

# Agenda – Economy, Infrastructure and Skills Committee

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Meeting Venue:

**Committee Room 1 – Senedd**

Meeting date: 14 February 2018

Meeting time: 09.30

For further information contact:

**Gareth Price**

Committee Clerk

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**Private pre-meeting (09.30–09.45)**

## **1 Introductions, apologies, substitutions and declarations of interest**

## **2 Paper(s) to note**

### **2.1 Correspondence from the Cabinet Secretary for Economy and Transport following the Committee scrutiny session on 17 January**

(Pages 1 – 13)

Attached Documents:

EIS(5)–05–18(p1) Correspondence from the Cabinet Secretary for Economy and Transport following the Committee scrutiny session on 17 January

### **2.2 Correspondence from the Welsh Government to the Presiding Officer regarding the Ofcom Memorandum of Understanding**

(Pages 14 – 19)

Attached Documents:

EIS(5)–05–18(p2) Correspondence from the Welsh Government to the Presiding Officer regarding the Ofcom Memorandum of Understanding



Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales

**2.3 Correspondence from the Cabinet Secretary for Economy and Transport regarding the Welsh Government publication 'Trade policy: the issues for Wales'**

(Pages 20 – 21)

Attached Documents:

EIS(5)–05–18(p3) Correspondence from the Cabinet Secretary for Economy and Transport regarding the Welsh Government publication 'Trade policy: the issues for Wales'

**2.4 Correspondence from the Chair of the External Affairs and Additional Legislation (EAAL) Committee to the Chair of the Children, Young People and Education Committee regarding the EAAL report on 'How is the Welsh Government preparing for Brexit?'**

(Page 22)

Attached Documents:

EIS(5)–05–18(p4) Correspondence from the Chair of the External Affairs and Additional Legislation (EAAL) Committee to the Chair of the Children, Young People and Education Committee

**3 Motion under Standing Order 17.42 to resolve to exclude the public from items 4 and 5**

**4 Consideration of draft letter to the Cabinet Secretary for Economy and Transport – New Powers: New Possibilities**

(09.45–10.00)

(Pages 23 – 28)

Attached Documents:

EIS(5)–05–18(p5) Draft letter

## **5 Consideration of Trade Bill Legislative Consent Memorandum**

(10.00–10.15)

(Pages 29 – 40)

Attached Documents:

EIS(5)–05–18(p6) Legislative Consent Memorandum: Trade Bill

EIS(5)–05–18(p7) Legal Service Advice Note on the Trade Bill LCM

**Break** (10.15–10.30)

## **6 Chairs of the Enterprise Zone boards (Panel 2) – Enterprise Zones**

(10.30–11.30)

(Pages 41 – 60)

David Jones, Chair, Deeside Enterprise Zone

Mark Langshaw, Chair, Ebbw Vale Enterprise Zone

Attached Documents:

Research brief

## **7 Scrutiny of the Cabinet Secretary for Economy and Transport – Enterprise Zones**

(11.30–12.30)

(Pages 61 – 73)

Ken Skates AM, Cabinet Secretary for Economy and Transport

Mick McGuire, Director, Business and Regions

Duncan Hamer, Deputy Director, Entrepreneurship and Delivery

Attached Documents:

EIS(5)–05–18(p8) Cabinet Secretary for Economy and Transport

**Private de-brief** (12.30–12.45)

Russell George AM  
Chair  
Economy Infrastructure and Skills Committee

31 January 2018

Dear Russell

At the scrutiny session of the Economy, Infrastructure and Skills Committee on 17 January, I said I would write to you with additional information in response to the following issues raised by the Committee, which I will respond to point by point:

- *In relation to the Welsh Government procuring a 3% stake in the sports car maker TVR, whether there will be a Welsh Government observer on the board of TVR, and details of who provided independent advice to the Welsh Government as part of the due diligence process in obtaining the equity stake*

We send an observer to meetings of the Board of TVR Automotive Ltd and in addition, the Development Bank of Wales undertakes independent financial monitoring of the company. It is the Welsh Government senior official with responsibility for managing the TVR account, who attends meetings. We have no voting rights at the company Board meetings but the person attending can make informal observations, though it is not within the remit of the role of the observer to make an active contribution in any decision making. The main function of the observer is to monitor discussions.

Prior to committing to the share purchase, we commissioned commercial and legal due diligence from the Automotive Sector Team within KPMG, Hugh James Solicitors and also received advice from Finance Wales, drawing on their broad experience of this type of transaction.

- *The timescales for the development of the enabling plans for each of the four foundational sectors which you agreed to send to the Committee when they are available*

As I indicated at Committee, there is not a uniform deadline for the publication of the plans but the aim is for all the plans to be produced by the end of this year.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

- *Details of which of the existing 48 advisory boards will remain and which will be disbanded as a consequence of the establishment of the new Ministerial Advisory Board, and details of the membership of that Board*

I will be making an announcement on the formation of the new Ministerial Advisory Board this Spring. As part of that, I will be setting out which of the current boards, panels and groups that we have established and appointed with the specific purpose of providing advice within the Economy and Transport portfolio, will be brought to a close.

- *Details of the Welsh Government's position on Community Transport permitting in light of changes proposed by the UK Government, including details of the work the Welsh Government is doing with the sector to help them manage the impact of changes*

The legislative framework for issuing Community Transport permits is a non devolved matter. I understand that the Community Transport permit regime will continue to be a matter reserved to the UK Government following commencement of the Wales Act enacted in 2017. In preparation for the forthcoming public consultation about Community Transport proposed by the UK Government, we have taken steps to ensure that any potential impact on the sector in Wales is fully considered by the Department for Transport when taking a decision in relation to this important sector.

In 2013 approximately 605 people were employed in the delivery of Community Transport services in Wales, a decrease of 16.7% from the 726 people who were employed in the sector in 2010. In the same period, 1,861 volunteers completed 167,000 hours of voluntary work in the community transport sector in Wales. Any proposals to impose restrictions on community transport organisations to bid for public sector contracts could seriously undermine these important services.

- *Details of the outcome of the negotiations with the UK Government on the devolution of franchising powers, the transfer of ownership of the valleys lines and future funding, once discussions conclude in February. We would be grateful if you could include a summary of agreed working arrangements between the Welsh and UK Governments for the future management and operation of the franchise*

On the matter of future funding arrangements, I had a positive discussion with the Secretary of State for Transport in September, and reached agreement on a number of matters that enabled the procurement process to continue whilst discussions between officials were underway. I have attached a copy of correspondence I sent to the Secretary of State for Transport following this meeting that sets out these arrangements in more detail (Annex A). The discussions, between Welsh Government, HM Treasury and Department for Transport officials, are due to conclude in February and from this point I will be able to provide further details on the arrangements.

On the Core Valley Lines asset transfer, work is progressing in a way that allows us to proceed and announce a successful bidder as planned. Welsh Government, HM Treasury and Department for Transport officials are developing the process for the transfer of owners, which is purely an administrative process between Governments. The transfer will be cost neutral to the public sector, and will complete following a period of due diligence that will take around 18 months.

An agreement in principle in respect of the transfer of rail franchising functions to the Welsh Ministers was reached with the UK Government in November 2014. It was agreed that functions for transfer would attach to specific services in the Wales and Borders franchise, ensuring that the Welsh Ministers become the appropriate

franchising and designating authority for those services. Settling the precise scope of the transfer has however, been complex, principally due to the nature of the services within the Wales and Borders franchise which includes England-only services and a number of services that repeatedly cross the border between England and Wales. In 2016, the Secretary of State for Transport confirmed that the functions for transfer would attach to services wholly in Wales. This was subsequently confirmed to include both Wales-only services and those parts of cross-border services within Wales.

The Welsh Ministers (Transfer of Functions) (Railways) Order 2018 is due to begin the Parliamentary process in late February 2018 and it is intended it will go before the Privy Council at its meeting on 23 May 2018. The current timetable from the Department for Transport indicates that the Order will come into force in late June 2018.

As functions being transferred relate only to Wales and Borders franchise service operations in Wales, I have agreed that the Welsh Ministers will be acting under agency agreement arrangements pursuant to section 83 of GoWA 2006 in order to exercise the Secretary of State for Transport's functions to award the franchise and manage service operations in England (including the English component of cross-border services and England-only services). The agreement already in place sets out the principles to be applied in respect of the Secretary of State for Transport's restrictions and obligations for the management of services on the English side of the border post contract award.

The final position is to be confirmed in a third agency agreement ahead of the contract award, which Transport for Wales is currently developing with the Department for Transport. As the Order is not expected to have commenced by the intended date of the franchise contract award, the third agency agreement will be required to enable the Welsh Ministers to act as the Secretary of State for Transport's agent for awarding the contract in respect of services in Wales.

- *A comparison of benefit cost ratios for investment in different types of transport projects, including active travel, and how they compare to that for the M4 relief road*

I have addressed this further on in my response.

I am also writing in response to your letter of 18<sup>th</sup> January in which you requested information on issues that Members were unable to raise in the session due to time constraints:

- *Details of the steps you are taking to mitigate the financial risks associated with the transfer of the Core Valley Line – particularly the risk of latent defects potentially leading to significant financial liabilities*

As part of the ongoing development of our proposals for the Core Valley Lines, Transport for Wales are working with Network Rail to ascertain information regarding staff and the infrastructure to assess the current condition of the network, the current and future risks associated with it, and ways in which these can be managed.

Furthermore, as part of the process to transfer ownership of the Core Valley Lines, we will agree the funding required for the operation, maintenance and renewal of the railway that currently goes to Network Rail. This will take account of the condition of the railway following the latest round of Network Rail renewals work. There will also be an agreed process in place with the Department for Transport for handling latent defects during an initial period. After that period, and following our investment in the railway, this will be managed through Transport for Wales. As part of this work Transport for

Wales are considering processes that emulate Network Rail's own liability protections for the longer term. This work will be concluded as part of the due diligence work over the next 18 months.

