

Enterprise Zones Key Performance Indicators Annual Report **April 2017 – March 2018**

Purpose

This report summarises the Key Performance Indicators (KPI's) for the Enterprise Zone programme for the financial year April 2017 to March 2018.

General

1.1 Our published indicators enable monitoring of progress for each of the 8 Enterprise Zones in the following key areas:

- Jobs supported
- Investment
- Land Remediated and made available for development
- Enterprises financially supported or assisted

1.2 The indicators have been developed in close consultation with the Enterprise Zone Board Chairs. However, it should be recognised that these qualitative targets do not cover or measure the breadth of achievements made.

1.3 Given each Enterprise Zone is different, there is a danger of drawing parallels between performances in Enterprise Zones; however the long-term agenda in each is them to support economic development and business growth, new jobs and the safeguarding of existing employment.

1.4 Whilst their policy context and establishment pre-dates the development of the Economic Action Plan, there is nevertheless alignment between the Plan's emphasis on developing the strengths of the regions of Wales and the work that Enterprise Zones have done to stimulate economic development locally.

Incentives

2.1 Enterprise Zones benefit from a competitive range of financial and non-financial incentives. These include superfast broadband, business rates support, skills support, enhanced capital allowances and property and infrastructure:

2.2 Broadband: Enterprise Zones were prioritised for provision of Superfast Broadband, which has been rolled out to all Zones. Currently 95.95% of premises in EZ locations have been enabled.

2.3 Business Rates Support: Since October 2012 to date, £11million has been offered in business rates support to hundreds of companies across the Enterprise Zones.

2.4 Skills: All Zones benefit from our pan-Wales skills offer and we are continuing to work to ensure the offer for Enterprise Zones aligns to local requirements, with bespoke support offered such as the Flexible Skills Programme and in Ebbw Vale the Aspire Shared Apprentices Scheme.

2.5 Enhanced Capital Allowances (ECAs): Extended by HM Treasury until 2020 (2024 in Port Talbot Waterfront), ECAs have been secured at designated sites within the Deeside,

Ebbw Vale, Haven Waterway and Port Talbot Waterfront Enterprise Zones. Work is continuing to enhance the infrastructure of the sites that have been assigned ECAs to make them even more attractive to investors.

2.6 Property & Infrastructure: Other interventions in Enterprise Zones include transport infrastructure developments to improve connectivity within and to the Enterprise Zones, bespoke land and property solutions, business networks, specialist supply chain support and dedicated relationship management.

Delivery Highlights

3.1 Pace of delivery has been variable across each of the Enterprise Zones – this reflects the different starting points of each Zone and their distinctive opportunities and challenges. Some of the Zones are more investment ready than others, some are able to exploit existing opportunities, whilst others have been focused upon laying foundations upon which economic and business development can take place over the longer-term. However in each Zone important progress has been made.

- 1,550 jobs supported across the zones during 2017/18, of which almost 50% were new jobs
- Over 12,250 jobs supported across the zones since inception of the programme
- Public sector investment of £57.6 million made benefitting the zones during 2017/18.
- Over £5.3 million of direct support to businesses in the zones in 2017/18

Output	Unit of Measure	Enterprise Zone								Total	Target
		Anglesey	Cardiff	Cardiff Airport & St Athan	Deeside	Ebbw Vale	Haven	Port Talbot	Snowdonia		
Jobs Supported	Number of Jobs (Full time equivalent) <small>This indicator is an aggregate of jobs created, jobs safeguarded and jobs assisted</small>	18	596	9	190	59.5	586	92	0	1550.5	1400-1900
Investment		Financial	£2,938,490	£5,351,723	£3,340,546	£4,649,596	£38,750,213	£3,231,883	£1,958,929	£241,394	£60,462,775.41
Land remediated and made available for development / M2 Floor space created or refurbished	Hectares	0	0	0	0	0	0	0	0	0	0
Enterprises financially supported and financially assisted	m2 <small>This indicator is an aggregate of land remediated and land made available for development / floor space created or refurbished</small>	0	0	0	0	0	0	0	0	0	0 - 9000
Enterprises financially supported and financially assisted		Number of Enterprises	23	33	22	82	38	67	114	2	381

Breakdown of public sector investment across all Zones - 2017/2018

	£	Source
	£52,134,924.60	Transport
	£5,329,976.81	Direct Business Support
	£212,874.00	Infrastructure
	£0.00	Property
Total	£57,677,775.41	

Anglesey Enterprise Zone

3.2 The vision for the Anglesey Enterprise Zone is to create a world-renowned centre of excellence for the production, demonstration and servicing of low carbon energy. The Anglesey Enterprise Zone Board has focused on 5 key areas: skills; property development; port development; nuclear; and marine sector development.

