

# Economic Development & Transport Committee

## EDT2 09-05 (p1)

Date: 29 June 2005

Time: 9.00 am to 12:30 pm

Venue: National Assembly for Wales, Cardiff Bay

Title: Economic Development & Transport Minister's Report

## Establishing Wales in the World

Regional Exports by Value for Quarter 1 2005: I am delighted by the new data released on 16<sup>th</sup> June by HM Revenue and Customs. The data highlights our global competitiveness. Key points include:

Value of exports for Wales for the four quarters up to and including quarter 1, 2005 rose by £1,066 million (14.5%) compared to the previous four quarters. The value of exports for the total of all UK regions also rose over the same period, but by only 1.9%.

The increase for Wales was made up of an increase of £513 million in exports to non-EU countries (up 21.4%) and an increase of £553 million in exports to EU countries (up 11.2%).

The Wales percentage increase over this period was the highest amongst the 12 UK regions. Yorkshire and the Humber and the South West were the regions with the next highest percentage increases (up 11.0% and 3.9% respectively).

The target in A Winning Wales is to match UK growth over the period of the programme. Growth in exports from Wales for the four quarters up to and including quarter 1 2005 over the base year (2001) was 18.4%, while the corresponding figure for the sum of the UK regions was 5.0%. As such, the target is currently being comfortably exceeded.

Cintec International, Newport: I welcome the success of Cintec International in winning a contract to carry out work to reinforce the 2,500 year old Temple of Hibis in Western Egypt. This contract builds upon the company's burgeoning international reputation and I am personally delighted that Cintec's global expansion is being supported by Wales Trade International which is working closely with Cintec to help it identify new international contracts.

## Improving Transport

Transport (Wales) Bill: The Transport Wales Bill had its second reading in the House of Commons on

16<sup>th</sup> June. The Bill will give the Assembly Government the powers it needs to take forward its integrated transport policies by placing a duty on the Assembly Government to develop and implement policies for promotion of safe, integrated, efficient, economic and sustainable transport facilities and services.

Vale of Glamorgan Railway Line: I was delighted to re-open the Vale of Glamorgan line on Friday 10<sup>th</sup> June. The line provides a rail link to Cardiff International Airport and restores passenger services to the Vale of Glamorgan for the first time in 41 years. It has been widely welcomed by local communities.

Aberdare Station: On June 22<sup>nd</sup> I marked the completion of the £2.6 million Transport Grant Scheme to lengthen platforms at Abercynon North, Penrhiwceiber, Fernhill, Cwmbach, and Aberdare to accommodate 4 car trains. Network Rail completed the station lengthening in record time and I was delighted to see the results. My investment in Valleys rolling stock now results in 6 peak 4 car trains daily, which include every train between Aberdare and Cardiff from 4pm and 6pm. This is a 50% increase in peak time capacity.

A494: The award of the design and build contract to upgrade the 4km section of the A494 between Drome Corner and Ewloe in Flintshire to dual 3 and 4 lane standard has been made. This improvement is from the southern end of the A494/A550 Deeside Park to Drome Corner scheme, which I opened last November, and crosses the River Dee to tie in with the existing trunk road south west of Ewloe Green grade separated junction. Construction is scheduled to start by March 2007 and will take about 30 months to complete.

National Bike Week: I launched Bike Week in Swansea on 10<sup>th</sup> June. Cycling is a sustainable travel mode that contributes towards a number of Assembly Government objectives within various strategies e. g. Walking and Cycling, Climbing Higher and Health Challenge Wales

## **Promoting ICT**

Opportunity Wales: On June 6<sup>th</sup> I officially launched Opportunity Wales in the Objective 2 and Transitional areas of Wales. Opportunity Wales Objective 2 will provide eCommerce support to over 1,750 small and medium sized enterprises, through a network of advisers, including the Contact centre and 24 hour online support through their website.

BT: On 9<sup>th</sup> June I met with BT Group Finance Director Hanif Lalani and discussed a range of issues including broadband take-up and rollout in Wales, the Creative Industries Strategy and BT's future plans for Wales.

