

Haven Waterway Enterprise Zone

Strategic Plan 2018 – 2021



October 2018

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1. BACKGROUND

Wales Enterprise Zones

There are eight **Enterprise Zones** across Wales. Enterprise Zones are designated geographical areas that support new and expanding businesses by providing a first class business infrastructure and support and each has a focus on one or more key business sectors.

The Haven Waterway Enterprise Zone focuses primarily on the energy & environment sector.



For more details of the Zones please visit:

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

2. VISION AND KEY PRIORITIES FOR DELIVERY

Create an economic environment to grow existing businesses, attract new investment and broadening the employment opportunities through developing and maximising the potential of the area's USPs.

Key Priorities

- Maximise opportunities through economic drivers and incentives; Enhanced Capital Allowances, Enterprise Zone Business Rates Scheme, Finance Wales preferential interest rates, Ultrafast Broadband Vouchers and 2014-2020 European Funding.
- Delivering and exploiting ICT connectivity through Superfast Broadband and improved Mobile networks.
- Improved transport connectivity, building on the Board's achievements to date and driving forward further investment projects.
- Continue to exploit opportunities afforded by the deep Haven Waterway.
- Maximise supply chain opportunities for indigenous SMEs.
- Maximise opportunities for the Waterston and Blackbridge sites for economic development and employment opportunities.
- Maximise opportunities for marine energy.
- Investigate opportunities offered to the Zone by Brexit.
- Maximise opportunities for local food producers to gain 'added value'.
- Consolidate and future proof skills to meet current and future business needs.
- Maximise opportunities for the tourism sector and continue development of the cruise market.
- Support the development of premises and sustainable best practices to meet the emerging priorities in the Haven.

3. PROGRESS AND ACHIEVEMENTS SINCE INCEPTION

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

- Valero Pembroke – a significant Welsh employer – has received permission to construct a £127 million energy generating plant at its refinery in Pembroke. This is significant and encouraging news for Pembrokeshire and the Enterprise Zone which demonstrates Valero's continued confidence to invest in the Zone and Wales.
- Mainstay Marine Solutions based in the Haven Waterway Enterprise Zone was awarded a £5.8million Welsh Government contract to build two new Welsh Fisheries Patrol Vessels. The awarding of the contract followed a competitive international bidding process and meant the vessels were built in Wales providing skilled employment in Pembrokeshire
- The Enterprise Zone Board, Pembrokeshire County Council and stakeholders are in discussion with developers on the proposal for a Food Park development in Haverfordwest.
- The Waterston and Blackbridge sites have been sold to Egnedol which has ambitious plans to develop the site as a centre of renewable energy excellence.
- Welsh Government is planning to deliver the £35m A40 improvement between Llanddewi Velfrey and Penblewin. £22 million of EU funding has been secured to support delivery of the scheme. The team has been developing the outline design and detailed environmental impact assessment for the scheme. The statutory process to seek the powers to build the road is currently ongoing and subject to a public enquiry and funding approval, construction could commence in 2019.

<https://beta.gov.wales/a40-llanddewi-velfrey-penblewin#section-2025>

The Welsh Government's National Transport Finance Plan includes a commitment to progress proposals for the potential trunking of the A477 between Pembroke Dock and Johnston. This includes the Cleddau Bridge tolls and WG officials have met with Council officers to obtain preliminary information. Tolls are planned to be removed by 2020.

- In Autumn 2016 two new marine energy schemes were launched in the region. The Ocean Wave Rower will generate clean energy by capturing the natural motion of the waves scheme to generate energy from sea waves off the Pembrokeshire coast was announced after securing EU funding and Marine Power Systems unveiled its quarter-scale WaveSub device in Pembroke Dock after receiving EU funding. Both projects are expected to lead to the creation of new jobs in engineering and operations in Pembrokeshire and supply chain opportunities for local businesses. In

October 2017 Wales' marine energy sector received a further boost as £1.2m of EU funds was awarded to create a test area for marine energy developers in the Milford Haven Waterway.

