

The Haven Waterway Enterprise Zone Board

3 June 2013

Clerk of the Finance Committee
FinanceCommittee@wales.gov.uk

Dear Clerk

Invitation to provide evidence – Enterprise Zones

Further to the invitation to provide written evidence to the Finance Committee.

Based on the suggested points, I outlined below the progress which has been made in the Haven Waterway Enterprise Zone.

What is the scale of Welsh Government resource being targeted at Enterprise Zones?

It should be noted that Enterprise Zone Chairs do not see internal Welsh Government budgets. However, the Welsh Government commits resource to Enterprise Zones in terms of assistance for Business Rates Relief, marketing, provision of Superfast Broadband and assistance with training. Additional capital spend will include provision for infrastructure in terms of rail and road links. Furthermore, there is a considerable commitment in terms of the time spent by officials on Enterprise Zone business.

What influence are Enterprise Zone boards having on that Welsh Government resource?

There is very good interaction between the Haven Waterway Enterprise Zone Board and the Welsh Government. I have made a representation on Zone boundaries, on marketing, on business rates and on capital spend to the minister and have frequent and regular contact with officials. I have found the Welsh Government responsive and supportive.

What are the strategic objectives of each of the Enterprise Zone boards?

The Haven Waterway Enterprise Zone is energy related. The strategic objective of the Enterprise Zone is to attract new jobs and prosperity and thereby to protect existing jobs. It is hoped that jobs created will be both direct in energy projects and indirect through the supply chain supporting such ventures. In addition we recognise that jobs may be created elsewhere for example through the cruise market. We work together with our partners in the Enterprise Zone for example Pembrokeshire County Council, Pembrokeshire Business Panel and Pembrokeshire College to accomplish these objectives. It is hoped too that Enterprise Zones can help promote growth generally in the Welsh economy.

A strategic plan was submitted to the Minister in autumn 2012. This has acted as a plan for action within the zone.

What are the specific incentives that are in place to encourage businesses to invest and locate in each Enterprise Zone in Wales?

Incentives are in place in terms of Business Rate Relief for small and medium sized companies in the zone. The Haven Waterway Enterprise Zone has been particularly successful in this regard. Other incentives include speedier planning, training packages, Superfast Broadband, marketing initiatives and a dedicated website promoting the zone. Additionally investment assistance and advice to businesses as well as investment in infrastructure will help to promote the objectives of the zone. In addition Enhanced Capital Allowances are available in relation to the Waterston site in the zone.

What are the specific outputs and outcomes that each EZ expects to achieve? (such as number of jobs created, businesses supported, number of businesses benefiting from business rates reductions, number of businesses using the Enhanced Capital Allowances)

The Enterprise Zone has already enabled 17 businesses to benefit from Business Rates Relief in the zone. Jobs are being created, 100 additional jobs have been created recently at Mustang Marine. A project team has been set-up and is working to achieve interested bids from business for the Waterston site which is in receipt of Enhanced Capital Allowances.

Benefits are likely to be in the medium to long term. Enterprise Zones do not have specific job creation targets.

It is worth noting that regular businesses breakfasts are being held by the Enterprise Zone Board to promote the benefit of the zone and to liaise with businesses.

What are the achievements of each Enterprise Zone to date?

This has been address in Q 5 above

What is the latest position in relation to the use of Enhanced Capital Allowances and what potential is there for extending their use to more Enterprise Zones in Wales?

Enhanced Capital Allowances were gained from the Treasury after representation from the Welsh Government in relation to the Waterston site. Considerable efforts have being made to market this site effectively. Obviously commercial confidentiality applies in relation to specific enquiries and talks. The position in relation to a more widespread use of Enhanced Capital Allowances depends on representation to the Treasury. The Welsh Government has already secured more that its Barnett share. The Silk Commission in Part One of its report put forward the possibility of the Welsh Government "buying" additional Enhanced Capital Allowances from the Treasury. A response is awaited from Westminster on this proposal.

What is the expected impact on areas neighboring or outside Enterprise Zones?

Neighbouring areas will benefit from capital spend such as roads and rail improvements and are also likely to benefit from training packages made available for enterprises within the zone. In addition, of course, many people living outside the zone will be working inside the zone. Inevitably wherever an economic boundary is created there will be some impact on the other side of it. It is difficult to determine what this will be. Furthermore growth in the zone should act as a catalyst for growth elsewhere in Wales.

How can the impact of Enterprise Zones on the local economy be maximised? (such as through the development of supply chains that use local businesses)

The impact of Enterprise Zones can be maximised by effective use of all the incentives available which depends on maximum publicity and marketing. In the Haven Waterway Enterprise Zone effective publicity and marketing meant that we were very successful in maximising the business rates scheme. In addition business breakfasts within the zone, a monthly column in the Western Telegraph written by the chair of the zone and effective working with our partners help to achieve considerable impact in achieving the aims of the Haven Enterprise Zone.

Are the processes in place to ensure that Enterprise Zones are monitored and evaluated effectively?

Obviously the Haven Waterway Enterprise Zone is still in its first year of operation. The Minister is asking for views from Enterprise Zone boards and from AMs on indicators or progress.

Regular reporting to the Minister and her officials on progress in the zone helps to achieve the aims of the zone and means that the work being done is monitored and evaluated. Additionally, at an early stage in the zones existence the chair contacted all local political representatives making it clear that he was available for discussion on any representation that might be made.

What approach is used to ensure that Enterprise Zones in Wales create additional economic activity?

As may be seen a partnership approach with local agencies and local businesses utilising the tools made available by the Welsh Government along with the Enhanced Capital Allowances made available by the Treasury after discussion with the Welsh Government should help create additional economic activity in the Enterprise Zone.

Yours faithfully



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