Broadband: Following my announcement that the Regional Innovative Broadband Support (RIBS) project had received approval from the EC, a procurement advertisement was placed in the OJEU on 14<sup>th</sup> June.

‘Get Smart – Get Broadband’: The ongoing Broadband Wales awareness raising campaign saw the launch of the ‘Get Smart – Get Broadband’ Smart Car initiative. Three broadband enabled Smart Cars will be used to promote the campaign broadband at events and venues across Wales throughout the summer.

Broadband Brokerage: Marketing of the Broadband Brokerage facility has begun with a Direct Mail being sent to all residents in the 35 exchange areas not upgraded by BT.

## **Supporting Business**

Town Centre Regeneration (Llanelli): On 23<sup>rd</sup> June I launched the ‘Building a Sustainable Llanelli’ project. The project will benefit from more than £2 million of Objective 1 ERDF grant as part of the Objective 1 Programme’s commitment to Town Centre Regeneration. The project will create a safer, more attractive and sustainable environment, leading to additional investment and employment in the town.

Town Centre Regeneration (Chepstow): On 20<sup>th</sup> June the Deputy Minister unveiled stones in Chepstow’s High Street to commemorate the regeneration of Chepstow Town Centre. The £2.35 million Chepstow High Street Regeneration Scheme, supported by £857k of Objective 2 (Transitional) funds has delivered a dramatic improvement to the pedestrian environment of the historic border town. The improvements will act as a catalyst for the town’s regeneration, providing an enhanced space for local businesses, community and visitors to enjoy.

Cyrus Engineering: The award of RSA Grant has assisted Cyrus Engineering to develop expertise in wind turbine technology. On June 17<sup>th</sup> the First Minister attended a celebration of the company's achievements during the past 10 years.

Indigo Waste Solutions: New investment being undertaken by Merthyr based Indigo Waste Solutions could lead to the creation of 65 new jobs. Indigo is successfully drawing upon a number of sources to fund its investment, sources that include RSA and a loan from UK Steel Enterprise. It's investment like this that will help drive forward prosperity and new opportunities in the local economy.

## **Encouraging Entrepreneurship**

Business Start Ups: Pleased that Wales is seen to be bucking the UK trend in new research commissioned by Barclays. Wales was the only region of the UK where the number of business start-ups did not fall in the first quarter of 2005. Nationally start-ups fell from 129,500 in Q1 2004 to 116,300, while in Wales it remained constant at 6,100. Top performing areas in Wales include Torfaen, which saw the largest increase (62%) in business start-ups when comparing Q1 2004 to Q1 2005 and Blaenau Gwent and Ceredigion with 44% and 39% increases respectively.

## **Encouraging Innovation**

Pembrokeshire Technium: On 23<sup>rd</sup> June, I cut the first sod to celebrate Pembrokeshire Technium gaining Objective 1 funds.

## **Setting a Fresh Direction**

Energy Route Map: On 20<sup>th</sup> June I launched for consultation the Welsh Energy Route Map. This builds on the strategy I have previously set out for our clean and secure energy future. The Route Map will contain a wide range of actions to take forward the clean energy agenda for Wales.

Cefn Croes: On 16<sup>th</sup> June I opened the £50 million Cefn Croes windfarm in Ceredigion. The development has an installed capacity of 58 megawatts and is the largest onshore wind farm in the UK. It is making a major contribution to the Welsh Assembly Government's target of obtaining 10% of Wales' energy needs from renewable sources by 2010.

Sustainability & Wales Conference: To be held at the Cardiff International Arena on 30<sup>th</sup> June and 1<sup>st</sup> July. The conference will cover various aspects of sustainability in Wales including its impact on the public and private sectors and the challenges this will present both sectors over the next 10 years.

## **Forthcoming Legislation: Civil Partnership Act 2004**

This Act comes into force on 5<sup>th</sup> December 2005. To enable the associated Statutory Instrument to be discussed in Plenary in sufficient time for it to be implemented, subject Committees have to be informed. At Annex A you will find background details of this forthcoming legislation.