- *Details of why section 2 of the A456 dualling programme is currently projected to be delivered 23% over the approved budget*
- *Details of using the new Mutual Investment Model of project funding to deliver section 2 of the A465 project, including what the benefits of this approach are, and how its effectiveness be evaluated*

Section 2 of the A465 is being delivered as an ECI contract. My written statement of 27 November provided members with an update on the findings of the commercial project review for the A465, Section 2

<http://gov.wales/about/cabinet/cabinetstatements/2017/A465/?lang=en>

My officials are continuing to actively manage the project to identify ways of mitigating the project position. As part of this work, we are in discussions with Costain on a number of matters around the allocation of risk in the contract. We are clear in our view about where risks sit within our contract with Costain and will do everything that we can to protect tax payers from these significant additional costs. The resolution and negotiation of such issues is a confidential and commercially sensitive process, and we are unable to disclose specific details.

Once the level of our liability has been confirmed, decisions will then be made on how best to fund any shortfall, recognising what the opportunity costs of this increase will be. Future budget profiles will reflect these increases so that the impact can be considered as part of the ongoing delivery of the national transport finance plan. Notwithstanding the dispute, my officials and Costain are fully committed to delivering the project as quickly and efficiently as possible. Whilst we will mitigate against further cost increases and time delays where possible, we will not compromise on the quality of the project we committed to at the Public Inquiry in Spring 2014.

To reiterate, the A465 section 2 is not being delivered using the Mutual Investment Model (MIM) of project funding. Instead, sections 5 and 6 between Dowlais and Hirwaun are being delivered using the Welsh Government MIM and will complete the A465 Heads of the Valleys Dualling.

With capital budgets remaining under unprecedented pressure, we are working harder and smarter to attract new investment and, to ensure that capital expenditure delivers the greatest benefits in the most effective way. The key features of the MIM are:

- It allows the public sector to share in the profits of the private partner, which addresses concerns about windfall gains. The MIM removes soft services, from these contracts, which led to expensive, inflexible contracts and was a real bone of contention in the old PFI model;
- It embeds transparency – about costs and performance – and the requirement to review efficiency, effectiveness and performance every two years;
- It removes equipment, which can be funded more efficiently from public capital;
- It has important provisions to secure community benefits; sustainable development, where the private partner is obliged to help us in the delivery of the Well-being of Future Generations Act; as well as incorporating our commitment to an ethical employment code.

A Value for Money analysis is conducted as part of a separate component within the Outline Business Case for the scheme. It compares the costs of different procurement models for constructing the scheme, and then the costs of operating and maintaining it once operational. The total cost will be based on a contract to construct and then operate and maintain the road for a period (normally around 30 years) after it is opened. The Value for Money within the business case will compare these costs with those required to deliver the same services procured in a more conventional way. In the case of the A465, this work is ongoing and will be reported to Ministers before the scheme begins its procurement process.

The premise of the MIM is that the risk is placed with the party that is most able to deal with it. Therefore construction risk is passed to the private sector and we pay for a service (rather than directly for construction), so in the case of A465 the ability to use the road which is maintained to an agreed standard. Welsh Government does not pay for this service until it is operational, incentivising the contractors to deliver to programme. Deductions will be made to the annual service payments if the operator doesn't meet stringent operational requirements which we will actively manage.

The project is currently progressing through the Statutory Process to seek the powers to build the road with a Public Inquiry planned for April. This improvement to the A465 is critical to the social and economic regeneration of the Heads of the Valleys area. It will improve access to key services, jobs and markets supporting inward investment to areas such as the Ebbw Vale Enterprise Zone.

- *In the context of the M4 relief road project, details of the Welsh Government's assessment of what constitutes high, medium and low value for money in terms of Benefit Cost Ratios, including the basis / authority for this*
- *Details of how the decision to undertake additional work around Newport Docks has affected the Benefit Cost Ratio for the M4 relief road, including the BCR pre and post the decision, and an explanation of how both the increase in cost and the delay have affected the BCR*

Whilst the treasury 'Green Book' does not specify classifications of BCR, Department for Transport Guidance advises Value for Money for BCR as:

- **Poor** - below 1.0
- **Low** - between 1.0 and 1.5
- **Medium** - between 1.5 and 2.0
- **High** - between 2.0 and 4.0
- **Very High** - greater than 4.0

Transport (rail and road) schemes assessed under 'WebTAG' treasury guidance consider the core journey time savings benefit in isolation, and then may consider some wider agglomeration and productivity benefits. Active travel schemes often monetise other benefits such as health, air quality, carbon reduction and noise savings. These are not monetised for road or rail schemes. We use the WebTAG process as a way of capturing the benefits of active travel infrastructure.

The core BCR of the M4 Project is **1.7** for journey time benefits alone. Including some productivity and agglomeration benefits the BCR is **2.29**. This includes the costs of Newport docks enabling works but does not monetise any economic benefits of those measures. These details were published to the M4 Inquiry on 20th December 17 with supporting economic assessment reports:



Social, cultural and environmental benefits of the scheme, such as air quality and noise improvements in Newport are not monetised. Similarly, environmental disbenefits, such as woodland clearance, are not monetised, although consideration is being given to 'ecosystem services' assessment to look at monetisation of these aspects and provide information on the subject to best inform decision making.

The table below demonstrates the step changes in BCR resulting from the now committed removal of Severn crossing tolls and then the docks works costs as published on 20/12/18 in the Public Inquiry document 'Revised Economic Assessment Report Supplement No.2'.

M4 Project BCR	Half tolls assumption (as assessed at March 2017)	Severn tolls removed (as assessed at June 2017)	Severn tolls removed and docks works costs included (as assessed in December 2017)
Transport BCR	1.66	1.87	1.70
BCR including some wider benefits	2.27	2.52	2.29

A Table of BCRs for road, rail and active travel schemes is included in Annex B to this note. It must be noted however that there are inconsistent types of benefits monetised between projects assessed against Treasury 'WebTAG' guidance, generally road and rail projects, that consider purely journey time saving and active travel projects that monetise other benefits.

The BCR for any scheme represents an important input into the overall appraisal of a transport schemes, in the initial "screening" of proposals and comparison of options. However it is an economic benefit analysis, not a value for money analysis, in order to determine whether the project would deliver a positive economic outcome if it were constructed.

The BCR forms only one part of the decision making process as to the viability of a project and captures only part of the total benefits. While it can be updated to include the wider economic benefits of improved accessibility to/from jobs and markets, it does not include for instance the social benefits such as improved accessibility to key public services (eg schools, hospitals etc), improved provision for Active Travel (eg cyclists, walkers and equestrian users) and improved connectivity between adjacent communities.

The BCR also does not consider any environmental benefits such as improved resilience to climate change, improved pollution control and habitat creation or the benefits of the scheme during construction in terms of use of local labour and materials, appointment of local SMEs and work done with local communities.

You also requested information on the following issues as and when they become available:

- *Details of the timescale for the development of the regional business plans referred to on page 23 of the Economic Action Plan*

The regional business plans have to be worked upon jointly with stakeholders in the region – we will respect the spirit of that partnership and each Chief Regional Officer will discuss a timeline for delivering their regional business plan with partners in the region. However, we expect that all regional business plans will be in place before the end of the year.

- *Full details of the specific funds that are to be consolidated into the Economy Futures Fund, both initially at the point of launching the Fund and those that are intended to be 'transitioned' into the Fund in the longer term, (Including the amounts of the money involved)*

Between now and the end of the financial year we will be taking a close look at all of these funds and bring as many of them as possible within a single Economy Futures Fund. Over time, we would hope to bring more funds under the common umbrella of the Economy Futures Fund. We cannot place a figure on this at this stage, because we do not yet know how many or which funds will be part of the Fund in its initial stages.

In my previous letter to you of 21<sup>st</sup> November, I advised that I would provide you with an update on the Active Travel Review. I will be making an Oral Statement on Active Travel on 27 February and the funding review will form part of that Statement.

I also advised that I would provide you with an update on the A465, which I have addressed earlier in my response.

Yours sincerely



**Ken Skates AC/AM**

Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith  
Cabinet Secretary for Economy and Infrastructure

Ken Skates AC/AM  
Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith  
Cabinet Secretary for Economy and Infrastructure



Llywodraeth Cymru  
Welsh Government

Rt Hon Chris Grayling MP  
Secretary of State for Transport  
Department for Transport

[transportsecretary@dft.gsi.gov.uk](mailto:transportsecretary@dft.gsi.gov.uk)

4 October 2017

Dear

*Chris,*

I would like to follow up on our constructive meeting on 7 September.

I am glad we had the opportunity to meet and agree the way forward on the issues outstanding that would facilitate your authority for the Welsh Government to proceed to issue the tender documentation. We agreed that there was sufficient agreement to proceed with the procurement process and issue the tender documents on 26 September.

Following a period of intense work by our officials, we issued the tender documents on Thursday 28 September. Although this was two days later than you and I had targeted, our officials achieved a significant milestone and I would like to thank you for your support in helping us reach this outcome. I would also like to thank you for the hard work and commitment from your officials, particularly during days prior to issuing the documents.

In our meeting we discussed our budgetary positions and the financial context we find ourselves dealing with as part of the devolution of franchising functions. You recognised the Arriva Trains Wales (ATW) has seen cost growth since it was let, in common with other franchises across the UK. In turn I recognised that the track access charge adjustment mechanism, which was a feature of the ATW franchise, is an important part of the funding landscape.

We discussed a shared desire to address the underlying issues, and agreed that discussions should continue between the Welsh Government, Wales Office and HM Treasury as we seek resolution to the financial implications. On this basis I have been content for my officials to sign the Funding and Outputs Agreements in Principle.

