

Enterprise and Business Committee

Meeting Venue:

Committee Room 3 – Senedd

Meeting date:

Wednesday, 19 February 2014

Meeting time:

09.00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



For further information please contact:

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Agenda

FORMAL PRIVATE MEETING (09.00–09.40)

1 Forward Work Programme discussion (Pages 1 – 10)

Supporting documents:

EBC(4)–05–14(p.1) - Forward Work Programme

2 Welsh Language Scrutiny (Pages 11 – 17)

Supporting documents:

EBC(4)–05–14(p.2) – Letter from the CELG Committee Chair to First Minister regarding Welsh Language policy review

EBC(4)–05–14(p.3) – Letter from the CELG Committee Chair to the EBC Chair regarding Welsh Language policy review

3 Inspire Wales Awards

BREAK (09.40–09.45)

FORMAL PUBLIC MEETING (09.45)

4 Introductions, apologies and substitutions

5 Inquiry into the Welsh Government's approach to the promotion of trade and inward investment – evidence session 10 (09.45–10.45) (Pages 18 – 23)

Witnesses:

- **Professor Gareth Morgan**, Life Sciences Sector Panel Chair
- **David Williams**, Energy & Environment Sector Panel Chair

Supporting documents:

Private paper (Members' Brief for Item 5)

BREAK (10.45–11.00)

6 Six monthly update and budget outturn 2012–13 (11.00–12.30) (Pages 24 – 86)

Witnesses:

- **Edwina Hart AM**, Minister for Economy, Science and Transport, Welsh Government
- **James Price**, Director General, Economy, Science and Transport, Welsh Government
- **Rob Hunter**, Director, Finance and Performance, Welsh Government

Supporting documents:

Private paper (Members' Brief for Item 6)

EBC(4)–05–14(p.4) – Budget Scrutiny – Letter from the Chair to the Minister dated 10 December 2013

EBC(4)–05–14(p.5) – Budget Scrutiny – The Minister's response dated 14 January 2014

EBC(4)–05–14(p.6) – Budget Scrutiny – further letter from the Minister to the Chair dated 4 February 2014

EBC(4)–05–14(p.7) – Budget Scrutiny – Memorandum 2013–14

EBC(4)–05–14(p.8) – Note on the changes to the allocations in comparison to the First Supplementary budget

EBC(4)–38–13(p.6) – Six Months Updates – Rail Priorities, M4, Transport Priorities and Commitments

7 Papers to note (Pages 87 – 99)

Supporting documents:

EBC(4)–05–14(p.9) – Letter from the Chair to the Minister regarding WOMEX dated 17 January 2014

EBC(4)–05–14(p.10) – The Minister's response regarding WOMEX dated 27 January 2014

EBC(4)–05–14(p.11) – TEN–T – Letter from the Chair to the Minister dated 24 January 2014

EBC(4)–05–14(p.12) – TEN–T – Minister's response dated 5 February 2014

EBC(4)–05–14(p.13) – TEN–T – Letter from Herald Ruijters dated 06.02.14

EBC(4)–05–14(p.14) – Recent UKTI – WG Relationship History

EBC(4)–05–14(p.15) – TEN–T – Letter from the Chair to Herald Ruijters dated 24 January 2014

Minutes of the previous meeting

De–brief in private (12.30–12.45)

Document is Restricted

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This paper has been deemed not suitable for publication in line with the Commission's rules for conduct of business.

Document is Restricted

Agenda Item 5

By virtue of paragraph(s) vi of Standing Order 17.42

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Agenda Item 6

By virtue of paragraph(s) vi of Standing Order 17.42

Document is Restricted

Y Pwyllgor Menter a Busnes
Enterprise and Business Committee

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



Edwina Hart AM
Minister for Economy, Science and Transport
Welsh Government

10 December 2013

Dear Edwina

Budget Scrutiny session 19 February 2014

Thank you for agreeing to attend the Committee on 19 February from 11.00 to 12.30. The purpose of the session is for the Committee to:

- consider the six-monthly update which you agreed to provide for us in response to our recommendations in our scrutiny of your budget proposals for 2014-15;
- look at out-turn and performance for the 2012-13 financial year compared with the budget plans; and
- scrutinise the in-year position for 2013-14 following publication of the second Supplementary Budget to explore any changes against the first supplementary budget 2013-14 and the decisions behind those changes.

In order to help your officials prepare papers for the session, we would like to see information on all of the objectives set and outcomes achieved by your Department in 2012-13; the associated resource allocations; how performance was evaluated; and details of any transfers made. This should include transport outcomes even though these were not within your portfolio at the time.

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Clerc/Clerk: Dr Siân Phipps, Ffôn /Tel: 029 2089 8582
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We are particularly interested in the following areas:

- the promotion of trade and inward investment
- each of the nine priority sectors
- the repayable business finance scheme
- Enterprise Zones
- support for micro-enterprises
- social enterprise support
- the Wales Economic Growth Fund
- sustainable and integrated transport, including walking and cycling/active travel; public transport (bus, rail and community transport, including concessionary fares); and regional transport planning.

For each of those areas we should like to receive the following information:

- resources allocated in the Final Budget 2012-13 and which outcomes and outputs those resources were expected to achieve
- details of any in-year changes to those allocations and explanations for the change
- actual expenditure in 2012-13, presented on a comparable basis to the budget allocations, and explanations for any differences compared with budget allocations
- outputs and outcomes achieved as a result of this expenditure and how performance was evaluated
- how this influenced or informed budget allocations in each area for the 2013-14 and 2014-15 financial years.

Members would also like to receive detail on Finance Wales; how the Department has used external sources of finance such as EU funding, the European Investment Bank and the Green Investment Bank alongside its own resources; and how the department contributes financially to the Welsh Government's cross-departmental commitments relating to poverty, sustainable development and the Welsh language.

We would be grateful to receive your paper by 5 February 2014. If there is relevant information in terms of changes in allocations relating to the above areas in the second supplementary budget in February 2014 perhaps that could be provided in a separate paper once it is laid before the Assembly.

Many thanks for assisting us in our work.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nick', with a long horizontal flourish underneath.

Nick Ramsay AM
Chair, Enterprise and Business Committee



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cvf/Our ref

Nick Ramsay AM
Chair, Enterprise and Business Committee

14 January 2014

Dear Nick

Budget Scrutiny – 19 February 2014

Thank you for your letter dated 10 December detailing the agenda for the budget scrutiny session. Whilst I am happy to provide the additional information requested at the 17 October Committee, I am concerned about the additional level of detail requested to support the February session.

For the October Committee I provided the six monthly update for Transport for 2013-14 and volunteered to also provide a similar update on a six monthly basis for Economy and Science.

The evaluation in terms of outcomes against the objectives in the Programme for Government will be reported in the Annual Statement for 2013-14 to be published in June 2014. The annual outturn report 2012-13 for Welsh Government is published at a Main Expenditure Group level for the Finance Committee.

I am happy to provide detailed information and attend additional sessions for specific strategic issues of interest to the Committee. However, I am concerned that providing detailed historic information across the portfolio will create a significant administrative burden in preparing the evidence paper. To assist the Enterprise and Business Committee I will provide some additional information but this will be limited to analysis at Action level for 2012-13 and high level objectives restated for the portfolio changes.

I look forward to your continued support.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff

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

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Gweinidog yr Economi, Gwyddoniaeth a Thrafnidiaeth
Minister for Economy, Science and Transport



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref

4 February 2014

Dear Nick

I refer to the Committee's request for clarification of the information that will be provided for the scrutiny session on 19 February.

The Supplementary budget motion is tabled on 11 February after the deadline of 5 February to provide the evidence paper. I will provide a short paper to explain the changes detailed in the 2013-14 Second Supplementary Budget following 11 February.

A six monthly update for Economy and Science will be provided in the same format as the Transport six monthly update which has already been considered at the 17 October 2013 scrutiny session. My letter dated 9 October 2013 provided an update on transport matters within my portfolio.

I look forward to discussing the strategic developments within my portfolio with the Committee.

Memorandum on the Economy, Science and Transport (EST)

2013-14 Second Supplementary Budget

Enterprise and Business Committee – 19 February 2014

1.0 Introduction

This paper is a response to the Committee's specific requests for financial information:

- 2013-14 Economy and Science six monthly update and additional information requested by the Committee following the scrutiny of the 2014-15 Draft Budget;
- Out-turn and performance for the 2012-13 financial year compared with budget plans;
- Additional information requested by Committee for key budgets; and
- In-year position for 2013-14 following publication of the Second Supplementary budget 2013-14 and decisions behind those changes.

Following the tabling of the Second Supplementary Budget on 11 February 2014 a note will be provided to the Committee to explain the changes to the allocations in comparison to the First Supplementary budget.

2.0 Six Monthly Update and Response to Committee's Recommendations

2.1 Programme for Government

The six monthly update on the Programme for Government was provided for Transport for the scrutiny session on 17th October 2013. The update for Economy and Science is attached as Annex A. This update is based on the position as at September 2013 updated for current developments and details some of our key Programme for Government commitments on which we lead with outline commentary. We also contribute to a number of other key commitments including tackling poverty and sustainable development. Work is currently underway to prepare the end of year Programme for Government report. This will provide a full update on progress against EST objectives and outcomes and is due for publication in June.

We continue to make good progress against our objectives in Programme for Government. Growth and sustainable jobs are at the heart of our objectives and delivery against these is the overriding priority. We continue to build on the strong relationships we have with the business community and social partners to understand the needs of business and inform our policy and action. At the same time we are working to ensure that the required infrastructure is in place to support economic growth through the delivery of improved Transport infrastructure and services and the continued roll out of Superfast Cymru.

2.2 Measuring Performance

The Committee asked for an update in relation to outputs and outcomes. The most up to date figures for the key indicators for jobs and growth are provided in the table below is as at 31 December 2013:

Business Areas	Jobs Created	Jobs Safeguarded	Jobs Assisted	Investment Induced £m
Sectors	758	1,501	6,177	58
Entrepreneurship	3,158	1,121	0	
Science and Innovation	242	492	371	31
Access to Finance (inc SIF, Finance Wales)	1,034	909	493	46
Others	4	590	135	
Total	5,196	4,613	7,176	135

The figures in the table above represent the recorded position at end of Quarter 3 for key business areas. The following points need to be noted in relation to these figures:

- EST captures data on a wide range of outputs that cover both activities and results. Due to the wide ranging nature of these outputs the figures provided in the table above only relate to jobs and investment induced as these are the primary objectives for the Department and much of the Department's activity is aimed at contributing to these figures.
- These figures are taken at the end of quarter three and should not be seen as representing a linear progression towards the overall totals that will be achieved at the end of the year. Historically there is a sharp upturn in outputs during quarter four when projects are being completed and the associated outputs become eligible to be claimed. Collection and verification of final end of year outputs is normally completed by the end of May.
- The Sector figures above include outputs from schemes such as WEGF, Inward Investment and RBF that are delivered by Sector teams. Detailed updates on these schemes are provided later in this paper.

Due to timing issues, there is not a direct correlation between expenditure in-year and the outputs delivered which makes it difficult to draw a meaningful comparison at the half year. It is more appropriate to provide an annual update at an action level.

2.3 Inward Investment Jobs

As discussed in previous committees there is a lag between agreeing an inward investment and the project “going live” with associated investment and employment. In this financial year, as at December 2013 a total of 1,672 jobs supported have been evidenced from previous years FDI activity. The target for 2013-14 FDI jobs announced is 8,500.

2.4 Evaluations

In supporting our budget decisions a list of evaluations completed and underway since 2012 is attached at Annex B which shows the breadth of evaluation activity undertaken recently. While there is a role for the commissioning of external evaluations of policy and delivery, it is important that we retain a focus on value for money and choose the best approach to obtaining expert advice and learning. In considering the strategic priorities for jobs and growth the role of the independent boards such as WIDAB and the Sector Panels, for example are also important. Involving the private sector and other key stakeholders can help identify priorities for action and to provide advice on where improvements can be made.

The Programme for Government and the annual reports also represent an appropriate approach to assessing delivery against commitments we have made. It sets out:

- Key actions for the Government
- The evidence we use to judge whether actions are on track to deliver; and
- The indicators we use to measure progress on the long-term challenges.