From inception to March 2018, 1052 jobs have been supported of which over half were newly created from different projects. During 2017/18, 18 jobs have been supported in Anglesey EZ.

3.3 Key aims of the Board have been to maximise the economic opportunity from the proposed £10 billion new nuclear power station Wylfa Newydd, but more importantly, to identify other major infrastructure projects/sectors that are critical to enabling sustainable long term growth to be achieved after Wylfa Newydd has been constructed.

Public Investment 2017-2018	Source
£2,077,000.00	Transport
£598,196.47	Direct Business Support
£13,294.00	Infrastructure
Total	£2,688,490.47

3.4 Funding was secured with Isle of Anglesey County Council, Grŵp Llandrillo Menai and the Nuclear Decommissioning Authority for the £11million project for the new Llangefni Link Road. In January 2018, a further investment of £1.028million enabled a start on delivery of section 3. This brings Welsh Government contribution in the scheme to over £10.6 million. The Link Road, which is being delivered in four sections, is a key part of Grŵp Llandrillo Menai's master plan to develop their Llangefni Campus as an internationally-renowned Energy and Engineering Training Facility. The Link Road will also be important in mitigating the impact of traffic in Llangefni town centre and has allowed major expansion of Grŵp Llandrillo Menai's Coleg Menai, Llangefni Campus which is a 40 acre site.

3.5 The potential Thermo Hydraulic Test facility for the Menai Science Park site is currently undergoing a feasibility study across the UK to demonstrate best siting. If successful this will bring highly paid nuclear sustainable jobs in research and development to the Zone and start to develop a cluster of nuclear specialist knowledge which will attract inward investment. It is also the intention to sustain jobs in the emerging marine sector developing on the Island with the Port of Holyhead site becoming an Operating and Maintenance base (O&M) for this activity.

3.6 The Board's priority for nuclear and marine has helped to make the economic case that has secured and influenced substantial new investment. The first marine project currently developing a manufacturing facility on Holyhead Port is Swedish marine energy developer Minesto which secured €5.1million funding from the EU Horizon 2020 Programme to develop its commercial scale tidal power plant off the coast of Holyhead. Other achievements include the announcement in September 2017, that £4.5million of EU and Welsh

Government funds will support Mentor Môn's £5.6million Morlais scheme which will help accelerate the development and commercialisation of multiple tidal stream technologies in the Morlais Demonstration Zone on Anglesey, with the marine activity all within the Zone.

3.7 Progress has been made on the smaller industrial units with an announcement in July 2017 that £4million of EU funding is to be utilised to provide over 1,300m² of office, light industrial and storage space for businesses on the former Mon Training site and over 750m² of office space at the Anglesey Business Centre at Bryn Cefni Business Park. Work is expected to begin soon with the units ready for businesses in early 2019. The Board has commissioned a piece of work on supply and demand and aims to hold an event to attract property developers to start looking at speculative build properties within the Zone.

Cardiff Airport & St Athan Enterprise Zone

3.8 The Cardiff Airport & St Athan Enterprise Zone is a unique environment for Aerospace businesses within Wales which is providing the environment and incentives that have been critical to attracting quality businesses. The Zone consists of 2 major airfield sites - Cardiff Airport (515 acres) and the St Athan Aerospace Business Park (1200 acres) - as well as an adjacent 'Gateway Development Site' (200 acres) which provides substantial opportunity for future growth.

From inception to March 2018, 231 jobs have been supported. During 2017/18 9 jobs were supported.

