

Economic Development and Transport Committee

EDT2 04-05(p2)

Date: 9 March 2005

Time: 9.00 to 12:30

Venue: National Assembly, Cardiff Bay

Title : Wales Spatial Plan – Impact on Development of EDT Policies

Purpose

1. This paper outlines how economic development and transport policies are taking account of the Wales Spatial Plan.

Background

2. I am strongly committed to the Spatial Plan. I am lead Minister facilitating the Spatial Plan in South East Wales and I chair two of the area groups. The Spatial Plan is the key policy that will frame the work of the Welsh Assembly Government, nationally and regionally. I intend using the Plan to optimize the use of resources to target economic, social and environmental development and tackle long term economic decline, mass unemployment, high rates of economic inactivity and ill health. It requires the Assembly Government to enhance its co-ordination activities and to strategically plan initiatives to ensure the root causes of problems are targeted.

3. The Wales Spatial Plan Unit's accompanying paper has highlighted how Economic Development and Transport Group have proactively been using the Wales Spatial Plan, for example in the context of the Heads of the Valleys initiative and the alignment of the Transport Review. There is mention of other specific activities in that paper, and I present further below.

A Winning Wales 2

4. Promoting a sustainable economy is one of the key themes of the Wales Spatial Plan (WSP). The primary vehicle for implementing on an all-Wales level will be through the development and review of 'A Winning Wales'. With changes in European Union Structural Funds, the regulations are likely to be agreed at the end of 2005, A Winning Wales is being reviewed. The review is intended to ensure programmes are correctly targeted and create more joined up working with WEFO.

5. A draft 'A Winning Wales' 2 will be available in the summer, with work set to be completed by the end of 2005, and will provide a strategic framework for our economic policies that contribute to our

strategic objectives in Wales: A Better Country. It will also provide a coherent policy framework against which the new EDT Department, post merger, can develop effective and integrated business plans which can take account of spatial variations and give effect to the spatial plan. The creation of a strong Policy and Strategy Team in the post merger EDT will increase our capacity to pursue EDT policies that must support our Spatial Plan.

Regional Strategies

6. Four regional strategies have been commissioned by the 4 Economic fora and part funded by myself. The Assembly's Spatial Plan Unit has been engaged in the process of the development of the regional strategies, liaising closely with officials in the EDT Department. There have been a number of meetings to discuss the linking of these regional strategies with the Wales Spatial plan.

7. The regional development strategies will provide an important link to implementing the Spatial Plan, recognising the role that all sectors will have in taking the work forward. The launches of the individual strategies will give further opportunities to promote the Spatial Plan. The North Wales Strategy was launched in November, South East Wales Strategy is due to be launched in March and work is continuing to finalise the strategies for Mid Wales and South West Wales.

WDA & WTB

8. In my Guidance and Priorities Letters to both the Welsh Development Agency and the Wales Tourist Board for 2005-06 I have asked them, in the context of Making the Connections, to support the implementation of the Wales Spatial Plan. I shall be looking at how they propose to do that when considering their draft business or operational plans for 2005-06.

Transport

9. The Wales Spatial Plan identifies the crucial role that transport will play in realising the vision of achieving sustainable accessibility. The aim is to have a strong integrated transport system that gives travellers real options as to how they make their journeys and improves accessibility to employment, shop and services appropriate to the needs of the local population which improves economic prosperity and social inclusion.

The Transport Review

10. The Transport Review that I have undertaken was intended to ensure a good strategic fit between our transport programmes and The Wales Spatial Plan. The review confirmed that the Assembly was starting to deliver an integrated transport agenda in line with the vision set out in Wales: A Better Country and The Wales Spatial Plan.

11. In particular the transport programme will continue the significant investment throughout Wales in the road and rail networks, bus and coach facilities, community transport, as well as funding provision to encourage walking, cycling and the development of Safe Routes to School schemes.

Transport (Wales) Bill - Wales Transport Strategy

12. The Transport (Wales) Bill will place a statutory duty on the Assembly Government to develop and implement integrated transport policies. These policies will be published in a Wales Transport Strategy, which will build on the Transport Framework published in 2001. This strategy will set out the vision for a transport system, which strikes the balance between our environmental, economic and social objectives. It will reflect the Spatial Plan, which identifies the crucial role that transport will play in realising the Assembly's vision of sustainable accessibility.

13. The development of the Strategy will be taken forward in close liaison with our partners in local government. It will guide the development of transport planning and implementation in each of the four regional transport consortia areas, ensuring consistency with The Wales Spatial Plan.

Broadband Wales

14. The Broadband Wales programme helps to inform the ongoing development of the Spatial Plan through its research programme and takes the Spatial Plan into its consideration in its delivery of broadband policies in Wales.

15. The Wales Spatial Plan mentions the development of ICT with the aim of providing innovative solutions for the delivery of Public Services, Education and Training and business opportunities. These themes were covered in the Broadband Wales Programme Strategy 2005-2007 that I launched in January.

16. Broadband Wales has made use of the GIS mapping to illustrate a number of pertinent issues relating to the Programme. These include the mapping of BT exchanges with specific reference to signal reach. The mapping of non-viable exchange areas overlaid with established settlements proved useful in focussing the re-direction of the Regional Innovative Broadband Support project, (RIBS) as it helped to illustrate the scale of potential 'black-spot' areas in Wales. In addition, although the Heads of the Valleys area is 100% enabled, there is still the potential for 'black spot' areas due technological or topographical constraints.

