

Agenda – Y Pwyllgor Menter a Busnes

Lleoliad:	I gael rhagor o wybodaeth cysylltwch â:
Lleoliad Allanol	Gareth Price
Dyddiad: Dydd Iau, 15 Hydref 2015	Clerc y Pwyllgor
Amser: 09.15	0300 200 6565
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Rhag-gyfarfod preifat

(09.15–09.30)

1 Cyflwyniad, ymddiheuriadau a dirprwyon

2 Ymchwiliad i Botensial yr Economi Forol yng Nghymru

(09.30–10.10)

(Tudalennau 1 – 46)

Philip Holmes, Pennaeth yr Adran Economaidd, Adfywio a Chynllunio, Dinas a Sir Abertawe

Gareth Nutt, Cyfarwyddwr yr Amgylchedd, Cyngor Bwrdeistref Sirol Castell–nedd Port Talbot

Dogfennau atodol:

Y Briff Ymchwil

EBC(4)–23–15 (p.1) Tystiolaeth gan Ddinas a Sir Abertawe (Saesneg yn unig)

EBC(4)–23–15 (p.2) Tystiolaeth gan Gyngor Bwrdeistref Sirol Castell–nedd Port Talbot (Saesneg yn unig)

3 Ymchwiliad i Botensial yr Economi Forol yng Nghymru

(10.10–11.00)

(Tudalennau 47 – 51)

Edwina Hart AM, Gweinidog yr Economi, Gwyddoniaeth a Thrafnidiaeth

Rhodri Griffiths, Pennaeth Polisi Trafnidiaeth, Cynllunio a Phartneriaethau



Dogfennau atodol:

EBC(4)23-15 (p.3) Tystiolaeth gan Weinidog yr Economi, Gwyddoniaeth a Thrafnidiaeth

Egwyl

(11.00-11.05)

4 Ymchwiliad i Botensial yr Economi Forol yng Nghymru

(11.05-12.00)

(Tudalennau 52 - 57)

Ian Masters, Pennaeth y Grŵp Ymchwil Ynni Morol, Prifysgol Abertawe

Dogfennau atodol:

EBC(4)-23-15 (p.4) Tystiolaeth gan Brifysgol Abertawe (Saesneg yn unig)

Egwyl

(12.00-12.30)

5 Ymchwiliad i Botensial yr Economi Forol yng Nghymru

(12.30-13.15)

(Tudalennau 58 - 75)

Graham Hillier, Rheolwr Gyfarwyddwr Datblygu, Tidal Lagoon Power

Ioan Jenkins, Cyfarwyddwr Datblygu, Tidal Lagoon Power

David Jones, Cyfarwyddwr Prosiect, Marine Energy Pembrokeshire

Dogfennau atodol:

EBC(4)-23-15 (p.5) Tystiolaeth gan Tidal Lagoon Power (Saesneg yn unig)

EBC(4)-23-15 (p.6) Tystiolaeth gan Marine Energy Pembrokeshire (Saesneg yn unig)

6 Papurau i'w nodi

6.1 Nodyn cywiro gan Yr Adran Drafnidiaeth mewn perthynas â chyfarfod y Pwyllgor ar 17 Medi

(Tudalen 76)

Dogfennau atodol:

EBC(4)-23-15 (p.7) Llythyr gan Yr Adran Drafnidiaeth ynghylch 17 Medi (Saesneg yn unig)

6.2 Gwybodaeth Ychwanegol a ddarperir gan Sefydliad Morol Iwerddon yn dilyn ymweliad y Pwyllgor â Dulyn ar 1 Hydref

(Tudalen 77)

Dogfennau atodol:

EBC(4)-23-15 (p.8) Gwybodaeth Ychwanegol a ddarperir gan Sefydliad Morol Iwerddon yn dilyn ymweliad y Pwyllgor â Dulyn ar 1 Hydref

6.3 Gwybodaeth ychwanegol a ddarperir gan y Gweinidog Cyllid a Busnes y Llywodraeth yn dilyn cyfarfod y Pwyllgor ar 23 Medi

(Tudalennau 78 – 84)

Dogfennau atodol:

EBC(4)-23-15 (p.9) Gwybodaeth ychwanegol a ddarperir gan y Gweinidog Cyllid a Busnes y Llywodraeth (Saesneg yn unig)

6.3 Llythyr gan Weinidog yr Economi, Gwyddoniaeth a Thrafnidiaeth ynghylch Cyngor Cynghorol Cymru ar Arloesi

(Tudalennau 85 – 86)

Dogfennau atodol:

EBC(4)-23-15 (p.10) Llythyr gan Weinidog yr Economi, Gwyddoniaeth a Thrafnidiaeth i William Graham AC (Saesneg yn unig)

Ôl-drafodaeth breifat

(13.15-13.30)

Mae cyfyngiadau ar y ddogfen hon

Cynulliad Cenedlaethol Cymru	National Assembly for Wales
Y Pwyllgor Menter a Busnes	Enterprise and Business Committee
Ymchwiliad i Botensial yr Economi Forol yng Nghymru	Inquiry into the Potential of the Maritime Economy in Wales
PME 12	PME 12
Dinas a Sir Abertawe	City and County of Swansea

Consultation questions

Role of Government

Question 1 – Do you think the Welsh Government is taking a strategic approach to developing the potential of the maritime economy?

We support the Welsh Government’s commitment to developing an integrated ecosystem-based approach to policy-making for the Welsh coastline and seas. The scale of this integration, in encompassing marine management, fisheries, marine energy, tourism, transport, social inclusion and more, is particularly ambitious and welcome.

With the specific emphasis on developing the maritime economy, the approach should focus on generating longevity, scale and productivity within the sector, with objectives for sustaining maritime assets and achieving capacity in enterprise, human capital/skills, innovation, investment and competitiveness, and with outcomes measured in terms of GVA, maritime business and supply chain activity, and jobs/salaries.

Are there any examples of best practice in this area?

The opportunity to establish Fisheries Local Action Groups (FLAG) has been a particular success in Swansea Bay. This has enabled good working relationships between partners to develop from different aspects of the maritime economy, including the fishing industry, tourism, leisure, and to some extent links to potential energy generation (Tidal Lagoon). The FLAG

provides a forum for problem solving and funding support for small scale initiatives to unblock strategic issues. A port improvement project via the Swansea Bay FLAG is unlocking the potential of the local fishing industry, creating a new local supply chain enabling local catch to be sold locally. It also adds to regeneration potential of the area by cleaning up the berthing area of the fishermen in Swansea marina, improving the environment for the public, and creating a working visitor attraction in its own right. The FLAG is an excellent example of a sub-regional vehicle that enables Welsh Government strategic priorities to be translated into local scenarios.

Question 2 – How can we use existing EU funding sources to support the sector?

There are many opportunities to support the maritime sector through the use of EU funding sources such as structural funds, territorial co-operation programmes (e.g. INTERREG), Erasmus+, Horizon 2010 and the European Investment Bank, in relation to enterprise/competitiveness, skills and innovation, as well as specific funding support of the sub-sectors – marine, fisheries and food, energy, tourism, transport etc.

An example of this is the 13 million Euros investment from the European Regional Development Fund through the Welsh Government to Marine energy company Minesto in May 2015. The funding is part of the commercial roll out, including the establishment of Minesto UK Headquarters in North Wales, and commissioning of the first commercial Deep Green power plant.

On a smaller scale the European Fisheries Fund administered via Fisheries Local Action Groups enables Welsh Government strategic priorities to be delivered at local and regional levels.

What should Welsh Government and others do to identify and make use of these?

The FLAG partnerships are a successful vehicle for enabling local partners to come together around agreed priorities that fit with Welsh Government strategic aims. The Welsh Government should further support these partnerships as they provide access to all the necessary stakeholders who

are now used to meeting regularly and working together constructively in partnership to support the wider needs of the maritime economy. The FLAGs generally link with local authority European and external funding teams who could help support access to other EU funding streams. These teams are also linked in to WEFO's Regional Engagement Teams which will provide a further resource to signpost and encourage access to wider EU funding streams.

Question 3 – Please can you give an assessment of the way in which Wales is engaging with EU level initiatives such as the Ocean Energy Forum and Ocean Energy Europe.

Given the significant potential for marine energy in Wales, it is important that there is Welsh engagement in EU Initiatives such as Ocean Energy Europe and the Ocean Energy Forum. As such, it is pleasing to note that a number of Swansea Stakeholders– Swansea University, Tidal Lagoon Power and Marine Power Systems – are members of Ocean Energy Europe. We welcome the Welsh Government's involvement in the new Offshore Renewables Joint Industry Programme (ORJIP) for Ocean Energy, to support the development of the marine sector in Wales.

Ports

Question 4 – How effective are the Welsh ports and hinterland connections in Wales in promoting connectivity to Ireland and the rest of Wales?

The inclusion of the M4 and Pembrokeshire ports in the TEN-T Trans European Network highlights the importance of ports for connectivity between Wales, Ireland and the rest of Europe.

The Joint Transport Plan for South West Wales states that sea (and air) modes provide critical gateways into the region from the UK, Europe and beyond, and that there is considerable untapped capacity that could be used to improve access for people and goods. As such, policy IC3 within the Plan is to 'Work collaboratively to facilitate more reliable, effective and sustainable movement of people and freight to, from and through our ports. Also to improve access to our ports'. As such, we support the Welsh

Government priorities to improve access to ports.

How do the Enterprise Zones help to promote the ports and related businesses?

Swansea is not part of an enterprise zone.

Question 5 – How can Welsh ports, ferry operators and related businesses benefit from and support the development of the Maritime economy, including ocean energy?

Ports and ferry operators can help develop the infrastructure needed to expand the tourism and related industries. Ports will provide a key role in developing the energy industry provision by providing the entry point for construction material for energy projects such as Tidal Lagoon. Local businesses will benefit from the increased opportunities arising from tourism and water sports activities based around the Tidal Lagoon. There will also be opportunities for local businesses to form part of the supply chain for the Tidal Lagoon, and other marine energy developments.

The Cruise Ship industry provides additional growth opportunities to exploit Wales's world-class maritime environment, unique culture and heritage, as well as other sport and leisure attractions to an international market. Although the industry in Wales is currently small (estimated to have been worth £2.6m to the Welsh economy in 2014), it is considered a relatively untapped industry which Wales is well-placed to grow in future years. However, this would require major investment in port infrastructure to cater for the requirements of the ever-expanding cruise ship industry, as well as greater partnership working with Port Authorities to address issues surrounding their infrastructure and marketing. In the past for example, the Celtic Wave initiative between Swansea, Milford Haven, Anglesey and Ireland aimed to raise awareness of the Irish Sea as a cruise destination and create greater linkages between ports. The current Cruise Wales initiative aims to carry on the legacy of Celtic Wave and maximise the benefits of the cruise ship market to Wales.