3.9 The Board has also been influential in securing significant investment in road infrastructure schemes that have already, and will, transform access to the Enterprise Zone sites. The potential total value of the Gileston Bends, 5 Mile Lane and Northern Access Road schemes is in the region of £44million.

Public Investment 2017-2018	Source
£3,132,324.60	Transport
£190,000.00	Direct Business Support
£18,221.00	Infrastructure
Total	£3,340,545.60

3.10 A key recent focus of the Board has been to ensure skills provision has been in place and by working with Cardiff and Vale College a new apprenticeship programme has been established for the aerospace sector locally which has attracted over 30 potential apprenticeship places in its first year.

3.11 Cardiff Airport has developed substantially under Welsh Government ownership with an increase in passenger numbers of 48% over the last 3 years and new routes being established to Germany, Ireland, Italy, France and Spain in that period.

3.12 Aston Martin has chosen the St Athan Aerospace Business Park to be the site of its second manufacturing location. This investment aligns with the Zone's focus on leading edge engineering, manufacturing and materials and will support and complement the renewed focus on both Airport assets and their surrounds. Around 750 jobs could be created when the facility is in full operation by 2019.

3.13 Close cooperation between the Welsh Government, the new airfield management contractor Serco Ltd and the Ministry of Defence has enabled the St Athan airfield to open seven days a week, making a major improvement to the marketability of the Aerospace Business Park.

Central Cardiff Enterprise Zone

3.14 This Zone covers 140 acres of the City's business district. The Enterprise Zone Board has worked particularly closely with the Welsh Government's Finance and Professional Services (F&PS) Sector Team and Sector Panel to provide a focussed approach to developing a strong cluster of high quality F&PS businesses in the Zone and the wider Cardiff region.

During 17/18 596 jobs have been supported across the zone, bringing total number to 2450 jobs have been supported since inception.

3.15 Developments in the Central Cardiff Enterprise Zone are helping to reinforce Cardiff's position as an attractive location for financial services investment. Officials are acting upon the Board's strategic priorities to ensure that there continues to be suitable office accommodation to attract key tenants. This includes the ongoing development of substantial further Grade A office space in Callaghan Square and Capital Quarter and the relocation of many significant business interests such as the BBC and the Development Bank of Wales.

3.16 The investment in transport detailed below is part of an £33.9million spent on the Eastern Bay Link Road. This was officially opened in June 2017 and has improved access to the Zone as well as enhancing connectivity across the wider city region.

Public Investment 2017-2018	Source
£4,003,000.00	Transport
£1,140,773.09	Direct Business Support
£32,950.00	Infrastructure
Total	£5,176,723.09

Deeside Enterprise Zone

3.19 The Deeside Enterprise Zone is one of the most successful industrial areas in the UK and has a substantial existing business base which includes major employers like Airbus, Toyota and TATA Steel.

During 17/18 some 190 jobs have been supported, bringing total number of jobs supported across the zone to 6,204 since inception.

3.20 There is also significant potential for further growth and the Board has secured significant investment from Welsh Government for essential infrastructure to ensure the 222 acre 'Northern Gateway' development site has been made ready for new investment projects. Eligibility for Enhanced Capital Allowances for this site was also negotiated with the UK Government to increase its attractiveness to very large projects.

3.21 In order to maintain the region's competitiveness as one of the UK's premier locations for manufacturing, the Enterprise Zone Board has had a focus on ensuring the infrastructure is in place to support companies with the highest quality skills development and research and development capability. As part of this aim, it has worked hard to undertake the required market research and secure the funding for development of the Wales Advanced Manufacturing Research Institute (AMRI). This was announced last November with an indicative Welsh Government contribution of £20 million. To date, £850K has already been spent on this project. The Institute will operate as a single entity, split between a state of the art "hub" R&D facility in Broughton and a networking, training, business development & advice facility in close proximity to the Deeside Industrial Park.

Public Investment 2017-2018		Source
	£1,064,500.00	Transport
	£1,569,718.11	Direct Business Support
	£102,378.00	Infrastructure
Total	£2,736,596.11	

- Please note the spend to date on the AMRI project has not been included but will be from 2018/2019

Ebbw Vale

3.22 The Ebbw Vale Enterprise Zone covers 8 industrial sites in the Ebbw Vale area including the 33 acre Rhyd y Blew brown-field development site which has ECA eligibility. The Board has had clear aims of ensuring its development sites were fully serviced and ready for marketing, developing the skills base of the area, particularly in the engineering sector and working with the Welsh Government Sector teams to bring new investment into the Zone.

