

Cynulliad Cenedlaethol Cymru / National Assembly for Wales
Pwyllgor yr Economi, Seilwaith a Sgiliau/ Economy, Infrastructure and Skills
Committee
Gwerthu Cymru i'r Byd / Selling Wales to the World
Ymateb gan J Oakley / Evidence from J Oakley

Evidence under Point 3 - Welsh and UK Government support for exporters, and inward investment

Evidence under Point 4 - The knowledge of 'Wales.Com' web site and in particular the help given by Business Wales

I can only speak from the point of view of a home grown UK registered commercial company trying to bring Innovation and Rural Job Creation to Mid Wales in a £22m externally funded green energy project designed to create 70 full time rurally sustainable jobs. The project will produce bioethanol from bracken. However, the extremely poor level of service and support that both Business Wales and the Inward Investment Team have failed to provide over the last 6 years has meant that major elements of the project are now being carried out in England. Although it may be too late to save our own project, I hope that submitting my evidence will assist other organisations in thinking about coming to Wales in the future. I have listed key areas of concern below but in reality these are areas that need to be addressed quickly if a professional approach is to be taken in 'Selling Wales to the World'.

We began looking at Wales as a destination for our sustainable green transport fuels project in 2010 with a view to setting up the plant on the site of Trawsfynydd Power Station as part of the exit process started by Magnox. At the time the local AM, Dafydd Elis Thomas was publicly vocal about the fact that the site should be used for green energy but repeated attempts at communication with this AM, and asking him for help in bringing this project to Trawsfynydd produced only a single response which said he couldn't support the project for fear of jeopardising other projects that may be interested in the site. He suggested we should meet Gwynedd County Council instead. A similar meeting with Westminster MP Elfyn Llwyd in Westminster at the time also produced the response that we needed to talk to Cardiff and he couldn't help us. Magnox however were keen for this project to come to Trawsfynydd.

We attended a meeting with Gwynedd County Council in November 2011 at which a member of the Economic Inward Investment Team was present. Gwynedd County Council said that all inward investment support was now centralised and the member of the Economic Inward Investment Team would report back. Everybody present was enthusiastic about this project and we were to go away and continue our discussions with the technology providers and funders - in this case the Italian Chemical Giant Chemtex and investment funds based in London.

For over a year we communicated with Gwynedd County Council but we couldn't proceed on Trawsfynydd because of the plan to make it an Enterprise Zone. At no point were any alternative sites offered and nothing was forthcoming from the Economy Department. We ourselves looked at Llanbedr Aerodrome but were told that too was planned to be part of the Enterprise Zone. Once created as an EZ in 2012 still nothing could happen with the site as out of the blue a previously unheard of scheme to use Trawsfynydd as a possible site for new nuclear technology was suddenly announced delaying any additional use of the site and Llanbedr couldn't be used as it was announced as a possible site for the Spaceport project. In this instance about 18 months had been lost. I did have one meeting with officials from the Economy department after I wrote a letter to the First Minister and these officials promised to look into the issues I raised – I still have the letter. After 12 months nothing had been heard from these people but I heard many months afterwards that Trawsfynydd was not thought suitable for our project – a decision taken without detailed discussions as to our requirements and one I believe was influenced by the work external consultants carried out for the Welsh Government about renewable energy opportunities in North Wales. Clearly these consultants had not considered green bioethanol and didn't want to be shown up. It was a great pity that the decision was at no point relayed directly to us by these officials. The designation of Snowdonia Enterprise Zone has been a completely pointless act.

In January 2013 I was introduced to the relevant renewables official in Newtown and I spent 2 hours with him getting all our details and building a profile about our company and the project. To this day I still receive weekly marketing emails from Business Wales that originated from this meeting but nothing else. He promised to look into the issues yet again but after 6 months I had heard nothing from him and a letter was written to the First Minister in May 2013. The significant level of inactivity from the inward investment department at that time cost our company credibility with the Italian technology partners and lost our offers of funding. The continuing level of inactivity continues today with numerous similar points I could raise but suffice to say that we are moving ahead with similar projects elsewhere in the UK as a result of poor support from Wales.

The Welsh Government has always funded research and development projects and, in our particular field of biofuels, this research is often a duplicate of work being carried out in Europe and beyond by both Universities and other research facilities plus commercial companies. Even if they decide to continue with R&D work, at some point the research needs to be commercialised in order to generate income to replace that spent on research but often in Wales the results of research are produced and forgotten instead of being acted upon whilst further research projects are developed. Here I cite the cases of 'Healthy Hillside's'; the 'Grassohol' Project at Aberystwyth and the Beacon project at all three Universities. Beacon was the next stage of biofuel research following on from Grassohol which itself needed to be commercialised. Beacon duplicates work being carried out in at least 5 other EU Countries and should have finished after the first phase. Instead it was re-funded and continues to this day supposedly supporting local companies in the biofuels

sector – except it could not support us as our company was not registered in the convergence area of North and West Wales – despite the fact that our project SPV was to be registered there. If only we had been advised of this earlier. £12m of Welsh Government and EU funding sits there unable to help us but available for yet more research. As such, the University of Chester is now assisting us with this project and the development of our Pilot Plant facility.