## **Jobs & Investment News**

### **Job Gains**

Greenthumb & Freeway Healthcare: Welcome news that a lawn treatment company (Greenthumb) and specialist medical equipment manufacturers, Freeway Healthcare is to create 83 new jobs in Denbighshire. Both companies have signed up to new units at the Integra office scheme at the St Asaph Business Park, a first class facility that will continue to help attract investment, new employment and provide a boost to the local economy.

### **Job Losses**

Nippon Glass (NEG), Cardiff: Announced 150 job losses, a consequence of measures being taken to reduce the impact of decreased sales and profitability. The company is hoping that there will be

sufficient volunteers for redundancy without having to resort to compulsory redundancies.

Krupp Camford, Llanelli: Due to work relocation to other plants and the ramifications of the MG Rover collapse, workers at Krupp Camford have been informed that 91 jobs have been put under 90 day notice. Disappointing though this news is, on a more positive note I am pleased to report that the company has now put in a first claim against the RSA offer made last year, which indicates that the company is indeed progressing with that project.

## **Annex A**

### **Civil Partnership Act 2004**

#### **Background**

The Civil Partnership Act 2004 received Royal Assent on 18 November 2004. The purpose of the Act is to enable same-sex couples to obtain legal recognition of their relationship by forming a civil partnership. Civil Partners will be subject to many of the same legal rights and responsibilities as spouses. The Coming Into Force date is 5 December 2005.

Title of the legislation(Statutory Instrument (SI))

#### **The Civil Partnership Act 2004 (Consequential Amendments) (Wales) Order 2005.**

#### **Purpose**

To amend Assembly delegated legislation that the Assembly has power to amend so as to include references to the new type of legal relationship created by the Civil Partnership Act 2004.

Nature of legislation

Policy related.

What Committee needs to do

The SI will be scrutinised by the Equality of Opportunity Committee. All other Standing Committees are being notified of the SI as forthcoming legislation.

Implications if the intended Coming Into Force date was not met

The DTI expect the Assembly to change its delegated legislation by the time the Act takes effect on 5 December 2005. If it failed to do so, the Assembly would risk breaching its duty under s.120 (1)

Government of Wales Act 1998 (to secure equality of opportunity) and it would have to mention that in its annual report under s120 (2). There would also be challenges under the Human Rights Act 1998. In any event, the Assembly would probably be criticised for failing to recognise the existence of civil partnerships.

## **Annex B**

### **EDTC Action Outstanding**

#### **EDTC2- 03- 05 9 February 2005**

EDT Minister to provide further information on the issues of pensions and grading in the ASPB merger in due course (Item 4.8)

Currently there are discussions with the UK Government on the pension arrangements for WDA & WTB staff. Ministers were fully briefed on the latest position on 27 April and they will be updated once we have substantive progress to report. We should be in a position to follow through on this action in early Autumn.

#### **EDTC2- 04- 05 9 March 2005**

EDT Minister to raise the issue of tracking the funding of the WSP with the Minister for Finance, Local Government and Public Services (Item 2.9)

I met Huw Brodie, Director, Strategy and Communication Group, on May 9 in order to discuss the Wales Spatial Plan funding position. I confirmed that there were no dedicated funding lines for the Spatial Plan as the strategy had the purpose of influencing mainstream budgets as opposed to directly funding activities.

EDT Minister to consider providing the Committee with the notes from the meetings of the St Athan steering group (Item 5.12)

The notes of the DARA Steering Group meetings are attached as an Annex. Information that would be likely to prejudice commercial interests has been withheld in accordance with the Code of Practice on Public Access to Information.

#### **EDTC2- 08- 05 8 June 2005**

EDT Minister to make available the cost model that was used to determine the possible savings for the merger as well as the more detailed information which had recently been released under the Freedom of Information Act (Item 2)

All currently available material is on the Assembly Government Internet as a result of the FOI request.

EDT Minister to provide committee with more detailed figures of the merger savings as they became available (Item 2)

Information will be available in the Autumn term.

EDT Minister to pursue the issue of cadmium pollution specifically in the agriculture industry with the Minister for Environment, Planning and Countryside and report back to Committee (Item 5)

I wrote to the Minister for Environment, Planning and Countryside on 15 June and am currently awaiting a reply.

