



Ysgrifennydd y Cynulliad · Assembly Secretary
Cynulliad Cenedlaethol Cymru
The National Assembly for Wales

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WELSH DEVELOPMENT AGENCY: STRATEGIC GUIDANCE

1. This letter sets out the Strategic Guidance and priorities that I want the Welsh Development Agency ("the Agency") to incorporate into its planning cycle, informing its 2002-03 to 2004-05 Corporate Plan and subsequent Business Plans.
2. At the time of writing, the Economic Development Committee's Review of Business Support and Development Services is out to consultation. The finalising of this Review, together with the development of the National Economic Development Strategy and the Assembly's Quinquennial Review of the Agency, will set a new strategic framework for the Agency's activities. I do not wish to pre-judge the outcomes of these reports, and have therefore decided to issue this letter as interim Strategic Guidance. A further letter will be issued later this year, addressing any fundamental shifts in the Agency's role that may come out of the impending reviews.
3. In drawing up this interim guidance, I have taken due regard of the priorities in Putting Wales First and BetterWales.com, the views of the Assembly's Economic Development Committee, and the Report (00-06) of the Assembly's Audit Committee (together with the Cabinet response, laid on 4 January 2001). I have also taken into account the creation of the new National Council for Education and Training for Wales ("the National Council"), which will take on its functions from 1 April 2001 and be a leading agent of change in realising the Assembly's objectives for a learning society and the creation of a competitive, advanced economy in Wales. This letter replaces all previous Strategic Guidance issued to the Agency.

Operational Principles

4. The work of the Agency must be in accord with the aims, policies and programmes of the Assembly; in particular the Agency must pursue the priorities set out in Putting Wales First and BetterWales.com and the emerging National Economic Development Strategy.
5. Putting Wales First commits the Assembly to creating an enterprise economy, which is the key to high employment, the generation of wealth and the provision of high quality public services. It also recognises that the creation of a strong, vibrant indigenous business sector will be the only way of achieving the Assembly's goal of bridging the prosperity gap between Wales and the rest of the UK. I want the Agency to take a leading role in pursuing these aims, acting strategically and working in partnership with the National Council and other key stakeholders, wherever practicable, in order to improve the prosperity of every part of Wales, in particular those areas of greatest need.
6. The key challenges identified by the National Economic Development Strategy consultation document are equal opportunities, sustainable development and tackling social disadvantage. I want the Agency to have regard to these challenges in everything it does, paying particular regard to the principles set out in the Assembly's Sustainable Development Scheme. I expect the Agency to pay due regard to equality of opportunity, as set out in sections 48 and 120 of the Government of Wales Act (including the provisions of the Race Relations (Amendment) Act), and working closely with such organisations as the Equal Opportunities Commission and the All Wales Ethnic Minority Association. As an organisation sponsored by the Assembly, the Agency must also be aware of its responsibilities under the Human Rights Act.
7. The Agency will at all times insist on the highest standards of probity in public life and promoting openness where possible. I expect the Agency to follow the standards and principles of partnership adopted by the Assembly, with particular attention to the requirements set out in sections 113 to 115 of the Government of Wales Act, to consult local government, the voluntary sector (by adhering to the principles set out in the Assembly's Voluntary Sector Scheme) and the business community on matters affecting their interests.
8. I want the Agency to commit itself to learning, reviewing and improving its own performance, by regularly reviewing its actions to ensure that they continue to be the most effective and give value for money. I expect the Agency to work closely alongside the Assembly to ensure effective regular evaluation of its programmes, and to work closely with the business community to identify appropriate methods of support.

General Operational Priorities

9. The greatest challenge for us all is to make sure that we use effectively the funds which are available to Wales through the European Union structural funds programme 2000-2006, through Objectives 1, 2 and 3, the Rural Development Plan and Community Initiatives. The Agency will continue to play a full and effective part in providing executive support for the management of all relevant European funding packages, and I am looking to you to develop the Agency's work in a way which reflects the opportunities which Objective 1 in particular represents. Within this, the Agency will need to build and maintain strong relationships with the National Council, recognising its role in maximising European funding for human resource development. The Agency will play a leading role, as an active partner, in the delivery of a number of individual projects in Objectives 1, 2 and 3, as well as Community Initiatives (Equal, Urban, Interreg and LEADER+) and the Rural Development Plan.
10. I should also stress the imperative for a truly partnership approach to the development of projects for which European funding is to be sought, in accordance with the agreed model of balanced representation from the public sector, social partners and the voluntary sector. For projects from all European programmes, it will be important that optimal use is made of the resources available to you as an element in match-funding packages. I also expect the Agency, in line with its other programmes, to be able to effectively account for its spending of structural fund receipts.
11. The Agency has a crucial role to play in developing the economy in areas of greatest need, specifically the Objective 1 area and the Communities First areas, when they come on line from Summer 2001. We need to ensure synergy between Communities First and other funding programmes; targeting, where possible, the Communities First areas. It should always seek to work with local communities, either directly through the partnerships which will be set up in relation to Communities First, or through existing fora which will take on the Communities First mantle.
12. In rural Wales, the Agency must continue to develop and implement policies, in conjunction with the Assembly and the National Council, to support and develop businesses in the Agri-food sector and indigenous company growth. Throughout Wales, I expect the Agency to work with local authorities and other partners in the context of developing community strategies.
13. The Agency should concentrate on providing better job opportunities by raising the quality of jobs right across the sectoral and occupational mix, developing more added value processes by reaping the maximum advantage from research and development, and advanced technology, headquarters-type functions, and ensuring a high quality environment. Clusters of high tech companies should be encouraged with the ability to compete on a global scale.