3.23 The 'Aspire' Shared Apprentices Scheme which focusses on the manufacturing sector in Ebbw Vale continues to grow and develop successfully and is seen as an example of best practice in this subject area. There are currently 21 young people in this cohort and altogether 52 people have been through the programme.

During 17/18, 59.5 jobs have been supported across the zone, bringing the total since inception to 449.5 jobs.

3.24 Transport infrastructure is particularly important to the Zone and the new Brynmawr - Tredegar section of the A465 dual carriageway has been completed, providing direct access to the Zone through an investment of £158million. In addition the £11 million extension of the railway line from Parkway to the Ebbw Vale Works site has also been undertaken.

Public Investment 2017-2018		Source
	£37,800,000.00	Transport
	£943,558.49	Direct Business Support
	£6,655.00	Infrastructure
Total	£38,750,213.49	

3.25 The Welsh Government is progressing discussions with TVR Automotive on its preferred location for assembly of its cars in Wales, centred on the Ebbw Vale Enterprise Zone. With a planned production of approximately 2,000 cars per annum this production facility will create around 175 new jobs as well as impacting positively on the local supply chain. TVR in the meantime are in discussion with Blaenau Gwent County Borough Council regarding a small volume production facility to allow the company to begin pre-production trials and initial training of staff, and is aiming to get this up and running during 2018.

3.26 In July 2017, Welsh Government announced £100million investment over 10 years to support development of a technology park located at Ebbw Vale with the potential to support 1,500 FTE jobs over the same period. The programme, now known as Tech Valleys, has ambitions that the south Wales valleys and Blaenau Gwent in particular will be a globally recognised centre for the development of new technologies, to support cutting edge industries, particularly in the automotive sector. Building on the valuable work of the Ebbw Vale Enterprise Zone Board to date, the programme will be delivered through a portfolio of related and inter-dependent projects such as battery and motor technology, 5G activity and the infrastructure needed for automated and low emission vehicles.

Haven Waterway Enterprise Zone

3.27 The Haven Waterway Enterprise Zone contains a number of sites within Pembrokeshire. Around 20% of the UK's energy supplies are received via Pembrokeshire and the core Haven area reflects the importance of this sector. The Board has also identified the importance of tourism and food processing and is additionally prioritising these areas.

3.28 Planning Permission was granted on 7 December 2017 for the proposed Valero Cogeneration £110 million gas fired power plant at its site in the Zone and will allow Valero to be self reliant of its future energy costs. An important employer in the area, Valero is one of the last of six remaining refining business in the UK. The two year construction project represents a large inward investment for Wales in the Energy Sector safeguarding hundreds of jobs in the Zone.

During 2017/18, 586 jobs were supported across the zone bringing the total to 1,699.5 jobs since inception.

3.29 Investment in road infrastructure has been a priority for the Board. Improvements to the A477 in Red Roses, part of the Trans European Road Network, were completed in April 2014, significantly improving road access to and from the Zone. The Welsh Government's National Transport Finance Plan currently includes a commitment to progress proposals for the potential trunking of the A477 between Pembroke Dock and Johnston from the next financial year. This includes consideration of the Cleddau Bridge and the recent Welsh Government budget announcement included a commitment of £2million to remove the tolls on the Cleddau Bridge in 2019-20.

Public Investment 2017-2018	Source
£2,500,000.00	Transport
£454,573.46	Direct Business Support
£10,310.00	Infrastructure
Total	£2,964,883.46

3.30 Discussions are ongoing with key partners including Pembrokeshire County Council about the proposal for a Food Park in Withybush, Haverfordwest. Pembrokeshire is an area of outstanding natural beauty underpinned by a strong agricultural base. The proposed food park aims to create employment and to retain 'added value' within the region.