On a small scale, European Fisheries Fund support via the Swansea Bay

Fisheries Local Action Group has enabled funding of a number of small projects to bolster the local fishing and related industries to better integrate them with the primarily leisure and regeneration activity at Swansea Marina. Support has been provided for practical projects to provide facilities for the local industry and supporting businesses such as cold storage and repair facilities that help to make the fishing industry more viable and enable it to sell locally. This benefits other local businesses such as repair workshops and food businesses that are actually then able to sell fresh local catch.

What support should be provided to ensure this benefit is properly realised?

Raising awareness of the opportunities to businesses in these sectors will be key, consideration should be given to replicating groups such as the Industry Advisory Group set up to realise the commercial benefits from the Tidal Lagoon in Swansea Bay.

Consideration could also be given to funding Economic Impact Assessments to identify potential benefits from specific port developments and how potential benefits can be maximised to support local economies.

Social Benefit clauses for creating targeted recruitment and training, commitment to local sourcing and other community benefits should be built into maritime business contracts and funding offers.

Question 6 – What are the implications of the St David’s Day announcement which proposes to devolve the responsibility of ports policy to Wales?

Devolution will enable port developments to be integrated with other transport infrastructure strategies and economic development functions which are already devolved.

In taking on this additional responsibility, the Welsh Government will need to ensure it is adequately resourced to manage ports policy in Wales. It will also be important to ensure that any divergence of policy with the rest of the UK would not disadvantage Welsh ports in any way.

How can this support connectivity and the development of the Maritime Economy?

Devolution of ports policy should enable Wales to be more responsive to the needs of its Maritime Economy.

Stakeholders will need to be involved in shaping the future of this sector.

Energy

Question 7 – How can Wales realise the strategic importance of planned initiatives such as the tidal lagoon projects in West Wales and the Anglesey Energy Island Programme?

Many key stakeholders participate in Fisheries Local Action Groups with a broad remit to support all sectors of the coastal economy. There would be benefit in linking with them (as rural issues have successfully been tackled through rural local action groups, e.g. common land issues).

Skills planning and training provision for the workforce requirements of projects is an essential element to realise the economic benefits offered from projects such as the Tidal Lagoon.

Large projects can help raise the profile of Wales and act as a lever for inward investment. Marketing activities should be aligned to the projects and resources in place to support investment enquiries.

Inward investment could also support development of clusters for the maritime sectors. Identifying and facilitating clusters of each maritime sector will exploit benefits from these industries and encourage supply chain opportunities.

Question 8 – Please tell us what you think are the key barriers and risks to development of ocean energy and how Wales can help

overcome these.

The key barriers / risks are:

- Cost versus other cheaper energy solutions. The scale of development required to capitalise on ocean energy can make it costly with long timescales for payback. Support for research and innovation in these areas could help to drive down costs.

- Environmental impact and impact on other sectors eg tourism

Any investment should be balanced against potential economic benefits.

Please tell us anything else you would like to mention this topic, thank you for contributing to our inquiry.

Thank you for contributing to our inquiry

Cynulliad Cenedlaethol Cymru	National Assembly for Wales
Y Pwyllgor Menter a Busnes	Enterprise and Business Committee
Ymchwiliad i Botensial yr Economi Forol yng Nghymru	Inquiry into the Potential of the Maritime Economy in Wales
PME 21	PME 21
Cyngor Bwrdeistref Sirol Castell-nedd Port Talbot	Neath Port Talbot County Borough Council

Consultation questions

Role of Government

Question 1 - Do you think the Welsh Government is taking a strategic approach to developing the potential of the maritime economy?

This consultation is a positive step forward by WG in scoping the development potential of the maritime economy. How this is taken forward, what collaboration and at what level, will determine if a strategic approach has been adopted by WG. Based on the developments of this sector to date, there has not been a strategic approach to development.

The Welsh Government will be aware that there is a Welsh Ports Group which has been meeting approximately quarterly for the last few years. This Group has provided practical responses to a number of port related issues and provides a valuable forum for discussing key issues. Neath Port Talbot CBC would wish to engage and work closely with WG on future port developments and the Wales Ports Group as a whole.

Welsh Ports account for only 11% of all port traffic and tonnage has remained static fluctuating between 50–60 million tonnes per annum for the last decade. There must be considerable scope for

improvement.

- Ports have been under developed within Wales and lacked investment. The Maritime economy impact has not been maximised to date. Our location and port assets in Wales means we should be seeking to maximise the use of our ports. Encouraging and supporting projects which attract and stimulate new industries or diversification by existing port users
- Strategic development of the maritime economy would require collaboration with key stakeholders such as the Welsh Government local authorities and owners and users of ports, to establish actions and development opportunities. Focusing on key local offerings linked to each of the Ports. Port Talbot has a unique offering, a Dock and Tidal Harbour, with land for development alongside key areas of development e.g. Harbourside, Upgrade of Port Talbot Parkway and major investment in road network
- To maximise development potential, collaboration will be required at both strategic and delivery level, between WG, local authority and Ports.
- Lack of investment and development at Port Talbot has limited the potential for the Dock and Tidal Harbour. ABP (operator of Port Talbot and Swansea docks) estimate that the two docks contribute towards 7,000 local jobs and £454m to the local economies. As we move forward as a thriving City Region, seeking to maximise employment and wealth creation, Port Talbot needs to play its part in future growth and capitalise on the fantastic natural advantages the port has.
- Port development land plans need to factor into and align into any local development plans, thus providing a more cohesive and integrated strategic approach, to maximise any development opportunities

Are there any examples of best practice in this area?

The Isle of Wight as a Centre for Marine Energy – Solent Ocean Energy Centre.

This is one example of the type of approach that could be adopted in developing an Ocean Energy Centre Hub linked across South West Wales.

A point of reference is the evaluation document: **The case for establishing an evaluation and research centre for ocean energy technologies on the Isle of Wight**

Question 2 - How can we use existing EU funding sources to support the sector?

There are several potential streams of EU funding that could be utilised to support activity within the Maritime and Fisheries sectors in various ways:

European Maritime and Fisheries Fund (EMFF) is the fund for the EU's Maritime and Fisheries policies for 2014–2020. The fund helps fishermen in the transition to sustainable fishing, supports coastal communities in diversifying their economies, finances projects that creates new jobs and improves quality of life along European coasts and makes it easier for applicants to access financing. The EMFF will look to develop coastal communities and support integrated action for regeneration, including developing aquaculture in Wales

European Regional Development Fund (ERDF) and European Social Fund (ESF) For the period 2014–2020, West Wales and the Valleys will receive European Structural Funds investment worth some £1.6 billion. In line with EU and Welsh Government strategies for supporting growth and jobs in Wales, the ESF and ERDF Operational Programmes focus on research and innovation, helping businesses to start up and grow, supporting renewable energy and energy efficiency, connectivity and urban development, tackling poverty through sustainable employment, increasing skills and youth

employment. This will ensure appropriate infrastructure and cater for any gaps in skills that are identified within the sector.

In addition, the European Territorial Cooperation Programmes, e.g. INTERACT, URBACT and ESPON encourage cross-border, transnational and inter-regional cooperation and balanced development of the European territory. In total, €1.3 billion ERDF is available for projects that focus on:

- economic competitiveness
- economic development
- creating attractive regions to live and work in
- sustainable environmental development
- promoting a safe and healthy environment.

The Connecting Europe Facility (CEF) supports trans-European networks and infrastructures in the sectors of transport, telecommunications and energy. The Fund has a Port Development strand which recognises that Europe's ports are vital gateways, linking its transport corridors to the rest of the world, playing a crucial role both in the exchange of goods within the internal market and in linking peripheral and island areas with the mainland.

It has been estimated that new EC regulations could save the European economy up to €10 billion by 2030 and help develop new short sea links.

What should Welsh Government and others do to identify and make use of these?

Essentially, the key activity should be to raise awareness of funding resources, match funding to projects and have available expert support to potential projects.

In addition, identifying areas which are particularly challenging and linking in where possible to the Economic Prioritisation Framework would ensure that funding opportunities are maximised.

There is also a role for the WG in terms of working with Port owners/operators and with Local Authorities to bring together joint bids for funding and facilitate any necessary matching with other European Union ports.

Question 3 - Please can you give an assessment of the way in which Wales is engaging with EU level initiatives such as the Ocean Energy Forum and Ocean Energy Europe.

I cannot comment on this engagement.

Ports

Question 4 - How effective are the Welsh ports and hinterland connections in Wales in promoting connectivity to Ireland and the rest of Wales?

Port Talbot has the second largest port in Wales in terms of traffic (5.2m tonnes) in 2009 and handles the largest bulk carriers in the world. It imports iron ore and coal, mostly for use in TATA steelworks. This link with the volatile steel market means that large fluctuations in usage can occur from year to year. This should be viewed as an impetus to diversification.

Port Talbot has excellent links to the M4 but connectivity both east and west impacts on accessibility to South West Wales Ports.

How do the Enterprise Zones help to promote the ports and related businesses?

Where ports are located within Enterprise Zones, there are added incentives for developing current businesses or attracting new investors into using the ports in the Enterprise Zone Business Rate Scheme (which helps to offset some of the costs of expanding or creation/relocation of businesses). Additionally there are enhanced

capital allowances available with the same aim of removing the barriers to growth or stimulation of businesses in the zones.

Port Talbot port itself is not within an Enterprise Zone, but our City Region Colleagues in Pembrokeshire have the Haven Waterway Enterprise Zone, which is focusing on the energy and environmental sectors. It is our understanding that the status has provided real impetus and it would be something we would welcome in Neath Port Talbot.

Question 5 - How can Welsh ports, ferry operators and related businesses benefit from and support the development of the Maritime economy, including ocean energy?

'A Low Carbon Revolution', estimates that Wales has the potential to produce more than twice as much energy as it currently uses through wholly renewable sources by 2025, with the largest proportion of this energy coming from marine generated electricity. This highlights the potential of the maritime sector.

Skills & Training: present a further opportunity for businesses, as this sector and projects develop, skilled people will be required pre, during and post completion.

The maritime economy and Ocean Energy will provide economic opportunities for ports, ferry operators and businesses on a number of levels.

Ocean Energy is now becoming more cost effective with technology developments enabling improved installations and generation. As a new and innovative world technology, which is likely to be adopted across the globe, this represents a key development and economic value opportunity for Ports and businesses.

Any potential large scale projects being proposed e.g. tidal Lagoon, tidal barrage, off shore and wave energy will provide:

- Opportunity to secure some form of inward investment linked to these projects
- Set up of assembly and layout off areas for the of plant and equipment for the energy projects
- Local welsh supply chain opportunities for businesses e.g. construction, services and supplies to the development
- Ports will have revenue streams from use of port facilities and shipping of materials and equipment
- Ports could also develop facilities to accommodate cruise liners at Ports e.g. Port Talbot has the capability for this with some support, funding and investment
- **Tidal/Wave/Wind: Operations and Maintenance:**
Welsh Ports: this will be the key significant opportunity for Welsh ports
- In addition the replacement of existing turbines at the end of the operational lifetime could involve shipment of replacement turbines or components through ports.
- Welsh Ports need to look ahead to plan and secure investment into storage and handling facilities. Port Talbot is well placed to service major developments and is supported by a strong manufacturing and construction base.