In our discussion we recognised that the Welsh Government has approached the procurement of the franchise from a different perspective to the Department for Transport, reflecting how we were intending to achieve our outcomes and how we would manage risks.



Following your offer at our meeting, your officials met with mine to share their experience of how they have approached getting the maximum commercial benefits from franchise procurements. This has helped in our efforts to drive value through our franchise agreement, and will support the case for an appropriate funding settlement from HM Treasury.

We also discussed the importance of stakeholder management, and importantly, where responsibility will reside once the Core Valley Lines asset is transferred to the Welsh Government. I agreed that the Welsh Government should be responsible for working with stakeholders in Wales on matters relating to our actions. You agreed that the UK Government would remain responsible for matters arising across the UK. This provides the right level of accountability and responsibility as we work to deliver our ambitions for the railway.

In relation to these latter points, the First Minister provided an update on Friday 29 September on the Welsh Government's discussions with rail unions, begun by Wales TUC. These discussions form part of how we take forward our ambition to continue to improve the accessibility of our public transport system and follow the National Assembly for Wales' Economy, Infrastructure and Skills Committee recommendation for robust passenger and stakeholder engagement. In doing so we are building upon a clear public response in our consultations, and reflect our duty to provide a transport system that can be accessed by disabled people in Wales,

As a result we have set out a series of commitments, made in addition to the published tender documents, which mean we can move ahead with confidence on our plans for the future Wales & Borders Rail Service and South Wales Metro, and reduce the risk of disruption not only in Wales but across the UK rail network as a result of our transformation of the Core Valley Lines. My officials have now clarified what this means as assumptions for bidders, and I understand this has been shared with your officials.

Based on current service provision on Wales and Borders heavy rail services I do not expect there to be a cost implication for these commitments. Separately, in relation to South Wales Metro services where infrastructure solutions define the type and operation of rolling stock required, these commitments clarify our position and my officials have informed bidders that they can assume the availability of additional, time limited funding to support these ambitions. This funding reflects a future requirement, and therefore it is not my intention to include this additional funding as part of the discussions for an appropriate settlement with HM Treasury that will reflect the growth in costs during the current franchise.

We continue to share common ground on the matter of the advantages of vertical integration for the benefit of passengers. You agreed with the principle that the Welsh Government should be better able to influence decisions that affect the network on which its rail services will operate and noted our suggested that a step towards this could be achieved through two places on the Network Rail Wales Route Board. I understand that my officials have been contacted by the Network Rail Wales Route Managing Director to take this forward.

You also restated your commitment to providing the £125m (2014 prices) contribution to the Valley Lines scheme agreed in November 2014, noting that the Welsh Government would be able to determine how this funding was spent on the future of rail services. Our discussion touched on the degree of flexibility that the Welsh Government could have around the timing of this funding. I understand that this is now being progressed between our officials and officials from HM Treasury.

In terms of the transfer of the Core Valley Lines asset, we agreed that discussions were progressing satisfactorily. You offered to follow up with Network Rail to ensure that we have arrangements in place to deal with the transition of ownership, which will help ensure that Network Rail can meet their obligation to transfer an asset in the appropriate condition. You also offered to follow up with Network Rail about the Welsh Government's ability to access Network Rail's infrastructure insurance mechanism. I understand that both these matters are now being progressed by officials.

Finally, it remains vital that rail investment provides benefits across Wales. Passengers across South Wales will be looking forward to the promised start of bi-mode services this autumn, bringing with it the significant increase in capacity on rush-hour services. With the introduction of the new Intercity Express trains passengers in Pembrokeshire must receive the same quality of service as those in Paddington. I also look forward to an update on the development of plans to improve journey times and connections between Swansea and Cardiff, south Wales, Bristol and London, station improvements at Cardiff and Swansea, and, crucially, progress on plans to improve journey times and connections across north Wales. I am happy for my officials to be involved in the development of this work.



**Ken Skates AC/AM**

Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith  
Cabinet Secretary for Economy and Infrastructure

**Annex B – Benefit to Cost Ratio's (BCRs) of Road, Rail and Active Travel Projects**

<b>Scheme</b>	<b>BCR*</b>	<b>Notes</b>
M4 Project	1.7	Core journey time benefits. Source: <a href="#">M4 Inquiry Evidence</a>
M4 Project	2.29	Inc. some wider productivity and agglomeration. Source: <a href="#">M4 Inquiry Evidence</a>
HS2	Currently Estimated to be 1.9 - 2.3	The estimation of the BCR is undertaken using a social cost benefit analysis. The benefits that are estimated therefore include both direct effects for rail passengers and indirect effects on the wider population. The BCR (excluding wider economic impacts) for the entire HS2 scheme has fluctuated between 1.8 and 2.2 with changes in costs, service pattern assumptions, and modelling approaches. When estimates of wider economic impacts are included, the BCR has been estimated between 2.2 and 2.7. The latest economic case (July 2017) calculates a BCR for the scheme of 1.9 (excluding WEIs) and 2.3 (including WEIs). Reference: <a href="http://researchbriefings.files.parliament.uk/documents/SN00316/SN00316.pdf">http://researchbriefings.files.parliament.uk/documents/SN00316/SN00316.pdf</a>  <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/634196/high-speed-two-phase-two-economic-case.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/634196/high-speed-two-phase-two-economic-case.pdf</a>
Crossrail	1.97	
South Wales Metro	1.82	Outline Business Case
Great Western Electrification	1.13	Transport minister Jo Johnson statement 16/1/18
A483 Newtown Bypass	3	
A470 Cwmbach to Newbridge	1.05	
A303 Stonehenge	0.3-0.5	Core Transport Benefits
A303 Stonehenge	1.3-1.7	Including some wider benefits
A9 Dualling (Scotland)	0.78	Reference: <a href="https://www.transport.gov.scot/media/6727/a9-dualling-programme-case-for-investment-main-report-september-2016.pdf">https://www.transport.gov.scot/media/6727/a9-dualling-programme-case-for-investment-main-report-september-2016.pdf</a>
A40 Llanddewi velfrey to Penblewin	Estimated to be 1.0	WEFO Business Case
M4 Junction 28 Improvement	10	Value of Benefits associated with the Scheme has been evaluated at approximately £ 795M.
A470 Maes yr Helmau to Cross Foxes	2.42	

A487 Dyfi Bridge	0.4	
Sustainable Travel Towns	2.6 - 8	University of Leeds and Atkins research for DfT, monetises: •Reduced infrastructure costs •Fewer road accidents •Improved air quality •Lower noise levels •Reduced CO2 •Reductions in indirect taxes •Decongestion  Source: <a href="http://www.its.leeds.ac.uk/aoss/15/cases.html">http://www.its.leeds.ac.uk/aoss/15/cases.html</a>
Car Sharing Schemes	1.95 – 6	
Personalised Travel Plans Schemes	4.5 – 31.8	

\* BCR's collated from published Business Cases and/or studies. It is noted that there is variation in the benefits monetised for different projects, the most significant being those road/rail projects using Treasury Green Book/WebTAG guidance and active travel studies. Cells highlighted blue identify Schemes assessed on comparable terms to the M4 Newport Project.



**Yr Arglwydd Elis-Thomas AC/AM**  
**Y Gweinidog Diwylliant, Twristiaeth a Chwaraeon**  
**Minister for Culture, Tourism and Sport**

**Julie James AC/AM**  
**Arweinydd y Tŷ a'r Prif Chwip**  
**Leader of the House and Chief Whip**

## Agenda Item 2.2



**Llywodraeth Cymru**  
**Welsh Government**

**Elin Jones AM**  
**Y Llywydd**  
**National Assembly for Wales**

30 January 2018

Dear Elin

Enclosed for your attention is a draft Memorandum of Understanding (MoU) concerning the relationship between UK Government, the Welsh Government, the National Assembly for Wales and the Office of Communications (Ofcom), arising as a result of the St David's Day Agreement and the subsequent Wales Act 2017.

The MoU commits Ofcom to consulting the Welsh Government on its draft annual plan and sets out the process for Welsh Ministers to appoint a member for Wales to the Ofcom Board for the first time. It also reinforces Ofcom's accountability to the National Assembly for Wales (paragraphs nine and thirteen are especially relevant to this point).

We intend to proceed with the recruitment of an Ofcom Board member for Wales as soon as possible. Following commencement proceedings in Parliament in late November last year by the Secretary of State for Wales, relating to Section 68 of the Wales Act 2017, powers to appoint will transfer to the Welsh Government at the end of March. Recruitment can begin prior to this date, although the attached MoU must be finalised and signed beforehand.

We would be grateful if you could refer the draft MoU to committees with an interest, for discussion at the earliest opportunity. We will await any comments from relevant committees and yourself prior to agreeing and signing the MoU.

Yours sincerely,

**Yr Arglwydd Elis-Thomas AC/AM**  
**Y Gweinidog Diwylliant, Twristiaeth a Chwaraeon**  
**Minister for Culture, Tourism and Sport**

**Julie James AC/AM**  
**Arweinydd y Tŷ a'r Prif Chwip**  
**Leader of the House and Chief Whip**



## MEMORANDUM OF UNDERSTANDING

Between the UK Government, Welsh Government, National Assembly for Wales and the Office of Communications

### Scope and Purpose

1. This Memorandum of Understanding (MoU) concerns the relationship between UK Government, the Welsh Government, the National Assembly for Wales and the Office of Communications (Ofcom) arising as a result of the St David's Day Agreement and the subsequent Wales Act 2017.
2. The MoU commits Ofcom to consulting the Welsh Government on its draft annual plan; and sets out the process for Welsh Ministers to appoint a member to the Ofcom Board. All parties are committed to working constructively together to achieve the purposes set out in the MoU.

