I announced in October 2009 that I would be instigating a fundamental review of our approach to economic development. This statement sets out the outcome to that review. Over the past twelve months we worked across Government to develop a new policy. Importantly we did not undertake this work alone. Significant external input strongly influenced Economic Renewal: a new direction. The culmination of this work was the policy document Economic Renewal: a new direction which we launched in July 2010. It is a major achievement for the Welsh Assembly Government in terms of both policy and delivery. The policy is underpinned by two important principles: the need to take a whole Government approach to economic development and the importance of a clear role for the Assembly Government in which it takes a more strategic and enabling approach focussing on supporting an environment for growth which benefits all firms. These two principles are being applied through our five priorities.

We have been focusing on making Economic Renewal: a new direction our mainstream approach to delivering economic development. This is demonstrated in the Implementation Plan for Economic Renewal: a new direction and the Framework for Measuring Success which I am publishing. These complementary documents are tools for measuring our commitment to delivering Economic Renewal. One shows activity the Welsh Assembly Government has carried out, the other is about understanding the context and the effectiveness of its support. Together, these documents present a comprehensive picture of how economic development is now being delivered in Wales. Some of the highlights of what we have achieved so far are set out here.
Investing in High Quality and Sustainable Infrastructure

We began the procurement of Next Generation Broadband in February. We promised to use our existing assets to support the roll out of Next Generation Broadband. The phased marketing and sales work programme of the Welsh Assembly Government property portfolio commenced in February. We have invested in the Public Sector Broadband Aggregation project which runs until 2014.

We have continued to run the very successful arbed programme.

To be able to deliver these programmes more effectively, a new Infrastructure Group has been established. The new Group has already resulted in more effective delivery of priorities, with previously difficult areas being accelerated, for example land being made available for social housing.

Making Wales a More Attractive Place to do Business.

We have begun the two year programme for the implementation of a programme of improvements to the planning process. A number of pilot Planning Guidance Surgeries for small businesses are scheduled to be held across Wales during Spring this year.

A pilot grant scheme to assist Local Authorities to procure the resources and skills to deal with complex applications went live in September 2010. The research project “Planning for Sustainable Economic Renewal Evaluation and Scoping Project” has been commissioned. The scoping work for first changes to Building Regulations has been completed. We are also in the final stages of the development of a single National Procurement Website. The improved site will allow for more detailed, tailored search facilities for businesses, offering SMEs more sophisticated search and save functions for finding public sector opportunities appropriate to their business.

A new online service providing line managers with access to advice and information to help support people in work with health problems was launched in pilot form (for 6 months) in January.

Broadening and Deepening the Skills Base

We have aligned the Workforce Development Programme with Economic Renewal priorities and now give greater focus to job creation when determining the level of investment with businesses. Employers in key sectors and Anchor companies will have access to bespoke and discretionary support. Thirteen Sector Skills Council (SSCs) projects have been approved under the Sector Priorities Fund Pilot Programme.

The renewed Employer Pledge Programme is being supported by £10m additional funding through the ESF over the next 4 years and will facilitate a dramatic increase in delivery of basic skills learning in the workplace. A further £2.4m package of support for Wales Union Learning Fund projects will be funding projects designed to address employability skills and have a strong focus on supporting those at risk of redundancy or redeployment.

New arrangements unique to Wales have been introduced to support University entrants from Wales. The power for Further Education colleges to
apply for Foundation Degree Awarding Powers has been made law and a
Foundation Degree Policy introduced. Higher Education Funding Council for
Wales (HEFCW) has produced its Corporate Plan which delivers many of the
proposals in For our Future, the 21st Century Higher Education Strategy and
Plan for Wales. This includes the introduction of regional planning, and a
blueprint for the reconfiguration of the sector involving the establishment of six
strong universities in Wales by 2013.

The revised Science Policy for Wales is being developed and is intended for
publication in the Autumn. The National Science Academy (NSA) is
contributing towards increasing the level of STEM skills in Wales. The Deputy
Minister for Science Innovation and Skills announced the two additional NSA
hubs - Centre for Alternative Technology (CAT) and the National Botanic
Garden of Wales earlier this month.