3.31 Continued development in the cruise sector has resulted in increased number of visitors to south west Wales with cruise ships docking at Milford Haven Port, Pembroke and Fishguard. In 2017, Pembrokeshire welcomed 6618 passengers to the ports, with 31 vessels calling. In 2018, Fishguard Port alone has 32 calls scheduled including larger vessels with passenger numbers forecast at 11,000.

Port Talbot Waterfront Enterprise Zone

3.32 The Port Talbot Waterfront EZ was formed in 2016 after Tata Steel announced it was selling its UK steel business. The EZ Board aims to help encourage the exploitation of new economic opportunities and to support existing businesses. The Zone is based around existing and potential employment sites in the area which have significant capacity for supporting further business investment. With the Board's advice the Zone was extended to include the whole of the Tata Steel site.

3.33 Enhanced Capital Allowances (ECAs) have been secured for 3 specific sites within the Zone.

During 2017/18 some 92 jobs have been created in the zone bringing the total jobs supported since inception to 149.5 jobs.

3.34 The EZ Board has worked hard to engage with businesses in the Zone and to understand their needs. As an example of this, the Board carried out a skills audit of businesses in the EZ and the outputs from this acted as evidence for the launch of a pilot

skills training programme, sponsored by DfES and which supported 15 local companies with £135k which funded up to 300 days of training.

3.35 The Board has also engaged with Swansea University to deliver the IoN Leadership programme (a training programme for business growth) on a bespoke basis to micro and SME's within the EZ. The Board also collaborated with Google to deliver a 'Google Digital Garage' event which had over 150 participants from local companies.

Public Investment 2017-2018		Source
	£1,453,100.00	Transport
	£296,762.74	Direct Business Support
	£29,066.00	Infrastructure
Total	£1,778,928.74	

3.36 The Board will continue to look at ways to work with UK steel on future supply chain development. It has also identified other potential opportunities within the construction, creative industries and finance and professional services sectors and will continue to work with Welsh Government officials and key local partners to investigate ways in which these opportunities could be exploited and what infrastructure could be required to deliver them.

Snowdonia Enterprise Zone

3.37 The Snowdonia Enterprise Zone includes two key sites: the former Trawsfynydd Nuclear Power Station site with its energy infrastructure and Snowdonia Aerospace Centre at Llanbedr, which has the capacity to accommodate a range of aerospace uses. There is encouraging progress being made to set the foundations for longer-term investment and sustainable job creation within Meirionnydd.

From inception to March 2018, 20 jobs have been supported.

3.38 Recognising the distinct characteristics of the Trawsfynydd site, the potential for Small Modular Reactor (SMR) deployment at Trawsfynydd has been identified as a potential future use by the Snowdonia EZ Advisory Board with the ability to create sustainable, added value employment opportunities. The Board has also commissioned a number of supporting studies to understand further the viability of the Trawsfynydd site as a potential host site for new SMR deployment and it is now widely recognised by leading nuclear industry technology providers and the wider sector as the UK's prime SMR location.

3.39 The Welsh Government has supported the establishment of an Initial Operating Capability (IOC) at the Llanbedr site by investing in key site infrastructure. On site investment is central to the successful development and integration of processes and procedures for test flight operations, signalling the reopening of Llanbedr Airfield as a centre of excellence for autonomous systems and expanding Wales' Unmanned Aircraft Systems Environment capability. The Welsh Government continues to engage with key stakeholders and business to explore how the Llanbedr site can play its part as a

strategic Welsh and UK asset for the test and evaluation of Unmanned Systems, emerging technologies and Spaceport location.

Public Investment 2017-2018		Source
	£105,000.00	Transport
	£136,394.45	Direct Business Support
	£0	Infrastructure
Total	£241,394.45	