17. The Broadband Wales Observatory is currently developing a 'brokerage system' through its website, whereby individuals and businesses can register a demand for first or second-generation broadband. The intention is that the information collected via the facility will be presented to potential suppliers through GIS mapping. The spatial presentation of data will also be of use in tracking 'black spots' for the RIBS project and will assist in the development of future initiatives concentrating on demand for second-generation services.

18. Our strategy also lists 'Local Access Circuit grants' which are made available to Local Authorities as part of the Lifelong Learning Network initiative. The strategy mentions the Lifelong Learning Network and the continuation of the core network into 2006. There is also reference to the Public Sector Broadband Aggregation Project which will study the benefits and constraints associated with the Public Sector in Wales having fully interoperable network(s).

19. 'Fibre Speed to Business Parks/Locations' is one of the targets for 2007 and aims to deliver very high bandwidth services to business parks & strategic locations (10Mbps and over symmetrical). Wales has very limited alternative or competitive wholesale infrastructure and it is understood that the private sector are not keen to invest in its own. Fibrespeed seeks to make an alternative affordable infrastructure available to all service providers on an open and equal basis.

Regional Selective Assistance (RSA) & Assembly Investment Grant AIG)

20. The WSP emphasises the need for an innovative, high value economy which uses and develops skills and knowledge, creates wealth and allows that prosperity to be spread throughout Wales. Financial support through RSA Cymru Wales seeks to encourage businesses to invest in capital investment projects that create and or safeguard employment in the Assisted Areas of Wales - economically less well off areas that are broadly coterminous with the Objective 1 area. AIG also offers financial support to firms looking to carry out capital investment projects, but unlike RSA, the scheme is aimed specifically at indigenous SMEs and is available throughout Wales, although the grant ceilings in the Assisted Areas are higher than in the more affluent parts of Wales.

21. Both schemes therefore have a regional dimension and following the refocusing of RSA in June 2004, assistance is being focused more on key wealth generating sectors (such as automotive and aerospace) and areas where assistance can make most impact. Furthermore, all RSA applications are now assessed against a range of quality measures, including environmental sustainability; salary levels; job quality and sustainability; skills development; the use of technology; and R & D activity.

22. The WSP also points up inactivity as a key reason for Wales' low GVA per head compared to the UK. I will shortly be launching an RSA grant premium incentive for employers who take on economically inactive people as part of an RSA-assisted project. It will be administered with the co-operation of Job Centre Plus and will contribute to a strong incentive package combined with Job Centre Plus and ELWa initiatives for reducing the economically inactive in Wales.

23. We will use the WSP to further focus the delivery of RSA and AIG to ensure that the differing spatial needs and strengths of the six individual areas are met and enhanced.

International Trade

24. The Wales Spatial Plan demonstrates the Assembly Government's commitment to promoting a sustainable economy and the development of higher skilled jobs. Research into international trading and

business performance has shown that companies who export are on average larger, more productive, pay higher wages and use more capital intensive production methods. In addition, firms that increase their export intensity (the share of exports to total sales) also experience a further increase in employment, sales and productivity. There is also a causal link between exporting and improved business performance.

25. "A World of Opportunity", the Assembly's International Trade Strategy for Wales, set out the objectives, with WalesTrade International taking the lead but working in conjunction with other partners, to create a culture of internationalisation in the Welsh economy and improve Wales trading performance in international markets. We are also looking to harness the benefits that international trade can bring to the Welsh economy in less well-off communities in Objective 1 areas by using Structural Funds to provide additional international business support.

Energy

26. The Wales Spatial Plan reflects the Assembly Government's energy strategy and identifies the key role that energy will play in realising our vision for a low carbon future and addressing important climate change issues. It identifies our energy vision designed to present Wales as a global showcase for clean energy production and energy efficiency.

27. Satisfying our energy needs in a sustainable manner is a pressing problem for society today. Our policies must therefore be in balance with the economic, environmental and social needs of a modern expanding economy. Those policies will be delivered through the TAN 8 planning guidance on renewable energy which is being finalised and the Energy Route Map which I plan to publish for consultation in the Spring.

WDA Property Strategy

28. The Agency has developed 'The Property Strategy for Employment in Wales (2004-2008)' which aims to provide a framework which will ensure that Wales can provide high quality employment sites and premises in the right locations for inward investors and indigenous businesses.

29. The Strategy has been developed by the WDA for, and in close collaboration with the Welsh Assembly Government. It is fully aligned with the Wales Spatial Plan and wider Assembly policies. Local Authorities and the Regional Economic Fora are being engaged to ensure the framework is consistent with the developing regional economic strategies and local regeneration strategies.

30. The overall strategy has been worked up in line with the Agency's Sustainable Development policy, 'Learning to Work Differently', and the Assembly Government's Sustainable Development Scheme. It is a dynamic document that will be reviewed and evaluated annually to ensure that it develops in parallel with market demands and Assembly policy objectives.

Future Structural Funds Programmes

31. The Wales Spatial Plan is fully consistent with the European Structural Funds' Programmes. The geographical breakdown in the WSP can be matched to the larger NUTS II regions that determine geographical eligibility for European programmes. In planning for any new programmes after 2006, the WSP will inform the background analysis and highlights the spatial needs of parts of Wales. As a statement of Welsh Assembly Government policy, the WSP will be an important driver in the development of programming priorities and projects.