3.0 Out-turn and Performance for the 2012-13 Financial Year

- 3.1 The outturn compared with the budget plans at an Action level is provided at Annex C. It has been restated in the format of the published tables to include Transport which was in the Minister for Local Government and Communities portfolio. The expenditure in 2012-13 was managed for Department priorities in the former portfolios.

The annual update of the Programme for Government achievements was published in June 2013 and can be accessed on the Welsh Government internet site:

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

In 2012-13, the total number of jobs supported totalled 17,173, of which 7,632 were jobs created, 7661 jobs safeguarded and 1,875 jobs assisted. This compares to a management target of 18,401.

Targets are set with the potential for pipeline projects to be accelerated. The actual performance reflects the responsive nature in intervening to support the economy during the financial year. There was a decrease in jobs created primarily due to slippage and economic conditions at that time. Outputs from projects that were delayed in 2012-13 were in the main collected in early 2013-14.

4.0 Additional Information Requested by Committee for Key Budgets

Budgets for the Department are aligned to delivery plans which were prepared as a result of the annual detailed review of spending plans. Given the current economic circumstances, budgets are under increasing pressure and projects are continually monitored to ensure they are delivering their outcomes. Where they are not found to be delivering as planned, the resource is reallocated to interventions that will deliver jobs and growth. These considerations are built into the business planning cycle and inform the decisions on final allocations and target for each business area for future years.

Through the monthly forecasting process we constantly assess progress and reprioritise the budget based on emerging priorities and the performance of each project.

4.1 The Promotion of Trade and Inward Investment

Following the reorganisation of International Business Wales, trade and investment activity was embedded into business solutions and major projects supporting sectoral delivery. Trade and Inward Investment became a separate division on 1 October 2012.

At the start of the 2012-13 financial year, the budget for Trade and Inward Investment was contained within the Pipeline Development BEL. This BEL included activities to support the priority sectors and major projects. The indicative budget for the Trade and Inward Investment activities was £1.737m and the out-turn position was £0.658m. The shortfall was mainly due to the lead time in developing the pipeline projects and establishing the team.

The foreign direct inward investment jobs for Wales announced by UKTI in its 2012-13 annual report amounted to just over 7,000 forecast jobs, a significant improvement on the previous year's performance. Similarly, the number of projects for Wales reflected in UKTI's annual report grew from 23 in 2011-12 to 67 in 2012-13.

Marketing is integral to trade and inward investment. The Just Ask Wales campaign is focussed on sectors and aims to generate a pipeline of new enquiries and investment to help create opportunities for future jobs in Wales and support the strategic focus on Jobs and Growth. Further information can be found at:

<http://www.justask.wales.com/>

4.2 Priority Sectors

For 2012-13 the Final Budget is compared to actual expenditure for the priority sectors at Annex D. Overall the budget was £63.1m against an outturn of £60.8m.

Any in-year changes relate to the necessity for my Department to remain flexible in meeting the needs of the changing economy and providing the right support for businesses at the right time. Budget variations were as a result of slippage of some projects into future financial years and companies re-forecasting financial projections. Across the sectors this is offset for new opportunities and other projects brought forward.

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

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

During the year the sectors reported 1,306 jobs created and a further 3,410 safeguarded. In addition 1,875 jobs were assisted. The sector delivery also attracted into the Welsh economy over £95m investment induced from external private and public sectors.

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

4.3 Repayable Business Finance Scheme

At 31 March 2013 £3.2m of repayable business finance offers have been made.

The budget remains flexible and businesses are assisted with repayable business finance as appropriate. Each case is subject to an appraisal and assessed in terms of value for money and the ability to support jobs and growth.

4.4 Enterprise Zones

The development of Enterprise Zones is cross cutting and delivery of the policy challenge requires the alignment of existing resources from across the Welsh Government and local partners to create jobs and growth within and beyond the Enterprise Zones.

In 2012-13, the Enterprise Zone Boards developed their plans for the zones and the expenditure for the year amounted to £11.4m which was used for a range of activities such as feasibility studies, business rates scheme, purchase of land for development, site remediation and other capital works. These developments have been captured in regular statements which have been made to Plenary. More information is contained in the Enterprise Zone Progress report issued October 2013 report:

http://enterprisezones.wales.gov.uk/sites/test.enterprisezoneswales.co.uk/files/EZ_progress_update_281013.pdf

Performance will be tracked against the performance indicators for the Welsh Enterprise Zones which were published at the end of 2013. These indicators will monitor and track progress over the longer-term in key areas such as jobs, investment, land development, business support and enquiries. Preliminary targets for 2014-15 have also been published and these are available at:

<http://wales.gov.uk/topics/businessandeconomy/publications/welsh-gov-ezw-key-performance-indicators/?lang=en>.

There is ongoing work and planning with all Sectors on taking forward outcomes of studies, master plan recommendations and capital works.

4.5 Support for Micro-Enterprises

In 2012-13 a budget of £7.84m was available for supporting Micro Enterprises. The funding included support for activities such as: the Regional Service Centre, supply voids, Business Wales, business engagement events and Corporate Social Responsibility initiatives.

Following the publication of the Micro-Business Report in January 2012 the Regional Centre Service was refocused to deliver a One Stop Shop concept for micro-businesses in Wales which was launched in January 2013. The service provision is also available to small and medium sized enterprises. Services include equality, environmental and procurement advice, international trade support and an information and signposting service to all businesses virtually through a network of 11 hubs located across Wales. In addition a dedicated Business Wales Mentoring service was launched in October 2013 to enable businesses to access mentoring support from a wide and diverse mix of experienced business people.

The Micro Business Report also emphasised going forward the role of government should be one of facilitation and filling market failure. The public, private and third sectors have key roles the delivery of support of the Business Wales one stop shop service.

Therefore 2012-13 was a transition year and resources were reallocated to other priorities in year with an outturn of £6.76m. The key outputs for supporting micro/SMEs are detailed in the table below:

Outputs	Regional Centre Service April – Dec 2012	Business Wales one stop shop service Jan– March 2013	Total
Enterprises Assisted	3,309	1,501	4,810
Information and signposting	10,228	2,843	13,071
Jobs Created	233	169	402
Jobs Safeguarded	288	268	556

Performance of both service provisions is regularly monitored via contract and delivery management arrangements. There are also established customer satisfaction processes in place. An independent evaluation was undertaken in late 2013 in preparation for the final evaluation of the EU funded provision for Customer Engagement/Business Wales which is detailed in Annex B. Targets and outcomes have been increased for the 2013-14 and 2014-15 financial years to reflect the redirection of the service.

The Micro Business Loan Fund of £6m was launched in March 2012. To date the fund has invested over £1m and has created and safeguarded 284 jobs to the end of December.

4.6 Social Enterprise Support

In 2012-13 the budget set for social enterprises in 2012-13 was £881k with an actual out-turn of £854k. Funding included support for the Wales Co-operative Centre, Wales Social Enterprise Coalition, Social Firms Wales, Development Trust Association Wales and Black Mountain.

During 2012-13 value for money reviews were undertaken for core funding arrangements for social enterprise development. The key outcomes were to:

- cease funding to the Wales Social Enterprise Coalition beyond 2012-13 commitment. However issues arose on the financial viability of the organisation and the funding was ceased immediately;
- continue to provide core funding of £259k to the Development Trust Association Wales to March 2015 to assist with the creation and development of new and emerging local development trusts in Wales; and
- provide Social Firms Wales with a further period of core funding of £106k for three years up to March 2016 which is necessary to allow the long term engagement required by social firms to create social change partnerships and social firm businesses in Wales. Social Firms Wales will receive £150k for a pilot project to develop models of social firms specialising in childcare and social care.

In addition core funding of £350k for three years 2013-15 has been confirmed for The Wales Co-operative Centre to develop co-operatives and other mutual organisations in Wales.

On an annual basis the Welsh Government provide circa £500k per year to specialist social enterprise support and membership within the social enterprise sector. Social enterprises are also able to access the business advice support available through the Department. Outcomes and outputs are monitored against the grant offer letter at quarterly meetings with the organisations.

The budget allocations may change following the report from the Welsh Co-operative and Mutuals Commission under the Chairmanship of Professor Andrew Davies. The remit of the Commission was to make recommendations on growing and developing the co-operative and mutual economy in Wales in order to create jobs and wealth.

Following the decision to cease funding to Wales Social Enterprise Coalition to continue to demonstrate support for the social enterprise sector the Minister agreed that a voice for social enterprise would continue to be supported. A Review, being undertaken by Robert Lloyd Griffiths (Chair of the Business Wales Strategic Board and Director (Wales) Institute of Directors), is currently underway with a view to advising on an updated role and principles and if this amended function should be housed within a new arm of a host organisation. The recommendations of the commission may also steer the future direction of this support.

4.7 Wales Economic Growth Fund

In 2012-13 the budget allocation for the Wales Economic Growth Fund was £30m. In response to the high level of interest shown by the business community the original allocation of £15m was doubled. The fund made commitments of around £31m to 118 projects with a potential of 3,400 jobs to be created/safeguarded. On a value for money basis the average cost per job was £9k.

Expenditure to date for this fund is over £21 million. The remaining funds were utilised for wider business support. The Wales Economic Growth Fund 1 was a time bound economic stimulus package that aimed to bring forward projects that could protect and create jobs, and maximise investment potential in a period of economic uncertainty. Due to the economic conditions a number of projects did not proceed or proceeded on a reduced basis. On a value for money basis the average cost per job remains at £9k.

The key outputs for this fund are jobs created and/or safeguarded. To date the actual number of jobs created and safeguarded is just over 2,300 with around 180 additional jobs to be created in the following two financial years. It is intended to undertake a formal evaluation of WEGF 1 early in 2014-15.

Following on from the success the fund, and in recognition of the continued economic uncertainty, WEGF 2 £30m fund was launched with the potential to create and safeguard up to 3,000 jobs. The funding is allocated as follows:

- 2013-14 £10m: for smaller projects to be considered with a grant requirement between £50k -£100k.
- 2014-15 £20m: to support larger projects with a grant requirement of over £100k.

All offers have now been made under the first phase of the scheme, with the following results: 124 offers worth £9.33 million. These projects have a projected job creation of 986 and safeguarding 877 jobs.

4.8 Sustainable and Integrated Transport

Overall transport projects were delivered in line with plans in 2012-13. Where additional funding became available in the wider Local Government and Communities Department, further investment was made in transport. This enabled a number of local authority projects to be completed or brought forward and significant investment in the maintenance and effective operation of the trunk road network.

Regional Transport Planning

As stated in the letter of 7 November 2014 in response to the Committee's recommendations officials are undertaking an evaluation of national and regional transport planning. An update will be provided by Easter 2014.

The key change in developing new bus funding arrangements was to bring together the separate funding paid to operators and local authorities into a single funding stream and ensure that was being spent where it would have the most impact. The Minister at the time asked the Regional Transport Consortia to administer the new funding arrangements and develop regional strategies identifying key routes.

My recent Oral Statement to the National Assembly for Wales outlined the next steps in terms of bus funding including establishing a group to advise on a refresh of bus policy and piloting new approaches in Ceredigion and the Vale of Glamorgan.

Concessionary bus travel

For several months officials have been negotiating with representatives of local authorities and the bus industry the terms of a new reimbursement arrangement from 1 April 2014. This followed an independent review of the current reimbursement arrangements which identified that operators were being over-compensated.

Community transport

Community transport is often a suitable alternative to a conventional bus service, especially in remote or rural areas. Continued support for community transport and monitoring of services is delivered by the Regional Transport Consortia.

In addition, the Welsh Government funds the Community Transport Association in Wales to develop and strengthen the community transport sector.

Bus compliance

Bus operators are required to register their service details with the Traffic Commissioner. The Commissioner has powers to impose financial penalties on operators that fail to comply with the terms of their registrations, but depends on referrals to him if he is to consider such actions. Any such “fines” are paid to the Welsh Government.

The Welsh Government funds Bus Users UK in Wales to employ three full-time Bus Compliance Officers whose responsibilities include monitoring bus services on our behalf. In this way, when Bus Users’ or local authorities or the Welsh Government becomes aware of apparent failures on the part of a bus operator to run services in compliance with its registrations, we ask the Bus Compliance Officers to undertake monitoring to establish the facts. Those findings are then reported to the Traffic Commissioner for his review.