14. In drawing up future programmes, the Agency should seek to strike an appropriate balance between its capital and revenue programmes, and between support for home-grown and Welsh-based businesses and inward investment.
15. The Agency's Land Division should continue to support the objectives and activities of the Agency with emphasis on the priorities and areas of greatest need identified; in particular engaging with, and supporting, the priorities set out by local planning authorities. In addition, the Agency must have regard to spatial planning, both in the European context as expressed in the European Spatial Development Perspective - important because of the opportunities presented by the strategic location of Wales in relation to links between Ireland, the UK and Europe - and also in the context of the developing National Spatial Planning and Transport Frameworks for Wales.

Specific Operational Priorities

16. As well as having regard to the operational principles, as set out in paragraphs 4 to 8 above, and working towards the general priorities in paragraphs 9 to 15, I want to see the Agency working towards the following specific priorities:-

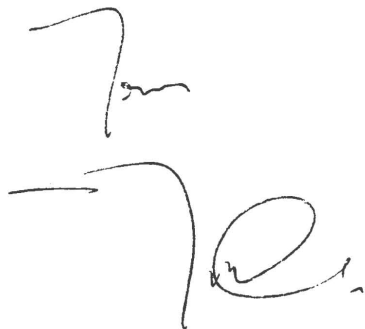
- Increasing entrepreneurship and enterprise through developing and implementing a Business Birth-Rate Strategy for Wales; playing a full role in the implementation proposals of the Entrepreneurship Action Plan; and building on the enterprise programmes inherited from the TECs.
- Supporting businesses in Wales through playing an effective role in the operation and development of Business Connect at the all-Wales and local level (being mindful of the recommendations in the EDC's Review of Business Support and Development Services); giving full support to the activities of Finance Wales, including researching gaps in funding for SMEs; contributing to the development of Information and Communication Technology infrastructure and promoting more widespread adoption of E-business by companies in Wales; playing an effective role in the Future Skills Wales Partnership, contributing to the preparation of the next major survey of employers; developing ways to assist businesses to exploit the opportunities offered by emerging eco-friendly markets, and encourage the development of the renewable, clean energy sector; developing the Agri-Food Strategy together with the Agri-Food Partnership, drawing on the resources of the Agency's regional offices; and supporting the Know-How Wales service and the Regional Technology Plan.
- Securing top quality inward investment into Wales, with particular emphasis being placed on those areas of greatest need, through working closely with the National Council to ensure co-ordinated packages of support; identifying and developing strategic employment sites and ensuring the provision of a suitable range of premises for business; ensuring effective communication and co-ordination with Wales Trade International (WTI), working closely with WTI to develop the synergies that clearly exist between inward investment and international trade; and working with WTI and

the Wales Tourist Board to develop Wales' overseas offices.

- Assisting regeneration through working closely with local authorities to support their regeneration plans; working to ensure effective sectoral strategies; and ensuring maximum synergy between the Agency's community regeneration and business support programmes and the National Council's programmes for human resource development.
- Working with the Assembly and other key stakeholders on the preparation of the National Spatial Planning Framework and also preparation and review of the National Economic Development Strategy, the Sustainable Development Scheme and the Assembly's Design Initiative; and working with other key players to develop a single, effective quality database of company information in Wales.

Implementation

17. When presenting its Corporate Plan 2002-2005, I expect the Agency to propose strategic targets for the range of activities covered by this letter. I look to the Agency to work closely with officials in the Assembly to develop target-setting arrangements which are compatible with the framework of the National Economic Development Strategy.
18. Finally, I should like to remind you that the payment of grant by the Assembly is contingent on compliance by the Agency with the contents of its Management Statement and Financial Memorandum.

A handwritten signature in black ink, consisting of a stylized 'F' followed by a cursive 'e'.