### Background

3. The Commission on Devolution in Wales, also known as The Silk Commission, was established by the UK Government in 2011 to look at the future of the devolution settlement in Wales. Part II of the Commission's report, entitled 'Empowerment and Responsibilities: Legislative Powers to Strengthen Wales' published in March 2014<sup>1</sup>, made a number of recommendations in relation to broadcasting. While the report found there was no case to devolve the regulation of broadcasting, it made a specific proposal in relation to Ofcom:

*R.22 The interests of Wales should be represented on the Ofcom board through a board member with specific responsibility for representing Wales.*

4. The aim of this recommendation is to strengthen the input of the Welsh public and representative organisations in the development of Ofcom policies across its entire remit (broadcasting, telecoms and postal services) at a United Kingdom level. Following the BBC's new Royal Charter<sup>2</sup>, this remit also includes the regulation of the BBC in addition to Ofcom's existing duties regulating the other Public Service Broadcasters.
5. Following the publication of the Silk report, the UK Government launched a review of legislative powers relevant to Wales, which became known as the St David's Day process. This culminated in the publication of a Command Paper by the UK Government in February 2015, 'Powers for a purpose: Towards a lasting devolution settlement for Wales'<sup>3</sup>, outlining how the recommendations of the Silk Commission were to be implemented. Paragraphs 2.8.5 - 2.8.8 outline the government's commitment to implement the Silk Commission's recommendations, and further commitments made by

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<sup>1</sup><https://www.gov.uk/government/publications/empowerment-and-responsibility-legislative-powers-to-strengthen-wales>

<sup>2</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/577829/57964\\_CM\\_9365\\_Charter\\_Accessible.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/577829/57964_CM_9365_Charter_Accessible.pdf)

<sup>3</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/408587/47683\\_CM9020\\_ENGLISH.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/408587/47683_CM9020_ENGLISH.pdf)

the UK Government, in relation to Ofcom. These are broadly consistent with the arrangements set out in the Smith Commission Agreement<sup>4</sup>, on the further devolution of powers to Scotland.

6. The Wales Act 2017<sup>5</sup> implements these measures:

- Section 68 amends the Office of Communications Act 2002 to confer the power on Welsh Ministers to appoint one member of Ofcom's Board who is capable of representing the interests of Wales. Prior to any appointment, the Welsh Government is required to consult with the Secretary of State. This will support the Secretary of State in their role to ensure that the Board will function effectively as a whole. The appointment will be subject to the existing regulatory framework for appointments to the boards of public bodies, which is set out in the Code of Practice issued by the Commissioner for Public Appointments. The appointee will have the same UK-wide responsibilities as other non-executive members of Ofcom.
- Section 68 also amends the Office of Communications Act 2002 to require the Comptroller and Auditor General to send a copy of Ofcom's statement of accounts to Welsh Ministers to be laid before the National Assembly for Wales, and to require Ofcom to send a copy of its annual report to Welsh Ministers to be laid before the National Assembly for Wales.

7. An MoU is the best means of providing clarity and certainty about how the different parties will be consulted on the setting of Ofcom's strategic priorities. This is because, due to Ofcom's independence from Government it is not possible to give a statutory underpinning to a formal consultative role for the Welsh Government or National Assembly for Wales.

## Parties

- The Department for Culture, Media and Sport ("DCMS")
- The Office of Communications ("Ofcom")
- The Welsh Government
- The National Assembly for Wales

## Commitments

### **Formal consultative role for the Welsh Government and the National Assembly for Wales in setting the strategic priorities for Ofcom with respect to its activities in Wales.**

8. Each year Ofcom publishes an Annual Plan which sets out its strategic priorities and describes the other work it will be conducting in the coming year.
9. The process for formally consulting the Welsh Government and the National Assembly for Wales in the formulation of Ofcom's Annual Plan shall be as follows:

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<sup>4</sup>[http://webarchive.nationalarchives.gov.uk/20151202171017/https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/397079/Scotland\\_EnduringSettlement\\_acc.pdf](http://webarchive.nationalarchives.gov.uk/20151202171017/https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/397079/Scotland_EnduringSettlement_acc.pdf)

<sup>5</sup> The Act received Royal Assent on 31 January 2017

- Ofcom will consult the Welsh Government and appropriate committees of the National Assembly for Wales on its draft Annual Plan once published.
- Ofcom will consider any representations from Welsh Government (Ministers and Officials), and the National Assembly for Wales' appropriate committees through this process in formulating its Annual Plan;
- Ofcom will send its final Annual Plan to Welsh Government ministers and relevant committees of the National Assembly for Wales outlining how it determined its priorities, with reference to the main issues raised during the preceding consultation process.

### **Welsh Ministers' power to appoint a member to the Ofcom Board**

10. Section 1 of the Office of Communications Act 2002, as amended by section 68 of the Wales Act 2017, provides that the Welsh Ministers have the power to appoint a member of the Ofcom Board and must consult the Secretary of State before doing so. Further agreed guidance on the operation of the appointment process is attached at Annex 1.

### **Annual report and accounts**

11. Ofcom's Annual Report and Accounts are presented to the UK Parliament and the National Assembly for Wales pursuant to paragraphs 11 and 12 of the Schedule to the Office of Communications Act 2002. Ofcom is required to send its accounts to the Secretary of State and the Comptroller and Auditor General (C&AG). Welsh Ministers will lay any report sent to them by C&AG before the National Assembly for Wales. Ofcom will send a copy of its Annual Report to the Secretary of State and Welsh Ministers who will lay it before the UK Parliament and the National Assembly for Wales respectively.

### **Other Ofcom appointments**

12. Under section 17 of the Communications Act 2003, Secretary of State approval is required for appointments to the Communications Consumer Panel. In relation to the member for Wales, Ofcom will also consult the Welsh Government and secure the required approval from the Secretary of State in making the final appointment.

### **Ofcom reporting and appearing before the National Assembly for Wales**

13. Section 37 of the Government of Wales Act 2006 provides that the National Assembly for Wales may require any person to attend its proceedings, for the purposes of giving evidence in concerning any matter relevant to the exercise by the Welsh Ministers of any of their functions. This therefore includes Ofcom in relation to the discharge of its functions in Wales. Ofcom receives invitations to provide evidence to Committees of the National Assembly for Wales both by production of documentary evidence and by appearing in person. Ofcom welcomes these invitations.

### **Meetings**

14. There will be separate meetings between Ofcom and Welsh Ministers; and between Ofcom and Wales Office Ministers. These will take place at least once a year.

15. There will be regular meetings as appropriate during the year between Ofcom and the Welsh Government; and between Ofcom and the Wales Office at official level. It is recognised that more informal engagement at official level between Welsh Government and Ofcom on specific topics will continue and that the meetings envisaged above will not serve to limit that.
16. DCMS, Ofcom and the Welsh Government agree that this MoU will be the subject of periodic review, at official level, the first review to occur no later than two years after the date of signature.

## Signatures

<i>(For and on behalf of the Secretary of State for Culture, Media and Sport)</i>	<i>(For and on behalf of Ofcom)</i>
<i>(For and on behalf of the Welsh Government)</i>	



## **Annex 1**

### **Appointment by Welsh Ministers of a member of the Ofcom Board**

1. The appointment of a Member of the Ofcom Board shall be made by Welsh Ministers following consultation with the Secretary of State.
2. The appointment of the Welsh Member shall be made in accordance with the Governance Code on Public Appointments (2017, or as updated from time to time) and the Code of Practice for Ministerial Appointments to Public Bodies' (2012, or as updated from time to time) (the 'Code').
3. At the commencement of an appointment process the Welsh Government shall meet with the Chair of Ofcom to agree the key criteria for the appointment, including skills, knowledge and experience required of the individual.
4. The parties acknowledge that that any person so appointed will, as a member of the Ofcom Board, have the same UK-wide responsibilities as all other non-executive Members of the Board.
5. Ofcom and the Welsh Government will work together to agree the form of advertising, search process and timetable for the new appointment (with costs incurred being borne by Ofcom). DCMS will be advised of the role specification, details of the panel's composition and plans for advertising before the advert is published.
6. An Advisory Panel will be established in accordance with the Code and will include, as a minimum, a Chair nominated by the Welsh Government, an Independent member and the Chair of Ofcom.
7. The Advisory Panel will agree the process for sifting candidates and the timetable and process for interviewing the short-listed candidates.
8. Following the interviews, the Advisory Panel will make a recommendation to the Welsh Ministers on the individual or individuals the Panel believes meet(s) the criteria for the appointment.
9. The Welsh Ministers will make the appointment in accordance with the Governance Code on Public Appointments, and will formally document it with the successful candidate. This will be done following consultation with the Secretary of State.

Ken Skates AC/AM  
Ysgrifennydd y Cabinet dros yr Economi a Thrafnidiaeth  
Cabinet Secretary for Economy and Transport



Llywodraeth Cymru  
Welsh Government

Russell George AM  
Chair, Economy Infrastructure and Skills Committee

2 February 2018

Dear

## Trade Policy: the issues for Wales

I am writing to draw your attention to our new publication *Trade Policy: the issues for Wales*. This document builds on the issues raised in our White Paper *Securing Wales' Future*, and outlines the Welsh Government's proposals for working constructively with the UK Government and other Devolved Governments in future on a coherent approach to trade.

We recognise that international trade is not in itself a devolved competence. However it is important to understand the connections between trade policy and devolved matters such as agriculture and environmental standards. I am pleased that the UK Government has acknowledged these interconnections in its recent Trade White Paper.

We believe a new way of working is needed between the UK Government and the Devolved Governments to ensure the smooth functioning of the UK after we leave the EU. In relation to trade specifically, our paper outlines the need for a Memorandum of Understanding on how the devolved governments will be engaged in trade policy and the establishment of a new Ministerial forum for agreeing joint approaches on trade – this could be a UK Council of Ministers or as an interim measure a Joint Ministerial Committee on International Trade. It is worth noting that the EU has in the past recognised the need for regional governments to participate in trade negotiations, for example during the negotiations with Canada.