The Traffic Commissioner has remarked very favourably on the activities of the Bus Compliance Officers and the positive impact their work has on the punctuality and reliability of bus services in Wales.

Bus Users UK in Wales

Bus Users UK has an office and three staff based in Wales. The organisation locally provides invaluable support to bus operators, local authorities and others in ensuring that the interests of bus passengers are represented effectively.

Bus Users also contributes extremely effectively to policy development and represents passengers who complain about their bus services.

Bus Users organises and undertakes up to 20 bus passenger surgeries each year throughout Wales to enable passengers to meet face-to-face with bus operators and local authorities.

Bus Users UK have recently agreed to join the new Public Transport Users’ Advisory Panel which will advise the Minister on public transport user matters.

Sustainable and Active Travel

In 2012-13 a range of initiatives were funded to develop active travel infrastructure and encourage people to use sustainable and active travel modes.

The Safe Routes in Communities scheme received £5.2m and this enabled a range of improvements to the safety and accessibility of communities across Wales when walking or cycling.

The personalised travel planning project saw an investment of £1.1m. Focusing on communities in Cardiff and South Wales, this programme provided 1:1 contact and tailored information about the sustainable travel choices in communities. The early results are promising and a more in-depth analysis of the first phase is being produced by the contractor.

This project also supports work with schools and businesses and has led to the development of tools and materials that can be used more widely. Other projects supported include Bike It.

Rail Services

In 2012-13, the Welsh Government continued to fund the Wales and Borders franchise operated by Arriva Trains Wales (ATW). The contract was awarded in 2003 and runs for 15 years. In April 2006 responsibility for the day-to-day management of the franchise was passed from the UK Government to the Welsh Government.

In addition to the core franchise originally specified, the Welsh Government's funding in 2012-13 included support for a number of additional services. These included the provision of additional capacity on the Valley, Cambrian and Borderlands Lines, increased service frequency on several lines (e.g. Merthyr Line, Cardiff-Holyhead route, Heart of Wales Line and Borderlands) and a concessionary rail fares scheme.

The future rail priorities and contribution to wider economic development are detailed in the Written Statement of 18 July 2013 which was provided to Committee as part of an update on transport matters in the letter of 9 October 2013.

5.0 Finance Wales

You have requested information in relation to Finance Wales. However, the Finance Committee is currently undertaking an enquiry into Finance Wales. I will provide an update for the Committee once it is finalised.

6.0 Cross Departmental Commitments

6.1 Tackling Poverty

The Department has an important role to play in helping tackle poverty, with our primary influence resulting from efforts to encourage and support employment retention and creation across Wales. Our focus is on tackling poverty by protecting jobs, creating employment opportunities and improving the overall conditions for business, recognising that employment offers a high level of protection against poverty.

The Department is taking forward a number of actions that support Welsh Government efforts to tackle poverty, with considerable Departmental budget committed to these activities. This includes funding to:

- deliver the Wales Economic Growth Fund and other job creating grant and business finance schemes;
- provide start up grants and entrepreneurship advice and support;
- develop and grow the childcare market;
- take forward social enterprise activity; and
- deliver our Corporate Social Responsibility programme.

Tackling poverty is also at the heart of transport policy and programmes. Transport is a significant area of expense for many households and rising costs of both fuel and public transport place additional pressures on households.

This means that promoting an affordable, accessible and effective transport system can make a real, practical difference to people. Good transport connectivity can also make it easier for people to access jobs and training, as well as access other services. Significant budget is committed to our portfolio of transport projects, including the Concessionary Fares Scheme.

6.2 Sustainable Development

Our aim is to deliver the Programme for Government priorities for Jobs and Growth, with a focus on sustainable development as the central organising principle. We are developing a green growth policy approach to further enhance our existing work on sustainable development and economic growth. This will act, in part, as preparation for the introduction of the Future Generations Bill, which is consistent with our approach to creating the conditions over the long term for a sustainable and prosperous low carbon resource efficient and socially just economy.

We are working with the Council for Economic Renewal and the Climate Change Commissioner for Sustainable Futures, exploring the role of green growth in Wales as a means of delivering long term economic growth and prosperity.

We are looking to identify early actions to incorporate green growth practice for the whole of the economy. We will be using this approach to influence the allocation of European Structural Funds, and we will be working with a range of stakeholders across the public, private and third sectors to link up policy initiatives. We will be looking to maximise the use of the levers we have available to set a course for long term sustainable economic prosperity for Wales.

6.3 Welsh Language

The Report from the Welsh Language and economic development task and finish group will be published shortly.

Also the Teifi Valley Task and Finish Group which was established on 25 June 2013 has explored the local growth zone model to assess interventions sensitive to the Valley's local economic circumstances, growth challenges and prominent use of the Welsh language. The published report can be accessed on the Welsh Government internet site:

<http://wales.gov.uk/topics/businessandeconomy/publications/teifivalleyreport/?lang=en>

These are important reviews and the recommendations will be considered further in developing future policy and remaining responsive to individuals and the wider business community. All EU Structural Funds projects integrate the cross cutting theme of equal opportunities and, the Welsh language, in their implementation to contribute to the achievement of a well balanced, sustainable and innovative economy.

Currently there is no designated budget for the Welsh language as it is considered and embedded in the delivery of individual projects, programmes, support for businesses and signature events. Over the course of the last four years, the Department provided training on the cultural and historical context of the Welsh language. This enables staff members to contextualise the need to use and consider the Welsh language in our work. The investment has been in the region of £40k.

Economy & Science commitments in Programme for Government (as at September 2013 and updated for current developments)

Commitment	Progress
Build on the new relationship Welsh Government has with the business community and our social partners to create the flexible framework and conditions needed for companies and businesses to thrive and grow	<ul style="list-style-type: none"> • Council for Economic Renewal and officials working group in place. Special meetings held on certain policy topics such as business rates. • In addition, Ministers regularly engage with the business community and social partners on issues to enable businesses to create jobs. • Private Sector-led panels have provided advice on encouraging jobs and growth, development of city regions, enterprise zones and business rates.
Support high performing, quality companies in all those parts of the economy which can create employment, wealth and sustainable Wales	<ul style="list-style-type: none"> • Business Wales Service operational since 2 January 2013. Improved Sell2Wales website launched in June 2013 offering increasing range of useful services and information for buyers and suppliers. • On-going investment support provided by the £40m Wales SME Investment Fund; Wales Economic Growth Fund, up to £100m Welsh Life Sciences Fund and the £6m Micro business loan fund. Property Development Fund £10m launched May 2013.
Continue to build strong links with our anchor companies and develop strategic, mutually supportive and beneficial relationships with these key companies, embedding them in the Welsh Economy through developing close links with our further and higher educational institutions and maximising supply and chain opportunities	<ul style="list-style-type: none"> • List of 44 anchor companies available on Welsh Government website at http://wales.gov.uk/topics/businessandeconomy/economicrenewal/programmepapers/anchor/?lang=en • Formal account management procedures in place for individual anchor companies. • Pilot programme of CSR events has been run with some companies. Results will inform future events.
Work with UK Trade and Investment (UKTI) and others to promote trade and investment opportunities through targeted trade missions and offices abroad	<ul style="list-style-type: none"> • UKTI figures show the number of inward investment projects for Wales increased by around 191% compared with previous year. • A programme of more than 40 trade missions and exhibition in more than 20 overseas markets taking place in 2013/14.
Promote Wales as a destination making a high quality tourism offer	<ul style="list-style-type: none"> • Arkenford awarded tender submission to produce a report on screen tourism in Wales. This relates to work Visit Wales undertaking in partnership with

Commitment	Progress
	Capital Region Tourism who are taking the lead.
Work to extend the tourism season and associated benefits	<ul style="list-style-type: none"> • Tourism Investment Support Scheme (TISS) provided support for all weather/undercover attractions to help extend the season. • Tourism business also being encouraged to market themselves all year round with Digital Tourism Business Framework programme developed to encourage greater use of ICT for marketing. 635 applications received for ICT reviews, 58 project grants awarded and 23 projects on reserve list.
Identify opportunities to improve visit infrastructure and product in Wales	<ul style="list-style-type: none"> • Tourism Investment Support Scheme (TISS) now supports infrastructure projects through destination amenity schemes.
Support investment in staff training and management to support a high quality (tourism) industry	<ul style="list-style-type: none"> • Partnerships lead on training provision for businesses in their areas. Coupled with funding from TISS helps ensure quality tourism product and service in Wales. • During 1st April 2012 to 31 March 2013 48 grant offers were made with grant value of £2.3m – supporting total project costs of £11.8m. Projected job total of 237 against this investment.
Introduce Enterprise Zones to strengthen competitiveness of Welsh economy	<ul style="list-style-type: none"> • Seven Enterprise Zones established. Delivery in each zone guided by Enterprise Boards working closely with Welsh Government. to maximise impact of incentives on offer. These include financial support, simplified planning and roll-out of superfast broadband. • Further information on Enterprise Zones can be found at: www.enterprisezoneswales.gov.uk
Invest in quality tourism businesses and market more effectively Wales' quality visitor attractions, accommodation and food industry	<ul style="list-style-type: none"> • In 2012/13 TISS provided £2.3m in support of businesses. TISS support is linked to Quality Grading Scheme. The number of 4 and 5 star businesses is at overall level of 69.3% and the membership of grading scheme is over 5,800. • During 2012/13 Regional Tourism Partnership developing the promotion of Food tourism in Wales and its food culture.

<p>Implement the Welsh Government's Digital Wales strategy, using digital technologies to open up opportunities and provide better and more cost effective and accessible services for all our citizens, businesses and communities</p>	<ul style="list-style-type: none"> • Digital exclusion has now reduced to 24% and roll-out is underway in first areas to benefit from next generation broadband in Gwynedd. Over 300,000 patients can now book GP appointments and repeat prescriptions through My Health Online. • 90% of all major Welsh public sector organisations use the Public Sector Network. • Full details provided in Digital Wales: A review of delivery report at http://wales.gov.uk/topics/businessandeconomy/digital/wales/
<p>Seek to establish a Wales business Crime Unit to tackle business crime</p>	<ul style="list-style-type: none"> • Business Crime Unit established. Multi-agency business crime stakeholder advisory group appointed June 2013 to steer development and implementation of Business Crime Unit. • Business Crime Wales website live on 20 June 2013 providing on line tools and guides for businesses to raise awareness of impact of business crime and provide prevention advice.
<p>Work with industry to move to resilient low carbon energy production. We will bring together the major generators to share best practice in carbon reduction</p>	<ul style="list-style-type: none"> • Professor James Durrant has been appointed in November 2013 as the Ser Cymru Chair in Solar Energy research at Swansea University concentrating on PhotoVoltaic thin films. Working in other forums such as energy summits and meetings with specific generators to move Wales further in this direction.
<p>Strengthen creative industries in Wales and increase number of Welsh productions on the main television networks</p>	<ul style="list-style-type: none"> • Over the past two years creative companies have been awarded Welsh Government Repayable Business Finance to total value of £2.4m. • Support includes drama production Hinterland being made in Welsh and English for Welsh language broadcaster S4C and BBC Wales. Children's animation series Igam Ogam produced in Wales and secured network commission for second series to screen on Channel 5 and S4C. • Majority of projects supported have been in film, TV and digital media production including dramas Atlantis and Season 2 of Da Vinci's Demons being broadcast during 2013/14. • Digital Development Fund launched in December 2011. £2m pilot fund providing seed funding to small creative companies. Anticipate supporting development of more than 50 new digital products and create/safeguard more than 130 jobs. To-date 40