- The Enterprise Zone Board has been supportive in the development of the cruise market in the Haven. Cruise calls in the Enterprise Zone show an increase of 500% in 2 years. 2018 saw 34 cruise ship calls – a total of circa 10,000 passengers and 3000 crew in Pembrokeshire with the economic impact in excess of £1million. The provision of a pontoon in Fishguard funded by 'Tourism Investment Support Scheme' has allowed larger vessels to call at anchor.
- The Haven Waterway Enterprise Zone Board has facilitated regular meetings to provide a platform for indigenous SMEs in the energy supply chain to network, share best practice and identify synergy in collaborative working. In 2015 following the announcement of the closure of the Murco refinery in the Zone the Board's established an SME engagement group working closely with Business Wales. Since its inception the group has hosted 21 events with in excess of 400 local business people attending a series of meetings, the content of which has been driven by the SMEs. Events have been held on topics such as Sell2Wales and Supply Chain opportunities – examples include amongst others the HS2 Rail project, with one of the most successful event being the hosting of a Google Digital Garage in 2017.
- The Board's Business Interaction Group facilitated an event for local businesses to maximise the opportunity provided by the recently commenced Qatar flights from Cardiff Airport. This has the potential for opportunities post Brexit. This is a potential global opportunity for Pembrokeshire which is only two hours away from Cardiff Airport. Qatar and the Middle East have a market for high end goods especially food produce for which Pembrokeshire is well recognised. There is also an opportunity to introduce Pembrokeshire as a tourist destination for Qatar and Middle East visitors.
- The Board dovetailed and worked closely with the Murco Taskforce which was set up by the then Minister to help mitigate the effect of the closure. The legacy work of the Taskforce has been picked up by the Board. A key feature of this of this is the Business Interaction Group. This is covered in the above points.
- The Board recognises the success of Insite Technical Services which are based in the Haven Waterway Enterprise Zone. It was incorporated in 2014, on the back of the closure of the Murco refinery in Milford Haven and are an engineering design, project management and consultancy business primarily aimed at the oil and gas industry. It has grown from a starting point of 6 directors up to a total of 41 people on payroll, as of August 2018 and further company growth including an increase in workforce is currently planned. They are committed to developing the skills and expertise in their staff and they have recently developed an

engineering apprenticeship programme in collaboration with Pembrokeshire College with the first intake starting in September 2018.

- Superfast Broadband availability in the Enterprise Zone stands at 98.6%. Ultrafast Broadband is available, subject to survey, to 100% of Enterprise Zone premises. In addition, the Welsh Government's Ultrafast Connectivity voucher offers financial assistance of up to £10,000 to assist with any excess construction charges. Take up of Superfast Broadband in the Zone is 35%, and growing steadily, and is ahead of any other Enterprise Zone in Wales. The Haven Enterprise Zone Board is also investigating the use, and deployment of 'Internet of Things' based on 'LoRa WAN'.
- The marketing of the Enterprise Zones has been a clear priority focus since their inception, with a new dedicated website, <https://businesswales.gov.wales/enterprisezones> and the provision of signage to mark the boundaries and key sites within the Zones. A package of marketing materials has been developed for Haven Waterway Enterprise Zone which includes literature, exhibition display stands, promotional videos and a 3D 'fly through' animation (available to view on the website). A comprehensive programme of marketing activity, which includes both generic and Zone specific work to continue to promote the Zones, is in place; Haven Waterway Enterprise Zone is being promoted extensively as part of the broader Sector offering.
- Skills development has always been a priority for the Board and the Skill Gap Study work undertaken by Pembrokeshire College has provided valuable intelligence in this area. Its remit has also been matched to the energy, food and tourism sectors which the board have identified as priorities for development. This project is strongly supported by the HWEZ board. Good progress has been made to link with the priority sectors; Marine, Marine Tourism and Food Manufacturing.
- The Board has supported the development of the £11.5 million Marine Energy Engineering Centre of Excellence, (MEECE), which is to be based in Pembroke Dock and will continue to supportive of the opportunities this offers, especially to the local Marine Energy supply-chain.

