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



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
in cyf/Our ref

Jocelyn Davies AM
Chair
Finance Committee
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15 January 2014

Dear Jocelyn

Report of the Finance Committee on Enterprise Zones

Thank you for your letter of 17th December enclosing a copy of the Finance Committee's report on Enterprise Zones.

I have accepted all of the recommendations made and attach a written response covering each recommendation.

A handwritten signature in black ink, appearing to be 'Edwina Hart', written over a faint, light-colored background.

Written Response from the Minister for Economy, Science and Transport to the recommendations of the Finance Committee's report on Enterprise Zones.

January 2014

Recommendation 1

The Committee recommends that the Minister considers making public as much information as possible, including all non-commercially sensitive information.

Response : Accept

We have made significant progress in publishing more information about the Enterprise Zones. This includes the development of a dedicated Enterprise Zone Wales website which contains information on the objectives, approach and support available in each Zone.

We have published an update document containing a summary of the non-commercially sensitive information from the strategic plans of Enterprise Zones. This document was published in October and is available on the Enterprise Zones Wales website <http://enterprisezones.wales.gov.uk/>

Financial Implications – None. Any additional costs will be drawn from existing programme budgets.

Recommendation 2

The Committee recommends that if Enterprise Zones are to hold their own budgets in future, that robust accountability arrangements are put in place to ensure value for money.

Response: Accept

The Enterprise Zone Boards are advisory in nature and as such do not hold their own budgets. Should their future remit and accountability change then full consideration of accountability arrangements would be made at that point.

Financial Implications – None. Any additional costs will be drawn from existing programme budgets.

Recommendation 3

The Committee recommends that the Minister ensures Enterprise Zones consider how best they can ensure that all businesses are informed about Business Rate Relief.

Response: Accept

We work closely with the Enterprise Zone Boards, our Sector Teams and other stakeholders to ensure the availability and benefits of the Business Rate Scheme are effectively communicated to its target audience.

In the latest round of the Scheme, this included a co-ordinated marketing drive, sustained over a longer application and window which included press and mailing to over 900 businesses in the Zones.

In addition, as part of the Longitudinal Survey being conducted, we are further refining a database of Enterprise Zone based companies and this will inform any future awareness raising and promotion.

Financial Implications – None. Any additional costs will be drawn from existing programme budgets.

Recommendation 4

The Committee recommends that given the UK Government has accepted the principle that the Welsh government could fund enhanced capital allowances in additional areas of its existing Enterprise Zones, that the Minister gives due consideration to whether and where this might be beneficial.

Response: Accept

We negotiated extensively with HM Treasury to secure Enhanced Capital Allowances (ECAs) at specific sites within over half of the eligible Enterprise Zones (three out of five - Deeside, Haven Waterway and Ebbw Vale).

There is limited opportunity to extend the number of ECA sites in line with the criteria and state aid rules governing the scheme. However, we will give consideration to whether there is scope for additional areas, noting the potential cost implications.

Financial Implications – None. Any additional costs will be drawn from existing programme budgets.

Recommendation 5

The Committee recommends that the Minister outlines a timetable for the publication of the performance indicators.

Response: Accept

Performance indicators for Welsh Enterprise Zones were published prior to the Christmas recess in December 2013. These indicators will enable monitoring of progress in key areas such as jobs, investment, land development, business support and enquiries. A report against these indicators will be published in May of this year and on an annual basis thereafter. Preliminary targets for 2014/15 have also been published and these are available at:-

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

Financial Implications – None. Any additional costs will be drawn from existing programme budgets.