	<p>projects approved for funding totalling over £1.3m.</p> <ul style="list-style-type: none"> • Since May 2011 Wales Screen Commission recorded approximately £46m in actual production spend on projects it has assisted that have shot in Wales. • MEDIA Antenna Wales instrumental securing 778,129 Euro to Welsh businesses in 2012-13 and a total of 2,554,054 Euro in non repayable grants since beginning of MEDIA 2007 programme.
Press for a fairer share of TV production from UK broadcasters such as BBC for Wales-based independent production companies	<ul style="list-style-type: none"> • The Broadcasting Advisory Panel has been created, to advise on all aspects of Public Service Broadcasting in Wales, including the opportunities it presents for Welsh businesses. • £100k awarded to the Channel 4 Alpha Fund, to support creative ideas from new start ups, new creative talent, new businesses and grass root innovation specifically in Wales' independent tv sector.
Expect any business seeking Welsh Government support, including public procurement contracts, to sign up to our principles of corporate social responsibility, with a commitment to sustainable development, training and good employment practice. This will include supported employment settings such as Remploy.	<ul style="list-style-type: none"> • Corporate Social Responsibility (CSR) Framework published in September 2012. • A series of joint events held with anchor companies and Business in the Community.
Review what entrepreneurial support is needed by start up and small firms with real potential to thrive and grow, and how we can embed an entrepreneurial culture in Wales	<ul style="list-style-type: none"> • Business Wales service became operational on 2 January 2013. Strategic Board established to oversee the Business Wales Service. Business Wales mentoring service launched October 2012. • £6m Micro Business Loan Fund set up to support at least 300 businesses and became operational in July 2012. WCVA and Credit Union delivering the fund to social enterprises in Wales. Finance Wales delivering to the rest of micro business in Wales. • Youth Entrepreneurship Delivery Plan 2012-2015 set out course of action. The Plan extends reach of Dynamo Role Model project, primary flagship competition and challenge for 16-24 year olds, Regional FE/HE Hubs and face to face events and communication with young people through www.bigideaswales.com

	<ul style="list-style-type: none"> Since service started in 2008, 10,000 jobs and 4,350 new enterprises have been created. A network of seven Business Entrepreneurship Champions has represented Wales at key events including G20 Young entrepreneurs Summit and Great British Business Start Up Show.
Ensure that the mutual and cooperative sector has access to appropriate and robust business advice and that Ministerial lead will be in the Economy Department	<ul style="list-style-type: none"> Welsh Co-operative and Mutuals Commission will report in early 2014. In 2013/14 Wales Co-operative Centre, Social Firms Wales and Development Trusts Association were funded to provide specialist membership services and policy advice to WG.
Support high performing, quality companies in all those parts of the economy which can create employment, wealth and a sustainable Wales	<ul style="list-style-type: none"> The Life Sciences Fund established to make Wales an even more attractive location for life sciences R&D, and an even better place in which to start and grow a life sciences business. (to July 2013) Business Innovation Support has delivered (334) New Products/ processes launched, (231) new registrations of Intellectual Property.
Work with Cardiff to explore the feasibility of bidding to host the Commonwealth Games in 2026	<ul style="list-style-type: none"> Ove Arup appointed to undertake further detailed technical advice on potential venues. Working with partners on a potential bid and will take full account of costs and benefits of Glasgow 2014 Games ahead of any decision regarding a bid.
Use digital technologies to take Wales to the world and bring the world to Wales by establishing a web gateway on what Wales can offer - in terms of tourism, investment, educational opportunities and culture - to the outside world	<ul style="list-style-type: none"> The investment element of the gateway has been strengthened with new content, including: <ul style="list-style-type: none"> updated case studies; Enterprise Zones; top level content translated into a number of different languages and a Twitter feed. A focused programme of promotion has been established to deliver increased visibility and visits.
Implement and further integrate our economic, education, skills and planning policies across all relevant Welsh Government departments and other delivery bodies. The overarching priority over the next Assembly term will be delivery. We will review and refresh our actions based on fresh evidence to ensure the	<p>We use a range of mechanisms to ensure Welsh Government's departments focus on delivery to encourage greater inter-departmental working and focus on priorities for jobs and growth.</p> <ul style="list-style-type: none"> A review of the implementation of the Welsh Minister's Business Scheme across Welsh Government Departments has been completed and considered by the Council for Economic Renewal. The Business Scheme is made under section 75 of

maximum effectiveness and flexibility of all those Welsh Government departments and other organisations providing support for businesses	<p>the Government of Wales Act 2006 which requires the Welsh Ministers to make a scheme setting out how they propose, in the exercise of their functions, to take account of the interests of business.</p> <ul style="list-style-type: none"> • http://www.assemblywales.org/bus-home/bus-business-fourth-assembly-laid-docs.htm?act=dis&id=244902&ds=3/2013
Maintain our commitment to the Sustainable Development Scheme - One Wales One Planet - that sets out how the Government will use its devolved powers - from health, transport to education - to make all our public services sustainable and reduce Wales' environmental impact on the world (contributory)	<ul style="list-style-type: none"> • The Sustainable Development Annual Report details the actions taken across the Department. • The Welsh Government's most recent report, with the contribution from ES&T, was published in December 2013. • The next Welsh Government report will be published later this year.
Encourage more young people to gain the skills that will develop Wales' potential for economic growth. Subjects such as science, technology, engineering and mathematics (STEM) are especially important in this regard. We will promote engagement in these subjects across the curriculum and age range into Higher Education and at postgraduate level, through the National Science Academy (NSA) which will be linked to the wider science agenda and the work of the new Chief Scientific Adviser for Wales	<ul style="list-style-type: none"> • The National Science Academy launched a two-year grant funding round in summer 2013, ending in March 2015. 57 bids were received, for over £3million of schemes, and were independently appraised. Circa 30 projects were recommended, totalling £1.4 million for Science, Technology, Engineering and Mathematics (STEM) focus.
Promote engagement in science, technology, engineering and mathematics (STEM) subjects through the National Science Academy	
Seek to ensure that all residential premises and all businesses in Wales will have access to Next Generation Broadband by 2015 with the ambition that 50% or more	<ul style="list-style-type: none"> • Work started on the roll-out of Superfast-Cymru in February 2013. During 2013/14 work has started in two thirds of the unitary authorities in Wales. • More than 100,000 homes and businesses now have

have access to 100mbps. As with the Welsh Government's previously successful Broadband Wales programme, we believe however that the Next Generation Broadband for Wales Project must be a balance between supply side & demand stimulation actions.	<p>access to high speed broadband as a direct result of Superfast-Cymru. The programme is fully on track.</p> <ul style="list-style-type: none"> • Further information on the new scheme is available on the Welsh Government's website.
Seek to ensure that fast broadband access is made available to rural areas	<ul style="list-style-type: none"> • In 2013/14 work is scheduled in two thirds of the unitary authorities in Wales, the majority of which are rural. Roll-out will be underway in all unitary authorities during 2014/15. • The Broadband Support Scheme supports homes, businesses and communities that have an immediate need for a basic broadband connection. Since July 2010 the scheme has supported over 5,500 beneficiaries, including 31 communities, with a total funding commitment of around £4.8m. The scheme was extended to 30 September 2013. A new scheme available since October 2013 is the first step in addressing the 4% of hard to reach premises not currently covered under the Superfast-Cymru programme. Further information on the new scheme is available on the Welsh Government's website.
Work with Ofcom to ensure that regulation is used as a tool to ensure that rural communities have access to faster broadband speeds and new digital services	<ul style="list-style-type: none"> • We continue to work with Ofcom to promote improved access to digital services both through regular dialogue, and through representations and contributions to their consultations. • We are working with Ofcom and the mobile network operators to ensure that the recently auctioned licences will lay the path for 4G mobile broadband to roll-out across Wales from summer 2013. The licence awarded to Telefonica 02 carries a coverage obligation of at least 95% of the population in Wales by the end of 2017. The roll-out will have significant benefits for people particularly in rural Wales, many of whom have never been able to access 3G mobile services. • We have commissioned feasibility studies to determine suitable interventions to improve mobile coverage across Wales, including mobile services across the rail network.
Use these [digital] technologies to create even	<ul style="list-style-type: none"> • Welsh Government is now leading on the development of a Digital First strategy for the Welsh

greater accountability and transparency in our democratic processes to ensure that all our citizens play a full part in society by making decision making information and services more accessible on-line	<p>public sector – setting out how all our public services will, where possible, be made accessible to citizens through digital channels.</p> <ul style="list-style-type: none"> • The Digital First strategy will be published later this year.
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Annex B

Evaluation of Programmes

Programme	Evaluation Date
Destination Marketing (EU funded) project	September 2013
Visit Wales Marketing Evaluation project	Ongoing project
National Transport Plan – Delivery of Major Road Projects	Follow a six stage approval process from an initial transport appraisal to construction. A formal evaluation of each project is carried in order to progress to each stage. Final project business cases are subject to robust scrutiny through the Local Public Inquiry process.
Next Generation Broadband Wales (Superfast Cymru) Full Business Case	July 2012
PSBA Outline Business Case	July 2013
PSBA Value for Money review	December 2012
PSBA Gateway Review 2	July 2013
Business Innovation – Mid Term	March 2013
Smart Cymru – Mid Term	October 2013
Value for Money Review of the Welsh Government's Core Funding Arrangements for Social Enterprise Development: - Welsh Social Enterprise Collation - Social Firms Wales - Development Trusts Association Wales	- Dec 2012 - Jan 2013 - July 2013
Entrepreneurship Provision in Wales, including review of Youth Entrepreneurship, Start-up and High Potential Starts	December 2013
Business.Wales & Sell2Wales Website Evaluation	Report due March 2014
Customer Engagement First Stage Evaluation	December 2013
High Potential Starts EU Project Mid Term Evaluation	Report due February 2014
Enterprise Networks Final EU Project Evaluation	September 2013
Mid-term evaluation of the EU Digital Tourism Business Framework Programmes	May 2013
Economic Impact Review of Investment within the Welsh Tourism Sector	July 2012
Sustainable Tourism	June 2012
Coastal Tourism	June 2012
External Review of the Public Transport Users' Committee for Wales	September 2013
Review of the Cardiff Express Bus Service	Report due Jan 2014
Independent review of concessionary bus	This assessment is in progress

travel reimbursement	
eBusiness & ICT Support – EU Programmes for Competitiveness & Convergence end of programme evaluation	March 2013
eCrime Wales EU Project end of project evaluation	April 2012
Marketing - Sector-led signature events – post-event evaluations. (e.g. BioWales annual March event)	On-going
Sector-led appointment setting services at external Wales industry conferences & exhibitions	On-going
Business Wales end of campaign evaluation	Annually at end of financial year
Start up & Entrepreneurship end of campaign evaluation	Annually at end of financial year
Mid term JEREMIE report Access to Finance Review – Stage 1 Access to Finance Review – Stage 2	February 2012 June 2013 November 2013
Wales Economic Growth Fund (WEGF)	Ongoing throughout the campaign – and summary at end
TrawsCymru – Long Distance Bus Network- Review by the Bevan Foundation.	Completed in January 2014
Sectors Review: <ul style="list-style-type: none"> • Financial & Professional Services • Advanced Materials & Manufacturing • Tourism Advisory Board • Construction • Creative • ICT • Life Sciences • Energy & Environment 	<p>These reviews are in progress with the aim of completing in April 2014 .</p> <p>Annual detailed statistics are published for the priority sectors.</p>
OGC Gateway™ Review 2: Delivery Strategy of the Construction Futures Wales programme	February 2013
Wales Enterprise Zones <ul style="list-style-type: none"> • Wales Enterprise Zones: Progress Update • Longitudinal survey of businesses located in Enterprise Zones 	<ul style="list-style-type: none"> • October 2013 • Underway, reporting in March 2014
Public Transport Users' Committee	Summer 2013 and report subsequently published
Core funding for Sustrans	Grant review completed by September 2013
Core funding for RoSPA	Grant review completed by September 2013

