Ken Skates AM/AC
Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith
Cabinet Secretary for Economy and Infrastructure

Llywodraeth Cymru
Welsh Government

Mohammad Asghar AM

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Dear Mohammad,

Further to a commitment made by the Leader of the House in plenary on 3rd October, I am writing to provide an update on support for businesses in Newport and to address your comments on company closures.

We are committed to supporting entrepreneurs, micro and SMEs, as well as social enterprise, which is why we are investing £86m up to 2020 to ensure entrepreneurs and businesses in Wales have access to information, guidance and business support through the European funded programmes, Business Wales and Social Business Wales.

Prosperity for All sets out a range of actions and priorities that will benefit SMEs. These include the Development Bank, enhanced Business Wales support and infrastructure investment.

We are also working to deliver a new regional focus that will help all of Wales to benefit from prosperity and become attractive places into which people want to live, work, learn and invest.

Our new regional dimension to economic development will build upon developments such as:

- the construction of the new £83.7m International Convention Centre Wales. This will be a major asset for Wales, based in Newport, enabling us to compete with any venue in the UK and indeed Europe to attract and host key events that make a huge contribution to the economy.

- a world-leading technology cluster in Newport that is expected to create more than 2000 jobs and is backed by £12m of Welsh Government funding. The state of the art facility is the first project to be supported by the £1.2bn City Deal and is the latest development in the Welsh Government's plans to make Wales the global centre of expertise for compound semiconductors.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

- The Welsh Government is also supporting a number of initiatives aimed at creating a pipeline of work-ready technology graduates and developing the city's growing reputation as a digital centre of excellence including the UKs first National Software Academy, a new National Cyber Security Academy and Innovation Point.

- Our proposed M4 Corridor around Newport Project is considered to be the sustainable, long-term solution to the social, cultural, environmental and economic problems associated with the existing M4 around Newport. It forms an essential part of our vision for an efficient integrated transport system in South Wales and will improve accessibility for people as well as Welsh goods and services to international markets.

- Newport has been selected, for 30m rail production Construcciones y Auxiliar de Ferrocarriles (CAF), as the location for its new Centre of Excellence for the manufacture of UK rolling stock creating 300 jobs. More than 100 locations in the UK were considered for this major investment, with the Celtic Business Park in Newport chosen from one of 4 potential sites that were short listed.

- Vibrant and Viable Places has been the Welsh Government's flagship capital regeneration programme and has invested £124 million in priority schemes in 18 towns / settlement areas across Wales between 1st April 2014 and 31st March 2017 . This programme has been the main driver for regeneration activity in Wales and has enabled a mix of important housing, social, environmental and economic projects to be delivered in many of Wales' most disadvantaged communities. Delivery partners are forecasting the programme will create more than 2,000 jobs, support 9,000 people into work, lever in £300 million in additional investment, deliver 1,000 additional affordable housing units and more than 2,300 market housing units. Welsh Government awarded Newport CC £16,989,116.70 VVP funding over the 3 years in support of its VVP Programme entitled 'Connecting Commercial Street'. Newport CC delivered on the five key objectives of their Connecting Commercial Street VVP Programme. These include:

  - Objective 1: Stimulate business growth and investment in the area
  - Objective 2: Improve key gateways in the area
  - Objective 3: Improve living conditions for existing/ potential residents
  - Objective 4: Develop key meaningful employment opportunities linked to the regeneration of the area
  - Objective 5: Create sustainable models of activity

    - The programme has delivered a number of key projects to include the refurbishment of the Pillgwenlly Millennium Centre, 62-66 Cardiff Road, the redevelopment of the former Yates Hotel, the Kings Hotel and the National Buildings project. The projects provide a mixture of both affordable and market homes, community facilities and opportunities for SME's whilst also supporting the tackling poverty agenda.

We deal with hundreds of businesses each year and the economic reality is that some businesses will succeed and some businesses will fail. It is unrealistic to think that even good businesses do not experience trading difficulties from time to time. However, it is important to remember that all businesses begin as start up businesses and unless we are prepared to take risks we would not support new businesses.

Our focus continues to be on actions that support business growth, improve our infrastructure, and which help foster better economic conditions for Newport and beyond.

Yours ever,

Ken

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