

## **PAPER FOR THE COUNCIL FOR ECONOMIC RENEWAL**

### **GOVERNMENT COMMITMENTS RELATED TO THE BUSINESS, ENTERPRISE, TECHNOLOGY AND SCIENCE PORTFOLIO**

#### **1. Context**

The Welsh Government believes that partnership with the business community and the social partners is vital for the economic and social wellbeing of Wales. The opportunity to work with the Council for Economic Renewal is very much welcomed to ensure that the combined contributions to growth and sustainable jobs are more than the sum of their parts.

#### **2. Current Policy Considerations**

There is broad support for direction of Economic Renewal. However, there are some areas which require further consideration. There is also a need to integrate further economic, education, skills and planning policies across all relevant Government departments and other delivery bodies.

As a starting point, the Minister for Business, Enterprise, Technology and Science has been actively engaging with and seeking the advice of business and representative organisations. A statement will be made on the most effective way to support Welsh businesses.

#### **3. Specific Government Commitments**

##### **Business Support**

*Commitment - Support high performing, quality companies in all those parts of the economy which can create employment, wealth and a sustainable Wales.*

The Welsh Government provides support to companies in all parts of the economy in regard to anchor businesses, their supply chains, strategic projects and entrepreneurship support. Online information and signposting is also available to all parts of the economy. In regard to sectors, consideration is being given to three additional sectors, construction, tourism and agriculture and agri-food, adopting a similar model to the six priority sectors for economic development.

*Commitment - we will expect any business seeking Assembly 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.*

The Welsh Government will expect any business seeking support to sign up to the principles of corporate social responsibility and encourage its suppliers likewise. The aspiration is for the Department for Business, Enterprise, Technology and Science to be an exemplar in this regard. The Welsh Government will work with the social partners in establishing the appropriate levels of corporate social responsibility.

A Community Benefits approach has been used to build wider training and employment benefits (including supply chains) into the Llandudno Junction contract, the Work-based Learning contract and within the Next Generation Broadband project, as examples. The Welsh Government has also signed up to the 'Opening Doors' policy which encourages SME-friendly procurement. The Sustainable Risk Assessment Tool is also used for all tenders over £25k. More use of social clauses in procurement will be deployed.

*Commitment - we will continue to build strong links with our anchor companies and develop strategic, mutually supportive/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 chain opportunities.*

All 33 business identified have agreed to become Anchor companies and a further 35 companies having agreed to Regionally Important status. Changes can be made to these listings as appropriate, recognising the dynamic nature of the economy. The alignment to academia is key and we will continue to exploit the learning from pathfinder projects. Mapping and understanding the effects of the supply chain and the benefits that accrue is being explored and will be a key priority for the work of the Department.

*Commitment - seek to establish a Wales Business Crime Unit to tackle business crime.*

The aim is for Wales to be an excellent place to do business and this means addressing key business concerns and barriers to business growth. With the costs of business crime rising, the Welsh Government intends to build upon the work previously undertaken in Wales on business crime and will develop proposals with the business community, the Welsh police forces and other interested parties to establish a Wales Business Crime Unit.

### **Entrepreneurship**

*Commitment - we will 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.*

Meetings have been held between the BETS Minister with key business groups and entrepreneurs to understand the issues and barriers faced by businesses. We will be building on this initial dialogue to further assess the requirements of micro enterprise and what active government intervention is required to provide the support necessary to aid growth and sustainability. In light of this, the options for the future delivery of the regional business support service are being revisited.

### **Regulation**

*Commitment - measure the collective impact of Government policies on the Welsh economy as part of simplifying, streamlining and codifying existing Welsh Government legislation.*

The Welsh Government is committed to consulting business and other social partners on all major government policy proposals, including legislation, and carry out regulatory impact assessments on Welsh Government legislation.

The approach to policy development and implementation in the Welsh Government has been reviewed and changes are proposed to make the approach simpler and more consistently applied. There will be a greater emphasis on being clear about the "fit" of any new proposals with other initiatives and on early identification and assessment of potential impacts.