Outturn Tables 2012-13

EXTRACT - MAIN EXPENDITURE GROUP (MEG) OUTTURN 2012/13 - ECONOMY, SCIENCE AND TRANSPORT			
	REVENUE BUDGET - Departmental Expenditure Limit	£000s	
SPA	Actions	2012-13 Supplement ary Budget New Plans Feb 2013	2012-13 Outturn
Sectors and Business	Legacy SIF	4,360	4,241
	Sectors	31,442	29,193
	Entrepreneurship & Business Information	14,429	12,294
	Total Sectors and Business	50,231	45,728
Science & Innovation	Innovation	9,324	9,894
	Science	1,332	964
	Total Science & Innovation	10,656	10,858
Major Events	Major Events	4,831	4,142
	Total Major Events	4,831	4,142
Infrastructure	Deliver ICT Infrastructure	9,245	20,028
	Deliver ICT Infrastructure - Non Cash	1,813	2,282
	Deliver Property Related Infrastructure	10,932	11,536
	Total Infrastructure	21,990	33,846
Strategy & Corporate Programmes	Corporate Programmes	3,901	3,105
	Corporate Programmes - Non Cash	347	425
	Marketing	2,796	3,236
	Finance Wales	4,802	3,147
	Strategy Programmes	979	304
	Total Strategy & Corporate Programmes	12,825	10,217
Motorway & Trunk Road Network Operations	Motorway & Trunk Road Operations	62,987	68,093
	Improve and Maintain Trunk Road Network - Non Cash	140,000	133,052
	Total Motorway & Trunk Road Network Operations	202,987	201,145
Rail & Air Services	Rail & Air Services	177,780	176,224
	Total Rail & Air Services	177,780	176,224
Sustainable Travel	Sustainable Travel	101,507	104,268
	Total Sustainable Travel	101,507	104,268
Improve Road Safety	Improve Road Safety	5,716	5,885
	Total Improve Road Safety	5,716	5,885
	Total Revenue	588,523	592,313

	CAPITAL BUDGET - Departmental Expenditure Limit	£000s	
SPA	Actions	2012-13 Supplement ary Budget New Plans Feb 2013	2012-13 Outturn
Sectors and Business	Legacy SIF	20,004	18,170
	Sectors	77,623	83,351
	Total Sectors and Business	97,627	101,521
Science & Innovation	Innovation	1,107	755
	Science		6,200
	Total Science & Innovation	1,107	6,955
Major Events	Major Events		350
	Total Major Events	0	350
Infrastructure	Deliver ICT Infrastructure	4,172	5,287
	Deliver Property Related Infrastructure	53,559	51,177
	Total Infrastructure	57,731	56,464
Strategy & Corporate Programmes	Finance Wales	-15,500	-15,700
	Corporate Programmes	417	78
	Total Strategy & Corporate Programmes	-15,083	-15,622
Motorway & Trunk Road Network Operations	Motorway & Trunk Road Operations	62,358	58,090
	Total Motorway & Trunk Road Network Operations	62,358	58,090
Road & Rail Investment	Road & Rail Investment	114,535	116,816
	Total Road & Rail Investment	114,535	116,816
Sustainable Travel	Sustainable Travel	31,095	33,831
	Total Sustainable Travel	31,095	33,831
Improve & Maintain Local Roads Infrastructure	Improve & Maintain Local Roads Infrastructure	13,996	13,883
	General Capital Funding - Roads	15,332	15,332
	Total Improve & Maintain Local Roads Infrastructure	29,328	29,215
Improve Road Safety	Improve Road Safety	6,900	8,202
	Total Improve Road Safety	6,900	8,202
	Total Capital	385,598	395,822
	REVENUE BUDGET - Annually Managed Expenditure		
		£000s	
SPA	Actions	2012-13 Supplement ary Budget New Plans Feb 2013	2012-13 Outturn
Infrastructure	Deliver Property Related	20,000	14,036

	Infrastructure - Non Cash		
Motorway & Trunk Road Operations	Motorway & Trunk Road Operations	35,233	14,013
	Total Infrastructure	55,233	28,049
	Total AME	55,233	28,049

		£000s	
	Summary	2013-14 Supplementary Budget New Plans Feb 2013	2012-13 Outturn
	Revenue	588,523	592,313
	Capital	385,598	395,822
	Total	974,121	988,135
	Annually Managed Expenditure	55,233	28,049
	Total	1,029,354	1,016,184

2012-13 Outturn - Priority Sectors

REVENUE		2012/13	
		Supp Budget £'000	Outturn £'000
BEL	BEL Name		
3765	ICT	6,510	4,012
3764	Life Sciences	331	575
3763	Financial & Professional Services	121	212
3762	Creative Industries	1,153	876
3761	Advanced Materials & Manufacture	1,557	1,482
3760	Energy & Environment	1,500	334
2970	Promoting Welsh Food	5,438	5,872
6250	Tourism	11,123	12,014
3752	Construction	97	62
		27,830	25,439

CAPITAL		2012/13	
		Supp Budget £'000	Outturn £'000
BEL	BEL Name		
3765	ICT	3,108	1,610
3764	Life Sciences	3,106	7,603
3763	Financial & Professional Services	1,695	1,989
3762	Creative Industries	1,022	809
3761	Advanced Materials & Manufacture	13,772	11,290
3760	Energy & Environment	5,838	2,204
2970	Promoting Welsh Food	2,117	6,524
3752	Construction	1,652	758
6250	Tourism	2,995	2,553
		35,305	35,340
Total Budget		63,135	60,779



Eich cyf/Your ref
Ein cyf/Our ref

Nick Ramsey AM
Chair – Enterprise and Business
Committee
National Assembly for Wales
Cardiff Bay
Cardiff

9 October 2013

Dear Nick

I am writing to provide the Enterprise and Business Committee with an update on transport matters within my portfolio.

I was delighted when transport was added to my areas of responsibility in March because it plays such a crucial role in underpinning our economy.

I am clear that the priority is for a transport system that improves economic competitiveness and provides enhanced access to jobs and services for communities across Wales.

I have taken the opportunity to test existing transport interventions in the light of their contribution to my wider economic development priorities and to consider the feedback that I have had from the business community and partners.

I have enclosed copies of my Written Statements on the M4 (26 June), on Transport (10 July) and on Rail Priorities (18 July), which set out the key transport projects that will be delivered over the next few years.

There is no doubt that addressing the capacity and resilience issues on the M4 around Newport is the top transport challenge that we face in ensuring that

Wales has the right transport infrastructure to enhance our economic competitiveness.

I set out the next steps on developing a solution in my Written Statement of 26 June and the formal public consultation on the draft plan to solve transport related problems affecting the M4 Corridor around Newport began on 23 September.

I am continuing to deliver a much broader programme of capital improvements across Wales and the detail of these schemes are set out in my Written Statements on Transport of 10 July and on Rail Priorities of 18 July.

I have placed particular emphasis on the importance of transport safety. I published the new Road Safety Framework at the end of July, which sets an ambitious vision for casualty reduction. I am also replacing current guidance on the safety of walked routes to school with new, more comprehensive guidance. The revised guidance will be in place early next year, and will address some longstanding concerns about the scope of the current GB-wide guidance.

I am also taking steps to improve the implementation of the Blue Badge Scheme and will update the Assembly on proposals in this area shortly.

This year I have continued to provide significant funding for a range of grants which support the development of safe routes in communities; the implementation of regional transport priorities and support for a number of organisations. I am implementing the first year of the new bus funding scheme. The Regional Transport Consortia have consulted on Regional Network Strategies that are intended to ensure that funding is directed to the routes that will make the most difference to people. Work is also on-going to develop quality outcomes that should ensure services reflect the standards that people care about.

As noted in my Written Statements, the South East Wales Integrated Transport Task Force and the North Wales Integrated Transport Task Force have both reported. I commissioned further work to develop the Metro concept and will be considering the report arising from that work shortly. In north Wales, I invited comments on the proposals from Assembly Members and local authorities in the area. A report setting out the views received will be presented to the Ministerial Task Force on North Wales Transport and will help inform decisions on next steps.

Given the challenging Spending Review outcome and the resulting budget position, I am looking very closely at every programme to ensure that each delivers real impact and offers value for money, but some difficult choices in the future are inevitable. These issues are covered in more detail in my budget evidence paper to the Committee.

I have set out progress on delivering transport Programme for Government commitments in the annex to the letter.

As requested, I will provide updates to the Committee every six months highlighting key developments.

A handwritten signature in black ink, appearing to be 'C. M.', on a light blue background.



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE **M4**

DATE **26 June 2013**

BY **Edwina Hart AM CStJ MBE, Minister for Economy, Science and Transport**

Addressing the capacity and resilience issues on the M4 around Newport is the top transport challenge that we face in ensuring that Wales has an effective economic infrastructure which improves our competitiveness and access to jobs and services.

Following Cabinet discussions earlier this week, I am therefore pleased to announce the next steps in relation to the M4 corridor in south east Wales.

As a result of ongoing discussions with the UK Government there has been a significant change in the assessment of the affordability of a major enhancement of the M4.

Building on the extensive development and consultation work undertaken on M4 Corridor Enhancement Measures (CEM), we will be consulting formally over the summer with Natural Resources Wales in order to go out to public consultation this September with a finalised draft Plan and Strategic Environmental Assessment (SEA) Report.

If implemented, the draft plan would lead to a motorway being built south of Newport.

Link to relevant reports :

- M4 CEM WeITAG Appraisal Report Stage 1 (Strategy Level)
- M4 Corridor around Newport WeITAG Appraisal Report Stage 1 (Strategy Level)

<http://wales.gov.uk/topics/transport/publications/130626m4corridor/?lang=en>



**WRITTEN STATEMENT
BY
THE WELSH GOVERNMENT**

Llywodraeth Cymru
Welsh Government

TITLE Rail priorities
DATE 17 July 2013
BY Edwina Hart, Minister for Economy, Science and Transport

In my Written Statement of 10 July I highlighted my key road projects for delivery and committed to update further on rail infrastructure priorities.

The railway provides an important means of connectivity to serve the needs of businesses, people and communities. While the funding of rail infrastructure is currently a matter for the Secretary of State for Transport, railway infrastructure has a role in facilitating the success of long-term economic planning and investment.

This is why the Welsh Government's approach has been to invest to bridge the gap in funding made available for the rail network in Wales provided by the UK Government. Our investment in rail capital projects and franchise services enables rail to play its part in promoting economic growth, enabling greater access to jobs and services, and reducing poverty for the people of Wales.

Following the assessment of delivery priorities referred to in my statement of 10 July, I can confirm that I will deliver our current programme of rail capital investment which includes:

- new stations at Energlyn, Ebbw Vale Town and Pye Corner.
- capacity enhancements and improvements at Tir Phil, Maesteg, Pontypridd, and supporting the Cardiff Area Signalling Renewal scheme (CASR).
- station improvements at Cardiff Queen Street and Central, Barry, Pontypridd and Caerphilly (in association with Network Rail's CASR); and at Port Talbot Parkway, Aberystwyth, Ystrad Mynach, Rhyl and Llandudno (under the Wales National Stations Improvement Programme).

A significant amount of work is under way on the Valley Lines electrification project to develop the proposal from that presented in the outline business case. To secure value for money I am exploring all options for procuring the rolling stock required, including refurbished and new options, looking at whole life costs and the wider economic benefits.

By the end of this year I expect a more detailed report on the potential service timetable and rolling stock options, coupled with further work on the infrastructure costs from Network Rail. This work will inform how the electrification project is taken forward.

I will also continue to press the UK Government to ensure the maximum benefits in Wales from the electrification of the Great Western Mainline

Electrification brings significant potential to introduce transformational change to the transport system in South East Wales. To capture this opportunity I have commissioned Mark Barry to carry out further work to develop the Metro concept.

Electrification also provides the potential for opportunities for employment and for growing supply chains through local sourcing of skills and materials, for improving our skills base in, for example, electrical engineering, and in securing community benefits. I have asked Network Rail to work closely with me to maximise these benefits in Wales.

I recognise the importance of long-term improvements to the North Wales rail network to the region's economy, and I will press ahead with the development of the business case for its modernisation.

In the short-term, taking account of the recommendations of the North East Wales Task Force on Integrated Transport, I have asked officials to work with MerseyTravel and others with a view to improving rail connections between the North Wales coast and Liverpool.

In developing this agenda for rail, as I said in my 10 July Statement, I am seeking to maximise value for money and the impact from our investment in public transport. In that regard, I shall be reviewing the processes and decision making behind the rail infrastructure project to reduce North - South journey times and redouble the railway between Wrexham and Saltney. The Welsh Government committed to this project in 2008 and contracted Network Rail to deliver it, but the project has been significantly delayed.