Supporting development of the Maritime Economy:

- Ports and port users, Local Authorities and WG need to collaborate and engage at strategic and essentially at delivery level to support the development of this sector.
- Ports need to make investments or confirm commitments to investment in areas such as Port Talbot,

- Port Authorities, Welsh Government local authorities also need to engage more to establish mutual and supporting action and agreement to work together to attract developments and investment

What support should be provided to ensure this benefit is properly realised?

Engagement

1. WG and local authorities and support organisations to work more closely on delivering projects
2. Have a collaborative team from across WG and local authority, to provide hands on support and help facilitate developments.

Financial

1. Secure funding for major infrastructure developments, as this sector will be able to provide a long term legacy and economic return to the economy
2. Support the set-up of R&D or training or manufacturing centres of excellence for Ocean/Wave/Tidal
3. Support local businesses for expansion and invest into equipment and technology, so they can supply into this sector

Question 6 - What are the implications of the St David's Day announcement which proposes to devolve the responsibility of ports policy to Wales?

The implications of the St Davids Day announcement cannot be easily identified.

This would be dependent on a number of factors:

1. WG Port Policy
2. Funding for infrastructure and Ports

3. Economic priorities of WG

The aim should be:

- to ensure that a distinct Welsh policy can be created for the economic development in this sector
- the creation of an integrated transport infrastructure to support this sector development
- improve infrastructure links to Ports
- maintain and enhance the competitiveness of Welsh ports
- improve the cohesion between local transport, planning and port development
- to be factored across a number of different areas i.e. economic development, transport and tourism
- ensure policy and legislation do not impact on competitiveness with other UK and European ports

How can this support connectivity and the development of the Maritime Economy?

The central focus for port policy should be economic development, jobs creation, legacy investment and collaboration

Energy

Question 7 - How can Wales realise the strategic importance of planned initiatives such as the tidal lagoon projects in West Wales and the Anglesey Energy Island Programme?

- Early discussions should be had with such projects to exploit inward investment opportunities e.g. tidal technology manufacturers to set up operations at Port Talbot and Swansea.
- Early discussions with the Projects to set out a clear and strong message to adopt Welsh supply chains at every opportunity
- Set local, regional and Welsh spend and employment targets for each project and to be held accountable to this
- Use these projects as a catalyst to develop the manufacturing

supply chains

- Set up centre of manufacturing excellence, in such areas as tidal, wave and marine in some key port areas
- Sustainable legacy developments could be requested from overseas technology providers, these projects and related companies i.e. to set up operations, local to each project.
- Securing the head operations for projects in Wales on a long term basis
- Encouraging and supporting the development of testing sites and technologies in tidal and wave. This represents an opportunity for academia and private business to collaborate on R&D with a clear commercialisation target.

Question 8 - Please tell us what you think are the key barriers and risks to development of ocean energy and how Wales can help overcome these.

- Long time frames and process involved before a project can start
- Funding for any given project
- Poor road and rail links to ports
- Technology still in development phase and hence still very costly
- Ocean Energy requires further investment to help facilitate the next step change in technology and this could happen in Wales

Please tell us anything else you would like to mention this topic, thank you for contributing to our inquiry.

Highlights – Port Talbot

- Handles the largest bulk carriers in the world (up to 180,000 dwt)
- Excellent transport links (road and rail), located within easy reach of the open sea, has direct mainline rail access and lies adjacent to the M4 motorway
- The port comprises of the Tidal Harbour, which handles cape-size bulk vessels, and the docks, which can accommodate smaller heavy-lift, project, and general cargo vessels
- This is a nationally strategic port asset with significant development opportunities available for the construction of additional berths and cargo-handling facilities.
- Proximate to the Tidal Lagoon and well placed for future tidal, wave and off shore energy projects

Port Talbot Tidal Harbour

- One of the deepest berths in the UK
- Predominantly used for Tata imports of coking coal, minerals and ores

General cargo

- Handles a wide variety of traffics including processed slag, sand, cement, steel, and heavy-lift cargoes

Offshore wind, Tidal and Marine

- Unique port location for vessels up to 16m draught
- The potential to accommodate a major, purpose-built deep-water facility capable of serving UK and worldwide offshore markets
- Land available to service potential future developments for leisure, marine, tidal and off shore developments. The southern corner of the harbour, could provide up to 28 ha of land, which would have 24-hour deep-water access to serve the Bristol Channel Zone
- Additional development land available
- Handles around 9 million tonnes annually

- Total port acreage = 845 acres

Thank you for contributing to our inquiry

Eitem 3

Papur cefndir ar gyfer y Pwyllgor Menter a Busnes ar botensial yr Economi Forol i Gymru cyn sesiwn y Gweinidog ar 15 Hydref 2015

Cyd-destun Rhyngwladol

1. Mae gan yr economi forol hanes hir o weithredu ar raddfa wirioneddol fyd-eang. Er nad yw'r economi wedi'i chyfyngu i gludiant llongau, mae hyn yn adlewyrchu'r ffaith mai cludiant llongau rhyngwladol fu'n ei llywio a natur y diwydiannau a fu'n cefnogi'r farchnad honno ac sy'n parhau i dyfu i gefnogi'r farchnad honno.
2. Cydnabyddir ein pwysigrwydd i'r economi forol fyd-eang yn rhyngwladol, ond mae'r sefyllfa hon yn newid a cheir heriau amlwg y mae angen ymdrin â hwy o ystyried cystadleuaeth gynyddol gan ganolfannau morol eraill sy'n prysur ddatblygu.
3. Mae'n hanfodol bod y sector ehangach yn cydweithio i wella ac addasu er mwyn manteisio'n llwyddiannus ar yr holl gyfleoedd sydd ar gael ac er mwyn hyrwyddo cryfderau'r sector yn fwy effeithiol, gan fanteisio ar farchnadoedd rhyngwladol llewyrchus a chefnogi twf economaidd domestig.
4. Mae Llywodraeth Cymru yn parhau i weithredu mewn modd hyblyg er mwyn gallu manteisio ar gyfleoedd morol cyfnewidiol fel rhan o fframwaith strategol, cynaliadwy ar gyfer datblygu'r economi forol.

Porthladdoedd

5. Fel yr amlinellwyd yn fy natganiad llawn ar 7 Gorffennaf, mae gan borthladdoedd yng Nghymru ran hanfodol i'w chwarae wrth gefnogi twf economaidd a swyddi.
6. Maent mewn sefyllfa unigryw i weithredu fel canolfannau ar gyfer economi forol amrywiol oherwydd eu capasiti parod i gynnig cyfleoedd i gyd-leoli gweithgareddau masnachol, diwydiannol - gan gynnwys alltraeth ac ynni morol - logistaidd, hamdden a physgota.
7. Bydd y pwerau datganoli pellach yn gysylltiedig â phorthladdoedd yn rhoi cyfle i Gymru fanteisio i'r eithaf ar gyfleoedd economaidd morol a symleiddio'r cyfleoedd hynny drwy gysylltu polisiau a chymorth i borthladdoedd yng Nghymru â chyfrifoldebau a chynlluniau datganoledig nawr ac yn y dyfodol, er enghraifft, mewn perthynas ag ynni. Rydym hefyd yn disgwyl y byddwn yn gyfrifol am Orchmynion Harbwr a ddatganolir o dan Fil Cymru, gan roi'r cyfle i ni ystyried sut y gallwn wella'r broses gorchmynion ar gyfer porthladdoedd i'w helpu i sicrhau cyfleoedd.
8. Mae gwaith i bennu manylion y broses ddatganoli yn mynd rhagddo. Fel yr amlinellwyd yn y Cynllun Cyllid Trafnidiaeth Cenedlaethol, rwyf yn ymrwymedig i ddatblygu strategaeth porthladdoedd i Gymru gyda'r sector, partneriaid a

rhanddeiliaid eraill, gan gynnwys Ardaloedd Menter a busnesau cysylltiedig, megis cwmnïau fferi, datblygwyr ynni a'r diwydiant twristiaeth. Bydd rôl porthladdoedd yng Nghymru wrth gefnogi'r economi forol ehangach er mwyn sicrhau'r lefelau gorau o dwf economaidd a swyddi yng Nghymru yn rhan annatod o strategaeth porthladdoedd i Gymru.

Gweithio gyda Llywodraeth y DU i fanteisio ar Dwf Morol

9. Mae'r ddogfen gan yr Adran Drafnidiaeth, *Maritime Growth Study: keeping the UK competitive in a global market*¹ y DU, a gyhoeddwyd ar 7 Medi, yn nodi'r heriau o ystyried cystadleuaeth gynyddol o ganolfannau morol eraill sy'n prysur ddatblygu.
10. Mae'r astudiaeth yn gwneud nifer o argymhellion, i'r diwydiant ac i'r Llywodraeth. Maent yn cynnwys sefydlu Gweithgor Gweinidogol ac rwyf wedi ysgrifennu at Robert Goodwill AS yn yr Adran Drafnidiaeth i gytuno pa ran y bydd Cymru yn ei chwarae wrth roi'r argymhellion hyn ar waith, yn arbennig gan gydnabod y bydd porthladdoedd, sy'n hanfodol o ran sicrhau economi forol lwyddiannus, wedi'u datganoli i Gymru.

Ardaloedd Menter

11. Rydym yn glir ynghylch ein bwriad i ddefnyddio Ardaloedd Menter fel ffordd o gefnogi ac ysgogi gweithgarwch masnachol a buddsoddi mewn porthladdoedd ac o'u hamgylch, a fydd, yn ei dro, yn helpu i hyrwyddo'r economi forol ehangach.
12. Er enghraifft, mae'r porthladd môr dwfn yn Aberdaugleddau yn bwynt gwerthu allweddol i ddarpar fuddsoddwyr yn Ardal Fenter Dyfrffordd y Ddau Gleddau. Mae Porthladd Caergybi yn elfen hanfodol o Ardaloedd Menter Gogledd Cymru ac mae'n debygol y bydd yn chwarae rhan allweddol o fewn prosiect Wylfa Newydd a'r sector ynni morol drwy ddarparu lleoliad ar gyfer cyfleusterau glan porthladd.

Cysylltiadau Bro

13. Mae argaeledd cysylltiadau bro effeithiol a chynaliadwy i'n porthladdoedd ac o'n porthladdoedd yn hanfodol er mwyn cefnogi a datblygu economi forol amrywiol a llwyddiannus. Pwysleisiwyd hyn yn yr adroddiad gan fy Ngrŵp Gorchwyl a Gorffen ar Gludo Nwyddau ac fe'i adlewyrchir yn y Cynllun Cyllid Trafnidiaeth Cenedlaethol.
14. Rydym yn parhau i ystyried cyfleoedd i wneud cais am gyllid gan yr UE ar gyfer prosiectau Rhwydwaith Trafnidiaeth Traws-Ewrop (TEN-T) ar gyfer datblygiadau sy'n gysylltiedig â phorthladdoedd, gan gynnwys o dan y ffrwd ariannu 'Traffyrdd y Môr' a all gwmpasu cysylltiadau bro.
15. Ym mis Gorffennaf, roeddwn yn gyfrifol am ymweliad i Gymru gan Péter Balázs, y Cydgysylltydd Ewropeaidd ar gyfer Coridor TEN-T Môr y Gogledd-Y Canoldir o'r Gyfarwyddiaeth Gyffredinol ar gyfer Symudedd a Thrafnidiaeth (DG

¹ <https://www.gov.uk/government/publications/maritime-growth-study-report>

MOVE). Y cyngor allweddol a gafwyd oedd y dylai Cymru weithio mewn partneriaeth ag Iwerddon a rhannau eraill o'r DU.