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, 416 jobs have been created either through direct financial support or through wider assistance from the Welsh Government, with a further 1087.5 safeguarded and 196 assisted.
- From inception of the zone to March 2018, over £16.1m was invested by Welsh Government with almost £3.9m invested by the Private Sector during this period.
- From inception to March 2018, 89 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 104 businesses within the Haven Waterway enterprise Zone with over £2.5m 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:

- **Consolidating and maximising opportunities in the oil and gas sector**
Since its inception the Zone has been underpinned on existing energy sites, building on the area's established industry base. This continues to be a key economic driver in the area with around 20% of the UK's energy supplies received via Pembrokeshire. The Zone remains an attractive location for energy companies with its excellent access to energy infrastructure, established supply chain and distribution infrastructure, skilled workforce and network of universities with expertise in a range of energy-related fields.
- **Develop a Food Park in Withybush, Haverfordwest**
The Board is working with partners and stakeholders to move the agenda forward. Pembrokeshire is noted for its primary agricultural produce and the provision of a Food Park and infrastructure will provide the opportunity to deliver 'added value' and retain the economic benefits locally. The Board also considers that developing links with academia will underpin the sustainability of the proposal. The increased demand from the export market for Pembrokeshire food will drive the growth of the Food Park and its services. It is envisaged it will also create demand for a visitor centre within the Park as Welsh food is showcased on the Cruise Lines calling in the Pembrokeshire ports.
- **Continued development of the Cruise Sector**
Significant development has been made in terms of cruise ship visits and footfall in recent years and potential exists for further development of the sector in terms of ship sizes and passenger numbers. The Board is supportive of maximising local supply chain opportunities for the cruise companies and passengers e.g. provision of local food, drink, arts and crafts. Work with partners and stakeholders and in particular Cruise Wales to continue this activity which has brought a new dimension to the Pembrokeshire economy.
- **Maximising the Benefits of Valero's £127 million Combined Heat and Power Plant**
This is a significant investment project for the Haven and demonstrates Valero's confidence in the area and Wales. It provides a platform for supply chain opportunities for indigenous companies and the Board is looking to work with Valero and other stakeholders to maximise economic opportunities for the Zone. This will be done through various channels that include the Business Interaction Group.

- Full exploitation of Superfast Broadband & IT Infrastructure**

Due to the Board's drive over 98% of premises in the zone have access to Superfast Broadband. Take-up in the Zone is currently at 35% which is amongst the highest in Wales. The Board continues to drive this agenda to maximise potential opportunities and enhance business performance. Moreover, the Board is organising workshops for businesses, and college students to inform them about the potential of the 'Internet of Things' [IoT], and a standard called LoRa WAN. This has the potential to open up new opportunities for businesses to become suppliers or specialists in IoT. The Board is investigating the feasibility of creating an IoT environment throughout the Zone in order that businesses can trial new opportunities.
- Addressing the skills 'gaps'**

The Board is fully committed to the development of skills as a driver of economic development. It has supported studies to articulate and identify skills gaps that exist in both the current economic platform of the area and in emerging opportunities such as the marine, maritime, food, leisure and hospitality sectors. The work is continuing and Pembrokeshire College is developing a package of support measures and priorities. Access to skilled labour is a crucial consideration for businesses looking to invest. The Board is represented on the Regional Learning and Skills Partnership for South West and Mid Wales, therefore positioning itself to influence both the planning and funding of skills delivery in the region. It has provided information which has informed the Employment and Skills Plan for the region, and provided evidence regarding skills requirements in Pembrokeshire.
- Support the development of the Pembroke Dock Marine project**

