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Llywodraeth Cymru
Welsh Government

William Graham AM
Chair, Enterprise and Business Committee

5th March 2014

Dear William

I refer to the Committee's request for additional information following the scrutiny session on 19 February.

2012-13 Transport Budget

When additional funding became available in 2012-13, within the former Local Government and Communities Department, budgets were reallocated to progress Transport priorities and address in year pressures. This included further funding of £5.1m to carry out weather related repair works to maintain the safety of the motorway and trunk road network in line with our statutory duties; additional expenditure of £2.8m to accelerate a number of sustainable travel projects to support walking and cycling and local highways and the re-profiling of £6.3m spend to deliver strategic capital transport programmes.

Business Support Considerations

As part of the financial approval process and assessing the return on investment, each application for business support is considered by the Department's Investment panel. All offers of support over

£1m are considered by the external Welsh Industrial Development Advisory Board.

Each application for support needs to demonstrate how the project represents value for money, and is appraised using a range of criteria including an assessment of the amount of support versus the average salaries of project jobs and the wider economic benefits of supporting a particular project, taking into account, such areas as nature of job and project location. The cost per job (CPJ) is only one measure when considering support for business.

Overall the average CPJ is indicative only and will vary depending on the programme of support and when the jobs are delivered. In 2012-13 the CPJ for Repayable Business Finance was around £13,400 compared with around £2,500 for the Start Up scheme supporting entrepreneurs. Other key business support programmes include the Wales Economic Growth Fund with an average CPJ of £9,100 and the Tourism Investment Support Scheme of £9,700.

Efficiency Savings

Efficiency savings of £400k were achieved following the successful negotiation of a reduced daily rate for external consultancy advice on technical support for the Superfast Cymru project, and by eliminating the costs of an external Superfast Cymru project manager and managing activity within Welsh Government.

Programme for Government Updates

I will be pleased to include the additional information on transport indicators when providing my six monthly updates for Programme for Government and performance. As part of the annual update for economy and science an overview of expenditure and performance will be provided at action level. However, as outlined in the evidence paper, there is not a direct correlation between expenditure in year and the outputs due to timing differences. In particular large strategic projects deliver jobs and investment over a number of years.