The Youth Engagement and Employment Action Plan, published in January,
outlines the Welsh Assembly Government's approach to preventing young
people from disengaging from learning and supporting them with entry to the
labour market, including pilots for an intermediate Labour Market programme
for 16-17 year olds and a vacancy matching service.

Our Young Recruits programme offers a wage subsidy to employers taking on
a 16-24 year-old apprentice. To date we have approved 1001 applications for
the programme. We are shifting the balance of our investment in
apprenticeships from those in work to those entering work at the beginning of
their careers. Subject to resources, the Apprenticeship Matching Service is
planned to be rolled out nationally in April this year. The Pathways to
Apprenticeship Programme provides a flexible route for young people to
acquire the underpinning knowledge and skills required for successful
completion of the full apprenticeship framework. Pathways is being delivered
in six sectors this year, offering 2000 places. It is intended that from August
this year sectors will be aligned with ERP.

Encouraging Innovation
We have refined the facilities we provide to business to support innovation.
Four Technium are to be retained in support of business incubation and start-
up companies. The remaining buildings will no longer be part of the Technium
network from 31 March and options are being developed for their future. Up to
£15m has also been earmarked for Swansea University over a period of 5
years, subject to a business case appraisal, to facilitate the development of its
£350m Science and Innovation Campus at Fabian Way.

A new funding offer to support R&D has been developed and is available to
businesses. Businesses can now access finance that will be repayable up to
seven years after the final phase of R&D has been completed. The Business
Innovation Programme will continue to build the innovation capacity of
businesses and provide financial support through Innovation Vouchers. There
is now a stronger focus on commercialisation support to businesses. We have
realigned the Academia4Business programme (A4B) to deliver against the six
key sectors. The Innovation Plan will set out future work, anticipated for
Autumn this year.
**Targeting the Business Support we Offer**

Recruitment of recognised experts from within the sectors to form the Pector Panels has been completed with meetings held in March. The Creative Industries panel has progressed slightly ahead of the other five sectors and held its first monthly meeting on 19 October. Plans for each sector are to be developed with the input of the Sector Panels, so that we make the most of their knowledge and experiences. To support these changes the new DE&T organisational structure is now substantially populated.

The Council for Economic Renewal is meeting three times a year, supported by a working group. We have also recently announced plans to form an advisory group on SMEs. We have also established a working relationship with anchor companies and regionally important companies.

The new arrangements for the new DE&T business finance offer, based on a repayment model, came into force on 1 September. Applications already received for the Single Investment Fund by the 5 July were considered in line with the original SIF guidelines, as were applications which were at an advanced stage of discussion by the 31 August.

We have re-aligned the use of EU funds to match the approach of Economic Renewal and to increase funding for infrastructure developments. All remaining ERDF projects have been resubmitted and are being appraised against Economic Renewal priorities. The former SIF budget has been reprioritised in line with the six key sectors, based upon equal allocations of repayable finance. Where there are existing funding commitments to be managed, these have been allocated between key sectors. The Regional Priority Fund framework will become available from next month.

We have developed a range of programmes to support entrepreneurship and enterprise. The Youth Entrepreneurship Strategy Action Plan 2011-2015 and Big Ideas Wales Campaign were launched on 15 November, timed to mark the start of Global Entrepreneurship week. Future entrepreneurship champions are also currently being recruited.

Alongside home-grown businesses, we are taking a new approach to encouraging investment from overseas. The functions of IBW have been amended in line with the policy direction of economic renewal, and absorbed into the new staffing structures of DE&T. IBW branding and the website are no longer used. We have aligned our review of our overseas work with UKTI’s to be able to maximise the opportunities for any reforms to our overseas operations. It is anticipated that this will be complete in Spring this year.

To make all of this more accessible to businesses, we are making it straightforward for businesses to find out what is on offer to support them. We have kept the business telephone helpline on 03000 6 03000. The business support website has been re-branded as business.wales.gov.uk and updated to reflect the new policy. We have also produced brochures setting out what the new offer means for businesses in Wales, with more planned to come out soon.