The five-year legislative programme will permit greater planning and flexibility in bringing items forward, so that they are fully developed and consulted upon prior to introduction. Ministers are currently finalising the proposals for the legislative programme for announcement on 12 July.

### **Social Enterprise**

*Commitment - we will ensure that the mutual and cooperative sector has access to appropriate and robust business advice and that the Ministerial lead will be in the Economy Department.*

To reflect the key role that the mutual and cooperative sector has in the Welsh economy lead responsibility for the development and support of the sector now resides in the Business, Enterprise, Technology and Science Department. This will assist the sector, from small cooperatives to large mutuals, to access further the full range of business information as well as tailored advice.

Engagement with representatives of the sector will seek to understand more specific needs and opportunities. This will build on the key actions that previously undertaken to strengthen the sector, such as the setting up of the Welsh Social Enterprise Coalition (WSEC) to champion social enterprise; and the Wales-wide mapping of social enterprise to increase understanding of the third sector's activity.

### **Tourism**

*Commitment - activity and niche markets must be developed as well as securing maximum benefit from major events in our high profile venues.*

*Commitment - promote Wales as a destination making a high quality tourism offer. Work to extend the tourism season and associated benefits. Identify funding opportunities to improve the visitor infrastructure and product in Wales. Support investment in staff training and management to support a high quality industry.*

The options for the sector to adopt an approach to its development in line with the six priority sectors for economic development are currently under consideration. Promoting Wales as a destination remains a key function, assisted by EU funding over the next few years. The Strategic Marketing Action Plan 2010-13, which has been agreed with and developed for the industry will continue focus future tourism marketing activities. Developing the

potential of events and activity holidays will continue to be a priority to help extend the tourism season. In this context, EU funded support for the creation of seven Centres of Excellence will help to enhance the activity offer in Wales

Consideration is currently being given as to whether the Tourism Investment Support Scheme (TISS) can be extended to provide support to visitor infrastructure projects. Regeneration and Rural Development programmes are already making significant investments in such infrastructure.

The four Regional Tourism Partnerships lead on training provision for businesses within their areas. We will also consider outcomes from a current ESF Funded Pilot (over 18 months up to December 2011) through the Sector Priorities Fund Pilot with People 1st, the Sector Skills Council for Hospitality and Tourism Sector, to provide up skilling across the Hospitality and Tourism Sector at different levels.

### **Broadband**

*Commitment - 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 per cent or more have access to 100Mbps.*

The Next Generation Broadband for Wales (NGBW) project aims to ensure that all businesses and households in Wales have access to high speed broadband by 2015. A major procurement to purchase a next generation broadband solution for areas of Wales that will not be addressed by the market in Wales is currently underway. Using the competitive dialogue procedure, contract award is planned for March 2012. Bidders have been invited to submit plans for next generation broadband roll out and these plans will be refined over the coming months in consultation with key stakeholders, such as Local Authorities. It is expected that the roll out of infrastructure to begin from Summer 2012.

### **Digital Wales**

*Commitment - implement the Assembly Government's Digital Wales strategy, using digital technologies. The commitment includes opening up opportunities, creating even greater accountability and transparency, and establishing a web gateway on what Wales can offer.*

The Digital Wales strategy seeks to exploit the opportunities and manage the risks arising from the growth of the digital economy and society in Wales. It brings together a large number of activities, issues and goals, structured around five strategic themes: Competitiveness, Skills, Inclusion, Public Services and Infrastructure. Achieving the goals will require co-ordinated action and support from public and private sector partners across Wales.

#### **4. Questions for the Council for Economic Renewal**

**The Council for Economic Renewal is asked to consider:**

- 1. In terms of economic development potential, which of the key commitments should be prioritised for early delivery from their perspective?**
- 2. Where are the greatest opportunities for joint working with the social partners and what mechanisms should be used?**
- 3. What barriers will there be to delivering on these commitments?**