16. Rydym yn ystyried y cyfleoedd ar gyfer cyd-brosiectau posibl gydag Iwerddon ac yn ymwneud yn uniongyrchol ag astudiaeth cludo nwyddau a logisteg Transport for the North a fydd yn cefnogi cynigion i ddatblygu cysyniad y Northern Powerhouse ac yn helpu i lywio achosion busnes er mwyn denu buddsoddiad gan y llywodraeth yn y dyfodol ac mewn perthynas â cheisiadau am brosiectau sy'n gysylltiedig â TEN-T. Bydd Gogledd Cymru - o Gaergybi hyd at y ffin - yn rhan o'r astudiaeth.

Ynni

17. Rydym yn parhau i annog a chefnogi cynigion i ddatblygu'r sector tonnau a llanw yng Nghymru ac yn ymgysylltu â nifer o ddatblygwyr sy'n awyddus i ddefnyddio ynni'r môr ar hyd arfordir Sir Benfro ac Ynys Môn. Caiff y sector ffrwd lanw yng Ngogledd Cymru ei arwain gan brosiect Ynni Morlais Menter Môn, ac mae'n canolbwyntio'n bennaf ar ddatblygu ardal arddangos lanwol Gorllewin Ynys Môn. Mae nifer o ddatblygwyr dyfeisiau wedi mynegi diddordeb mewn arddangos eu dyfeisiau yn yr ardal a disgwylir y bydd hyn yn arwain at gyfleoedd yn y gadwyn gyflenwi ledled Cymru.
18. Mae Minesto UK, cwmni ynni o Sweden, yn sefydlu ei bencadlys ar gyfer y DU yng Ngogledd Cymru ar ôl sicrhau £9.5 miliwn o gyllid gan yr UE i ddatblygu menter ynni'r llanw gwerth £25 miliwn oddi ar arfordir Caergybi. Mae prosiectau eraill tebyg ar y gweill. I ddechrau, bydd Minesto yn creu tua 30 o swyddi uniongyrchol ar Ynys Môn mewn meysydd fel gweithgynhyrchu, gweithrediadau alltraeth a datblygu prosiectau newydd fel rhan o gynllun arloesol 'Deep Green' a fydd yn dylunio, gweithgynhyrchu a phrofi dyfais cyflymder isel i gynhyrchu trydan ar gyfer miloedd o gartrefi gan ddefnyddio ceryntau'r llanw a chefnforoedd.
19. Rydym yn cefnogi'r diwydiant yn Sir Benfro drwy Ynni Morol Sir Benfro.
20. Mae'r Catapwlt Ynni Adnewyddadwy Alltraeth (ORE) yn un o rwydwaith o ganolfannau technoleg ac arloesedd blaenllaw a sefydlwyd gan Innovate UK fel buddsoddiad hirdymor yng ngallu economaidd y DU. Gan gymhwyso gwaith ymchwil o dan arweiniad busnesau, mae Catapwltau yn helpu busnesau i droi syniadau yn gynhyrchion a gwasanaethau gwerthfawr er mwyn cystadlu ym marchnadoedd byd-eang y dyfodol.
21. Rydym wedi gweithio gydag ORE i ddarparu cydgysylltydd rhanbarthol er mwyn helpu i ddiwallu anghenion y diwydiant yng Nghymru drwy gysylltiadau â phrifysgolion ac arbenigwyr morol blaenllaw.
22. Rydym eisoes wedi cefnogi cwmnïau megis Ledwood Engineering a Mainstay, a datblygwyr dyfeisiau megis Tidal Energy Ltd, Marine Power Systems a Minesto drwy ddarparu cyllid arloesi ac astudiaethau seilwaith trydanol.

23. Rydym yn deall mai megis dechrau datblygu y mae'r sector hwn yn benodol, ac mae llawer gan y diwydiant i'w wneud o hyd i ddatblygu'r dechnoleg ac i brofi ei photensial i fuddsoddwyr.
24. Mae angen i ni ddatblygu dulliau meddwl strategol a blaengynllunio ymhellach er mwyn sicrhau'r cyflawniadau a'r canlyniadau gorau yn y sector hwn, gan ganolbwyntio ar ei botensial i sicrhau twf economaidd a chyfleoedd swyddi yng Nghymru ac i bobl Cymru.
25. Felly, rwyf wedi sefydlu Grŵp Gorchwyl a Gorffen ar Ynni Morol i'm cynghori ar y mesurau allweddol sydd eu hangen i gefnogi datblygiad y sector ynni morol yng Nghymru er mwyn i'r llywodraeth a diwydiant ddeall potensial llawn y sector yn well a gwireddu'r potensial hwnnw ac er mwyn sicrhau bod y mesurau yn cyd-fynd â chyfleoedd ariannu'r UE ar gyfer prosiectau seilwaith ac ymchwil. Rwyf yn disgwyl i'r Grŵp wneud argymhellion o ran sut y gall Llywodraeth Cymru sicrhau'r budd economaidd hirdymor gorau posibl gan y sector a'r arian sydd ar gael, gan gynnwys Horizon 2020. Disgwylir iddo gyhoeddi ei adroddiad cychwynnol ym mis Chwefror 2016.
26. Wrth ystyried ei gyngor, bydd y grŵp yn ystyried adroddiad Pwyllgor Rhanbarthau'r UE *Developing the potential of Ocean Energy*, sy'n cyfeirio at brosiectau yng Nghymru.
27. O ran cyfraniad posibl ynni niwclear i'r economi forol, prosiect adeilad newydd £12 biliwn Wylfa Newydd fydd y prosiect buddsoddi unigol mwyaf yng Nghymru yn ystod y 10 mlynedd nesaf, ac mae'n bwysig iawn i'r economi, yn enwedig economi Gogledd-orllewin Cymru. Ddiwedd 2014, gwnaethom sefydlu Bwrdd Rhaglen Niwclear i gydgyssylltu gweithgareddau sy'n gysylltiedig â'r agenda niwclear ar draws sectorau ac adrannau Llywodraeth Cymru er mwyn helpu i sicrhau'r buddiannau ehangach gorau posibl ac integreiddio'r buddiannau hynny. Y nod yw sicrhau cymaint o gyfleoedd cymdeithasol ac economaidd â phosibl i Gymru a busnesau yng Nghymru, gan gynnwys cyfleoedd morol.

Twristiaeth

28. Mae datblygu twristiaeth forol yn ei hystyr ehangaf - o ymweliadau gan longau mordeithio i weithgareddau antur arfordirol arbenigol - yn elfen allweddol wrth helpu i gynyddu twf economaidd a chyfleoedd swyddi yng Nghymru.
29. Rydym hefyd yn benodol yn awyddus i annog teithwyr fferi sy'n teithio o Iwerddon i gymryd gwyliau yng Nghymru. Mae Croeso Cymru yn gweithio'n agos ag Irish Ferries a Stena Line i hyrwyddo Cymru. Bob blwyddyn, mae Croeso Cymru a'r cwmnïau fferi yn cytuno ar weithgaredd ar gyfer ymgyrch farchnata ar y cyd, gan gydweithredu er mwyn hyrwyddo Cymru yn well fel cyrchfan i dwristiaid i ddarpar ymwelwyr o Weriniaeth Iwerddon. Byddwn yn chwilio am gyfleoedd i ddysgu o ddull gweithredu Iwerddon drwy raglen drawsffiniol INTERREG 2014-2020 ar gyfer Iwerddon a Chymru.

Strategaeth Gwyddoniaeth i Gymru

30. Mae gwyddoniaeth yn gyfrannwr economaidd pwysig a chynyddol i Gymru. Mae'n sail i bob math o dechnoleg ac i'r rhan fwyaf o ddatblygiadau arloesol a dyma yw agenda Arbenigo Craff yr UE ar gyfer rhanbarthau Ewrop. Bydd ail gam cynllun Sêr Cymru yn adeiladu ar y pedwar Cadeirydd Ymchwil a'r tri Rhwydwaith Ymchwil Cenedlaethol clodwiw a oedd yn rhan o'r cam cyntaf ac nas cynhaliwyd gan ddefnyddio cyllid yr UE. Bydd yr ail gam yn parhau â'n strategaeth gyffredinol i gynyddu gallu gwyddonol yng Nghymru, gan ymdrin â'r diffyg gwaith ymchwil a amcangyfrifir yng Nghymru mewn meysydd sy'n hanfodol o ran datblygu ein heconomi.

31. Ariennir Rhwydwaith Ymchwil Cenedlaethol Sêr Cymru ar gyfer Carbon Isel, Ynni a'r Amgylchedd gan Lywodraeth Cymru a Chyngor Cyllido Addysg Uwch Cymru. Mae'r Rhwydwaith yn cefnogi gwaith ymchwil cydweithredol a rhyngddisgyblaethol yng Nghymru i'r rhyngweithio rhwng tir, dŵr, darparu bwyd a chynhyrchu ynni, ar wahanol raddfeydd gofodol ar draws systemau aer-tir-dŵr. Mae'n fenter sy'n cwmpasu Cymru gyfan ac yn cynnwys partneriaid o Brifysgolion Bangor, Aberystwyth, Abertawe, Caerdydd a De Cymru, y Ganolfan Ecoleg a Hydroleg, Arolwg Daeareg Prydain Cymru a Swyddfa Dywydd y DU. O blith yr wyth clwstwr ymchwil sy'n rhan o'r rhwydwaith, mae gan dri ohonynt gyd-destun morol:

- AQUAWALES – Ymdrin â'r tair prif her ar gyfer dyframaeth cynaliadwy (lleihau ei ôl troed ecolegol, lleihau'r risg y caiff afiechydon eu trosglwyddo, a rheoli achosion anfwriadol o gyflwyno rhywogaethau ymledol) a chyfuno technegau molecylaidd newydd â phŵer gwyddoniaeth dinasyddion i ddatblygu dulliau arloesol o ganfod a rheoli rhywogaethau ymledol yn gynnar mewn perthynas â Dyframaeth a Physgodfeydd.
- QUOTIENT - Ymdrin â natur adnoddau ynni adnewyddadwy morol yng nghyd-destun cynnydd yn lefel y môr a phatrymau tywydd cyfnewidiol, gyda'r nod o wella ymdrechion i optimeiddio ynni morol fel ffynhonnell o bŵer dibynadwy i'r grid.
- RESILCOAST - Integreiddio gwydnwch ecosystemau i waith cynllunio arfordirol, gan gynnwys amddiffynfeydd naturiol rhag llifogydd a gwasanaethau ecosystem ar wlyptiroedd.