EDT Minister to report back to Committee on the WTB activity that had been carried out to build capacity for accommodation and restaurant facilities in areas where there are mountain bike trails (Item 5)

The WTB Cycling Tourism Strategy Moving up a Gear has identified a need for improved infrastructure, support, accommodation and refreshment facilities for cyclists visiting Wales, alongside enhanced, targeted marketing for the sector.

Specific marketing literature has been developed for 2005. The Essential Guide to Mountain Biking Wales is available free of charge, and a dedicated on-line website, accessible from the [visitwales.com](http://visitwales.com) main visitor site, is also available at [www.mbwales.com](http://www.mbwales.com).

As part of ongoing work to promote and develop this sector, the WTB has been undertaking seminars for accommodation providers to alert them to the opportunities inherent in becoming 'bike friendly'. The seminars are presented by the WTB's Activities Adviser, and also include a chef's demonstration of good packed lunches.

The WTB is also actively involved in working with accommodation and restaurant facilities in the vicinity of mountain biking routes and other cycle routes. Specific grants totalling nearly £3 million have been awarded over the last three years to 29 individual projects located in the vicinity of Wales' main mountain biking trails which offer improved or new accommodation, refreshment facilities, and secure cycle storage alongside some facilities.

EDT Minister to provide a note to Committee on the marketing of SMART Cymru and provide figures on how many companies have taken it up and its success rate (Item 5)

**Success rate - September 2003 to May 2005**

SMARTCymru has supported 116 projects in this period, with a total commitment of £8.9m. This is expected to draw down at least £15m in net private sector investment.

The success rate for companies is very high, with only 11% of applications being rejected once received by the SMARTCymru team. The high success rate is achieved owing to close working relationships with the Innovation and Technology Counsellors (ITCs), who pre-appraise projects before they are submitted. As a result, ineligible projects do not even reach the application stage – saving the company time and effort in applying and also managing their expectations at an early stage.

SMARTCymru was designed to encourage and support entrepreneurs to develop technologically innovative products and processes. As a result, a certain degree of technical challenge is a pre-requisite. Companies are encouraged to contact their ITCs to discuss their ideas.

SMARTCymru is generally felt by the business community and the ITCs to be a more flexible, responsive and inclusive grant scheme than its predecessor, SMART Wales. The removal of the competitive element of the scheme allows ITCs and the SMARTCymru team to work with a company to work up an application, giving it the maximum chance of success.

Over the last 18 months it has been recognised that there have been one or two cases that had great commercial potential but lacked technological risk, even though they might show novelty. As a result the SMARTCymru programme is being amended to include an element of grant support for such projects. The opportunity is also being taken to satisfy my Innovation Action Plan (Wales for Innovation) objective to rationalise and simplify existing grant support, bringing TEP and other T&I grants into the SMARTCymru family. The intention is to have one, streamlined support mechanism for all companies, no matter what their technology or product/process development needs.

## **Marketing SMARTCymru**

In the first year of operation, a high amount of interest was generated from the launch publicity. A series of roadshows were held across all parts of Wales to promote the new scheme, there were also presentations at intermediary meetings and events, such as the Innovation Network Partnership meetings, Technology Wales, BioWales and Financing Growth.

This year there will be a co-ordinated marketing campaign, involving advertorials in the Western Mail, the Engineer and with a roll-out to the Daily Post and other Welsh newspapers, and a direct mailshot to businesses throughout Wales. The activity culminates in a eight page (four English, four Welsh) pull-out supplement in the Business section of the Western Mail, highlighting the range of businesses supported, from low-tech to high, traditional to emerging sectors and early-stage to well-established.

Independent feedback has been received from Dylan Jones Evans in the Western Mail, who praised the scheme highly and encouraged entrepreneurs to apply even if they felt their ideas were not very high tech. He highlighted the case of Prestige Mobility from Bangor, who were supported with a development



to improve their mobility scooters.

Deputy EDT Minister to speak to the Minister for Environment, Planning and Countryside to enquire whether CCW are working with local authorities to develop national paths as tourism facilities (Item 5)

Following initial discussion between the Deputy EDT Minister and the Minister for Environment, Planning and Countryside, it has been deemed necessary to request additional information from the Countryside Council for Wales. The Deputy Minister will report back to the Committee at the additional meeting scheduled for 14 July.

