2014-15 will be £67.75m.
1/035	Encourage more young people to gain the skills that will develop Wales' potential for economic growth. Subjects such as science, technology, engineering & mathematics (STEM) are especially important in this regard. We will promote engagement in these subjects across the curriculum & age range into Higher Education & at postgraduate level, through the new National Science Academy (NSA) which will be linked to the wider science agenda & the work of the new Chief Scientific Adviser for Wales.	NSA funded projects are progressing broadly in line with project -related aims & objectives respectively. Officials currently undertaking a high-level strategic review of both the NSA and STEM enrichment activities. All three Ser Cymru Networks have put out calls for Ph.D. studentships and two of the Networks have made the first series of awards. Recruitment underway with a small number having been appointed
1/043 (2012)	Work with UK Trade and Investment (UKTI) and others to promote trade and investment opportunities through targeted trade missions and offices abroad.	A more cohesive approach to inward investment and trade 2013/14 saw a record number of inward investment projects recorded for Wales (79); with trade interventions assisting companies in Wales achieve exports of over £30 million. In WG 2014/15 will build on this by further collaboration with UKTI to further develop the Welsh proposition.
1/044 (2012)	Introduce Enterprise Zones to strengthen the competitiveness of the Welsh economy.	Performance against indicators and overall targets has been published and will be reported against in due course. We are undertaking a longitudinal survey of businesses in Enterprise Zones to better understand their experience and requirements – as part of a process that will help to track changes in business attitudes and perceptions over time. For further information http://wales.gov.uk/topics/businessandeconomy/help/enterprisezones/?lang=en
1/049 (2012)	Delivery of 'Personalised Travel Planning' and 'Sustainable Travel Centres'.	The interim evaluation of the Personalised Travel Planning programme was completed and options for the future are being developed
EST Contributes to:		
1/009	Ensure that the First Minister takes overall Ministerial lead for energy policy. This will involve convening regular meetings of the key energy companies & co-ordinating the	No change to published version

	Commitment	September Update
	Assembly Government's Departments on this key agenda. We will look to pursue a mixed energy economy	
1/010	Our aim is that by 2025 up to twice as much renewable electricity is generated annually in Wales as today. By 2050 our aim is that almost all our local energy needs are met by low carbon electricity production.	No change to published version
2/019	Implement the Assembly Government's Digital Wales strategy, using digital technologies to open up opportunities & provide better & more costs effective & accessible services for all our citizens, businesses & communities.	The National Survey for Wales 2014 indicates that digital exclusion amongst adults in Wales now stands at 21% from 34% in 2010. The extension of EU funded Communities 2.0 programme to cover all of Wales and new partnerships with private sector companies such as Barclays Digital Eagles are helping people get online. Details available in the 'Digital Wales: A Review of Delivery' report. www.wales.gov.uk/digitalwales
2/020	Use these [digital] technologies to create even greater accountability & transparency in our democratic processes to ensure that all our citizens play a full part in society by making decision-making information & services more accessible on-line.	We are now leading on the development of a strategy for the Welsh public sector – setting out how all our public services will, where possible be made accessible to citizens through digital channels.
2/021	Use digital technologies to take Wales to the world & bring the world to Wales by establishing a web gateway on what Wales can offer – in terms of tourism, investment, educational opportunities & culture – to the outside world.	No change to published version
3/049 (2012)	Promote engagement in science, technology, engineering and mathematics (STEM) subjects through the National Science Academy.	The National Science Academy (NSA) 2013 Autumn Grant Round has funded 27 projects by August 2014 generating project-related output achievements: • Over 400 STEM Enrichment Events attracting an audience in excess of 19,000 (mainly students) • Over 30 Continuous Professional Development (CPD) events being held attracting over 500 teachers (STEM related) • Facilitated CPD training for over 50 Researchers based at Welsh Universities (in the context of delivering STEM Enrichment activities).
5/040	Extended eligibility for the concessionary travel scheme to seriously injured war veterans & armed forces personnel living in Wales.	No further update to published version
7/002	Seek to establish a Wales Business Crime Unit to tackle business crime.	No change to published version
7/003	Support action to deal with the increasing problem of crime and vandalism within public transport network.	No update to published version
7/011 (2012)	Implement the National Station Improvement Programme (NSIP).	No update to published version
7/018 (2012)	Target high-risk road users (motor cyclists, young drivers and vulnerable road users) through a combination of measures including education, engineering and enforcement.	Minister for Economy, Science and Transport made a written statement on road safety on 18 September