Cynulliad Cenedlaethol Cymru	National Assembly for Wales
Y Pwyllgor Menter a Busnes	Enterprise and Business Committee
Ymchwiliad i Botensial yr Economi Forol yng Nghymru	Inquiry into the Potential of the Maritime Economy in Wales
PME 17	PME 17
Prifysgol Abertawe	Swansea University

Consultation questions

Role of Government

Question 1 – Do you think the Welsh Government is taking a strategic approach to developing the potential of the maritime economy?

No. The main budget headings for the WG budget do not include a line for the maritime economy: <http://gov.wales/funding/budget/1st-supplementary-budget-2015-2016/?lang=en>

However, it is positive to see the progress made with the formation of Marine Energy Wales and investments in staff, particularly in consenting and licencing at NRW.

Are there any examples of best practice in this area?

Scotland. Marine Scotland has a £48m annual budget.
<http://www.gov.scot/Publications/2014/10/2706/downloads>

Question 2 – How can we use existing EU funding sources to support the sector?

The allocation of significant funds from ERDF towards marine energy demonstration zones and support for technology development is the correct decision. This has raised **significant** interest in Wales as a location to undertake development of ocean energy.

However, further ERDF funds should be allocated to supporting earlier stage technology (to create an innovation pipeline) through funding for technology R&D. It is also imperative that appropriate scientific study is made of the Environmental and Social aspects of early stage developments, to remove EIA barriers to the sector.

Helping welsh universities to build and maintain innovation capacity to support technology R&D will naturally lead to further collaborations with marine energy companies who are looking to deploy their technologies in Welsh waters. Moreover this will enable Wales to exploit other opportunities in the future such as the development of multi-purpose/use offshore platforms. This is an area the European Commission has invested in (The Ocean of Tomorrow programme) and is likely to emerge as a new Maritime sector in the near future (Swansea is researching this area with the EU H2020 project MARIBE – Marine Investment for the Blue Economy).

Horizon 2020 now has specific calls under Blue Growth and Ocean Energy. However, the scale of the industry is such that the Ocean Energy calls will be very oversubscribed. The Welsh industry needs advice on how to access and bid for such funds.

What should Welsh Government and others do to identify and make use of these?

Strengthen the WHEB team (Wales Higher Education Brussels) with additional staff to develop consortia and bid for H2020 funding.

Question 3 – Please can you give an assessment of the way in which Wales is engaging with EU level initiatives such as the Ocean Energy Forum and Ocean Energy Europe.

Swansea University is a member of both organisations and has an active presence in meetings held to date. The aim is to prioritise research topics and technology improvements identified by the ocean energy industry and research community. These efforts will form the technology chapter of an ocean energy Roadmap which will help accelerate deployment in the ocean energy sector.

Swansea’s involvement provides good visibility of Wales. The Marine Energy Wales unit should engage with these organisations to:

- Increase the credibility of the sector, increasing the total EU budget for Blue Growth.
- Provide mechanisms for a larger proportion of EU funding to come to Wales.

Ports

Question 4 – How effective are the Welsh ports and hinterland connections in Wales in promoting connectivity to Ireland and the rest of Wales?

N/A

How do the Enterprise Zones help to promote the ports and related businesses?

N/A

Question 5 – How can Welsh ports, ferry operators and related businesses benefit from and support the development of the Maritime economy, including ocean energy?

The excellent report: Marine Energy In Wales Investment/Jobs/Supply Chain (Marine Energy Pembrokeshire, 2014) outlines the opportunities clearly. £44.5m has been spent in Wales to date, and a proportion of this has been with Welsh vessel operators and manufacturing businesses based in the Welsh Ports.

Offshore wind investments on the North Wales coast have also provided benefits to the supply chain.

What support should be provided to ensure this benefit is properly realised?

The major issue is the provision of grid connected deployment sites which have full planning consent and licences for the deployment of a wide range of early commercial projects. The locations of these (West Anglesey and South Pembrokeshire) will naturally benefit local port infrastructure.

Question 6 – What are the implications of the St David's Day announcement which proposes to devolve the responsibility of ports policy to Wales?

How can this support connectivity and the development of the Maritime Economy?

Significant growth in tourism and aquaculture production will require improved transport links to ports and surrounding areas. This may be improved by the proposals in the St Davids Day announcement.

Energy

Question 7 – How can Wales realise the strategic importance of planned initiatives such as the tidal lagoon projects in West Wales and the Anglesey Energy Island Programme?

Tidal Lagoon projects are proposed on the South Wales and North Wales coastlines.

West Wales is the location of the Welsh wave resource and also has tidal stream opportunities. Anglesey has tidal stream resources. All coastlines are suitable for offshore wind.

There are Crown Estate commercial deployment zones in Anglesey (Tidal) and Pembrokeshire (Wave).

Anglesey Energy Island is a very good initiative and there should be an equivalent in Pembrokeshire – based on the effective work to date of Marine Energy Pembrokeshire.

“Small clever country”

Marine Energy is a sector based around advanced technology and the device developers are the pinnacle of a large supply chain. Securing the sector in the long term will depend on securing the added value elements of the business. This involves investing in R&D, whole system design and advanced manufacturing, together with the associated high level skills and training. This needs to be undertaken across a range of disciplines: mechanical, electrical and civil engineering, logistics, manufacturing, materials, offshore operations and infrastructure.

Question 8 – Please tell us what you think are the key barriers and risks to development of ocean energy and how Wales can help overcome these.

Planning, consenting, licencing and grid connection uncertainty are effectively stopping development of ALL marine energy projects in Wales. NRW should be given additional resources to resolve the legal issues around this area. Investment should also be made in the evidence base required for planning consent. (Particularly around environmental data)

Please tell us anything else you would like to mention this topic, thank you for contributing to our inquiry.

Thank you for contributing to our inquiry

Cynulliad Cenedlaethol Cymru	National Assembly for Wales
Y Pwyllgor Menter a Busnes	Enterprise and Business Committee
Ymchwiliad i Botensial yr Economi Forol yng Nghymru	Inquiry into the Potential of the Maritime Economy in Wales
PME 20	PME 20
Tidal Lagoon Power	Tidal Lagoon Power



Consultation questions

Role of Government

Question 1

Do you think the Welsh Government is taking a strategic approach to developing the potential of the maritime economy?

The economic potential of maritime economy in Wales is considerable, and probably not yet fully appreciated.

A 2013 report commissioned by the Welsh Government¹ provided an initial lens on the economic potential of the marine energy sector of the maritime economy. Tidal lagoons were out of scope of this study therefore the potential economic impact of the marine energy sector is underestimated. A report by CEBR² found that a fleet of 6 lagoons in the UK could contribute £27 billion to UK GDP, creating or sustaining 35,800 jobs on average and 70,900 jobs at its peak. Once operational, 6 tidal lagoons would contribute £3.1 billion per annum to UK GDP, creating or sustaining as many as 6,400 full time equivalent long term jobs. Also, because of the significant export potential, CEBR also reported that there was a potential to increase net exports by £3.7 billion per year (equivalent to 13% of the current trade deficit).

With the world's first tidal lagoon intended for Swansea Bay, and the potential for a number of tidal lagoon projects in Wales, this is a unique economic opportunity for Wales. It is a real opportunity now that requires decisive action to ensure that this economic opportunity is not lost. A strategic approach will then be essential for Wales to realise the potential economic benefits of the tidal lagoon industry.

Recent activity by the Welsh Government shows encouraging signs towards a more strategic approach to develop the potential of the marine energy sector, such as the recent announcement of a Marine Energy Task and Finish Group and an internal cross departmental group to co-ordinate activity on Tidal Lagoon Swansea Bay.

The EC Blue Growth Strategy is a helpful strategic framework for considering the diverse elements of the maritime economy. It focuses on developing sectors of high potential for sustainable jobs and growth, such as ocean/marine energy, mariculture and coastal tourism. Tidal lagoons are relatively unique because of the transformational potential of the infrastructure. Although primarily for generating electricity, tidal lagoons can also provide coastal protection, act as a catalyst for coastal regeneration, support aquaculture and mariculture, and coastal tourism. A more strategic approach could help foster co-operation across maritime economy sectors, which could for example help identify opportunities for tidal lagoons projects and the tidal lagoon industry to support these sectors. A more strategic approach could also help focus on addressing the barriers to realising the

¹ Regeneris Consulting and the Welsh Economy Research Unit, 2013, The Economic Impact of the Development of Marine Energy in Wales.

² The Centre for Economics and Business Research, July 2014, The Economic Case for a Tidal Lagoon Industry in the UK.

potential for the maritime economy, including consenting complexities and delays which affect investor confidence.

Are there any examples of best practice in this area?

There are many examples of best practice approaches, which together might comprise a strategic approach (such as initiatives for developing evidence, and partnership approaches). Although marine spatial planning is driving a strategic perspective in regions such as the Baltic Sea, we are not aware of a best practice strategic approach to developing the potential of the maritime economy across the sectors. There is an opportunity for the Welsh Government to consolidate and evolve best practice to lead the way.

Question 2

How can we use existing EU funding sources to support the sector?

Existing EU funding sources should be leveraged to assist SMEs in high priority 'Blue Growth' sectors such as marine energy, aquaculture, mariculture, and coastal tourism. There should be a particular focus on projects with the potential for direct economic impact in Wales. Also, an aspiration to use more complex EU funding such as Horizon 2020.

What should Welsh Government and others do to identify and make use of these?

Welsh Government and SMEs need to work together to avoid missing out on funding opportunities to progress the sector and to realise the economic benefits.

A strategy for the maritime economy could help align the various/multiple Welsh Government priorities, and also help alignment with EU priorities and the EC Blue Growth Strategy to maximise leverage of structural funds to progress the maritime economy in Wales.

The Welsh Government could consider setting up a support network for the private sector, to enable access to expert knowledge of EU funding, and to build capability in the private sector to improve the quality of funding bids. Targeted awareness initiatives could help encourage private sector funding applications in priority 'Blue growth' sector to realise the most economic value from funding opportunities. The complex and lengthy administrative processes and requirements associated with some EU funding applications are discouraging. A review of administrative barriers could ensure funding opportunities are inclusive, accessible and focused on economic development.

Question 3

Please can you give an assessment of the way in which Wales is engaging with EU level initiatives such as the Ocean Energy Forum and

Ocean Energy Europe.

Tidal Lagoon Power is a member of Ocean Energy Europe, which recognises tidal lagoons as a potentially significant option for Blue Growth in Europe³. In addition to the potential of tidal lagoons to contribute to low carbon electricity supply, diversity of supply, energy security, employment and jobs growth, Ocean Energy Europe recognises the range of environmental, economic and social benefits such as coastal flood protection, biodiversity management, sports and public amenities that could combine to redefine the role of a power plant – as illustrated by the Tidal Lagoon Swansea Bay project.