This is a key Swansea Bay City Region Project which has synergies with Pembrokeshire's energy tradition. The Board is supportive of the opportunities offered. This includes Marine Energy Engineering Centre of Excellence (MEECE) proposed to be based in Pembroke Dock and will be a 5 year programme, employing up to 25 highly-skilled staff. MEECE will drive innovation in the marine energy sector supply chain, helping to create new products, services and jobs, and contributing to reduction in cost saving energy for the Wave and Tidal sector.
- Post Brexit opportunities – Free Ports**

The Brexit scenario in whatever form it takes will present challenges to the area and it's important to look at the situation in terms of opportunities. The opportunities provided by Pembrokeshire's westward facing ports are being looked at especially links with Ireland and work is already in hand with the Board and its stakeholders to look at the potential of a Freeport in the Haven area.
- Qatar opportunities**

Cardiff Airport has recently commenced flights to Qatar. This offers the opportunity of potential new markets for local companies. Cardiff is only some two hours from Pembrokeshire and the Board has identified the potential provided by the Qatar/Cardiff flights for business development in

the area especially relevant to the Food and Tourism sectors. The potential for premium Pembrokeshire goods including food, clothing, art work, and industrial goods could be exported initially through the Qatar air route from Cardiff Airport to Doha and transshipment sea services through Dubai and Oman. This route will provide a network to over 1000 destinations. The Board is supportive of this potential.

- **SME Business Interaction Group (BIG)**

The role of the BIG was reinforced by the Board during the height of the Murco crisis back in 2014 and it provided a base for indigenous SMEs to network, identify supply chain and general business development opportunities for local companies. The work of the BIG continues to be a priority for the Board as a platform to facilitate engagement for the local SMEs with key developments in the area. This currently includes the new Valero CHP Power Plant, A40 road improvements and proposed Greenlink Interconnector to Ireland.

- **Infrastructure**

The Board will continue to prioritise enhanced infrastructure to and from the Zone. It has supported a transport study for the Haven Waterway Enterprise Zone to assess access and the improvements needed to help facilitate further development in the zone. It is a priority of the Board to maximise the opportunities presented by the current energy, port and IT infrastructure which are unique selling points for the Haven. These include amongst other things a 400 KV National Grid connection, alongside connections directly to the national high-pressure gas transmission network, inland oil distribution terminals, and oil storage terminals. Additional opportunities could present themselves through the proposed Greenlink project, a 500MW, 170km subsea electricity interconnector linking the National Grid's Pembroke substation to EirGrid's Great Island substation in County Wexford.

- **Business Premises**

The availability of suitable business premises to meet the emerging priorities in the Haven is a challenge as with many other areas of Wales. The Board is looking to work with and tie in with the Welsh Government's priorities on the Economic Action Plan on this agenda.

- **The Board recognises the requirement for sustainable development and is looking to work with environmental partners and stakeholders who can provide an innovative approach to help facilitate the future development of the Haven.**

It is recognised that the environmental factors affecting the Haven are challenging and have the potential to limit future development of the region. The Board recently engaged with the BRICs project (Building Resilience in Catchments). This is a partnership between PLANED and Pembrokeshire Coastal Forum. It is a research project that is taking an innovative approach to managing natural resources in the area by improving water, nutrient and habitat management on farms, reduce the level of nutrients entering the Milford Haven Waterway, create a nutrient

trading scheme and give potential for future investment opportunities in the area.

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.

Though governance arrangements for some Zones have been streamlined with effect from 31 July 2018, the Cabinet Secretary for Economy & Transport has asked for a Board to be appointed to oversee developments at the Haven Waterway Enterprise Zone for a further three year term until 31 July 2021.

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

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

6. PREVIOUS ENTERPRISE ZONE PUBLICATIONS

Strategic Plans

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

<http://gov.wales/docs/det/publications/170719-strategic-plan-haven-waterway-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>