The Welsh economy is deeply embedded in the EU's Single Market – 61% of Welsh goods exports go to the EU compared with only 49% of the UK as a whole. For this reason we have been consistent that full and unfettered access to the EU's Single Market is vital to Wales' future economic interests and we remain to be convinced that leaving a Customs Union with the EU is in our best interests, at least for the foreseeable future. The risk analysis by Cardiff Business School, published alongside this report clearly highlights some of the potential negative economic impacts on sectors in Wales.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

We remain deeply concerned about the current lack of clarity and certainty around the future trading arrangements. In order to maintain business and investor confidence it is critical that a comprehensive transitional deal is agreed immediately which enables businesses to continue to trade on current terms.

We welcome the progress made by the UK Government in moving to the second phase of negotiations with the EU and we are ready to engage constructively with the UK to achieve an outcome that works for the whole of the UK.

It is worth remembering that Wales has important connections to the Republic of Ireland through our major ports. 80% of goods transported (in Irish registered HGVs) between the Republic of Ireland (ROI) and the EU pass through Welsh ports each year. The Welsh Government is fully supportive of a soft border, but we cannot support any outcome which has the potential to stimulate traffic away from Welsh ports in favour of another part of the UK.

Wales is a small outward-facing, globally trading nation and we are committed to internationalism. The Welsh Government fully accepts that there are significant trading opportunities outside of Europe and we are committed to working with the UK Government and other Devolved Governments to maximise the economic opportunities for businesses abroad.

*Yours ever,*



**Ken Skates AC/AM**

Ysgrifennydd y Cabinet dros yr Economi a Thrafnidiaeth  
Cabinet Secretary for Economy and Transport

**Cynulliad Cenedlaethol Cymru**  
Y Pwyllgor Materion Allanol a Deddfwriaeth Ychwanegol

**National Assembly for Wales**  
External Affairs and Additional Legislation Committee

Lynne Neagle AM

Chair, Children, Young People and

Education Committee

5 February 2018

Dear Lynne,

## **How is the Welsh Government preparing for Brexit?**

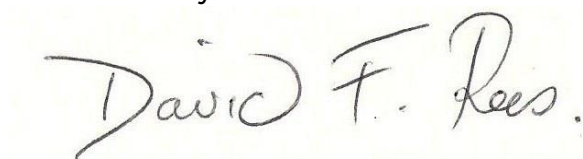
As you may be aware, today the External Affairs and Additional Legislation Committee published its report '**How is the Welsh Government preparing for Brexit?**' as a result of its **consultation** and inquiry on **Resilience and preparedness: the Welsh Government's administrative and financial response to Brexit**.

Section 3 of the report relates to preparedness of public services including higher education. I am writing to you to bring your attention in particular to section 3.2 on changes to immigration rules and section 3.5 which relates to research and innovation as they may be of interest to your Committee. The report is also informed by **rapporteur discussions** with staff and students at Swansea University.

I hope that in drawing your attention to the above it may also help to inform your future scrutiny of the Cabinet Secretary and the health portfolio. For information I have also copied in the Chair of the Economy, Infrastructure and Skills Committee

Should you wish to discuss this further, please do not hesitate to get in touch.

Yours sincerely



**David Rees AM**

Chair of the External Affairs and Additional Legislation Committee



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# Agenda Item 4

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## **LEGISLATIVE CONSENT MEMORANDUM**

### **TRADE BILL**

1. This Legislative Consent Memorandum is laid under Standing Order (“SO”) 29.2. SO29 prescribes that a Legislative Consent Memorandum must be laid, and a Legislative Consent Motion may be tabled, before the National Assembly for Wales if a UK Parliamentary Bill makes provision in relation to Wales for any purpose within, or which modifies the legislative competence of the National Assembly.
2. The Trade Bill (the “Bill”) was introduced in the House of Commons on 7 November 2017. The Bill can be found at:  
[Bill documents — Trade Bill 2017-19 — UK Parliament](#)

#### **Policy Objectives**

3. The UK Government’s stated policy objectives are to provide continuity for businesses, workers and consumers across the UK and establish the UK as an independent global trading nation. To support this the Bill makes provision about the implementation of international trade agreements; establishing a Trade Remedies Authority and conferring functions on it; and makes provision about the collection and disclosure of information relating to trade.

#### **Summary of the Bill**

4. The Bill is sponsored by the Department for International Trade.
5. The Bill has four main functions:
  - It confers regulation making powers on a Minister of the Crown and devolved authorities to implement the Agreement on Government Procurement in the event that the UK is an independent member of that Agreement after EU-exit;
  - It confers regulation making powers on a Minister of the Crown and devolved authorities to implement certain kinds of existing EU/third country trade agreements, such as the existing Free Trade Agreements signed by the EU on behalf of the UK;
  - To establish a Trade Remedies Authority to deliver the new UK trade remedies framework;
  - To establish a data sharing gateway between Her Majesty’s Revenue and Customs and other public and private bodies.

The provisions in the Bill of particular relevance to Wales are:

- Clause 1 – (implementation of the Agreement on Government Procurement);
- Clause 2 – (implementation of international trade agreements);
- Parts 2 and 3 – (establishing the Trade Remedies Authority; and Collection and sharing of trade information). We do not believe that these parts are making provision for any purpose within, or which modifies the legislative competence of the Assembly. However the establishment of a Trade Remedies Authority could have an impact on devolved areas such as agriculture and fisheries.

### **Provisions in the Bill for which consent is required**

6. We consider that Part 1 of the Bill and its associated Schedules require consent on the basis that they are making provision for a purpose that is within the Assembly's legislative competence.
7. **Part 1, Clause 1** – this provision confers powers on the Welsh Ministers to implement the Agreement on Government Procurement (GPA). This is a plurilateral (non-mandatory) agreement within the World Trade Organisation framework which opens up government procurement markets. The UK is not a party to the GPA in its own right but is bound by and benefits from the GPA by virtue of its membership of the EU. On exit from the EU, the UK will no longer be bound by or benefit from the GPA. The UK's aim is to negotiate its way back into the GPA as a party in its own right and this means that we may need to make regulations in order to implement the GPA in relation to Wales. The powers conferred by clause 1 are concurrent, in so far as they are exercisable in relation to Wales. This means that both a Minister of the Crown and the Welsh Ministers are able to exercise those powers in relation to subjects within the Assembly's legislative competence. Therefore we consider that consent is required for this provision.
8. **Part 1, Clause 2** – this confers powers on the Welsh Ministers to implement international trade agreements with third countries corresponding to certain kinds of existing EU/third country agreements. As in the case of clause 1, the powers can also be exercised by a Minister of the Crown in relation to Wales. The international trade agreements potentially covered by this provision will encompass a wide range of policy areas falling within the Assembly's legislative competence, to include agriculture and fisheries. We therefore believe that consent is required for this provision.
9. **Part 1, Clause 3 and Schedules 1, 2 and -3** – Clause 3 provides for different types of provision that could be made in regulations made under clauses 1 and 2. Clause 3 also gives effect to Schedules 1-3. Schedule 1 places restrictions on the exercise of the Welsh Ministers powers. Schedule 2 makes provision for the procedure which is to apply to regulations made under clauses 1 and 2. Schedule 3 contains exceptions to restrictions in the devolution settlement.

10. As these provisions define how the regulation making powers conferred by clauses 1 and 2 can be exercised by the Welsh Ministers within its devolved competence, these provisions also relate to subjects within the Assembly's competence and consent is therefore required.
11. **Part 1, Clause 4** – this provision outlines how certain terms within Part 1 of the Bill should be interpreted. As this provision needs to be considered alongside clauses 1, 2 and 3, we consider that consent is required for this provision.
12. It is the Welsh Government's view that consent is required for these provisions because they fall within the legislative competence of the National Assembly for Wales in so far as they relate to a range of subjects in Part 1 of Schedule 7 to the Government of Wales Act 2006. These subjects include (but are not limited to)-

Agriculture, horticulture, forestry, fisheries and fishing, animal health and welfare, plant health, plant varieties and seeds, rural development (subject heading 1); promotion of business (subject heading 4); environmental protection, including pollution, nuisances and hazardous substances (subject heading 6); food and food products, food safety (including packaging and other materials which come into contact with food), protection of interests of consumers in relation to food (subject heading 8); promotion of health, prevention, treatment and alleviation of disease, illness, injury, disability and mental disorder (subject heading 9).

### **Powers to create subordinate legislation**

13. Schedule 2 provides for scrutiny by the UK Parliament and the devolved legislatures of regulations made under clauses 1 or 2. Regulations made by a Minister of the Crown or the Welsh Ministers acting either jointly or alone are subject to the negative procedure.

### **Restrictions on powers for Welsh Ministers**

14. So far as exercisable in relation to Wales, the powers are concurrent, i.e. both Welsh Ministers and a Minister of the Crown can make regulations in relation to Wales. There are no requirements for consultation or consent when the Minister of the Crown is making changes to devolved law. As we have already set out in response to the European Union (Withdrawal Bill) it is vital any powers given to UK Government Ministers to make secondary legislation in devolved areas must only be used with the prior consent of Welsh Ministers. The Trade White paper suggested such consent from Devolved Governments would be sought and we believe this should be included on the face of the Bill. Further, as currently drafted, there are a number of restrictions placed on devolved Ministers' use of the powers provided for in the Bill which are not placed on UK Ministers. We believe, as a matter of principle, that devolved Ministers should have the same powers in respect of matters falling within devolved competence as UK Ministers are being given.

