

Deeside Enterprise Zone

Strategic Plan 2018 – 2021



November 2018

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1. BACKGROUND

Wales Enterprise Zones

In 2012, the Welsh Government launched seven **Enterprise Zones** across Wales. The Enterprise Zones are designated geographical areas that support new and expanding businesses by providing a first class business infrastructure and support.

The **Deeside Enterprise Zone** focuses primarily on the advanced materials and manufacturing sector.



For more details of the Zones please visit:

<https://businesswales.gov.wales/enterprisezones/>

2. VISION AND KEY PRIORITIES FOR DELIVERY

The overall vision for the Deeside Enterprise Zone is to capitalise on its success and continue to develop as a major centre for advanced manufacturing on an international scale by ensuring that the Zone builds on its strengths in key sectors, encourages investment and re-investment and offers a package which competes with locations on a global scale.

Key priorities include the development and improvement of key infrastructure and property; the support of advanced manufacturing through retaining a strong manufacturing sector; the development of highly skilled workforce; and the establishment of an advanced manufacturing skills and technology facility which will support industry in Deeside, Wales and beyond.

Key infrastructure and property considerations

- Delivery of Development Sites – with a clear focus on the Northern Gateway;
- Industrial Premises – ensure that there is an adequate supply of appropriate industrial property available to meet the wide range of new and existing business requirements;
- Transport & Accessibility – including walking and cycling routes; improving local, regional and national road linkages; rail modernisation and stations; and development of multi-modal freight;
- Energy – maximising the opportunities arising from energy generation schemes within the zones and ensuring appropriate energy supplies to realise new investment and growth within the zone;
- Telecommunications - provision of first rate fixed and mobile telecommunications throughout the zone.

Deliverables and outcomes

- Skilled jobs for young people;
- New high skilled long term sustainable jobs in existing and new employment sectors;
- A new highly sustainable business location with international recognition;
- Support for new sector developments in engineering, electronics, new materials, food and clean energy.



3. PROGRESS AND ACHIEVEMENTS SINCE INCEPTION

Progress in the Zone in support of the Board's objectives includes:

Wales Advanced Manufacturing Research Institute (AMRI)

- The **Wales Advanced Manufacturing Research Institute (AMRI)** was announced in November 2016 with an indicative Welsh Government contribution of £20m. The Institute will operate as a single entity, split between;
 - **Broughton** – A state of the art 6,500m² (approx.) facility to deliver cutting edge advanced manufacturing research on an industrial scale. It will focus on a range of sectors including Nuclear and Aerospace with Airbus being the anchor tenant to develop future wing technology at the facility, this in a bid to capture the 'Wing of Tomorrow' programme within Airbus Group UK and will subsequently occupy 50% of the space.
 - **Deeside** – A complimentary 2,000m² facility focused on SME interaction, supply chain and light engineering and training provision to realise full AMRI functionality. This facility will also support the development of a pipeline of high value manufacturing and advanced engineering skills as well as anchoring the future of advanced materials and manufacturing research in North Wales across key sectors.
- AMRI represents a priority commitment to research and innovation infrastructure within Prosperity for All: Economic Action Plan and will deliver game-changing support to key manufacturing companies as well as multi-sector supply chain companies and the broader SMEs base. It is geared to increase productivity, commercialisation, innovation and skills development to ensure a thriving competitive industry base that will be a catalyst for growth and jobs across the supply chain in Deeside, North Wales, the Northern Powerhouse and further afield.



