

Finance Committee

Meeting Venue:
Committee Room 2 – Senedd

Meeting date:
10 July 2013

Meeting time:
09:30

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



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Agenda

1 Introductions, apologies and substitutions (09:30)

2 Papers to note (09:30)

Inquiry into Enterprise Zones in Wales – Feedback on Committee visits to Anglesey and Haven Waterway Enterprise Zones (Pages 1 – 3)

FIN(4)-13-13 paper 1 – Anglesey Enterprise Zone

FIN(4)-13-13 paper 2 – Haven Waterway Zone

3 Motion under the Standing Order 17.42 to resolve to exclude the public from the meeting for the following business: Items 4, 5, 6 and 7 (09:30)

Private session

4 Financial Implications of Agricultural Wages Board Bill (09:30 – 10:00)

5 Higher Education Funding Inquiry – Briefing from Higher Education Funding Council for Wales (HEFCW) (10:00 – 11:00)

Dr David Blaney, Chief Executive, HEFCW

Celia Hunt, Head of Skills, Education and Funding, HEFCW

Bethan Owen, Head of Institutional Engagement, HEFCW

6 Review of the year (11:00 – 11:30) (Pages 4 – 5)
FIN(3)-13-13 paper 3

7 Asset Management in the Public Sector – Consideration of draft report (11:30 – 12:00) (Pages 6 – 52)
FIN(4)-13-13 paper 4

Report of visit to Anglesey Enterprise Zone 14th June 2013

I met a number of representatives of the Enterprise Zone including Neil Rowlands, the Chair of Anglesey Enterprise Zone; Dafydd Evans, the Principal of Coleg Menai and board member; John Idris Jones, also board member, Chair of Snowdonia Enterprise Zone and Director of the Energy Island programme; Arthur Owen, Ynys Môn County Council and board member; Bryn Richards, lead official of Anglesey Enterprise Zone; and Cheryl Whittaker, Business Development Manager, Energy Sector of Welsh Government.

As well as having a formal meeting, I also undertook a number of visits, namely to the Coleg Menai Energy Centre and Heavy Plant Training Centre, to the Bryn Cefni industrial estate where the local authority showed a number of sites they are proposing to develop and I visited a company, Mona Lifting Ltd.

The Enterprise Zone representatives told me that although they had not been given any indication of the budget which might be available for the zone to develop the area, they had a number of items on their shopping list which they termed to be their key priorities and they were awaiting a response to those. They indicated that they would refine their programme once a response was received and they also wanted to make sure that the plans that they had had clear synergies with the Energy Island programme. They felt that the Enterprise Zone would add value to what was available currently on the island. They also felt that it took some time for them to understand the real role of an Enterprise Zone and make sure that all the work is aligned with the other schemes available to develop the island's economy.

They indicated the importance of skills development and the availability of high quality broadband connections. They felt that they need to have the right infrastructure in place to attract companies to the area. They also indicated the importance of improving the road infrastructure.

Their clear priorities were high quality broadband connection, business rates relief, the marketing role of the Enterprise Zone and possibly deferred payment for land. Although they had not sought the benefit of capital allowance scheme, they would consider this in the future. In terms of attracting investment, they've identified eight sites and they're preparing a marketing package for them.

They would like to see some 'spec' building on the sites as a way of attracting investment and they saw the Enterprise Zone as a way of working with the Welsh Government to move on this agenda.

They are not able to say at present how successful they've been in attracting companies since they are in the early stages, however they have a lot of companies showing an interest because companies like the idea of being in an Enterprise Zone. They recognise the disadvantage of simply attracting investment which was displaced from elsewhere and that is something they

wanted to discourage. But if the business was a growing businesses and looking to expand, then obviously they would be welcomed.

They wanted to see the Enterprise Zone striking a good balance between helping indigenous businesses as well as attracting inward investment. They identified the need for a business event to give indigenous businesses more information about the benefit of being in an Enterprise Zone. The kind of potential business they felt they could attract from outside the area would be supply chain opportunities for the major infrastructure developments which are likely for the island including the Wylfa new build. They also felt it was important to have a good mix of employment, both at the high value end and more traditional employment opportunities available in rural areas.

The fact that the Enterprise Zone team had the Energy Island working alongside them, together with the Welsh Government sector team on energy and environmental services nearby at Llandudno Junction and the benefit of local authority staff, meant that they were well placed to develop their ideas. They also were keen to develop linkages with both Further Education and Higher Education establishments (Coleg Menai and Bangor University in particular) and they saw that as a vital part of the Enterprise Zone attraction.

In terms of quick wins for Anglesey, they stress the importance of having some buildings ready for occupation on some of the identified sites, making sure that they had good electricity connections and other services available. 'Sites and premises' is something that they would like to push forward.

When I visited Mr Robin Evans of Mona Lifting on the Parc Cefni estate in Llangefni, he stressed the importance of the rates rebate as important for his business. He has also applied for a grant for expanding the business and he would also welcome some "fast tracking for planning permission". He felt that making sure that the planning authorities were sensitive to the needs of business was key to the success of the Enterprise Zone.

Mr Evans' business has been well established on the industrial estate and he expects to increase his business by between 20% – 25% this year and he will need larger premises. He also complemented the welding and fabrication training facilities at Coleg Menai and they were certainly complementary of the way in which the local FE College was preparing courses for specific skills needed in the local economy.

Note on visit to Havens Enterprise Zone

Five members of the committee attended a business breakfast which included a presentation from Finance Wales.

We also had an opportunity for informal discussions with the chair, WG and local authority officials, other board members and local business people.

We then visited three companies in the zone who have benefited from business rate relief: Simon Safety, Providence Training and Consort.

Business breakfast

Board very proactive – good relationship with local authority

Chair told us places on the board were keenly sought among business community.

Business networking at breakfast event.

Presentation by Finance Wales:

General explanation of FW.

Unsecured loans available / equity purchase / 1/4 of finance goes to North East of England / no specific offer for Enterprise Zones / acknowledge importance of Enterprise Zones.

Business rates:

Havens was most successful in first round – in no small part because LA pro-actively and systematically encouraged businesses to apply.

The forms have changed for second round, and seem more complex.

Business visits

None knew of the existence/content of Board's strategic plan. Although all felt they had input to the Board.

Most valued advantage was Business Rate Relief

Average 20k for three years. Being used for capital investment & expansion.

Made needed decisions easier, improved efficiency, increased output, expansion.

Questions arising:

- Time – is 5 years long enough for the Enterprise Zone to succeed?
- Are we investing in training to meet known future needs – eg in energy sector?
- How sustainable is the (unpaid) input from board members over time?
Are chairs providing significantly more than they are paid for?

Agenda Item 6

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