EDT Minister to update the Committee on the closure of Deeside Furniture and specifically the plans for the factory (Item 5)

The WDA have led the Team Wales response to this closure and have recently been in touch with the Senior Operations and Human Resources Director at the company who have been very co-operative.

Job Centre Plus and Careers Wales have attended the factory and employees are receiving training sessions and advice on interviewing techniques, drawing up CVs, plus other activity. ELWa is also involved and the scheme to provide £2,000 for each redundant employee taken on by another company is available.

The 90 day statutory period has been started and the first redundancies are likely in late August with closure before the end of December. The focus at present is assisting the workforce. There has been no decision on the future of the factory at this time.

EDT Minister to report to the Committee on the activities he had carried out to lobby the UK government on the Airbus' Launch Aid to develop the A350 wings at Broughton (Item 5)

Officials in the Assembly Government's Trade & Invest Wales Team are in regular contact with DTI on the A350 project. The First Minister wrote on behalf of himself and me to the Secretary of State for Trade & Industry on a number of issues. However, the key message was the importance that the Assembly Government attaches to supporting the A350 project and the investment and jobs it would bring to Broughton. The Secretary of State for Trade & Industry has since responded and work with the DTI on the project will continue on an even closer basis.

EDT Minister to update the Committee on the closure of the packing line at Organic Farm Foods in Lampeter (Item 5)

Awaiting Information.

EDT Minister to provide a fuller report to the Committee on the marketing of the Premium Plus element of the RSA scheme (Item 5)

## **Marketing of RSA New Deal Plus Premium**

The scheme will be marketed in a number of ways, some of which have commenced. Most of the grant enquiries come through private and public sector advisers and accountancy firms. These are being informed through a mail shot and are being provided with explanatory material. In addition, the following measures are being prepared:

A press campaign;

Articles, adverts, and press releases (where appropriate) will include reference to the Premium;

A leaflet is currently being printed explaining the Premium and this will be distributed widely to advisers and intermediaries who will market the Premium to potential applicants. This information is also being incorporated into the standard scheme marketing literature;

Presentations and workshops are being arranged for targeted audiences - particularly intermediaries - so that they can understand what is involved and to encourage them to raise awareness of the Premium in their dealings with businesses that would potentially be eligible for RSA;

Routine workshops, presentations, advertising, inspired articles, and web sites relating to RSA will include a specific reference;

We shall seek a photocall opportunity between myself and the first recipient of an offer of Premium, with accompanying press release; and

The RSA appraisal procedure involves face to face meetings between officials and companies. My officials will draw attention to the availability of the Premium at each relevant meeting

## **Improving on the Scottish Experience**

The Scottish Executive advises that no company has, to date, claimed a similar premium on offer in Scotland although several offers have been made. Our approach should improve on the Scottish experience because:

There is a close and constructive working relationship between the Assembly Government and Jobcentre Plus in Wales. My officials will send Jobcentre Plus the details of offers of Premium to businesses and they will be proactive in contacting the companies to help with placements;

We are extending the eligible categories beyond those that are included in the Scottish scheme; and

We are also offering a higher premium than that which is available in Scotland.

New Deal Plus in Wales say that they market their New Deal Programmes strongly and they are very confident of a reasonable degree of success with the Premium.

## **EDTC2-04-05 9 March 2005 (Item 5.12) – Action Point Annex D/DGMO/05/02/02/09**

**11 February 2005**

### **Joint MOD/Welsh Assembly Red Dragon Steering Group - Notes of Meeting Held on 2 February 2005**

1. Those present were:

Chairman Nick Evans Director General Management and

Organisation (DGMO) (NE)

Members David Pritchard Welsh Assembly (DP)

Nicky Bailey Welsh Development Agency (NB)

David Swallow Welsh Development Agency (DS)

Tim Raby Welsh Development Agency (TR)

Hitesh Vadgama Wales Office (HV)

Archie Hughes CE DARA (AH)

David Rutherford Red Dragon Project Director (DR)

Ron Jones Defence Estates (RJ)

Les Uttley DGMO Directorate of Business

Delivery (LU)

Eliza Holland DGMO DBD (EH)

## **Agenda Item 1- Review of Previous Meeting's Notes**

2. The previous meeting's notes were agreed, subject to a few minor changes, and will be circulated with the relevant annexes shortly.