I will continue to press the UK Government to commit to capital investment in our rail network, as it is required to do. Even after projects such as electrification, journey times will remain lengthy for long distance journeys, and in many cases line speeds still need to be addressed. Many of our stations remain dilapidated, inaccessible and could not be described as fit for the 21st

Century. In the mean time I will continue to explore how other funding might become available to support investment, such as structural funds.

In addition to capital budgets being increasingly constrained following UK Government budget decisions, revenue budgets are under considerable pressure. The Welsh Government prioritised a series of rail service enhancements in 2011 on the basis of the revenue budgets being available. A consequence of the challenging economic climate and in-year revenue reductions from the UK Government is that I must be realistic about our ability to provide the funding for new or additional services.

In response I am considering whether there are more cost effective opportunities to work with local community groups to deliver new and additional services. For example, I met members of the Heart of Wales Line Forum and a number of Assembly Members recently to discuss plans they are exploring for different management arrangements and a better alignment of services with the needs of people and communities. I shall continue to work with them on that.

I am committed to improving transport services in Mid Wales. In terms of the Cambrian Main Line hourly service, the way is clear for an operator to introduce additional services though it is important to be mindful of the tough financial settlement we are facing. I have asked the Shrewsbury to Aberystwyth Railway Liaison Committee to co-ordinate work with the other rail interest groups to investigate the demand for rail services. I will also consider the strategic role of the Marches line between Newport and Shrewsbury/Wrexham. I have been clear that this should complement the work of the Local Growth Zones and be consistent with the tourism strategy.

Accordingly, initially for the Cambrian Line and the Heart of Wales Line, my tourism sector panel will provide a view on the feasibility of proposals for summer tourist trains on a trial basis. I will make an announcement for summer 2014 in due course.

It is vital that we set things right for the future. I am focusing work on securing the right arrangements and specification for the next Wales and Borders franchise. I have been clear that we can not afford to be in the same position where the terms of a franchise agreement limit our ability to react to a changing economic climate and provide services where they are required.



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE **Transport**

DATE **9 July 2013**

BY **Edwina Hart AM CStJ MBE, Minister for Economy, Science and Transport**

The Welsh Government's overall aims in relation to transport are set out in the Wales Transport Strategy.

I am clear that transport has a critical role to play in improving Wales' economic competitiveness and provides enhanced access to jobs and services.

I see transport as a key enabler for many of this Government's priorities and supporting the delivery of the Programme for Government. I recognise that in thinking about transport we must focus on how it can serve the needs of businesses, people and communities. It is my intention to ensure that Wales has excellent national and international connections, enabling access to markets, to employment, education and services. I also believe that providing affordable, effective and efficient transport systems can play an important role in helping to tackle poverty.

Since taking on the transport portfolio, I have had the opportunity to review investment in transport in light of its contribution to my wider economic development priorities. This enabled me to see new opportunities for transport solutions and consider the feedback I have had from the business community and partners. Progress in discussions with the UK Government on financing options is also opening up opportunities that we have not been able to consider up to now.

This statement highlights key road projects for delivery in the remainder of this Assembly, recognising that progress will be subject to statutory consents and funding availability. I intend providing a further update to Assembly Members before the summer recess of rail infrastructure priorities.

I have already made a written statement on 26 June on my intention to consult on a draft plan and associated assessments for the M4 corridor around Newport in September, that, if implemented, would lead to a motorway being built to the South of Newport, addressing capacity and resilience problems on this key artery widely recognised as essential to

support the Welsh economy.

In addition, I intend to progress the Eastern Bay Link in Cardiff and an upgrade to Junction 28 on the M4. These projects are an important element in improving access to the Central Cardiff Enterprise Zone and enhancing connectivity within the city region.

The A465 remains a priority and I will progress the remaining phases of the dualling in view of the route's strategic importance for the Upper Valleys, Ebbw Vale Enterprise Zone and as an national and international link.

To improve access to the St Athan - Cardiff Airport Enterprise Zone, I will fund improvements to Five Mile Lane.

I will continue to deliver key schemes already under construction. These include improvements on the A477 St Clears - Red Roses; A470 Gelligemlyn and Maes yr Helmau – Cross Foxes; A487 Glandyfi, A465 Brynmawr to Tredegar.

I will also continue to progress the A483/A489 Newtown bypass and A487 Caernarfon-Bontnewydd where, in both cases, I have made recent announcements.

I will be setting aside funding for scheme development to ensure that we can progress the development of other schemes, this will include the next stages studies on improvements to the A494, the A40 and the Dyfi bridge.

These major projects are important but it is obvious from conversations with businesses and people across Wales that smaller, targeted improvements to tackle pinch points and improve the efficiency of the network across Wales have the potential to make a real difference. The following improvements will be delivered over the next two years:

- M4 Port Talbot Junction 40 to J 41
- A483 Newtown town centre congestion
- M4 J32 Coryton dedicated slip road
- A55 Emergency refuges
- M4 J33 dedicated slip road

In addition, further study work on certain other pinch points will continue in the next year, specifically:

- A487 Dyfi Bridge drainage study
- A55 Britannia Bridge congestion study

Further projects will follow in future years.

I will ensure that there is a clear pipeline of further projects that can be delivered as funding becomes available.

In recognition of their strategic national importance, I have also asked for consideration of additional routes and sections to be included as part of the Trunk Road Network. These routes will support a combination of enterprise zones, end to end connectivity, tourism and access to commercial and business centres as well as providing resilience for the Trunk Road Network. I have asked for discussions to begin with Local Authorities to re-define the Welsh Trunk Road Network.

I have considered carefully how transport investment can help drive the development of the Enterprise Zones.

As noted earlier in this statement, the Eastern Bay link and improvements along the M4 have an important role to play in stimulating the Central Cardiff Enterprise Zone. Similarly, improvements to Five Mile Lane and the development of a new railway station and line extension to Ebbw Town will benefit the Enterprise Zones in St Athan – Cardiff Airport and at Ebbw Vale respectively.

Improving the A40 has been identified as a priority by the Haven Waterway Enterprise Zone Board and I intend to undertake further development of previously proposed improvements. I also intend progressing further study work on the options for improvements to the A494, which is important to the Deeside Enterprise Zone.

The development of the business case for north Wales rail modernisation and progressing improvements to the A55, including the Conwy Tunnels, will also support the ambitions of the Deeside, Snowdonia and Anglesey Enterprise Zone Boards.

More broadly I am making substantial investment in both bus and rail transport services, in road safety and in active travel measures. I am continuing to look to secure maximum value for money and impact from this investment. Further updates on rail infrastructure priorities and on the outcome of the work of the North East Wales Integrated Transport Task Force will follow before the summer recess.

I believe that these transport measures will provide a solid basis for strengthening the Welsh economy.

Transport commitments in Programme for Government

Commitment	Progress
Delivery of 'Personalised Travel Planning' and 'Sustainable Travel Centres'	<ul style="list-style-type: none"> • Good progress in delivering this commitment • The Personalised Travel Planning project is being delivered in Cardiff • Funded Sustainable Travel Centres in Cardiff, Haverfordwest and Carmarthen, Aberystwyth and Mon a Menai • The Sustainable Travel Centre programme has now been mainstreamed into the Regional Transport Plan Grant
Prioritise the objectives of the National Transport Plan to ensure that the existing transport funding is used effectively, the level of resources enhanced and that future investment decisions are made against these overarching strategic priorities	<ul style="list-style-type: none"> • Complete • Published the prioritised the National Transport Plan in December 2011 • The Plan was prioritised to ensure that investment was focused on key priorities in the context of substantially reducing budgets • Published two recent Written Statement on road and rail priorities
Consider using the provisions of the Transport Wales Act 2006 to establish one or more Joint Transport Authorities	<ul style="list-style-type: none"> • Keeping these options, and alternative delivery models, under review • This is linked to plans in relation to City Region and the development of the Metro
We will review the arrangements for winter road maintenance currently undertaken by local authorities and consider the potential for these being carried out by the Trunk Road Agencies in Wales	<ul style="list-style-type: none"> • Revised winter road maintenance guidance was issued in October 2010 and subsequently revised in Sept 2011. Latest 2012 Guidance was issued to Agents prior to the winter maintenance season • We have worked in partnership with local government to establish levels of strategic resilience stocks that Welsh Government and individual authorities each hold to ensure that Wales is self sufficient in road salt if further adverse winters are experienced • Strategic salt resilience are now at a level season that winter maintenance services should be maintained without having to top up in season or introduce salt conservation measures if adverse conditions restrict UK salt supplies • An All Wales Weather Forecasting Framework Contract is currently used by the majority of local authorities to ensure consistency of forecasts and resulting winter service actions undertaken being coordinated • A strategic salt network Liaison Group has been formed between local authorities and salt suppliers • Arrangements are in place for mutual aid provision
We will examine the feasibility of the Wales and Border rail franchise being	<ul style="list-style-type: none"> • Making good progress with this commitment • Scoping work and assessment of commercial options underway to inform decision making

Commitment	Progress
run on a not-for-dividend basis, such as Glas Cymru	
Make the case to the UK Government for greater accountability of Network Rail to the Welsh Government	<ul style="list-style-type: none"> • We are making good progress on this commitment • The establishment of a Wales Route within Network Rail has made a positive impact in connecting Network Rail to Welsh Government and priorities in Wales
Continue to argue strongly for the electrification of the main south Wales-London Paddington line through to Swansea	<ul style="list-style-type: none"> • Implementation • Welsh Government led the development of the business case Great Western Mainline electrification between Cardiff and Swansea which was accepted by the Secretary of State for Transport and these projects were included in the HLOS announcement in the summer
We will also develop the business case for the electrification of other parts of the local rail network in Wales	<ul style="list-style-type: none"> • Implementation • Welsh Government led the development of the business case for Valleys Lines electrification which was accepted by the Secretary of State for Transport and these projects were included in the HLOS announcement in the summer • Strategic context for business case for north Wales rail modernisation submitted
Seek to establish a Traffic Commissioner based in Wales	<ul style="list-style-type: none"> • Activity dependent on outcome of initial stage • The Welsh Government has made an office on its estate available for the Traffic Commissioner to use when conducting business in Wales • The office is also available to the three Bus Compliance Officers whose posts we are funding, and who have been employed by Bus Users UK in Wales since 5 November 2012
Work with partners to enhance the quality, reliability and safety of local bus service provision	<ul style="list-style-type: none"> • There has been good progress on this commitment • A new bus funding scheme has been introduced which places emphasis on developing quality outcomes with passengers • I am developing a series of quality outcomes that bus operators will need to deliver in the future in return for Welsh Government funding • Also developing a Charter for Disabled Public Transport Passengers to enable them to identify quickly those operators that demonstrate a commitment to making their journeys high quality, safe and reliable • The Welsh Government Statistical Bulletin 24/2012 published on 22 March 2012, identified that 88% of bus passengers surveyed were satisfied overall with their bus journey • In the same survey, 88% of bus passengers surveyed said that they were satisfied with the provision of information about bus services
Continue to improve services such as the Trawscambria network and the popular on-	<ul style="list-style-type: none"> • There has been good progress on this commitment • The TrawsCymru T4 service between Newtown to Cardiff via Brecon and Merthyr Tydfil started in March 2012. The