15. **Schedule 1** contains restrictions on how devolved authorities can use the powers which largely mirror the kinds of restrictions currently imposed on Welsh Ministers' powers under the European Union (Withdrawal) Bill, e.g. the powers cannot be used-

- (a) to make provision that would be outside the Assembly's competence
- (b) to modify that part of the EU Acquis which has automatic effect in the UK via section 2(1) of the European Communities Act 1972 and which will be incorporated into domestic law, by the European Union (Withdrawal) Bill.
- (c) to make provision that is inconsistent with any modifications to that body of law, which are made by the European Union (Withdrawal) Bill or under that Bill or this Bill
- (d) to do any of the following without Minister of the Crown consent:
  - to bring regulations into force before exit day
  - to make provision about, or inconsistently with, quota arrangements (which concerns the division of responsibility within the UK for compliance with international obligations).

### **Reasons for making these provisions for Wales in the Trade Bill**

16. The Welsh Government agrees that legislation is necessary to provide clarity and certainty for businesses and consumers in relation to trade as we leave the EU. We accept there may be instances when it makes sense for the UK Parliament to legislate on devolved areas, but this should only be with the consent of the Devolved Governments and this should be made clear on the face of the Bill. Further, there should be parity between the regulation making powers given to Ministers of the Crown and, with respect to devolved areas, Welsh Ministers. The additional restrictions placed on the Welsh Ministers in this regard are not appropriate. Whether or not legislative consent should be given for this Bill will need to be considered in the context of the response to amendments put down to address these issues

### **Financial implications**

17. While there are no direct financial implications for the Welsh Government or the Assembly arising from the powers under the Bill, there will be significant financial implications for Wales from our future trade relationships both in its overall economic effect and in areas of funding currently deriving from the EU, as set out in *Securing Wales' Future*.

### **Conclusion**

18. It is the view of the Welsh Government that it is appropriate to deal with these provisions in this UK Bill as the Bill covers both devolved and non-devolved matters. In terms of coherence, it is considered that legislating via a UK wide Bill is the most effective and proportionate legislative vehicle for creating an independent trade policy for the UK once it has exited from

the EU. Devolved areas may be heavily impacted by future trade agreements therefore it is important Welsh interests are adequately reflected in the Trade Bill.

**Ken Skates AM**  
**Cabinet Secretary for Economy and Transport**  
**December 2017**

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# Agenda Item 6

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# Agenda Item 7

## Economy, Infrastructure and Skills Committee: A written Evidence Paper on Enterprise Zones from the Cabinet Secretary for Economy and Transport

### **Purpose**

To inform and update the Committee on Enterprise Zone policy and delivery as part of the Committee's ongoing inquiry into Enterprise Zones in Wales.

### **Policy Context**

1.1 The current approach to Enterprise Zones was introduced during the fourth Assembly, with the launch of an initial wave of five Enterprise Zones in April 2012 (Anglesey; Cardiff Airport & St Athan; Central Cardiff; Deeside; and Ebbw Vale). These were subsequently joined by a further two Zones later that year (Haven Waterway and Snowdonia), with a further Zone (Port Talbot Waterfront) established more recently in 2016 and bringing the total number of Enterprise Zones in Wales to eight.

1.2 The rationale and purpose for each Enterprise Zone is different. Some are clearly in areas of existing opportunity (Cardiff Airport & St Athan, Central Cardiff, and Deeside); others are located in areas where the additional focus and profile provided by the Enterprise Zone can act as a catalyst to development (Haven Waterway, Ebbw Vale and Anglesey), whilst others are a response to a specific local economic uncertainty (Port Talbot and Snowdonia).

1.3 Given their different starting points, policy has always been clear on the dangers of drawing parallels between performances in Enterprise Zones, however the long-term agenda in each is them to support economic development and business growth, new jobs and the safeguarding of existing employment.

1.4 Whilst their policy context and establishment pre-dates the development of the Economic Action Plan, there is nevertheless alignment between the Plan's emphasis on developing the strengths of the regions of Wales and the work that Enterprise Zones have done to stimulate economic development locally.

### **Incentives**

2.1 Enterprise Zones benefit from a competitive range of financial and non-financial incentives. These include superfast broadband, business rates support, skills support, enhanced capital allowances and property and infrastructure:

2.2 Broadband: Enterprise Zones were prioritised for provision of Superfast Broadband, which has been rolled out to all Zones. Currently 95.95% of premises in EZ locations have been enabled.

2.3 Business Rates Support: Since October 2012, £11million has been offered in business rates support to hundreds of companies across the Enterprise Zones.

2.4 Skills: All Zones benefit from our pan-Wales skills offer and we are continuing to work to ensure the offer for Enterprise Zones aligns to local requirements, with bespoke support offered such as the Flexible Skills Programme and in Ebbw Vale the Aspire Shared Apprentices Scheme.

2.5 Enhanced Capital Allowances (ECAs): Extended by HM Treasury until 2020, ECAs have been secured at designated sites within the Deeside, Ebbw Vale, Haven Waterway and Port Talbot Waterfront Enterprise Zones. Work is continuing to enhance the infrastructure of the sites that have been assigned ECAs to make them even more attractive to investors.

2.6 Property & Infrastructure: Other interventions in Enterprise Zones include transport infrastructure developments to improve connectivity within and to the Enterprise Zones, bespoke land and property solutions, business networks, specialist supply chain support and dedicated relationship management.

## **Delivery Highlights**

3.1 Pace of delivery has been variable across each of the Enterprise Zones – this reflects the different starting points of each Zone and their distinctive opportunities and challenges. Some of the Zones are more investment ready than others, some are able to exploit existing opportunities, whilst others have been focused upon laying foundations upon which economic and business development can take place over the longer-term. However in each Zone important progress has been made.

### Anglesey Enterprise Zone

3.2 The vision for the Anglesey Enterprise Zone is to create a world-renowned centre of excellence for the production, demonstration and servicing of low carbon energy. The Anglesey Enterprise Zone Board has focused on 5 key areas: skills; property development; port development; nuclear; and marine sector development.

3.3 Key aims of the Board have been to maximise the economic opportunity from the proposed £10 billion new nuclear power station Wylfa Newydd, but more importantly, to identify other major infrastructure projects/sectors that are critical to enabling sustainable long term growth to be achieved after Wylfa Newydd has been constructed.

3.4 The potential Thermo Hydraulic Test facility for the Menai Science Park site is currently undergoing a feasibility study across the UK to demonstrate best siting. If successful this will bring highly paid nuclear sustainable jobs in research and development to the Zone and start to develop a cluster of nuclear specialist knowledge which will attract inward investment. It is also the intention to sustain jobs in the emerging marine sector developing on the Island with the Port of Holyhead site becoming an Operating and Maintenance base (O&M) for this activity.

3.5 The Board's priority for nuclear and marine has helped to make the economic case that has secured and influenced substantial new investment. The first marine project currently developing a manufacturing facility on Holyhead Port is Swedish marine energy developer Minesto which secured €5.1million funding from the EU Horizon 2020 programme to develop its commercial scale tidal power plant off the coast of Holyhead. Other achievements include the announcement in September 2017, that £4.5million of EU and Welsh Government funds will support Mentor Môn's £5.6 million Morlais scheme which will help accelerate the development and commercialisation of multiple tidal stream technologies in the Morlais Demonstration Zone on Anglesey, with the marine activity all within the Zone.

3.6 Property development has been slower to develop within the AEZ but has made progress on the smaller industrial units with an announcement in July 2017 that £4million of EU funding is to be utilised to provide over 1,300m<sup>2</sup> of office, light industrial and storage space for businesses on the former Mon Training site and over 750m<sup>2</sup> of office space at the Anglesey Business Centre at Bryn Cefni Business Park. Work is expected to begin soon with the units ready for businesses in early 2019. The Board has commissioned a piece of work on supply and demand and aims to hold an event to attract property developers to start looking at speculative build properties within the Zone.

3.7 Funding was secured with Isle of Anglesey County Council, Grŵp Llandrillo Menai and the Nuclear Decommissioning Authority for the £11 million project for the new Llangefni Link Road. I announced investment in January which will enable the delivery of section 3 with a further £1.028 million being invested this financial year and up to £2.5 million provided in 2018-19, subject to an updated business case. This brings Welsh Government contribution in the scheme to over £10.6 million. The Link Road, which is being delivered in four sections, is a key part of Grŵp Llandrillo Menai's master plan to develop their Llangefni Campus as an internationally-renowned Energy and Engineering Training Facility. The Link Road will also be important in mitigating the impact of traffic in Llangefni town centre and has allowed major expansion of Grŵp Llandrillo Menai's Coleg Menai, Llangefni Campus which is a 40 acre site. The Board assisted the College to master plan the site and a recent announcement of a £13.5 million energy centre for the Llangefni Campus, £6.75 million came from the Welsh Government, will assist to grow apprentices and skills required to develop a local talent pool. The centre will enable the college to support a number of additional places for engineering students studying for both vocational and technical qualifications. The new centre will be located on the same campus as the existing Energy Centre and Construction Centre and together these facilities will help students develop their engineering and construction skills in support of the Wylfa Newydd development.

### Cardiff Airport & St Athan Enterprise Zone

3.8 The Cardiff Airport & St Athan Enterprise Zone is a unique environment for Aerospace businesses within Wales which is providing the environment and incentives that have been critical to attracting quality businesses. The Zone consists of 2 major airfield sites - Cardiff Airport (515 acres) and the St Athan Aerospace Business Park (1200 acres) - as well as an adjacent 'Gateway Development Site' (200 acres) which provides substantial opportunity for future growth.

3.9 The Enterprise Zone Board has had a focus in ensuring the support for developing the Zone has been in place and that the facilities have been marketed internationally. A key recent focus of the Board has been to ensure skills provision has been in place and by working with Cardiff and Vale College a new apprenticeship programme has been established for the aerospace sector locally which has attracted over 30 potential apprenticeship places in its first year.

3.10 The Board has also been influential in securing significant investment in road infrastructure schemes that have already, and will, transform access to the Enterprise Zone sites. The potential total value of the Gileston Bends, 5 Mile Lane and Northern Access Road schemes is in the region of £44m.