We engage with the European Commission, including DG MARE. The EC recognises⁴ the promise of the marine energy sector and the challenges that need to be resolved in order to reap the benefits, including difficult access to finance; infrastructure barriers; administrative barriers, such as complex consenting and licensing procedures which can delay projects and raise costs; the need for more research and better information on environmental impacts. The Ocean Energy Forum was created by the EC as a central element of an action plan to support the development of ocean energy. The Forum brings together the EC, member states and industry as a platform for co-ordinating support and risk sharing to provide practical support to help the sector. Tidal Lagoon Power is engaging with Forum initiatives such as the Strategic Roadmap for ocean energy, which will be likely to inform a European Industrial Initiative.

We are unaware of Welsh Government involvement with Ocean Energy Europe or the Ocean Energy Forum. However we are aware and encouraged by the recent announcement that the Minister for Natural Resources will be speaking at Ocean Energy Europe 2015 conference in Dublin.

³ http://www.oceanenergy-europe.eu/images/Tidal_Lagoons_-_A_new_opportunity_for_Blue_Growth_in_Europe.pdf

⁴ Press release: http://europa.eu/rapid/press-release_IP-14-36_en.htm

Ports

Question 4

How effective are the Welsh ports and hinterland connections in Wales in promoting connectivity to Ireland and the rest of Wales?

Ports are significantly important to economic development in Wales, particularly the marine energy sector. Therefore their effectiveness as economic development hubs and gateways for connecting people and industry is crucial.

How do the Enterprise Zones help to promote the ports and related businesses?

Enterprise Zones seem to be a successful incentive and marketing tool to stimulate economic development.

'Maritime economy Enterprise Zones' could support the profile and development of maritime economy. For example, they could be aligned with tidal lagoon industry needs such as landfall areas and turbine manufacturing.

Question 5

How can Welsh ports, ferry operators and related businesses benefit from and support the development of the Maritime economy, including ocean energy?

Welsh ports will be a significant focus of investment if Wales can realise the opportunity from the tidal lagoon industry.

We work closely with the ports sector. Effective port facilities are a critical part of the infrastructure required support the construction of tidal lagoons, also manufacturing, assembly and supply chain activities. In addition to the domestic potential for tidal lagoons, the export potential means that ports in Wales could benefit considerably from a tidal lagoon industry if the opportunity is realised.

Also, when developing our projects, we assess the potential for tidal lagoons to enhance existing port facilities and connections such as cruise ship berthing.

What support should be provided to ensure this benefit is properly realised?

The considerable opportunity to Wales from a tidal lagoon industry needs to be realised. Co-ordination of priorities across the maritime economy could help realise the opportunities that arise from tidal lagoon projects and the associated industry.

Question 6

What are the implications of the St David's Day announcement which proposes to devolve the responsibility of ports policy to Wales?

The proposals seem to be an opportunity for the Welsh Government to provide a stable and competitive policy framework to support Welsh ports and their role in supporting economic development in Wales, particularly the maritime economy. Also, an opportunity for strategic integration of economic development, transport, land use and marine planning and with other policy areas such as energy and tourism.

How can this support connectivity and the development of the Maritime Economy?

It should be an advantage if it enables development of Welsh ports to facilitate delivery of Welsh Government priorities. It is crucial that Welsh ports are able to effectively support the maritime economy, particularly the marine energy sector.

Energy

Question 7

How can Wales realise the strategic importance of planned initiatives such as the tidal lagoon projects in West Wales and the Anglesey Energy Island Programme?

The considerable opportunity to Wales from a tidal lagoon industry will be lost without practical support from the Welsh Government to deliver the world's first at Swansea Bay.

Tidal Lagoon Power aims to drive a critical change in the UK's energy mix by developing infrastructure to harness natural power from the abundant natural resource of the rise and fall of the tides. The Tidal Lagoon Swansea Bay project establishes a scalable blueprint for tidal lagoons, a proof-of-concept for a series of lagoons, marking the beginning of a new industry. Tidal lagoons could significantly contribute to a maritime economy in Wales through the investment in infrastructure projects to generate secure and affordable low carbon energy, with diverse range of direct and integral economic, social and environment benefits.

Negotiations continue with the UK Government on the Contract for Difference for Tidal Lagoon Swansea Bay which will be the first in a fleet of lagoons that could deliver up to 8% of the UK's electricity requirements. Although a Development Consent Order (DCO) was granted in June this year, we are awaiting a decision on the marine license from Natural Resources Wales. Because of the consenting arrangements in Wales, it was not possible to integrate the determination of the marine license with the DCO as a 'deemed marine license' as is the usual process in England.

Having submitted our initial scoping document to the Planning Inspectorate, we hope that Tidal Lagoon Cardiff will follow as the first full-scale energy

producing lagoon. We continue to explore a number of other UK sites that could be uniquely positioned to deliver a range of economic, social and environmental benefits as part of this fleet. In addition to Tidal Lagoon Swansea Bay and Tidal Lagoon Cardiff, we are also looking at feasibility of other projects in south and in north Wales. This means that there is a considerable opportunity for Wales to capitalise on its excellent natural resource to take the first-mover advantage of this new industry.

The Tidal Lagoon Swansea Bay project will result in up to 1,900 full time equivalent jobs during the construction stage, and up to 181 long term full time equivalent operations, maintenance and employment relating to the running of the recreational facilities⁵. In terms of economic stimulus to the region, this amounts to up to £316million GVA during construction and £76million GVA per annum throughout the 120 year operational life of the tidal lagoon.

Analysis by CEBR⁶ found that a fleet of 6 lagoons in the UK would contribute £27 billion to UK GDP, creating or sustaining 35,800 jobs on average and 70,900 jobs at its peak. Once operational, 6 tidal lagoons would contribute £3.1 billion per annum to UK GDP, creating or sustaining as many as 6,400 full time equivalent long term jobs.

Our initial feasibility work has also identified a number of international locations that offer the right conditions for developing tidal lagoons. This means there is a significant export opportunity on offer. CEBR⁷ reported that there was a potential to increase net exports by £3.7 billion per year (equivalent to 13% of the current trade deficit).

The independent Tidal Lagoon Industry Advisory Group (set up by Roger Evans MBE in early 2014) represents the interests of Welsh and UK suppliers to help realise a sustainable tidal lagoon industry. Our ambition for Tidal Lagoon Swansea Bay is to achieve a 65% UK content spend against the total capital expenditure and where 50% of that total capital expenditure is to be spent in Wales. In addition to this, there are a number of commitments in place in relation to local employment and materials. For example, TLSB has undertaken that contractors would provide notification to local skills provider schemes run by the host local authorities in advance of any recruitment process commencing. We have undertaken that main contractors would notify the host local authorities and advertise supply chain and sub-contracting opportunities with a value of more than £5000 on the Sell2Wales website. The Welsh Government has been supporting our supply chain awareness events.

Investment in skills and training is a fundamental area that requires attention in order to realise the potential in Wales from this new industry. We are working with the independent Tidal Lagoon Industry Advisory Group and the Skills and Training subgroup to identify and develop strategies to respond to the challenge of maximising skills and training opportunities generated by tidal lagoon projects. The Welsh Government is also supporting this work through commission of labour market studies to help inform the labour

⁵ The Centre for Economics and Business Research, July 2014, The Economic Case for a Tidal Lagoon Industry in the UK.

⁶ The Centre for Economics and Business Research, July 2014, The Economic Case for a Tidal Lagoon Industry in the UK.

⁷ The Centre for Economics and Business Research, July 2014, The Economic Case for a Tidal Lagoon Industry in the UK.

demand, the potential supply of labour, analysis of skills gaps and identify potential interventions required (in the short and longer term) to realise the employment opportunity for Wales. Whereas there will be immediate skills needs to deliver the Tidal Lagoon Swansea Bay project, the demand to supply the industry will be ongoing, which is why education programs are also important.

We welcomed the Welsh Government consultation earlier in year on aligning the apprenticeship model to the needs of the Welsh economy, in particular the Welsh Government's intention to tap into opportunities to grow the demand and supply for skills, specifically through working together with industry to strengthen links with major infrastructure projects and associated supply chains. This principle of collaboration and partnership is critical to realise the opportunities from infrastructure such as tidal lagoons.

Collaboration with industry was also an important element of the proposals for Developments of National Significance. We support a strategic long term approach to planning for infrastructure (including education and skills to support delivery of infrastructure), including a longer term perspective in the Wales Infrastructure Investment Plan to help facilitate and co-ordinate strategic infrastructure projects. We look forward to engaging with the process of preparing the National Development Framework now that the Planning (Wales) Act is in place, and the forthcoming Welsh National Marine Plan. A more integrated approach to infrastructure planning could help to co-ordinate across industry sectors and government departments. We consider that this is already acknowledged by the Welsh Government in relation to tidal lagoons through the establishment of a cross-government group on tidal lagoons. This approach could encourage the realisation of multiple benefits from strategic projects such as tidal lagoons.

More recently, and specifically on energy, the Minister for Economy, Science and Transport has convened a task and finish group to advise on a Marine Energy Plan for Wales. We welcome the collaboration between Government and industry.

Question 8

Please tell us what you think are the key barriers and risks to development of ocean energy and how Wales can help overcome these.

Barriers to realising the promise of the ocean/marine energy sector include administrative barriers such as consenting and licensing procedures; lack of coherent strategies, the need for more research and better information on environmental impacts; difficult access to finance; and infrastructure capacity (which are consistent with the challenges identified by the EC⁸). Such barriers can lead to uncertainties that affect investor and business confidence.

For example:

Consenting, licensing and leasing

- Limitations to the scope of project elements that can be consented under the Planning Act 2008 (Nationally Significant Infrastructure Projects) mean that additional planning consents are required from the Local Authority, entailing further cost and delay - a complexity that

⁸ Press release: http://europa.eu/rapid/press-release_IP-14-36_en.htm

needs alleviating through legislation.

- Need for NSIPs in Wales to also seek a separate marine license. There are no statutory time limits associated with the marine license process in Wales, an uncertainty which we hope might be resolved for the future through the Environment (Wales) Bill.
- Lack of policy to facilitate decision-making, such as The Crown Estate leasing.

Infrastructure barriers

- Lack of understanding of capability and capacity of supply chains. A focus on developing the supply chain in Wales to address capacity issues, and supply chain gaps will help plan for the industry. A strategic long term perspective across political cycles, and a programme of incentives will help foster business confidence in a new industry sector.
- Skills gaps need to be understood to inform priority skills and training initiatives.
- Lengthy lead-in time to plan for supporting infrastructure, which could be co-ordinated through long-term strategic infrastructure planning.

Access to funding

- Lack of understanding of challenges faced by SMEs, and the support required, which could be overcome by more engagement between Government and the private sector.
- Complex and lengthy administrative processes to access EU funding support (compounded by lack of confidence of success). Processes could be reviewed.

Research

- Gaps in the marine evidence base, which should be addressed through focused investment in collaborative industry focused research projects.

Policy and strategy

- Need for an integrated approach to co-ordinate across policy portfolios relevant to marine energy, including economy and climate change, and marine and terrestrial planning systems.
- Articulation of a long-term strategy to provide direction on priorities, policies, plans and programmes to support co-ordination of actions to address barriers and risks to develop the potential of the marine energy sector and the maritime economy.

