

Invitation to provide evidence – Enterprise Zones

Response from the Deeside Enterprise Zone – Advanced Manufacturing

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

The Welsh Government (WG) is clearly in a better position to make a full response to this question. In addition to maximising the benefits of existing resource, the contributions of WG officials and the in-kind contributions of Board members, there are a range of specific resource streams linked to capital and revenue budgets. These can be confirmed by WG officials. It should be also noted that the Enterprise Zone (EZ) Board is an advisory group, and is not a budget holder. Recognising that there is never enough resource available, the scale of resource is adequate at present. EZs is clearly a national initiative, and one of the biggest resulting challenges is the wide variation in starting points, scale of opportunity and ambition, and the local context for each EZ. Linked to this, there has been some lack of clarity in relation to the role of local authorities and regional bodies such as the Economic Ambition Board, in North Wales.

In terms of resources and incentives for employers in Deeside, the current situation is good. However, confirmation is needed as regards Enhanced Capital Allowance (ECA) status of all the proposed sites and that the EU rules on grant funding percentages for Deeside will be retained at the maximum level post 2013. This is needed in order to present an attractive offer to prospective inward investors over the period of their investment horizon.

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

A Business Plan was submitted in Autumn 2012, and we are awaiting a response from officials. The Business Plan is a substantial and comprehensive document that sets out ambitious proposals for Deeside. This will clearly impact on resource allocation, and we are due to receive a response from WG by the end of June 2013.

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

These are very clear for Deeside, and are specified in the Business Plan. The main priorities are:

- Education & Skills
- Business Support & Entrepreneurship
- Key Infrastructure & Property
- Supporting Advanced Manufacturing
- Marketing & Communications

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

Tier 2 assistance, National Non Domestic Rates (NNDR) relief, Enhanced Capital Allowances (ECA), and support for infrastructure. There are wider incentives than those of a direct financial nature and these are outlined in our Business Plan.

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

Our main aim is to create 7000 net new jobs, through existing companies and new inward investors. Our Business Plan outlines the enablers that we believe will be essential if we are to achieve or exceed this ambitious target.

6. What are the achievements of each Enterprise Zone to date?

We have a Board in place that meets regularly and is well attended. The Business Plan has been completed and submitted.

440 new jobs have been created in Yr1, and a feasibility study on a North Wales Advanced Manufacturing Park will be completed by the end of June 2013. This has been supported by Welsh Government funding, with procurement through Flintshire County Council (FCC).

The Board is committed to an inclusive and collaborative style and has used its time and resources to gather intelligence regarding property and infrastructure needs, and to inform and gain the support of the business people to support the economic development of the region.

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

It is our understanding that no ECA has been accessed to-date. This is disappointing.

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

The Deeside EZ has the potential to create employment opportunities for large numbers of people from across North Wales. The key will be creating training opportunities and improving connectivity. We are keen to develop links with neighbouring EZs in North Wales, and regional and national meetings of EZ Chairs will take place from June 2013. At Deeside we are also very conscious of our cross-border location and role, and the need to work closely with other bodies, particularly in relation to the wider Mersey-Dee Alliance (MDA) area. It is essential that we identify synergies so that we complement one another rather than compete. We expect that the effect of EZs and associated initiatives in England will encourage a cluster effect leading to a mutual growth rather than a displacement.

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

Through collaboration as outlined in the previous response, and particularly through developing a regional 'skills pipeline'. We all operate in a very competitive environment and we need to find a way to attract new investment, business, and jobs. In order to achieve this we need to identify the enablers that will make the difference between a business setting up in Deeside or elsewhere. Our Business Plan sets out to achieve this.

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

This is under developed at present, perhaps because the Business Plans have yet to be approved. Although activities such as levels of enquiries, investment/jobs, and the level of property take-up are being monitored, this would happen anyway. Recognising the limited role of the EZ Board itself as an advisory body, there is a need to develop clear and understandable objectives and Key Performance Indicators (KPIs) with associated timelines, both for the Board and the WG.

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

Only those projects which create true additionality in jobs/output are being supported, and to-date, there is no evidence of 'boundary-hopping'. It is still fairly early days in the implementation of EZs, but the next 9 months are crucial, and tangible progress should be expected by all in this period. To achieve this in Deeside, we need to progress our Business Plan and establish the right infrastructure, energy supply, security of skilled labour, expedited planning, appropriate incentives, relationships and the commitment of local and regional partners. If we make good progress with these, we are confident that we will attract business and investment in to Deeside, as the starting point for the region is so positive and capable. However, we need to move quickly, particularly as developments in neighboring North-West England are moving at speed and are well resourced. We will have to take some calculated risks if we are to achieve the potential of the Deeside EZ, and to use it to drive economic growth for Wales.