AMRI 1 @ Broughton

- Galliford Try have been appointed as the primary build contractor and formal commencement of construction at the Broughton site was marked with a turf cutting ceremony in May 2018.
- Galliford Try are undertaking a range of engagement activities linked to social and community benefits to maximise the impact of the construction phase on social enterprises and are engaged positively with Social Business Wales.
- The build schedule is progressing to time and cost with initial ground preparatory work complete and steel structure currently being erected. To enable completion against key milestones, the building will complete on a modular approach with 50% ready for Airbus fit out by April 2019 (aligned to Wing of Tomorrow timescales) with the facility being completed and fully operational by September 2019.
- The Advanced Manufacturing Research Centre (AMRC), part of the University of Sheffield has been engaged to operate the facility on behalf of Welsh Government on an initial 15 year agreement. AMRC demonstrate leading industry capability in the delivery of research, manufacturing support and partnership services to businesses. They have developed an effective membership model and are part of the UK's High Value Advanced Manufacturing Catapult. They are also Airbus's preferred operator.
- AMRC have recently appointed a Research and Operations Director and have commissioned the development of an operational plan.
- A Local Advisory Board (LAB) will be established to provide oversight of the AMRI against agreed delivery metrics, providing advice to Welsh Government on performance of AMRC. This will include AMRI 2 in due course.

AMRI 2 @ Deeside

- A full options appraisal has been completed which concluded that a twin-track approach for AMRI 2 should be taken forward with the DECA (Defence Electronics and Components Agency) Sealand site as the preferred the strategic option with 'fall-back' option running in parallel.
- The Cabinet Secretary for Economy and Transport has announced Welsh Government commitment to working with DECA to deliver positive regional and national economic impacts which align to multiple priority policy areas including Welsh Government's 'Prosperity for All' Strategy, the North Wales Growth Deal and UK Government's Industrial Strategy and wider prosperity agenda.
- The Deeside Enterprise Zone Board remain fully engaged across delivery of the AMRI.

Other Key Achievements

- The Board has secured around £5.3m Welsh Government investment (£2.2m for flood defence work and £3.1m for Phase 1 road

infrastructure) in essential infrastructure to ensure the 222 acre '**Northern Gateway**' development site has been made ready for new investment projects. To increase the attractiveness of the site to very large projects, eligibility for Enhanced Capital Allowances was negotiated with HM Treasury.

- A new £1.5m **archive storage facility at Hawarden** Business Park within the Zone was opened by the Cabinet Secretary for Economy & Transport in June 2017. The new centre, which has a 18,000 sq ft warehouse facility and 4,000 sq ft office space, is supported by a £304k Property Development Grant and is one of the most technically advanced secure facilities of its kind in the UK.
- An £8.1m package for **training** has been awarded **to Airbus at Broughton** within the Zone. The funding will run for five years and will support the training of the workforce to exploit Airbus' investment in new technology at the site.
- **Raytheon** is re-investing and expanding its Special Mission Aircraft facility at Broughton to become the HQ for the Airborne Solutions business. The c. £1m investment, backed by Welsh Government business finance, will create a Centre of Excellence for design and programme management for UK and international customers, as well as R&D activities that will create 50 highly skilled jobs.



Enterprise Zone Performance

Update of progress against key projects across the Enterprise Zones is published annually (please see Section 6 – Previous Enterprise Zone Publications for links to the relevant documents).

- From inception to March 2018, 1416 jobs have been created either through direct financial support or through wider assistance from the Welsh Government, with a further 3409 safeguarded and 1379 assisted.
- From inception of the zone to March 2018, over £81.6m was invested by Welsh Government with over £49.8m invested by the Private Sector during this period.
- From inception to March 2018, 311 businesses within the Zone have been financially supported and financially assisted through Welsh Government business support programmes or direct interventions.

Enterprise Zone Business Rates Scheme

The Enterprise Zones Business Rates Scheme was launched in October 2012 as a means of providing financial assistance for business rates liabilities incurred by small and medium-sized businesses located in Enterprise Zones in Wales. Since its inception the Wales Enterprise Zone Business Rates Scheme has benefitted 151 businesses within the Deeside Enterprise Zone with over £4.7m offered towards the cost of their business rates.