	Commitment	September Update
7/019 (2012)	Enhance safety and accessibility in communities through initiatives such as Safe Routes in Communities and local safety schemes.	Two additional Safe Routes in Communities schemes were awarded funding following the initial award – Tremains Primary School and Porthcawl Primary School in Bridgend
9/026	Prioritise the National Transport Plan by improving access in deprived communities and retain free bus travel for pensioners, disabled people and their carers, and extend eligibility to seriously injured war veterans and armed forces personnel living in Wales.	No further update to published version
9/027	Prioritisation of the National Transport Plan to improve access to key sites and settlements, particularly in rural areas, with an emphasis on improving the quality and provision of healthy and more sustainable travel choices .	Analysing accessibility to key services and employment sites is a key focus of the evidence based being developed for the new National Transport Plan. The results will be published as part of the consultation on the new draft Plan.
10/003	Seek to ensure that fast broadband access is made available to rural areas.	The Broadband Support Scheme combined with the Access Broadband Cymru scheme has supported nearly 5,700 beneficiaries, including 31 communities, a total funding commitment of almost £5m.
10/004	Work with Ofcom to ensure that regulation is used as a tool to ensure that rural communities have access to faster broadband speeds & new digital services.	Welsh Government officials are working with the MIP project team to effectively engage with Unitary Authorities, Communities and key stakeholders regarding the siting of mobile mast sites in Wales.
10/005	Continue to encourage and support the development of community transport schemes that meet the needs of those living in rural areas.	No update to published version
10/006	Examine the best options for providing local bus services to ensure that rural communities have services which are reliable and which provide access to local services and a means to travel to work.	Analysing accessibility to key services and employment sites is a key focus of the evidence based being developed for the new National Transport Plan. The results will be published as part of the consultation on the new draft Plan.
10/022	Invest in quality tourism businesses & market more effectively Wales' quality visitor attractions, accommodation & food industry.	The Quality Advisers now play a key role as an extension of the regional team and in addition to their grading role, they provide advice and signpost businesses to an array of services/specialists in order to encourage and stimulate improvements in growth and quality. Visit Wales's Autumn UK & Ireland marketing activity in Sept. 2014, will showcase Wales's food offering in the context of quality autumn breaks. The campaign will include direct marketing contact with over 800,000 previous campaign respondents, online advertising and content development, and joint-activity with Aer Lingus Regional to promote the Dublin – Cardiff connection.
10/036 (2012)	Prioritisation of the National Transport Plan to improve access to key sites and settlements, particularly in rural areas, with an emphasis on improving the quality and provision of healthy and more sustainable travel choices .	Analysing accessibility to key services and employment sites is a key focus of the evidence based being developed for the new National Transport Plan. The results will be published as part of the consultation on the new draft Plan.
11/027	Legislate to place a duty to provide cycle routes in key areas.	The Active Travel (Wales) Act commenced on 25 September.
11/033	Work with industry to move to resilient low carbon energy production. We will bring together the major generators to share best practice in carbon reduction.	The Ser Cymru Research Chairs Barron and Durrant are both focused on low carbon energy sources. The former is interested in unconventional hydrocarbon sources (shale gas) while the latter is interested in

	Commitment	September Update
		solar photovoltaics – it is very early in their research endeavours. The Networks are in early stages of developing their research themes.
12/027	Work with Cardiff to explore the feasibility of bidding to host the Commonwealth Games in 2026.	The First Minister and the former Minister for Natural Resources, Culture and Sport attended Glasgow 2014. WG was represented on the on the Games Observer Programme in order to better understand event delivery logistics. Work on the feasibility study is ongoing, and will take account of the lessons learnt from Glasgow including detailed analysis of final costs and benefits as they emerge during 2015.
12/028	Work with national, UK & international sports federations to ensure more major events are hosted in Wales in the future, ensuring that the whole of Wales reaps the benefits of this ambition.	We have built strong and effective relationships with international event owners and in 2014 successfully hosted the following global events: Senior Open Championship at Royal Porthcawl (the first time one of golf's 'Majors' has been hosted in Wales), UEFA Supercup Final, International Paralympic Committee (IPC) Athletics Championships and One Day International cricket. Continue to support a thriving portfolio of arts and cultural events including Machynlleth Comedy Festival, Beyond the Border Storytelling Festival, Hay Festival and Festival No6 We are working closely with event owners, and partners, to prepare for the staging of: 2015 Rugby World Cup (8 matches including 2 quarter finals at the Millennium Stadium); 2015 Ashes Test; 2016 World Half Marathon Championships; 2017/18 Volvo Ocean Race
EST Contributes to:		
12/006	Press for a fairer share of TV production from UK broadcasters such as the BBC, for Wales-based Independent production companies.	GloWorks, Welsh Government's centre for creative industries, will help to develop the creative and digital media cluster at Porth Teigr. Two anchor tenants have moved into the building, Boom Pictures and Sequence.
12/039 (2012)	Strengthen creative industries in Wales and increase the number of Welsh productions on the main television networks.	Notable successes receiving support from WG include Atlantis, Da Vinci's Demons and Hinterland/ Y Gwyll. Whilst productions supported by Wales Screen include Sherlock, Stella, The Indian Doctor and Casualty Partnerships with NESTA and Channel 4's Alpha Fund have led to co-investment in Welsh creative companies. A five year collaboration agreement between Welsh Government and Pinewood Shepperton plc. was announced in February 2014 and will deliver: - Welsh Government ring-fenced investment budget for commercial investment in film and TV development, production and distribution. - Creation of *Pinewood Studio Wales*, which will be part of Pinewood's global network of film studios - Sponsorship agreement through which the studio and investment budget will be promoted on the back of the internationally recognised Pinewood brand