## **Agenda Item 2 - Project Set-Up**

3. DS briefed the Steering Group on the set-up of the Development Group Marketing Team on the DARA site. DP noted that it was important that people see this progress, particularly the DARA workforce. DR noted that he was keen for the Development Group to get busy with its sales and marketing campaign as soon as possible. NE proposed the drawing up of a Development Group 'Project Plan': this would enable the SG to monitor progress and offer the Group strategic direction and a framework within which to operate. It would also allow the SG to ensure coherency between the work of the joint MOD/WA marketing team and the Testing the Market work being carried out by the MOD. DP strongly supported this proposal. After discussion it was agreed that this should be prepared in advance of the next meeting.

Action: DR and DS to draw up a Development Group Project Plan for circulation prior to the next SG meeting.

4. It was agreed that the work of the SG had reached sufficient maturity that representatives from the Department for Transport and Department of Trade and Industry should be asked to provide sitting members. TR undertook to identify/propose potential members from these Departments.

Action: TR to identify/propose potential SG members from the Department for Transport and Department of Trade and Industry.

## **Agenda Item 3- Project Funding**

5. TR circulated the Development Group's costs (Set-up, Overheads and Marketing and Communication costs). It was agreed that the annual operating budget (£300k – DARA and MoD each to provide 25%, WA to provide 50%) would be effective from 1 April 05, and would be subject to review after one year. In the meantime, costs were to lie where they fell. The WDA agreed to act as banker and to charge DARA/MOD for their share of costs incurred. It was also agreed that the Development Group should provide the Steering Group with a financial update each quarter in future. It was agreed that DR should draft a brief set of accounting rules for the running of these arrangements.

Action: DR to produce a brief set of accounting rules for the Development Group Operating and Marketing Costs Budget.

## **Aenda Item 4- Review of Current Opportunities**

6. TR briefed the Steering Group on the latest position on current opportunities. THIS INFORMATION IS COMMERCIALLY SENSITIVE AND HAS BEEN REMOVED FROM THIS COPY.

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8. A number of other potential opportunities were being pursued. NE and DP noted the good progress made to date. DP advised that the team were achieving a varied portfolio of opportunities rather than, for example, a few large opportunities, to reduce future vulnerability. It was agreed that the Development Group should produce a brief progress report on business won for the First Minister's forthcoming meeting with the Secretary of State for Wales and that the MOD would produce a similar paper for the DARA Ministerial Advisory Board on 1 March 2005.

Action: Development Group to produce a business won progress report for the First Minister.

Action: DGMO to produce a similar report for the forthcoming DARA Ministerial Advisory Board on 1 March 05.

## **Agenda Item 5 THIS INFORMATION IS COMMERCIALLY SENSITIVE AND HAS BEEN REMOVED FROM THIS COPY**

## **Agenda Item 7- Marketing Of Superhangar (And Superhangar Opening)**

12. Official Opening of Superhangar. The meeting considered the issue of the official opening of the Superhangar. On balance, the SG agreed that this could provide a good marketing opportunity and would raise the public profile and availability of the facility in the marketplace. In addition, there had already been some modest marketing success that could be played into any announcement. CE DARA felt that a formal opening ceremony would also be a good morale boost for the DARA workforce. It was generally felt that the opening ceremony should take place after the forthcoming election and the completion of the initial TTM work.

13. The meeting briefly considered who might be most appropriate to open the building officially. After discussion it was agreed that DP would sound out Rhodri Morgan to see if he would be prepared to undertake this role.