3.11 Cardiff Airport has developed substantially under Welsh Government ownership with an increase in passenger numbers of 48% over the last 3 years and new routes being established to Germany, Ireland, Italy, France and Spain in that period. Qatar is next, with flights commencing on 1 May 2018.

3.12 Aston Martin has chosen the St Athan Aerospace Business Park to be the site of its second manufacturing location. This investment aligns with the Zone's focus on leading edge engineering, manufacturing and materials and will support and complement the renewed focus on both Airport assets and their surrounds. Around 750 jobs could be created when the facility is in full operation by 2019.

3.13 Close cooperation between the Welsh Government, the new airfield management contractor Serco Ltd and the Ministry of Defence has enabled the St Athan airfield to open seven days a week, making a major improvement to the marketability of the Aerospace Business Park.

#### Central Cardiff Enterprise Zone

3.14 This Zone covers 140 acres of the City's business district. The Enterprise Zone Board has worked particularly closely with the Welsh Government's Finance and Professional Services (F&PS) Sector Team and Sector Panel to provide a focussed approach to developing a strong cluster of high quality F&PS businesses in the Zone and the wider Cardiff region.

3.15 At the start of the EZ programme in 2012 the lack of Grade A office space and lasting effects of the financial crisis meant that prospective office developments were not being delivered by the private sector. One of the first recommendations of this Board was for the Welsh Government to purchase the 78,000 sq. ft. 'Capital Quarter 1' office development which had stalled. The purchase was completed in Spring 2014 for £14 million and it sold in 2016 for £20million as a fully let property by the Welsh Government. A £2.5m pedestrian bridge was also constructed over the railway line to further encourage development south of the line and link the City's retail and commercial districts. These developments not only brought this office space directly to the market but the commercial success of the Capital Quarter 1 project has encouraged private sector developers to progress with further projects. For instance, a 'Capital Quarter 2' building of a similar scale and a new multi story car park completed in 2016 and is fully occupied, whilst the Capital Quarter 3 and 4 projects are due for completion at the end of 2018 and 2019 respectively.

3.16 Developments in the Central Cardiff Enterprise Zone are helping to reinforce Cardiff's position as an attractive location for financial services investment. Officials are acting upon the Board's strategic priorities to ensure that there continues to be suitable office accommodation to attract key tenants. This includes the ongoing development of substantial further Grade A office space in Callaghan Square and Capital Quarter and the relocation of many significant business interests such as the BBC and Finance Wales.

3.17 International business advisory firm Deloitte has created 220 jobs and announced the creation up to 700 further jobs as it prepares to diversify and expand its business operations Centre of Excellence in the Zone.

3.18 US inward investing ITC Sector Company Alert Logic has announced the creation of up to 122 new jobs in the CCEZ. A very recent announcement that Aon, the leading global professional services firm providing a broad range of risk, retirement and health solutions, is opening an office in Cardiff, with the creation of over 100 jobs. This and the recent Monzo Bank project are also raising the profile of the Zone in the key London market, in particular the tech community around Shoreditch. Other companies having brought new investment and jobs to the Zone with Welsh Government support include British Gas, AA, Network Rail, Admiral, Equinity and Lewis Silkin.

### Deeside Enterprise Zone

3.19 The Deeside Enterprise Zone is one of the most successful industrial areas in the UK and has a substantial existing business base which includes major employers like Airbus, Toyota and TATA Steel. Incentives within the Zone are supporting businesses to invest and expand and the Zone has regularly been the location for significant investment from major companies including substantial inward investment projects (see <https://businesswales.gov.wales/enterprisezones/news/deeside?page=1> for examples).

3.20 There is also significant potential for further growth and the Board has secured significant investment from Welsh Government for essential infrastructure to ensure the 222 acre 'Northern Gateway' development site has been made ready for new investment projects. Eligibility for Enhanced Capital Allowances for this site was also negotiated with the UK Government to increase its attractiveness to very large projects.

3.21 In order to maintain the region's competitiveness as one of the UK's premier locations for manufacturing, the Enterprise Zone Board has had a focus on ensuring the infrastructure is in place to support companies with the highest quality skills development and research and development capability. As part of this aim, it has worked hard to undertake the required market research and secure the funding for development of the Wales Advanced Manufacturing Research Institute (AMRI). This was announced last November with an indicative Welsh Government contribution of £20 million. The Institute will operate as a single entity, split between a state of the art "hub" R&D facility in Broughton and a networking, training, business development & advice facility in close proximity to the Deeside Industrial Park.

3.22 AMRI will deliver game-changing support to key manufacturing companies as well as multi-sector supply chain companies and the broader SMEs economy. It is geared to increase productivity, commercialisation, innovation and skills development to ensure a thriving competitive industry base that will be a catalyst for growth and jobs across the supply chain in Deeside, North Wales, and the Northern Powerhouse and further afield.

### Ebbw Vale

3.23 The Ebbw Vale Enterprise Zone covers 8 industrial sites in the Ebbw Vale area including the 33 acre Rhyd y Blew brown-field development site which has ECA eligibility. The Board has had clear aims of ensuring its development sites were fully serviced and ready for marketing, developing the skills base of the area, particularly in the engineering sector and working with the Welsh Government Sector teams to bring new investment into the Zone.

3.24 Transport infrastructure is particularly important to the Zone and the new Brynmawr - Tredegar section of the A465 dual carriageway has been completed, providing direct access to the Zone and investing £158million, whilst the £11 million extension of the railway line from Parkway to the Ebbw Vale Works site has also been undertaken.

3.25 The 'Aspire' Shared Apprentices Scheme which focusses on the manufacturing sector in Ebbw Vale continues to grow and develop successfully and is seen as an example of best practice in this subject area. There are currently 21 young people in this cohort and altogether 52 people have been through the programme.

3.26 The Welsh Government is progressing discussions with TVR Automotive on its preferred location for assembly of its cars in Wales, centred on the Ebbw Vale Enterprise Zone. With a planned production of approximately 2,000 cars per annum this production facility will create around 175 new jobs as well as impacting positively on the local supply chain. TVR in the meantime are in discussion with Blaenau Gwent County Borough Council regarding a small volume production facility to allow the company to begin pre-production trials and initial training of staff, and is aiming to get this up and running during 2018.

3.27 In July 2017, Welsh Government announced £100million investment over 10 years to support development of a technology park located at Ebbw Vale with the potential to support 1,500 FTE jobs over the same period. The programme, now known as Tech Valleys, has ambitions that the south Wales valleys and Blaenau Gwent in particular will be a globally recognised centre for the development of new technologies, to support cutting edge industries, particularly in the automotive sector. Building on the valuable work of the Ebbw Vale Enterprise Zone Board to date, the programme will be delivered through a portfolio of related and inter-dependent projects such as battery and motor technology, 5G activity and the infrastructure needed for automated and low emission vehicles.

#### Haven Waterway Enterprise Zone

3.28 The Haven Waterway Enterprise Zone contains a number of sites within Pembrokeshire. Around 20% of the UK's energy supplies are received via Pembrokeshire and the core Haven area reflects the importance of this sector. The Board has also identified the importance of tourism and food processing and is additionally prioritising these areas.

3.29 Planning Permission was granted on 7 December 2017 for the proposed Valero Cogeneration £110 million gas fired power plant at its site in the Zone and will allow Valero to be self reliant of its future energy costs. An important employer in the area, Valero is one of the last of six remaining refining business in the UK. The two year construction project represents a large inward investment for Wales in the Energy Sector safeguarding hundreds of jobs in the Zone.

3.30 Investment in road infrastructure has been a priority for the Board. Improvements to the A477 in Red Roses, part of the Trans European Road Network, were completed in April 2014, significantly improving road access to and from the Zone. The Welsh Government's National Transport Finance Plan currently includes a commitment to

progress proposals for the potential trunking of the A477 between Pembroke Dock and Johnston from the next financial year. This includes consideration of the Cleddau Bridge and the recent Welsh Government budget announcement included a commitment of £2m to remove the tolls on the Cleddau Bridge in 2019-20.

3.31 Discussions are ongoing with key partners including Pembrokeshire County Council about the proposal for a Food Park in Withybush, Haverfordwest. Pembrokeshire is an area of outstanding natural beauty underpinned by a strong agricultural base. The proposed food park aims to create employment and to retain 'added value' within the region.

3.32 Continued development in the cruise sector has resulted in increased number of visitors to south west Wales with cruise ships docking at Milford Haven Port, Pembroke and Fishguard. In 2017, Fishguard welcomed 6618 passengers to Pembrokeshire with 31 vessels calling. In 2018 at Fishguard Port alone has 32 calls scheduled including larger vessels calling and passenger numbers forecast at 11,000.

3.33 The Board played a key role in the taskforce approach used to mitigate the impact on the region of the Murco refinery closure in 2014 which employed 400 staff. A positive legacy of this work was the creation of the Board's Business Interaction Group which provides a strong network for local SME companies, mostly from the oil refining or renewable energy supply chains. With support from Business Wales a series of meetings have been held on topics such as Sell2Wales, Supply Chain opportunities, business finance and social media. In October 2017 the Zone hosted a Google Digital Garage event with 70 people in attendance.

#### Port Talbot Waterfront Enterprise Zone

3.34 The Port Talbot Waterfront EZ was formed in 2016 after Tata Steel announced it was selling its UK steel business. The EZ Board aims to help encourage the exploitation of new economic opportunities and to support existing businesses. The Zone is based around existing and potential employment sites in the area which have significant capacity for supporting further business investment. With the Board's advice the Zone was extended to include the whole of the Tata Steel site.