The newly formed marine energy task and finish group will investigate these and other barriers, potential solutions and actions required to deliver jobs, growth and wealth from the emerging marine energy sector.

However, one of the biggest risks to development of the ocean energy sector is Wales not being able to realise the economic opportunity from the world's first tidal lagoon at Swansea Bay. Wales has the opportunity to lead this industry through advocacy and practical support to help deliver Tidal Lagoon Swansea Bay, which in turn will demonstrate that Wales has the investment environment and the expertise to be global leaders in marine energy.

Further information

Please tell us anything else you would like to mention this topic.

Thank you for contributing to our inquiry

Cynulliad Cenedlaethol Cymru	National Assembly for Wales
Y Pwyllgor Menter a Busnes	Enterprise and Business Committee
Ymchwiliad i Botensial yr Economi Forol yng Nghymru	Inquiry into the Potential of the Maritime Economy in Wales
PME 18	PME 18
Ynni Morol Sir Benfro	Marine Energy Pembrokeshire



Consultation questions

Role of Government

Question 1

Do you think the Welsh Government is taking a strategic approach to developing the potential of the maritime economy?

Please note that the comments below relate to marine energy and in particular wave and tidal stream. Tidal Lagoon Power will be submitting a more detailed response on the opportunities for tidal lagoons which will create further huge potential for tidal range in Wales.

Welsh Government have thus far taken an evidenced based approach to the potential development of marine energy in Wales. The MRESF project mapped out resource areas and potential constraints in Welsh Territorial waters (2011). This was followed by the Marine Energy Infrastructure study in 2012 which looked at grid and onshore support required. Regeneris then looked at the Economic Impact of marine energy and what the sector could do for Wales in 2013.

These studies have shown a logical strategic approach to developing marine energy in Wales. However due to the huge opportunity detailed below Wales is now in need of a clear marine energy strategy/policy/road map which is lacking in “Energy Wales – A Low Carbon Transition Delivery Plan.” MEP welcomes the recent move by the Minister for EST to put together an industry led marine energy task and finish group to assist with the above.

Welsh Government will need to ensure the Marine Plan for Wales balances use in a way that does not sterilise areas of resource potential and links with necessary terrestrial planning.

MEP welcomes the improved approach to linking to and supporting wider UK initiatives such as ORJIP and the Offshore Catapult.

Due to the wider importance of Welsh seas Government could consider developing a strategy for the Maritime Economy encompassing Marine Planning, Marine Transition Programme, Visit

Wales etc.

Background

In October 2014, Marine Energy Pembrokeshire carried out a report that highlighted that the marine energy industry has already had a positive effect on the Low Carbon Economy in Wales providing green jobs and growth in a challenging economic climate. Technology and project developers have spent £34.5 million, helping to create over 174 person years of employment. This contribution increases, when gross value total added effects are considered within the wider supply chain and demonstrates the important contribution the sector has already made to the economy before device deployment. The Welsh supply chain has been involved in this new sector at levels of almost 50% for tidal stream and 60% for wave energy.

The opportunity

In February 2015, a report for the UK Marine Energy Programme Board, highlighted that the UK could capture a slice of the global marine energy market worth up to £76 billion and, separately that this could contribute around £4 billion cumulatively to UK GDP by 2050.

The Regeneris report highlighted that 300MW in marine energy capacity (two 30MW wave installations and eight 30MW tidal stream installations) would deliver just over £300 million of GVA for Wales. It could provide 8,500 person-years of employment during development and installation phases. The operational phase would support £7.8 million in GVA and 180 jobs per annum across Wales.

For tidal range energy a separate report 'The Economic Case for a Tidal lagoon Industry in the UK' estimates that Tidal Lagoon Swansea Bay project will involve an investment of £1,046 million (in 2014 prices) stating that close to half of this investment will be retained within the Welsh economy. Approximately 1,900 jobs will be created at the height of the construction programme with annual operation of the lagoon amounting to approximately 181 FTE jobs.

Are there any examples of best practice in this area?

Scotland
Regen South West

Question 2

How can we use existing EU funding sources to support the sector?

By balancing the portfolio of EU structural funding prioritised for marine to focus on projects ready for deployment, Demonstration Zones, Welsh technology developers and ensuring inward investment and project development has a high Welsh supply chain content.

Explore potential of high value EU funding via Horizon2020, INTERREG, Atlantic Area and its links to current Structural funding for marine energy.

What should Welsh Government and others do to identify and make use of these?

Welsh Government could provide overarching support, particularly to SME's in identifying and ensuring project fit, partners and maximum impact. Large funding programmes are often more suited to larger organisations and academic institutions who have specialised teams to deal with the often complex applications.

Question 3

Please can you give an assessment of the way in which Wales is engaging with EU level initiatives such as the Ocean Energy Forum and Ocean Energy Europe.

MEP is not aware of Welsh Government being actively engaged with OEE or the OEF. A number of MEP members are engaged at company level. Scotland, Ireland and other member states are members and potentially gain higher profile and cross border learning on issues such as finance, infrastructure, consenting and research than Wales.

Ports

Question 4

How effective are the Welsh ports and hinterland connections in Wales in promoting connectivity to Ireland and the rest of Wales?

Ports are a significantly important and critical part of Wales' economic infrastructure and are crucial to delivering Wales' ambitions in marine energy. They also provide transport links and are hubs for potential further development.

How do the Enterprise Zones help to promote the ports and related businesses?

Enterprise Zones offer a number of incentives including Business Rate Schemes and Enhanced Capital Allowances to cover the capital cost of investment in plant and equipment. MEP promotes the use and benefits of EZs and marine energy companies have benefited from being located in the area.

Question 5

How can Welsh ports, ferry operators and related businesses benefit from and support the development of the Maritime economy, including ocean energy?

Ports are critical to the delivery of marine energy ambitions and are "selling points" for worldwide developers looking at deploying projects in Wales. Due to the proximity of ports to resource areas and grid they will be instrumental in the delivery of the sector. There are huge opportunities for supply chain companies situated in proximity to ports with transferable skills and diversification.

Welsh Ports and supply chain companies can also support project development outside Wales and this should be viewed as an opportunity e.g. steaming distance to Wave Hub is almost identical as that from Falmouth.

What support should be provided to ensure this benefit is properly realised?

The realisation of supply chain companies to diversify into marine energy e.g. there are a large number of small SME's that are not aware of the opportunity, development plans and where they can fit into project development lifecycles.

Question 6

What are the implications of the St David's Day announcement which proposes to devolve the responsibility of ports policy to Wales?

The proposal could bring opportunities for Wales with strategic planning and support to deliver Wales' ambitions in renewable energy which may differ from Whitehall. Ports are critical to delivering marine energy and wider policy ambitions such as aquaculture, tourism and fisheries and recreation. Having responsibility for Welsh Ports in Wales could see a better strategic link to wider Welsh policy.

How can this support connectivity and the development of the Maritime Economy?

Significant plans for tidal lagoons and wave and tidal stream have been outlined above in Q1. Ports will be critical in delivering these projects but will also rely on planning, consenting, energy networks and road links to be considered and developed in a cohesive way. Having the legislative power and importantly the resources to deliver this within Wales should assist in the development of the Maritime Economy.

Energy

Question 7

How can Wales realise the strategic importance of planned initiatives such as the tidal lagoon projects in West Wales and the Anglesey Energy Island Programme?

In simple terms, understanding the opportunities detailed in Q1 and the huge potential in Wales for exportable skills and knowledge on a worldwide scale. Fully supporting the sector so this opportunity is not lost to other countries. Wales is well positioned to play a global leading role in marine energy. The sector is here now and wanting to develop projects in Wales. The significance of the Tidal Lagoon sector being created in Wales and the need to move quickly to capture the benefits.

At a recent Energy Wales Strategic Delivery Group Meeting MEP suggested that Marine Energy policy/strategy was in need of further development and clarification due to the significant opportunity. We welcomed the Minister for EST response in setting up an industry led Marine Energy task and finish group to assist in this process. MEP would hope that the recommendations from this group will be supported and implemented by Welsh Government.

Question 8

Please tell us what you think are the key barriers and risks to development of ocean energy and how Wales can help overcome these.

The task and finish group will be looking at a number of barriers and risks. Some of the headings are listed below and are relevant to the sector in Wales.

- Finance, Investment – look at risks and potential for European Investment Bank, Green Investment Bank etc
- Consenting – Implement MEP consenting recommendations sent to NRW and Welsh Ministers in 2015 ensuring that adequate skilled resources are available within NRW to service the development plans. Welsh Government to create a policy to allow NRW to take more consenting risk e.g. Scotlands Deploy, Monitor, Survey
- Political leadership – Ministers to represent and promote Wales at high profile conferences outside of Wales. This has not yet happened.
- Supply chain Skills, training – Build on work by Tidal lagoon for tidal stream and wave, diversification opportunities

- EU links – Needs strengthening
- UK links – Needs strengthening but welcome support for ORJIP and Catapult
- Policy – Needs development
- Research – Implement MEP recommendations on research evaluation carried out on behalf of the Minister for EST.
- Infrastructure – grid, ports
- Community benefits

Further information

Please tell us anything else you would like to mention this topic.

The Marine Energy Pembrokeshire working group contains all wave and tidal developers who are interested in Welsh Territorial Waters and includes Welsh Government, The Crown Estate, Pembrokeshire County Council, Welsh European Funding Office, Natural Resources Wales – Marine Licensing, The Port of Milford Haven, RenewableUK, Marine Management Organisation, Tidal Energy Limited, Marine Energy Limited, Wave Dragon, Pelamis, Marine Current Turbines, OWEL, Marine Power Systems, OpenHydro, Minesto, Tidal Stream, Atlantis, SeaCatt, Swansea Bay Tidal Lagoon, Seabased, Carnegie, Ledwood, Mustang Marine, Nova Innovation, Wave Power, Repetitive Energy, Instream, Harris Pye, Pembroke Port, Anglesey Energy Island, the Energy Technology Institute, Offshore Catapult, Low Carbon Research Institute, Seacams, Innovate UK, Menter Mon and Wave Hub.

PLEASE NOTE Whilst all of the above are integral members of the working group the comments raised within this letter **do not contain their individual or organisational input or viewpoint as MEP members.**

Thank you for contributing to our inquiry



Department
for Transport

Enterprise and Business Committee
National Assembly for Wales
Cardiff

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30 September 2015

Dear Sirs

Enterprise and Business Committee 17 September 2015

Thank you for the opportunity to address the Enterprise and Business Committee meeting on 17 September 2015 to address the topic of ports.

I am grateful for the chance to see the draft Record of Proceedings. I wish to make clear that the coastal concordat which was referred to in para 127, which is designed to act as a single point of entry for consent applications, is England-only.