4. FUTURE PRIORITIES AND DIRECTION FOR THE ZONE

The Board has identified the following key priorities and objectives for the further development of the Zone moving forward:

- Work with the developers of the Northern Gateway site to pursue the swift delivery of investor-ready development plots including the delivery of phases two and three of the site access roads and securing the provision of foul waste and power;
- Establish a pipeline of manufacturing floor space in order to realise the potential of the Deeside and wider North Wales region;
- Focus on the successful delivery and operation of the AMRI 1 facility in Broughton from September 2019;
- Continue to collaborate with stakeholders from industry, academia and the public sector in order to prioritise the swift development and delivery of AMRI 2 in the vicinity of Deeside Industrial Park in a manner that will:
 - fully complement AMRI 1;
 - exploit its attractiveness to an anchor tenant or tenants;
 - maximise its appeal to a broad range of advanced manufacturing and technology-based sub-sectors;
 - deliver maximum benefits for companies of all sizes and advanced manufacturing sub-sectors, including opportunities arising from Wylfa Newydd;
 - have a clear focus on all levels skills development ranging from apprenticeships to post-graduate research; and
 - serve as a gateway to Wales from the Northern Powerhouse and internationally, and also serve as a hub for business engagement, networking and development.
- Establish an AMRI Board by January 2019;
- Take forward proposals and recommendations to develop robust propositions for the promotion and marketing of the zone as part of the wider Welsh Government sectoral offering, particularly in relation to Northern Gateway;
- Drive the growth and resilience of existing and new investors;
- Review the case for targeted support for businesses, including the Enterprise Zone Business Rates Scheme;
- Engage with the wider business community within the Deeside Enterprise Zone to ensure that they avail of every opportunity to

increase their competitiveness and positively embrace wider opportunities and areas, particularly in Wrexham;

- Make the case for access and transport connectivity improvements, including in the context of the Zone's relationship to the Anglesey and Snowdonia Enterprise Zones, and also with neighbouring areas of North West England and the West Midlands;
- Continue to prioritise the deployment of ICT infrastructure and pro-actively promote its exploitation.

5. GOVERNANCE

Enterprise Zone Boards

Each Enterprise Zone has been led since inception by an independent; private-sector Advisory Board which advises the Welsh Government on the implementation and delivery of action plans and priorities for the Zones. The tenure of the current Deeside Advisory Board was scheduled to come to an end on 31 July 2018.

Future Governance Arrangements for the Zone

Arrangements are being put in place to establish an advisory body to oversee the development and delivery of the Advanced Manufacturing Research Institute. In the meantime, the Cabinet Secretary for Economy and Transport has extended the tenure of the Board until 31 July 2019 to ensure continuation and consistency of governance.

Details of current membership of the Deeside Enterprise Zone Advisory Board is published at:

<http://gov.wales/topics/businessandconomy/growing-the-economy/enterprisezones/deeside/?lang=en>

6. PREVIOUS ENTERPRISE ZONE PUBLICATIONS

Strategic Plans

Deeside Enterprise Zone – Strategic Plan 2015 (includes updates made in 2016 and 2017)

<http://gov.wales/docs/det/publications/170719-strategic-plan-deeside-en.pdf>

Enterprise Zones – Progress Update November 2014

<http://gov.wales/docs/det/publications/141203-ezw-progress-update-en.pdf>

Enterprise Zones – Progress Update October 2013

<http://gov.wales/docs/det/publications/141001-enterprizezone-summary-en.pdf>

Enterprise Zone Performance

Key Performance Indicators 2017/18

<https://gov.wales/docs/det/publications/enterprise-zone-key-performance-indicators-annual-report-april-2017-to-march-2018.pdf>

Key Performance Indicators 2016/17

<http://gov.wales/docs/det/publications/170719-kpi-16-17-en.pdf>

Key Performance Indicators 2015/16

<http://gov.wales/docs/det/publications/160802-kpi-15-16-en.pdf>

Key Performance Indicators 2014/15

<http://gov.wales/docs/det/publications/150615-ezw-kpi-14-15-en.pdf>

Key Performance Indicators 2012/13 and 2013/14

<http://gov.wales/docs/det/publications/140522ezwkpi1213-1314en.pdf>