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Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref
William Graham AM
Chair
Enterprise and Business Committee

19 May 2014

Dear William

At the Enterprise and Business Committee meeting on 20 March I agreed to provide you with information regarding Enterprise Zones and Cardiff Airport. The attached annexes contain the data you required.

A handwritten signature in black ink, appearing to be 'Edwina Hart', written in a cursive style.

ANNEX 1 – ADDITIONAL INFORMATION ON ENTERPRISE ZONES

The progress of providing superfast broadband to enterprise zones under the Superfast Cymru programme

Good progress is being made across all of the Enterprise Zones which fall within the Superfast Cymru footprint with many exchange areas already accepting orders of some cabinets with more expected to go live this year.

The Cardiff Enterprise Zone falls outside of the Superfast Cymru footprint. We are working with colleagues in Cardiff County Council who are offering connectivity vouchers for up to £3k for businesses to allow them to benefit from a range of high speed communications technologies.

How the provision of superfast broadband will be addressed (and the broadband technologies to be used) in the areas unsuitable for the Superfast Cymru programme.

We have conducted a review to identify locations not covered by either commercial or Superfast Cymru roll-outs. The review process has now been completed. We will now consider the findings as part of our work to identify how high-speed broadband may be provided to those premises that, for a variety of reasons, are not covered by either the commercial or Superfast Cymru roll-out. As part of this process we are planning to hold a public consultation on our findings in May or early June, with action being taken thereafter. Details of the consultation will appear on the Welsh Government website.

The longitudinal long-term survey – number of businesses on Enterprise Zones

247 businesses were interviewed in the first wave of the survey. We identified 620 businesses in the Enterprise Zones.

Business rate support applications

A total of 72 applications for BRS were approved in 2012/13 and 2013/14 respectively.

These are broken down by zone as follows:

- Anglesey – 5
- Central Cardiff - 2
- Deeside – 31
- Ebbw Vale – 8
- Haven Waterway – 24
- Snowdonia – 0
- St Athan – Cardiff Airport – 2

The total applications approved commit £4,562,000 to businesses within the Enterprise Zones over the life of the scheme. The third round of Business Rate Scheme is currently open for applications until 3 June. This round was extended for a period of 10 weeks to allow for further applications from companies within the Zones. Business Rates Scheme surgeries were held in Deeside and Cardiff to target business uptake. A further update on the success of this scheme will be provided in the months ahead after applications have been considered.

An analysis and a breakdown of how individual Enterprise Zones are performing in terms of jobs created, assisted and safeguarded and other relevant KPIs

I agreed at the EB Committee on 20 March to ask Enterprise Zone Board Chairs to consider this action as this was a decision for the Chairs of Enterprise Zone Boards. I have asked the Board Chairs to explore the Key Performance Indicators and where they feel these can be broken down further by Zone.

ANNEX 2 – ADDITIONAL INFORMATION ON CARDIFF AIRPORT

Regional Air Connectivity Fund and new guidance on State aid

The Regional Air Connectivity Fund was originally established by the Department for Transport in June 2013 to support regional air links to London and provided the opportunity for airports outside the south east of the UK to improve connectivity and stimulate further economic growth in their regions.

The fund supports PSO flights (public sector obligation) to London that comply with the relevant EU regulations on PSOs.

The announcement in the 2014 Budget by the Chancellor extended the amount of funding to be set aside to support new air routes from regional airports to destinations within the EU. This funding doubles to £20million per year, and will be extended by a further three years to the end of March 2019.

The Department for Transport are currently working with the Treasury and the European Commission to determine how the funding process will operate in practice, and will develop guidance for airports, Devolved Administrations and local authorities seeking to make applications for supporting air routes. This information is expected during the summer months. It is anticipated that the fund now includes applications for start-up aid for new routes from UK regional airports handling fewer than 5 million passengers per annum that meet the new EU State aid guidelines.

State aid in the context of projected passenger growth at Cardiff Airport

The new EU Guidelines on State Aid Support for Airports highlights the type and percentage of funding support which may be available to airports depending on their passenger numbers. The Welsh Government will be considering which, if any of these, avenues of support are applicable to aviation in Wales including Cardiff Airport.

Welsh Government official travel through Cardiff Airport

There are a range of factors that need to be considered when arranging trade missions overseas, not least of which is value for money. Wherever practical and where the requirements for value for money are met, trade missions will travel via Cardiff Airport.

Runway use at St Athan Airfield

The airfield at St Athan is open seven days per week, on 48 hours notice until 1 July 2014 and thereafter, seven days a week between 09:00 hrs and 17:00 hrs. Any operation outside of these hours, is by negotiation.