Nobody within the Welsh Government has ever taken the time and trouble to understand our project, its value within climate change goals and the benefits it brings the region over and above the financial and employment value. Here the fault lies entirely with the Inward Investment Department and lack of integration between officials and the various bodies under the Welsh Government. There has been zero two way engagement between our project and the Regional Government and all aspects of taking the project to the next stage have had to be carried out by ourselves at our own cost in both time and expenditure. In a lot of cases, positive and timely engagement with officials could have severely reduced both.

Therefore in summary I make the following points that I believe should be addressed within the scope of this committee.

1. The concept of offering non repayable soft loans to prevent the business going elsewhere is not necessary if there is good engagement between business developers and the Welsh Government.
2. Bidding wars to attract high profile companies with generous subsidies is not an efficient use of taxpayer's money but encouraging home grown subsidy free projects is.
3. The principle of it taking 17 working days for Government Ministers and officials to respond to enquiries is ridiculous in these modern times. Exactly how big is Wales and its population.
4. Huge areas of Mid and North Wales do not receive the same support from the Welsh Government as the Valleys and Deeside. It was pointless creating the Snowdonia Enterprise Zone as no funding or job creation has happened since its inception. No company can make decisions about going there because no concrete plans about new nuclear power or Spaceport have yet been taken – a decision the Welsh Government blames the UK Government for..
5. The perception in Mid Wales is that investment and support is only directed at huge areas of the South and Northeast. Wales is much more than a single area and other areas can produce exciting new business ideas. Similarly substantial sums have always been thrown at failed measures in the Valleys but they continue to be better treated than Mid or North West Wales.
6. There is too much reliance on the use of external consultants to guide investment policy. I didn't realise literally how close the offices of a global consultant are to the

Assembly buildings. It seems that policy is created by a mix of consultants and officials and approaches made to Ministers about new ideas are often met with negativity because policy in certain fields has already been decided. Why doesn't the Welsh Government interact with, and listen to, home produced ideas instead of relying on input from people with limited local knowledge. Policies designed to cover the whole of Wales are often made without taking local issues into consideration.

7. The lack of access to Ministers and Officials is destroying local enthusiasm for business development. Ministerial contact is limited to every 5 years at election time and thereafter if proposals are sent to the Welsh Government for discussion they are always met with negative responses in favour of their own proposals made with inexperienced officials. The distancing of Ministers and officials from the electorate creates a them and us approach which in the modern world is unacceptable.
8. Inward investment must become more proactive in seeking and assisting new business development. Nobody within the department has sufficient authority to act in support of new business development without referring matters higher up the chain. There is little quality integration between Government Departments.
9. Every Government Department must be prepared to engage readily with prospective new business and encourage detailed two way conversations if innovation or job creation is the way forward in a modern economy. I sense that a lot of time and energy is spent by officials in finding reasons not to support projects. If only that was the other way around. NRW for example give the impression that they are unwilling, unable and unsuitable to work directly with the private sector even to achieve common goals.
10. The new initiatives 'Just Ask Wales'; 'Green Growth Wales'; the 'North Wales Economic Ambition Board' and the supposed one in Mid Wales I can't even find are just nonsense measures. There is no phone number for direct contact and responses to simple enquiries often come weeks later, if at all. These are initiatives designed to suggest that Wales is open for business but it is clearly not. In fact the Just Ask Wales initiative needed me to fill out two 9 page application forms before discussions could be had. This is probably the most off putting approach of any of the EU countries.
11. In a project we are developing elsewhere in the EU, within 24 hours of making an initial approach and a discussion by skype we were offered a dedicated inward investment official who was there to handle all enquiries we had, assist us as we needed and find out, and respond to, all the likely financial support we might be able to secure. In Wales after 5 years, we still don't know the best person to talk to. Once projects are at a certain level of development the inward investment department should at least be able to offer a dedicated support person.
12. The Welsh Government always insisted on a business plan before even the most basic of discussions could take place and yet without detailed knowledge of prospective sites or possible financial support if certain targets are met this can be difficult and frankly unnecessary in the early stages. We had no idea if Wales was the

right location for this project without discussions of this nature let alone produce a business plan. I bet they don't insist on giant corporations providing this.

Update August 2017.

Recent discussions with officials in Cardiff reveals one inward investment team believed we had been contacted about our business plan which they received 16 months ago. When told we had received zero contact they asked for details about the department concerned. This information was given but remarkably, nobody has bothered to contact me for over 2 weeks to explain what went wrong! Either someone has realised the mistake and the action is being covered up or there is no quality communication between departments. Either way it backs up my comment about a pure lack of engagement with the project developers and why companies don't regard Wales as serious business locations.

Inward investment in its present form is lazy, inept, unprofessional, incompetent, negative and, I submit, no longer fit for purpose and these areas must be addressed if Wales is to attract new business particularly from overseas. If it is hard work then business will go elsewhere.

Wales is a beautiful country full of innovative natural energy possibilities. Its people are fantastic but they remain uninspired by the lack of support for much of the mid and northern regions from a very Cardiff focused Government. Every person we have spoken to about this project outside officialdom has been extremely positive. It only takes a revamped proactive positive Government led business support mechanism for this country to excel at new and innovative business. Sadly I believe it has come too late to save this project. To sell Wales overseas without addressing many of these initial home grown problems will be a pointless exercise.