

[National Assembly for Wales](#)

[Enterprise and Business Committee](#)

[Inquiry into the Welsh Government's approach to the promotion of trade and inward investment](#)

Evidence from Capital Wales - TII 11

Thank you for the opportunity to comment on the Welsh Government's approach to the promotion of trade & inward investment.

Capital Wales is a marketing partnership funded by 9 of the 10 Local Authorities in the region. Up to the start of this financial year it was all 10 but Cardiff pulled out & Welsh Government pulled out at the same time on the basis that Capital Wales would become part of the City Region.

In terms of the specific points raised in the terms of reference we would comment as follows;

- 1 Scale of resources - A difficult area to make a comment on as there have been a number of changes to the method used for promotion of Wales for trade & inward investment. Wales was, effectively, out of the market place, (as Welsh Government) for many months as new teams/set ups were tried, eventually ending up with the specific trade & inward investment team that now exists. It is likely that the delays had a short-term impact on the ability of Wales to secure projects and this is reflected in the reduced success in securing inward investment projects. In the past there was an agreement that, in general terms, the Local Authorities took the lead on inward investment from within the UK, leaving Welsh Government to utilise its funding to focus on securing investment from off shore. This may have provided a positive support facility during the period Welsh Government were realigning their resources. It is possible that a return to this level of partnership could provide a more cost effective service but there is a risk as Local Authorities budgets are cut and, no doubt, the non statutory services will face the greatest cuts which could impact on their ability to support Welsh Government inward investment and trade activities.
- 2 Monitoring & evaluation - Again it is difficult to assess as there is limited information available on costs & successes, often for commercial confidentiality reasons. As the media provided information suggests that a percentage of the 'successes' are expansions of companies already located in Wales it is difficult to estimate what costs are involved specifically in inward investment or trade activities or how they are split and how effectively they are spent. It may be that monitoring & evaluation are OK but we could not comment. However due to the partnership manner in which we were set up we are able to detail our costs, the number of enquiries we generate and the number of new jobs created by companies we assist to locate to the region.

- 3 Current approach - It would be difficult to say that the current process is any better than previous systems other than, in the past, there was an agreement between partnerships such as ourselves and WDA/IBW over joint working. The latest iteration has not had time to demonstrate how effective it is but it would seem to offer advantages over the system it replaces. From personal experience I would suggest that, when it existed, having members of IBW located in Local Authorities (costs covered through a European Funded project) with the remit to support 'local' companies who were potential exporters was very beneficial because these staff were based with Economic Development teams and were thus fully aware of what the Authorities were doing and the ED staff were fully aware of what the advisers were doing. This led, for example, to ED officers being able to introduce Export advisers to companies they were working with who may have been considering exporting and export advisers introducing companies to ED officers when they required assistance or grant aid for capital expenditure associated with their export initiatives. Thus the companies received a more comprehensive support service than may either wise have been the case.
- 4 Effective approach to investor development - This is an area where Welsh Government seems to be having considerable successes given the number of expansions of existing previous inward investors. However without details of assistance provided and benefits secured it is difficult to comment on the level of or reasons for the success, it could be the level of funding made available, support for staff recruitment & training, etc. One is also not aware of the level of integration of support with the Local Authority Economic Development teams who may be able to support/assist investor development, particularly with the smaller companies, which would free up Welsh Government staff to focus more on the support need of the larger inward investors.
- 5 Main barriers faced by potential exporters - The market we are involved in would prevent us from making many comments on this area of activity. However the level of Trade Missions organised & supported by senior Welsh politicians has to be seen as positive & it is assumed that the chosen locations are based on research of what current and potential exporters see as their target markets.
- 6 Strength of inward investment 'offer' - The Welsh inward investment offer is strong with reasonably qualified staff availability in most sector but particularly in areas such as computing, digital media, professional services and manufacturing, high potential levels of financial support, reasonable rental levels, good communication links, broadband improving and road & rail links good (accepting that Welsh Government can not change the level of tolls paid to cross the Severn bridges) etc. combined with excellent leisure and recreational facilities. However as with all offers it could be improved with greater 'partnership working' as staff in Local Authorities &

partnerships such as ours have an 'in depth' knowledge of the situation 'on the ground' and could make more relevant introductions & this would provide a seamless transfer of client support as businesses become more settled in their chosen location. What is most important is that the service and offer is tailored & delivered to meet the needs of the client.

- 7 A coherent 'brand' - There is a question over the 'brand' that is Wales. With so diverse a country with so wide a range of businesses it is difficult to develop a single 'brand' that meets inward investment, exporting and tourism requirements. What is required is development of the partnership approach across the country to ensure some commonality of marketing visuals and text. If one looks at the latest marketing activity in the south east there is a need to agree that other marketing partnerships note and support this activity or there could be duplication and confusion as we could have other partnership, Capital Wales, Swansea Bay Partnership and now, one assumes, Cardiff City all doing 'their own thing', using their own visuals and text to market the same place. We do not claim to have the greatest marketing (very limited funding ensures the vast majority of our efforts are 'on line') but we did score highly for our use of social media in a recent independent study and our videos have been well received and we have offer them to 'partners' such as Welsh Government as they provide a different approach to the normal 'case study' as we have tried to link WORK/LIVE/PLAY through them. What is important with the Welsh Brand is that all organisations involved in promotion use similar (not necessarily identical) visuals and text to convey a common, cohesive brand.