3.35 Enhanced Capital Allowances (ECAs) have been secured for 3 specific sites within the Zone.

3.36 The EZ Board has worked hard to engage with businesses in the Zone and to understand their needs. As an example of this, the Board carried out a skills audit of businesses in the EZ and the outputs from this acted as evidence for the launch of a pilot skills training programme, sponsored by DfES and which supported 15 local companies with £135k which funded up to 300 days of training.

3.37 The Board has also engaged with Swansea University to deliver the IoN Leadership programme (a training programme for business growth) on a bespoke basis to micro and SME's within the EZ. The Board also collaborated with Google to deliver a 'Google Digital Garage' event which had over 150 participants from local companies.

3.38 The Board will continue to look at ways to work with UK steel on future supply chain development. It has also identified other potential opportunities within the construction, creative industries and finance and professional services sectors and will continue to work with Welsh Government officials and key local partners to investigate ways in which these opportunities could be exploited and what infrastructure could be required to deliver them.

### Snowdonia Enterprise Zone

3.39 The Snowdonia Enterprise Zone includes two key sites: the former Trawsfynydd Nuclear Power Station site with its energy infrastructure and Snowdonia Aerospace Centre at Llanbedr, which has the capacity to accommodate a range of aerospace uses. There is encouraging progress being made to set the foundations for longer-term investment and sustainable job creation within Meirionnydd.

3.40 Recognising the distinct characteristics of the Trawsfynydd site, the potential for Small Modular Reactor (SMR) deployment at Trawsfynydd has been identified as a potential future use by the Snowdonia EZ Advisory Board with the ability to create sustainable, added value employment opportunities. The Board has also commissioned a number of supporting studies to understand further the viability of the Trawsfynydd site as a potential host site for new SMR deployment and it is now widely recognised by leading nuclear industry technology providers and the wider sector as the UK's prime SMR location.

3.41 The Welsh Government has supported the establishment of an Initial Operating Capability (IOC) at the Llanbedr site by investing in key site infrastructure. On site investment is central to the successful development and integration of processes and procedures for test flight operations, signalling the reopening of Llanbedr Airfield as a centre of excellence for autonomous systems and expanding Wales' Unmanned Aircraft Systems Environment capability. The Welsh Government continues to engage with key stakeholders and business to explore how the Llanbedr site can play its part as a strategic Welsh and UK asset for the test and evaluation of Unmanned Systems, emerging technologies and Spaceport location.

## **Performance**

Since inception of the Zones we have published the performance indicators and key targets against which we monitor progress in key areas across each Zone. These include jobs supported, investment, land development, business support and enquiries.

Progress updates against the indicators are published every six months. The most recent update which covers the period April – September 2017, is to be published along with previous full year reports at:

<http://gov.wales/topics/businessandeconomy/growing-the-economy/enterprisezones/?lang=en>



In addition, Committee members have previously been provided with detailed breakdowns of each indicator/target by individual Zone. These are attached at Annexes 1 and 2.

## **Governance**

Each Enterprise Zone has a private sector-led advisory Board that provides advice on the vision, strategic direction and delivery priorities in each Enterprise Zone. Details of current Board membership is published at: <http://gov.wales/topics/businessandeconomy/growing-the-economy/enterprisezones/?lang=en> .

Whilst their overall long-term objectives to support jobs and growth are broadly similar, each individual Enterprise Zone Advisory Board has adopted an approach that is best suited to the needs of the Zone. For example, whilst some have focussed upon infrastructure, others have focussed their efforts on attracting a significant anchor tenant. These differences in approach reflect the economic circumstances, opportunities and challenges at each location and are more responsive to local needs than a uniform 'one-size-fits-all' approach.

The tenure of the current Boards ends on 31 July 2018. Recognising the contribution of the Boards and as part of my overarching review of my advisory architecture, I am currently conducting a review of Enterprise Zone governance and delivery. This has been guided by the agenda set out in the Economic Action Plan, including its regional dimension to national delivery.

The review has concluded that Enterprise Zones will continue beyond the end of the current Boards and I have asked all Board Chairs to review and refresh their Strategic Plans. The revised plans will set out each Board's aims, objectives and recommendations for future Zone actions over the next three years.

**Annex 1 – Jobs created, safeguarded and assisted in each Zone since inception**

<b>Anglesey</b>	<b>2012-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>Total</b>
<b>Created</b>	<b>347</b>	<b>37</b>	<b>99</b>	<b>19</b>	<b>502</b>
<b>Safeguarded</b>	<b>356</b>	<b>42</b>	<b>46</b>	<b>0</b>	<b>444</b>
<b>Assisted</b>	<b>88</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>88</b>
<b>Total</b>	<b>791</b>	<b>79</b>	<b>145</b>	<b>19</b>	<b>1034</b>
<b>Cardiff Airport &amp; St Athan</b>	<b>2012-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>Total</b>
<b>Created</b>	<b>9</b>	<b>7.6</b>	<b>64</b>	<b>57</b>	<b>137.6</b>
<b>Safeguarded</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Assisted</b>	<b>85</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>85</b>
<b>Total</b>	<b>94</b>	<b>7.6</b>	<b>64</b>	<b>57</b>	<b>222.6</b>
<b>Cardiff Central</b>	<b>2012-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>Total</b>
<b>Created</b>	<b>29</b>	<b>73</b>	<b>78.5</b>	<b>301</b>	<b>481.5</b>
<b>Safeguarded</b>	<b>51</b>	<b>13</b>	<b>6</b>	<b>3</b>	<b>73</b>
<b>Assisted</b>	<b>435</b>	<b>463.4</b>	<b>223</b>	<b>179</b>	<b>1300.4</b>
<b>Total</b>	<b>515</b>	<b>549.4</b>	<b>307.5</b>	<b>483</b>	<b>1854.9</b>
<b>Deeside</b>	<b>2012-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>Total</b>
<b>Created</b>	<b>188</b>	<b>473.5</b>	<b>405.5</b>	<b>223</b>	<b>1290</b>
<b>Safeguarded</b>	<b>2484</b>	<b>490</b>	<b>176</b>	<b>230</b>	<b>3380</b>
<b>Assisted</b>	<b>591</b>	<b>0</b>	<b>379</b>	<b>374</b>	<b>1344</b>
<b>Total</b>	<b>3263</b>	<b>963.5</b>	<b>960.5</b>	<b>827</b>	<b>6014</b>
<b>Ebbw Vale</b>	<b>2012-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>Total</b>
<b>Created</b>	<b>30</b>	<b>7.5</b>	<b>75</b>	<b>63</b>	<b>175.5</b>
<b>Safeguarded</b>	<b>61</b>	<b>0.5</b>	<b>9</b>	<b>0</b>	<b>70.5</b>
<b>Assisted</b>	<b>142</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>144</b>
<b>Total</b>	<b>233</b>	<b>8</b>	<b>84</b>	<b>65</b>	<b>390</b>
<b>Haven</b>	<b>2012-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>Total</b>
<b>Created</b>	<b>14</b>	<b>49.5</b>	<b>123</b>	<b>169.5</b>	<b>356</b>
<b>Safeguarded</b>	<b>29</b>	<b>203.5</b>	<b>276</b>	<b>53</b>	<b>561.5</b>
<b>Assisted</b>	<b>195</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>196</b>
<b>Total</b>	<b>238</b>	<b>253</b>	<b>399</b>	<b>223.5</b>	<b>1113.5</b>
<b>Port Talbot</b>	<b>2012-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>Total</b>
<b>Created</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>49.5</b>	<b>49.5</b>
<b>Safeguarded</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>8</b>
<b>Assisted</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>57.5</b>	<b>57.5</b>
<b>Snowdonia</b>	<b>2012-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>Total</b>

<b>Created</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b>Safeguarded</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Assisted</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>12</b>
<b>Total</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>20</b>
<b>All zones</b>	<b>2012-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>Total</b>
<b>Created</b>	<b>623</b>	<b>648.1</b>	<b>845</b>	<b>882</b>	<b>2998.1</b>
<b>Safeguarded</b>	<b>2983</b>	<b>749</b>	<b>513</b>	<b>294</b>	<b>4539</b>
<b>Assisted</b>	<b>1536</b>	<b>463.4</b>	<b>602</b>	<b>568</b>	<b>3169.4</b>
<b>Total</b>	<b>5142</b>	<b>1860.5</b>	<b>1960</b>	<b>1744</b>	<b>10706.5</b>

## Definitions

**Jobs Created** – The gross number of jobs created achieved through direct assistance or financial support and did not exist prior to the activity.

**Jobs Safeguarded** – The number of permanent full time equivalent paid jobs in a client business which would have been lost and have been safeguarded through department support.

**Jobs Assisted** – The gross number of jobs created by businesses in receipt of less intensive forms of assistance from the Welsh Government.

**Level of public investment for each of the Enterprise Zones per year**

	2012-2014	2014-2015	2015-2016	2016-2017	Total
Anglesey	£658,148.00	£1,427,247.00	£2,194,298.00	£2,115,425.26	£6,395,118.26
Cardiff Airport & St Athan Public	£235,170.00	£2,887,033.00	£921,071.00	£9,759,970.82	£13,803,244.82
Cardiff Central	£22,663,932.00	£6,426,884.00	£19,333,358.00	£13,571,141.25	£61,995,315.25
Deeside	£16,631,844.00	£7,400,556.00	£3,270,591.00	£1,792,692.15	£29,095,683.15
Ebbw Vale	£3,890,719.00	£4,651,081.00	£7,500,217.00	£78,530,621.77	£94,572,638.77
Haven	£2,064,799.00	£1,927,000.00	£3,715,945.00	£1,610,720.04	£9,318,464.04
Port Talbot	£0.00	£0.00	£0.00	£3,797,667.28	£3,797,667.28
Snowdonia	£0.00	£1,016,341.00	£844,210.00	£306,112.61	£2,166,663.61

Please note the public investment figure includes public expenditure not just on businesses supported in the zones but strategic infrastructure and transport projects directly benefiting the zones and the surrounding areas.