Annex 1 – Jobs created, safeguarded and assisted in each Zone since inception

Anglesey	2012-2014	2014-2015	2015-2016	2016-2017	2017-2018	Total
Created	347	37	99	19	14	516
Safeguarded	356	42	46	0	4	448
Assisted	88	0	0	0	0	88
Total	791	79	145	19	18	1052
Cardiff Airport & St Athan	2012-2014	2014-2015	2015-2016	2016-2017	2017-2018	Total
Created	9	7.6	64	57	2	139.6
Safeguarded	0	0	0	0	0	0
Assisted	85	0	0	0	7	92
Total	94	7.6	64	57	9	231.6
Cardiff Central	2012-2014	2014-2015	2015-2016	2016-2017	2017-2018	Total
Created	29	73	78.5	301	410	891.5
Safeguarded	51	13	6	3	13	86
Assisted	435	463.4	223	179	173	1473.4
Total	515	549.4	307.5	483	596	2450.9
Deeside	2012-2014	2014-2015	2015-2016	2016-2017	2017-2018	Total
Created	188	473.5	405.5	223	126	1416
Safeguarded	2484	490	176	230	29	3409
Assisted	591	0	379	374	35	1379
Total	3263	963.5	960.5	827	190	6204
Ebbw Vale	2012-2014	2014-2015	2015-2016	2016-2017	2017-2018	Total
Created	30	7.5	75	63	28.5	204
Safeguarded	61	0.5	9	0	31	101.5
Assisted	142	0	0	2	0	144
Total	233	8	84	65	59.5	449.5
Haven	2012-2014	2014-2015	2015-2016	2016-2017	2017-2018	Total
Created	14	49.5	123	169.5	60	416
Safeguarded	29	203.5	276	53	526	1087.5
Assisted	195	0	0	1	0	196
Total	238	253	399	223.5	586	1699.5
Port Talbot	2012-2014	2014-2015	2015-2016	2016-2017	2017-2018	Total
Created	0	0	0	49.5	92	141.5
Safeguarded	0	0	0	8	0	8
Assisted	0	0	0	0	0	0
Total	0	0	0	57.5	92	149.5
Snowdonia	2012-2014	2014-2015	2015-2016	2016-2017	2017-2018	Total
Created	6	0	0	0	0	6
Safeguarded	2	0	0	0	0	2
Assisted	0	0	0	12	0	12
Total	8	0	0	12	0	20
All zones	2012-2014	2014-2015	2015-2016	2016-2017	2017-2018	Total
Created	623	648.1	845	882	732.5	3730.6
Safeguarded	2983	749	513	294	603	5142
Assisted	1536	463.4	602	568	215	3384.4
Total	5142	1860.5	1960	1744	1550.5	12257

Definitions

Jobs Created – The gross number of jobs created achieved through direct assistance or financial support and did not exist prior to the activity.

Jobs Safeguarded – The number of permanent full time equivalent paid jobs in a client business which would have been lost and have been safeguarded through department support.

Jobs Assisted – The gross number of jobs created by businesses in receipt of less intensive forms of assistance from the Welsh Government.

Level of public investment for each of the Enterprise Zones per year

Please note the public investment figure includes public expenditure not just on businesses supported in the zones but strategic infrastructure and transport projects directly benefiting the zones and the surrounding areas.

	2012-2014	2014-2015	2015-2016	2016-2017	2017-2018	Total
Anglesey	£658,148.00	£1,427,247.00	£2,194,298.00	£2,115,425.26	£2,688,490.47	£9,083,608.73
Cardiff Airport & St Athan	£235,170.00	£2,887,033.00	£921,071.00	£9,759,970.82	£3,340,545.60	£17,143,790.42
Cardiff Central	£22,663,932.00	£6,426,884.00	£19,333,358.00	£13,571,141.25	£5,176,723.09	£67,172,038.34
Deeside	£16,631,844.00	£7,400,556.00	£3,270,591.00	£1,792,692.15	£2,736,596.11	£31,832,279.26
Ebbw Vale	£3,890,719.00	£4,651,081.00	£7,500,217.00	£78,530,621.77	£38,750,213.49	£133,322,852.26
Haven	£2,064,799.00	£1,927,000.00	£3,715,945.00	£1,610,720.04	£2,964,883.46	£12,283,347.50
Port Talbot	£0.00	£0.00	£0.00	£3,797,667.28	£1,778,928.74	£5,576,596.02
Snowdonia	£0.00	£1,016,431.00	£844,745.00	£500,112.61	£241,394.45	£2,602,683.06
Total	£46,144,612.00	£25,736,232.00	£37,780,225.00	£111,678,351.18	£57,677,775.41	£279,017,195.59