Commitment	Progress
demand Bwcabus scheme	<p>service uses six new, low floor, buses funded by the Welsh Government at a cost of £1m</p> <ul style="list-style-type: none"> • The Bwcabus scheme has been expanded in rural Carmarthenshire and Ceredigion
Retain free bus travel for pensioners and disabled people and their carers	<ul style="list-style-type: none"> • Complete – this is reflected in the eligibility for our concessionary fares scheme • The scheme continues to allow pass holders who satisfy their local authority that they require the extra help of a companion to be accompanied for free during their journeys
Extended eligibility for the concessionary travel scheme to seriously injured war veterans & armed forces personnel living in Wales	<ul style="list-style-type: none"> • Seriously injured service personnel and seriously-injured service veterans resident in Wales are entitled to free travel on local bus services throughout Wales • Subject to the assessment of the responsible local authority, service pass holders are also entitled to be accompanied for free by one carer
Implement the National Station Improvement Programme (NSIP)	<ul style="list-style-type: none"> • There has been good progress on the NSIP+ programme • The next phase of the NSIP+ programme was announced on 7 November 2012. This includes station improvements at Pontypridd, Port Talbot Parkway, Rhyl, Ystrad Mynach and at Aberystwyth stations • This follows previous investment under the NSIP programme including the £7.9m refurbishment of Swansea Train Station, the £1m enhancement of Porthmadog Harbour Station and the £5.1m improvement of Llandudno Train Station which is under construction
Target high-risk road users (motor cyclists, young drivers and vulnerable road users) through a combination of measures including education, engineering and enforcement	<ul style="list-style-type: none"> • Good progress on this commitment • Published the Road Safety Framework in July 2013 • The Framework includes an ambitious vision of zero fatalities, targets for casualty reduction and specific action on us and our partners to achieve further casualty reductions • The Plan focuses on vulnerable groups that includes motorcyclists and young people
Enhance safety and accessibility in communities through initiatives such as Safe Routes in Communities and local safety schemes	<ul style="list-style-type: none"> • Good progress on this commitment • Published the Road Safety Framework in July 2013 • The Framework includes an ambitious vision of zero fatalities, targets for casualty reduction and specific action on us and our partners to achieve further casualty reductions • In 2013-14 year we have allocated £6 million to local authorities for education, publicity, training and engineering schemes to help reduce road casualties • Also funding £5m of Safe Routes in Communities projects. The scheme criteria have been updated for 2013-14 to include a weighting for tackling poverty • Review guidance to assist local authorities in assessing safe walking routes to school for learners
Support action to deal with	<ul style="list-style-type: none"> • 70 % of Arriva Trains Wales passengers are satisfied

Commitment	Progress
the increasing problem of crime and vandalism within the public transport network	<p>that they will be safe at a railway station, rising to 86% when they are on the train. Both figures have risen in the past year.</p> <ul style="list-style-type: none"> • 75% of bus passengers in Wales are satisfied that they will be safe at a bus stop, rising to 84% when they are on a bus • The corresponding figures for disabled passengers are 73% and 84%, respectively
Prioritise the National Transport Plan by improving access in deprived communities and retain free bus travel for pensioners, disabled people and their carers, and extend eligibility to seriously injured war veterans and armed forces personnel living in Wales	<ul style="list-style-type: none"> • Good progress on this commitment • Published the prioritised the National Transport Plan in December 2011 • Published two recent Written Statement on road and rail priorities • The Plan was prioritised to ensure that investment was focused on key priorities in the context of substantially reducing budgets including ensuring investment that would improve the connectivity of deprived communities – for example the substantial investment in the A465 Heads of the Valleys Road • The continuing Welsh Government commitment to retain free travel for older and disabled people and their carers is an important element of the Welsh Government tackling poverty agenda • Seriously injured service personnel and seriously-injured service veterans resident in Wales are entitled to free travel on local bus services throughout Wales • Subject to the assessment of the responsible local authority, service pass holders are also entitled to be accompanied for free by one carer • Recently announced plans to improve the implementation of the Blue Badge Scheme in Wales to promote independent mobility, social inclusion, equality of opportunity and access for disabled people who meet the eligibility criteria
Prioritisation of the National Transport Plan to improve access to key sites and settlements, particularly in rural areas, with an emphasis on improving the quality and provision of healthy and more sustainable travel choices	<ul style="list-style-type: none"> • Complete • Published the prioritised the National Transport Plan in December 2011 • The Plan was prioritised to ensure that investment was focused on key priorities in the context of substantially reducing budgets. This included retaining a strong focus on healthy and sustainable travel choices • Accessibility of services statistics; using public transport: • Around 91% of households in Wales are within a 15-minute journey time of a primary school • Approximately 56% of households are within a 15-minute journey time of a secondary school • Some 63% of people are within a 15-minute journey time of a higher, further or adult education establishment • Around 27% of people aged 16 or over are within a 15-

Commitment	Progress
	<p>minute journey time of a key employment centre</p> <ul style="list-style-type: none"> • Some 87% of households are within a 90-minute journey time of a major NHS acute hospital by public transport • Approximately 76% of households are within a 15-minute journey time of a GP surgery • 82% of households are within a 15-minute journey time of a pharmacy
Examine the best options for providing local bus services to ensure that rural communities have services which are reliable and which provide access to local services and a means to travel to work	<ul style="list-style-type: none"> • Good progress in delivering this commitment • Introduced a new scheme for funding bus and community transport services in Wales from 1 April 2013 which will be supported by the development of network strategies which will ensure that our investment in buses and community transport is going where it is needed most • The work that has been undertaken to develop the new funding scheme has recognised throughout that there are different priorities and issues affecting urban, and rural communities • Also investing in TrawsCymru and Bwcabus to support the needs of rural communities
Legislate to place a duty to provide cycle routes in key areas	<ul style="list-style-type: none"> • Good progress of delivering this commitment • The Active Travel Bill completed Stage 3 and 4 scrutiny in the Assembly in October 2013 and Royal Assent is anticipated in November 2013
Continue to encourage and support the development of community transport schemes that meet the needs of those living in rural areas	<ul style="list-style-type: none"> • Local Transport Services Grant requires local authorities to use 10% (£1.1m in 2012-13) of their allocations to support community transport. The new Regional Transport Services Grant from April 2013 retains a ring-fenced element for community transport (£2.5m). These commitments reflect the importance of community transport, including in rural areas. • We continue to support financially the work of the Community Transport Association in Wales, which is developing the expertise and resilience of the sector.

Memorandum on the Economy, Science and Transport (EST)

2013-14 Second Supplementary Budget

Enterprise and Business Committee – 19 February 2014

1.0 Introduction

The purpose of this paper is to provide a note to the Committee following the tabling of the Second Supplementary Budget on 11 February 2014 to explain the changes to the allocations in comparison to the 2013-14 First Supplementary budget.

The overall budget changes are outlined in the Departmental Chapter per the attached link:

<http://wales.gov.uk/funding/budget/2nd-supplementary-budget-2013-2014/?lang=en>

Realignment of Budgets To Delivery Plans

Inevitably throughout the year there are changes in profiles such as delivery of major projects and macro economic challenges. Budgets are subject to monitoring on a continuous basis. Following evaluation of budgets and delivery in year the changes have been made to maximise the impact of the objectives outlined in the Programme for Government.

A summary of the budget transfers and other movements is provided in a table at Annex A.

Revenue Reductions - £11m

As set out in the Supplementary Budget Explanatory Note, £11m was transferred from the Economy, Science and Transport MEG as a contribution to manage in-year pressures.

In identifying these savings and meeting the challenges of revenue reductions, budgets have been aligned to priorities and a level of savings has been achieved primarily through efficiencies. In the long term, affordability is a challenge but negotiations to achieve long term savings which limit the impact on services are in progress for key contracts, especially in regards to savings on Transport budgets. The following table summarises the impact by Action:

ACTION	REVENUE £'000	IMPACT OF CHANGE
Entrepreneurship & Business Information	3,415	Available due to the increase in the intervention rate for the Start Up programme.
Innovation	1,533	Released following the increased income drawdown for EU projects.
Deliver ICT Infrastructure	1,606	Efficiency savings in the delivery of Superfast Cymru project.
Deliver Property Related Infrastructure	466	Efficiency savings in the management of the property portfolio.
Corporate Programmes	147	Efficiency savings in the Customer Relationship Management system.
Finance Wales	500	Efficiency saving for a reduction in the funding of the operating grant.
Sustainable Travel	2,963	Released following a review of the concessionary fares revenue requirement.
Improve Road Safety	370	Released from a surplus identified in grant funding.
Total	11,000	

Financial Transaction Funding - £32.5m

The allocation from central reserves for £32.5m will provide access to finance, support business growth, exports and create / safeguard jobs. In the Draft Budget 2014-15 financial transactions funding of £10m was allocated to Cardiff Airport which was profiled 2013-14 £5m and 2014-15 £5m. This has subsequently been reprofiled in line with the funding drawdown and delivery in the business plan to 2014-15 and 2015-16. The first phase of capital improvement works has commenced in line with the business plan and timed to ensure minimum disruption to services. Funding of £29.5m in year will support the Life Science Fund. This investment has the potential to reinvest in future Welsh businesses. The remaining funding will support new funds in development to support businesses.

Non Cash Allocations - £18.491m

Additional allocations from the Central Reserve made to cover estimated additional depreciation for capital assets in the following business areas:

- Deliver ICT Infrastructure - £1.491m – Fibrespeed project.
- Improve & Maintain Trunk Road Networks - £17m – roads network.

Finance Wales Repayment - £14.65m

The transfer reflects reducing financial obligations of Finance Wales to its external lenders - European Investment Bank. The accounting adjustment has no effect on the EST capital budget.

Superfast Cymru Funding - £21.955m

The transfer from the Department for Culture, Media and Sport (DCMS) is the second tranche of £56.9m to the project from the UK-wide National Broadband Scheme. The drawdown is per the agreed profile with BDUK. The funding has been reprofiled to future years as European funding is being maximised in year. It is being managed to accelerate projects delivering growth and jobs and statutory obligations on the transport road network

South East Wales Integrated Transport £3.5m - (2014-15 £28.7m 2015-16 £29.8m)

The capital allocation supports this transformational scheme to create a South East Wales metro system with better bus and rail links. The Ebbw Vale railway station and extension supported by £11.5m funding already approved is also part of this important programme.

ANNEX A - TRANSFERS WITHIN THE EST MEG

ACTION	REVENUE £'000	CAPITAL £'000	IMPACT OF CHANGE
Transfers Out			
Innovation	4,906		Transfer to Sectors Action £2,906k and £2,000k to Marketing Action. Revenue budget released following the increased income drawdown for EU projects
Sustainable Travel	5,000		Transfer to Rail & Air Services Action. Revenue available following the review of the indicative revenue requirement for concessionary fares.
Legacy SIF		2,500	Transfer to Motorway & Trunk Road Operations Action. Capital budget released from reducing commitments of the Legacy SIF programme.
Deliver ICT Infrastructure		26,000	Transfer to Sectors Action Capital of £20,000k and Motorway and Trunk Roads Action £6,000k. Capital budget is available as the Next Generation Broadband UK project funding has been reprofiled to future years as the EU drawdown has been accelerated in year.
Road & Rail Schemes		5,000	Transfer to Sustainable Travel Action Capital of £5,000k available from reprofiling road projects
Transfers In			
Sectors	2,906	20,000	Transfer from Innovation Action £2,906k to support revenue requirements for the Wales Rally GB and the Life Sciences Hub. Capital of £20,000k has been increased for projects delivering growth and jobs.
Marketing	2,000		Transfer from Innovation Action £2,000k to support additional promotion activity to support growth and jobs.
Rail & Air Services	5,000		Transfer from Sustainable Travel Action. Revenue required to meet inflationary pressure associated with the rail franchise.
Motorway & Trunk Road Operations		8,500	Transfer from Legacy SIF Action £2,500k and £6,000k from Deliver ICT Infrastructure. Capital budget has been increased to meet statutory obligations for the network.
Sustainable Travel		5,000	Transfer from Road & Rail Schemes of £5,000k to meet the indicative capital requirement for concessionary fares funding.
Net Impact	nil	nil	

Enterprise and Business Committee

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

Meeting date: **Wednesday, 5 February 2014**

Meeting time: **10:00 – 12:18**

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



This meeting can be viewed on Senedd TV at:

http://www.senedd.tv/archiveplayer.jsf?v=en_400000_05_02_2014&t=0&l=en

Concise Minutes:

Assembly Members:

Nick Ramsay (Chair)
Mick Antoniw
Byron Davies
Keith Davies
Dafydd Elis-Thomas
Rhun ap Iorwerth
Julie James
Eluned Parrott
Joyce Watson

Witnesses:

Gareth John, UKTI
Ed Payne, Scottish Development International
Guy Warrington, UKTI

Committee Staff:

Claire Morris (Second Clerk)
Olga Lewis (Deputy Clerk)
Ben Stokes (Researcher)

TRANSCRIPT

View the [meeting transcript](#).