Yours faithfully,

Tom Oscoff
Maritime Commerce and Infrastructure Division

Eitem 6.2

Darparodd Liam Lacey, Cyfarwyddwr Swyddfa Datblygu Morol Iwerddon, Sefydliad Morol Iwerddon, y dogfennau canlynol ar ôl ymweliad y Pwyllgor â Dilyn:

Astudiaeth o'r Anghenion Sgiliau Presennol ac yn y Dyfodol ar gyfer yr Economi Morol / Morwrol tan 2020

Crynodeb gweithredol

<https://www.djei.ie/en/Publications/Publication-files/A-Study-of-the-Current-and-Future-Skills-Requirements-of-the-Marine-Maritime-Economy-to-2020-Summary.pdf> (42 tudalen)

Adroddiad llawn

<https://www.djei.ie/en/Publications/Publication-files/A-Study-of-the-Current-and-Future-Skills-Requirements-of-the-Marine-Maritime-Economy-to-2020-Full-Report.pdf> (164 tudalen)

Cystadleuaeth yng Nghanolfan Porthladdoedd Iwerddon (Yr Awdurdod Cystadlu 2013)

http://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0CCAQFjAAahUKEwi97Z3AogHIAhVC2xoKHRDLAks&url=http%3A%2F%2Fstatic.rasset.ie%2Fdocuments%2Fnews%2Fports-study-2013.pdf&usq=AFQjCNGh6DVRVfTeva_PkKq2wcfM3RcyOQ (124 tudalen)

Defnyddio Cyfoeth y Môr – Cynllun Morol Integredig ar gyfer Iwerddon

<http://www.ouroeceanwealth.ie/sites/default/files/sites/default/files/Harnessing%20Our%20Ocean%20Wealth%20Report.pdf> (88 tudalen)

Polisi Porthladdoedd Cenedlaethol 2013 – Adran Trafnidiaeth, Twristiaeth a Chwaraeon Iwerddon

<http://www.dttas.ie/sites/default/files/node/add/content-publication/National%20Ports%20Policy%202013.PDF> (60 tudalen)

Jane Hutt AC / AM
Y Gweinidog Cyllid a Busnes y Llywodraeth
Minister for Finance and Government Business



Llywodraeth Cymru
Welsh Government

William Graham AM
Enterprise & Business Committee
Cardiff Bay,
Cardiff,
CF99 1NA

William.Graham@assembly.wales

3 October 2015

Dear William,

Enterprise and Business Committee – 23 September 2015

During my attendance at the Enterprise and Business Committee on the 23 September, I offered to write to the Committee with further information relating to the European Fund for Strategic Investment (EFSI) and EU Directly Managed funds.

In terms of the EFSI, please find attached at Annex A the current pipeline of Welsh schemes with the potential to access financing through the EFSI, or indeed, other European Investment Bank financing instruments. As I highlighted to the Committee, the Welsh Government is continuing to review and refine the list, working closely with our partners across the public and private sector in Wales.

With regards to the EU Directly Managed funds, a network of officials across Welsh Government has been established to support the EU Funding Ambassadors and to identify, monitor and promote opportunities under the various programmes. Further information on Welsh successes to date is outlined at Annex B.

I would like to take this opportunity to thank you and the Committee for your inquiries relating to Wales' involvement in the European Programmes, which have proved to be informative and comprehensive.

*Kindest regards
Jane*

Jane Hutt AC / AM
Y Gweinidog Cyllid a Busnes y Llywodraeth
Minister for Finance and Government Business

Annex A

Sector	Scheme	Description	Project Sponsor / Implementing Agency	Project Size (£m)
Housing	Housing Finance Grant II	To provide an additional 2,000 affordable homes, building on the success of the initial Housing Finance Grant, which has been in operation since 2014-15. The second phase, like the first, will include an annual funding stream provided by Welsh Government over 30 years to support Registered Social Landlords (RSLs) and Local Authorities to borrow private finance to invest in affordable homes.	Welsh Government	£250m
Health	Velindre Cancer Centre	As part of a wider programme looking at the transformation of cancer services in South-East Wales, the Velindre Cancer Centre will be replaced with a new build hospital, financed through the NPD model	Velindre NHS Trust	Approx. £210m (2013-14 prices).
Transport	A465 Heads of the Valleys Dualling (Abergavenny to Hirwaun) – Sections 5 & 6 (Dowlais to Hirwaun)	Dualling of sections 5 and 6 of the A465, to be financed through the NPD model.	Welsh Government	Approx. £300m (2013-14 prices).
Education	21st Century Schools Band B	To support delivery of the 21 st Century Schools Programme for Band B projects, financed through the NPD model.	Welsh Government	£500m

Resources and Environment	Coastal Risk Management Programme	The Programme was announced by the Welsh Government on 9 December 2014. It responds to the flooding and erosion risks our coastal communities face as a result of climate change.	Welsh Government, LAs, Natural Resources Wales	£150m
Transport	South Wales Metro	The Metro is intended to be a catalyst for transforming the economic and social prospects of South East Wales and the country as a whole. At this stage there are many options for modes of transport including; light rail, heavy rail, bus rapid transit and trams.	Welsh Government	£500m-£600m
Resources and Environment	Green Growth	Green Growth Wales will promote investment which reduces carbon emissions, covers its own costs, creates public sector savings / income over the longer term, and, creates economic benefits including employment. Green Growth has the potential to support and promote infrastructure projects encompassing renewable generation, resource efficiency, and energy from waste.	Welsh Government, Local Authorities in Wales, Natural Resources Wales, Higher Education, Further Education and Health	TBC
Further Education	Aggregated Borrowing Platform for Further Education	Work is underway to explore options for the development of an aggregated borrowing platform to support increased investment in the FE estate.	FE Institutions	TBC
Energy and Environment	Tidal Lagoon Power - Swansea Bay	Construct a tidal lagoon in Swansea Bay between the ports of Swansea and Neath. It will have capacity to	Tidal Lagoon Power	TBC

		produce up to 240MW (possibly up to 320MW) of renewable energy utilising the tidal range. Significant regeneration/amenity elements because of the potential complementary tourism and sporting opportunities.		
Energy and Environment	Energy Island - Anglesey	To deliver a series of projects to harness a rich mix of energy streams, including nuclear, wind, tidal, biomass and solar; together with associated servicing projects provides major potential to achieve economic, social and environmental gains for Anglesey and the wider North Wales region.	TBC	TBC
Health	Primary and Community Care	Proposal to support investment in primary health care centres, through an innovative finance model.	Welsh Government	TBC
Health	A Regional Collaboration for Health (ARCH)	Transformation of health services in South West Wales, bringing together the health and life science sectors. This scheme involves collaboration between Abertawe Bro Morgannwg and Hywel Dda University Health Boards and Swansea University.	Abertawe Bro Morgannwg University Health Board Hywel Dda University Health Board and Swansea University	TBC
HE	SA1 Innovation Quarter	This project will deliver an internationally significant waterfront commercial regeneration development, closely aligned to the new University of Wales Trinity Saint David Community Campus,	University of Wales Trinity St David	£200m

		which will open in 2018, and sponsored by the University.		
Industry	Compound Semiconductor Industry Foundry	Production facility to enable pilot line, commercial R&D and production of compound semiconductors, as a continuation of the CS Institute and CS Foundation being developed in Cardiff, with a view to enabling and growing Europe's fifth semiconductor cluster and the World's first Compound Semiconductor cluster.	IQE plc	£200m

HORIZON 2020

It is still early in the programme period to confirm statistical trends, but it is clear that Horizon 2020, as expected, is more competitive than its predecessor FP7. This reflects the fact that many areas of the programme are heavily oversubscribed, including new initiatives such as the SME Instrument.

Considering the level of competition, the performance of Welsh organisations has been encouraging in many areas. The latest available data (from 17 July 2015) shows that 44 Welsh participants were selected for funding, involving EU funds of €17.6 million.

In addition to the above, €9.4 million has recently been awarded to the Welsh Government's SIRCIW ('Strengthening International Research Capacity in Wales') COFUND bid. The Horizon 2020 Unit is also aware of a number of other successes that are yet to be recorded in the formal statistics.

ERASMUS+

40 Welsh projects been awarded funding of nearly some €6.5m in 2015 (5.8% of the total against our population share of 4.8%), which is an Improvement on 2014 (€5.1m).

Wales' percentage of successful applications in 2015 was the highest of the home nations at 60.6%. Applications from adult learning were the highest at 10.3% of all applications, with schools the lowest with 1.9%.

The British Council, Ecorys and the Welsh Government are arranging a series of events around Wales in the autumn to promote the opportunities available through Erasmus+ in advance of the next call for applications in 2016. This will range from conferences, briefing events and webinars to support applicants and raise awareness.

Some examples of successful Erasmus projects in 2015:-

- Cardiff City Council – Inspiring Outdoor Learning – A Vision for Schools in South Wales - €97,200
- Cardiff Metropolitan University – Partnership with Brazil, China, Egypt, India, Indonesia, Lebanon & Morocco - €252,240
- Swansea University in partnership with China, New Zealand & USA - €176,120
- Coleg Cambria – Mobility and Cultural Awareness for VET Learners - €322,810
- Colleges Wales – Pan Wales FE Staff & Vocational Learner Mobility (2 projects) - €239,949
- Welsh Football Trust (FAW) – Using Mobility to enhance Apprentice Success in Wales - €150,823

CREATIVE EUROPE

Culture

Aberystwyth University's Literary Europe Live project was recently successful in attracting €455,000 of funding, as one of only three applications selected under the Europe wide Platforms scheme. Aberystwyth are the lead partner on the project encompassing 15 partners.

Welsh National Opera are a partner in the successful Opera Europe project, which has received grant funding of €86,000.

Media

During 2015 there has been three unsuccessful applications (2 Video Games Development and 1 Slate Development funding), currently awaiting news on a TV Programming application and four Single Project Development applications.

CONNECTING EUROPE

Network rail has been successful in its bid for funding towards electrification of the South Wales main line. Wales will also benefit from a successful UK bid for an Integrated Transport Systems project for roads.

Bids for 4 road schemes (M4, Eastern Bay Link, A40 and A55) were unsuccessful in the first call. This was largely expected given that the Commission places less importance to road infrastructure.

COSME

Provides valuable support for Enterprise Europe Network in Wales which is undertaking valuable work in assisting Welsh businesses identify European and domestic funding opportunities.



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref

William Graham AM
Chair
Enterprise and Business Committee

committeebusiness@Wales.gsi.gov.uk

8 October 2015

Dear William

In 2014, I established an Innovation Advisory Council for Wales to advise on a broad range of innovation matters to help grow and sustain Wales' economy and improve the wealth and wellbeing of the people of Wales.

I have met with the Council and its joint Chairs, Adam Price and Ian Menzies a number of times to discuss emerging trends and developments, areas of existing strength and the most effective methods of available support we can use to achieve results within the innovation arena.

The Council are undertaking valuable work, and for this to be more widely known and appreciated, the joint Chairs would welcome the opportunity to provide an update on its progress to the Enterprise and Business Committee.

There can be no doubting the importance of innovation to our task of delivering jobs and growth for the Welsh economy and I attach great importance to the role of the Innovation Advisory Council for Wales and the work of its members.

I hope the Enterprise and Business Committee will be able find a convenient time to speak to the joint Chairs about the work the Council is undertaking, and its future plans.

Edwina Hart