Action: DP to establish whether Rhodri Morgan would consider formally opening the Red Dragon Superhangar

11. Marketing of the Superhangar. DR noted that the marketing of the Superhangar should be given

more urgency. AH emphasised that the marketing of the Superhangar and the DARA TTM were entirely contiguous, albeit separate projects. DP observed that the need to market the Superhangar reinforced the requirement for a Development Group Project Plan. In further discussion it was agreed that the Development Group should develop an outline package 'offer' for the Superhangar (including rental costs, terms and conditions, etc.) that could be used to support the marketing of the building.

Action: Development Group to develop outline package 'offer' for the Superhangar to support current marketing efforts.

12. It was also agreed that the Development Group should, working with CE DARA, expand the Project plan agreed under Agenda Item 2 (para 3) to identify the dependencies between the Marketing work being done by the Development Group and the TTM activities being undertaken by the MOD and produce a marketing strategy for the Superhangar for consideration at the next Steering Group meeting.

Action: Development Group to present a marketing strategy for the Superhangar (as part of the overall Project Plan) at the next Steering Group meeting.

13. DR asked CE DARA to confirm that, if necessary, DARA would be prepared to move back out of the Superhangar, if this would assist marketing efforts. CE DARA confirmed that DARA's position remained unchanged; they had always been prepared to move back out if this were necessary to facilitate a deal for the Superhangar. CE DARA saw no conflict between the marketing efforts of the Development Group and the TTM work – indeed it was likely that the effect of these two separate strands would be to stimulate competitive interest in the site.

## **Agenda Items 6 And 8 - Planning Obligations Under Composite Agreement And Update From Site Configuration Group**

14. DR noted the need to renegotiate the terms of applying for planning permission. Breach of the obligations under the Composite Agreement could not be ignored for legal reasons; under the agreement planning permission was due to be applied for in January 04. DP/DS noted that the timescale for application for planning permission had been impacted by the MOD decisions on Air Depth Support and the consequent effect on the DARA FW business. It would not now be prudent to proceed with the planning application until there was more clarity about the future scale of operations/activities on the St Athan site. The meeting agreed that it was therefore likely that there would be a need to amend the Composite Agreement to reflect a revised date for planning permission once the position on St Athan was clearer.

15. NB noted that the revised planning application would need to be developed to reflect the most accurate/realistic outcome now possible. Previous assumptions about issues such as DARA future workload/airfield usage etc would need to be revisited to inform this work. DP asked that a revised Master Plan for the site be refreshed for the next SG meeting. DP also asked the Development Group to examine whether the Planning Application could be progressed in two phases with Phase 1, covering the

current runway and existing building stock submitted first and Phase 2, covering further new buildings and the extended runway, being submitted further downstream.

Action: WA/DARA to refresh the assumptions for the outline planning permission for St Athan and produce a revised master plan for consideration at the next SG.

## **Agenda Item 9- Any Other Business**

16. Defence Estates Rationalisation. DP asked the MOD to consider what other MOD work/ opportunities/ units etc could be brought to St Athan. The WA were seeking jobs/skills/pay that would contribute positively to regional GDP. It was possible there could be linkages to work being taken forward by Defence Estates on Estate Rationalisation. RD noted that work on Estates Rationalisation was ongoing and was, as yet, immature but there might be possibilities. It was agreed that DE/Estates Rationalisation issues should be added to future SG Agendas.

17. DARA Workforce Information. TR stated that it would be useful for the Development Group/ marketing team to have information on the skills and demographics of the DARA workforce when talking to the market. AH was happy to help and asked TR to give him details of the information he required.

Action: DARA to provide the Development Group with Workforce Skills/demographic information to support marketing efforts.

18. Communications. CE DARA noted that the DARA workforce had been in direct contact with the WA on DARA issues. It was important that communications with the DARA workforce were dealt with consistently to ensure coherency of message; CE DARA was of the opinion that all communications with the workforce on the joint MOD/WA work at St Athan should be via his office. DP noted CE DARA's views but pointed out that the TUs were approaching the WA direct seeking regular updates on what was happening and they had to respond. He fully agreed the need to ensure that a coherent joint/ common line was taken.

19. Date of Next Meeting. The Secretary would contact principles to fix a date for the next meeting of the SG. It was agreed that the meeting should take place at St Athan.

**L A Uttley**  
**MOD/WA Steering Group Secretary**