1 Introductions, apologies and substitutions

1.1 Apologies were received from David Rees AM. There were no substitutions.

2 Inquiry into the Welsh Government's approach to the promotion of trade and inward investment – evidence session 7 (10.15–11.05)

2.1 The Committee took evidence from Ed Payne, Head of Strategy, Scottish Development International.

3 Inquiry into the Welsh Government's approach to the promotion of trade and inward investment – evidence session 8 (11.10–12.00)

3.1 The Committee took evidence from Guy Warrington, Director, English Regions and Gareth John, Senior Investment Adviser, both from UKTI.

3.2 Gareth John agreed to provide the breakdown of the information (on schools, house prices etc) supplied by partners which forms the database used as the basis for the “triage” process of selecting the areas recommended to businesses as attracting opportunities for investment and the explanation of algorithm used for this process.

4 Papers to note

4.1 The Committee noted the following supporting documents:

EBC(4)–04–14(p.4) –TEN–T–summary of applications

EBC(4)–04–14(p.5) – TEN–T–Port of Holyhead update correspondence

Minutes of the previous meeting

5 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

5.1 The Committee resolved to exclude the public from the meeting for the following business: the next week’s discussion of the Forward Work Programme

Y Pwyllgor Menter a Busnes
Enterprise and Business Committee

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



Edwina Hart AM
Minister for Economy, Science and Transport
Welsh Government

17 January 2014

Dear Edwina

The Committee enjoyed an inspirational evidence session on 16 January on the impact and legacy of WOMEX 2013.

Members have asked me to write to congratulate you and your officials for playing such an instrumental role in supporting such a successful event, which showcased Cardiff and Wales on an international stage. The creative company that runs WOMEX from Berlin told us that WOMEX 2013 was hailed as a model of good practice, particularly the partnership working that emerged during the festival between music and arts bodies, and local and national government.

The key conclusion that Members drew from the session is that WOMEX 2013 has produced a template for staging other international events and a platform for developing Wales's profile, and the talent and skills of Welsh artists. It is therefore essential that momentum is sustained to capitalise on the event and that it leads to further investment in Wales's creative industries.

Bae Caerdydd
Cardiff Bay
CF99 1NA

Clerc/Clerk: Dr Siân Phipps, Ffôn /Tel: 029 2089 8582
Email: enterprise.committee@wales.gov.uk

The Committee would be interested to know how the Welsh Government and its Major Events team intends to emulate the experience of WOMEX 2013, how you will be working on more Welsh-driven events, and how in particular the Creative Industries Sector Panel aims to build on its success.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nick', with a horizontal line underneath.

Nick Ramsay AM
Chair, Enterprise and Business Committee



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref MB/EH/0325/14

Nick Ramsay AM
Chair, Enterprise and Business
Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

27 January 2014

Dear Nick

Enterprise and Business Committee Evidence Session: the impact and legacy of WOMEX 2013, 16 January 2014

Thank you for your letter of 17 January.

I very much welcome the positive feedback from the evidence session. The Welsh Government is pleased to have been involved in the successful delivery of WOMEX 2013. This clearly demonstrated how strong 'Team Wales' partnerships can deliver real benefits, by supporting economic growth and in raising Wales' international profile and reputation.

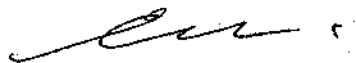
My officials will shortly be meeting Cerdd Cymru:Music Wales for a detailed post event review. They will discuss the lessons to be learned from the event and plans to maximise the legacy impact: both in terms of attracting future international events, possibly including a future edition of WOMEX, and in supporting the growth of the music and creative industries in Wales more generally.

In the meantime, we are working with a range of local and national partners to explore opportunities for bringing more major, international arts and cultural events to Wales. We will also seek to capitalise on the success of WOMEX 2013 by supporting an even stronger presence from the Welsh Creative Industries at subsequent, major international events. In line with advice from

the Creative Industries Sector Panel, we will continue to focus on those international events which clearly demonstrate value for money, demand, significant scope within the sector and strategic alignment with the Welsh Government's priorities for economic growth.

WOMEX 2013 was a strong fit with these criteria. Its success provides a platform for further promotion of Wales and our Creative Industries. The Welsh Government is supporting a strong contingent at this year's South by Southwest festival (SXSW), which takes place during March in Austin, Texas. Five Welsh artists will showcase at the event, along with a Welsh record label showcasing its range of output. A significant number of Welsh business delegates are also attending, supported by the Welsh Government, the Welsh Music Foundation and the Arts Council of Wales. I am confident that the 'buzz' from WOMEX 2013 will boost Welsh success at SXSW.

Alongside these international events, we are supporting a thriving portfolio of home-grown arts and cultural events. For example: the Beyond the Border Storytelling Festival; Festival No6; Green Man Festival; Swn Festival; and the Machynlleth Comedy Festival. These events harness local skills and talent and provide valuable job creation and work experience opportunities for people across Wales, thereby helping to support the development of a vibrant and sustainable events industry in Wales.



Y Pwyllgor Menter a Busnes
Enterprise and Business Committee

Edwina Hart AM
Minister for Economy, Science and Transport
Welsh Government

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



24 January 2014

Dear Edwina

Trans-European Transport Network and Connecting Europe Facility

Following the Committee's scrutiny session with the Parliamentary Under Secretary of State for Transport on 16 January, Members asked me to send you a copy of the transcript of the meeting. In the context of your own evidence to the Committee where you highlighted an absence of paperwork on the negotiations, the Committee would like you to comment on what lessons can be learnt from the Welsh Government's involvement in the TEN-T negotiation process. Please note the transcript is a draft version.

We would also like you to clarify an apparent inaccuracy in your letter to Assembly Members, dated 15 January. You state at the top of the second page that "the final version of the CEF draft Regulation in October 2011 did not include Holyhead as part of a 'Core Network Corridor'."

The version of the CEF Regulation which the European Commission published in October 2011 does appear to include Holyhead as one of the elements of Corridor 8: Belfast – Dublin – Holyhead – Birmingham (page 43 of the annex), although no pre-identified projects linked to Holyhead were included.

We would be grateful for further clarification on this point.

Yours sincerely

Nick Ramsay AM
Chair, Enterprise and Business Committee

Bae Caerdydd
Cardiff Bay
CF99 1NA



Eich cyf/Your ref
Ein cyf/Our ref

Nick Ramsay AM
Chair, Enterprise & Business
Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

5 February 2014

Dear Nick

Thank you for your letter of 24 January about Trans-European Transport Network and Connecting Europe Facility.

There are lessons to be learned from the negotiations which established the new arrangements and I have been very clear about my expectations for the proper conduct of government business since the Transport Department moved into my portfolio last year.

I am committed to going forward on the basis of a direct and systematic relationship between the Welsh Government and the Commission, which is supported by good record-keeping.

As outlined in my letter to you of 28 January, this new relationship with the Commission has already started and, as previously advised, I would be happy to give a more detailed update on progress to the Committee later this year.

In relation to your query about the contents of the draft version of the CEF Regulations which was published in 2011, my officials have rechecked all the paperwork to clarify the position.

Following that review, they have advised me that the papers on file refer to a Commission presentation dated November 2011 from which Holyhead is missing from the detail of the Corridors. From this, they had mistakenly inferred that Holyhead must also have been absent from the Corridor list in the CEF regulations published a month before. They have apologised for any confusion that this incorrect assumption may have caused.

Many thanks for drawing this matter to my attention.

A handwritten signature in black ink, appearing to be 'C. M.', is located in the upper left quadrant of the page. The signature is fluid and cursive, with a small mark at the end.



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR MOBILITY AND TRANSPORT

Directorate B - European mobility network
B.1 - Trans European networks

Brussels, **05 FEB. 2014**
MOVE.B1/B4/JF/abm/D(2014) 293500

Nick Ramsay AM
Chair, Enterprise and Business
Committee
National Assembly for Wales
UK - Bae Caerdy Cardiff Bay,
CF99 1NA

Dear Nick,

Thank you for your letter of 24 January 2014 following your sessions with the Welsh Minister for Transport and with the UK Under Secretary of State for Transport on the TEN-T and the CEF.

The core network corridors are defined in Annex I, Part I of the CEF Regulation. While Wales is not part of the alignment of the North Sea – Mediterranean corridor, a couple of pre-identified infrastructure projects in Wales were included as 'Other sections of the core network' in that Annex: the upgrading of the railway connection Milford Haven – Swansea – Cardiff, and the upgrading (including Crossrail) of the railway connection Cardiff – Bristol – London. As indicated in article 17 of the CEF Regulation 80 to 85% of the funding will be provided for projects of common interest listed in the Annex.

In reply to your question, the CEF does not make any distinction in terms of eligibility for projects on the core network based on whether they are part of a core network corridor or not. The main advantage of being part of a corridor would be an increased coordination of projects within the corridor, enhancing thereby where possible their EU added value. It should be noted that Wales will be able to present projects for funding under the remaining share of the CEF budget, arising in the comprehensive network or concerning other actions as outlined in article 7 of the CEF Regulation such as actions to reduce freight noise, actions supporting telematics applications or actions supporting motorways of the sea.

Concerning the distinction between core and comprehensive ports, I can confirm that indeed according to the planning methodology which guided this aspect of the negotiations on the TEN-T Guidelines (see Commission staff working document SWD (2013) 542 final of 7.01.2014) Holyhead did not qualify as a core port.

I am looking forward to meeting you and your Committee colleagues during your visit to Brussels on 13/14 February.

Yours sincerely,

Herald Ruijters

Recent UKTI/WG Relationship History

From January 2013:

8 January 2013 - Nick Baird meeting with Geraint Davies MP

6 February 2013 – Nick Baird meeting with Derek Jones, Permanent Secretary to Welsh Government

5 March 2013 – Nick Baird meeting with Secretary of State for Wales Gwydyr House

8 March 2013 – Nick Baird visit to Wales

22 March 2013 – CBBC/Asia Task Force event in Cardiff

26 March 2013 – Meeting between Lord Green & Edwina Hart

10 April 2013 – DSO Event in Newbridge, Cardiff

1/2 May 2013 – Lord Green visit to Wales with Edwina Hart

Nick Baird presentation to Assembly Members activities on UKTI (invite from Edwina Hart). Also company visits with SoS Wales – 25 September 2013

Lord Green visited North Wales accompanied by Edwina Hart – 25 October 2013

Meeting with David Jones, Secretary of State for Wales and Lord Green/Nick Baird - 12 November 2013

Lord Livingston intro meeting with David Jones Secretary of State for Wales, Gwydyr House – 6 January 2014

Planned Activities/Engagement

Lord Livingston intro meeting (in London) with Edwina Hart - 13 February 2014

Y Pwyllgor Menter a Busnes
Enterprise and Business Committee

Herald Ruijters
DG Mobility and Transport (MOVE)
European Commission

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



24 January 2014

Dear Herald

Trans-European Transport Network and Connecting Europe Facility

Following our conversation with you on 21 November about the omission of Wales from the TEN-T core network corridor and what this means in practice for Welsh project bids, we have since spoken to the Welsh Minister for Economy, Science and Transport on 5 December and to the Parliamentary Under Secretary of State for Transport on 16 January.

I have attached links to transcripts for both of those sessions. Please note the transcript for 16 January is a draft version.

<http://www.senedd.assemblywales.org/documents/s22515/5%20December%202013.html?CT=2>

<http://www.senedd.assemblywales.org/documents/s23478/16%20January%202013%20-%20Draft.html?CT=2>

Members of the Committee have asked me to write to you to highlight the UK Department for Transport's (DfT's) comments on the European Commission's role in the negotiation process. You may wish to refer in particular to paragraphs 281-183 and 289 of the transcript.

We would like you to confirm whether the UK Minister is right in saying that the omission of Wales from the core network corridor will have no impact on Wales's ability to apply for TEN-T funding.

The Committee would also like some clarification of the criteria for inclusion as a core port. The DfT suggested that Holyhead in north Wales did not meet the criteria (see particularly paragraphs 319, 333, 337-339 and 360), and we would be grateful for clarification on this point.

We look forward to receiving your response.

Bae Caerdydd
Cardiff Bay
CF99 1NA

I hope very much we will be able to meet you during our visit to Brussels on 13-14 February, and thank you again for helping the Committee in its inquiry.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nick', with a long horizontal flourish underneath.

Nick Ramsay AM
Chair, Enterprise and Business Committee