



UK Government
Llywodraeth y DU

The UK Government's Plan for Wales



May 2021

The Prime Minister



10 DOWNING STREET
LONDON SW1A 2AA

By any measure, Victorian draper Pryce Pryce-Jones lived an extraordinary life. Born and raised in the tiny village of Llanllwchaiarn in what is now Powys, he went on to invent the sleeping bag, serve as a Conservative MP and father not one but two international footballers.

But his most significant legacy lies in his role as the great-great-great grandfather of online shopping. Because way back in 1859, having recognised the potential of the newly opened Llanidloes and Newtown Railway, Pryce-Jones began shipping first sales catalogues and then the finest Montgomeryshire wool and flannel to customers as far afield as the United States and Australia, and as famous as Florence Nightingale and Queen Victoria.

In doing so he gave the world its very first taste of large-scale mail-order retail and created the template that is still followed by the virtual merchants of every shape, size, and speciality on which we all now rely so much.

Pryce-Jones's story shows the magic that can occur when talented individuals with big ideas are paired with the opportunity and infrastructure needed to make their dreams real. It is a formula that still works today and one I want everyone in 21st century Wales to benefit from – which is why the UK Government has put together this first-of-its-kind Plan for Wales. Just as the economic heft of the UK provided the resources to get all four of its constituent parts through the worst of the pandemic – and acquire the vaccines that will ultimately bring it to an end – so that strength in numbers will help Wales become fairer, greener, and more prosperous as we build back better from Coronavirus. By working together, we can bring faster internet connections, more reliable mobile signals, and better transport connections both within Wales and with the wider United Kingdom.

We can create good, skilled, well-paid jobs from Menai Bridge to Machynlleth to Merthyr Tydfil. We can help Wales play its part in building a net-zero economy with everything from the Holyhead Hydrogen Hub to vast floating windfarms in the Celtic Sea. And we can do all this while enhancing the proud culture and historic heritage that makes

Wales such a unique member of our awesome foursome. For too long the red dragon's wings have been clipped, its nostrils congested, but no more. Gorau chwarae, cyd chwarae.

We have always been at our best when we work as one United Kingdom and this plan shows how we will do just that, so the Pryce Pryce-Joneses of today have everything they need to rise to their potential, and the Welsh dragon can soar once again.



Boris Johnson

The Prime Minister

Ministerial Foreword



Over the past 12 months, the United Kingdom has come together to fight a global pandemic the like of which has not been seen in modern times.

Our ability to respond, to protect lives and secure our economic future has been strengthened by us all being a part of one United Kingdom. In Wales, over 466,000 jobs have been supported through the Coronavirus Job Retention Scheme and loans to business worth over £2 billion. Bringing together our collective scientific and industrial capacity, we have also delivered a world-class vaccination programme that has given us a path out of lockdown. Vaccines to tackle the Covid-19 pandemic have been sourced and paid for by the UK Government for the whole of the UK, and we have delivered more than 3 million doses to vaccinate people in Wales. This Plan for Wales demonstrates the UK Government's commitment to the people of Wales. I have spoken to business, local authorities, educational institutions and local people, and their insights are the foundations upon which the Plan has been built.

It is now time to look ahead – to the opportunities and ambitions that will shape our future, underpinned by our partnerships with innovators, business, local leaders,

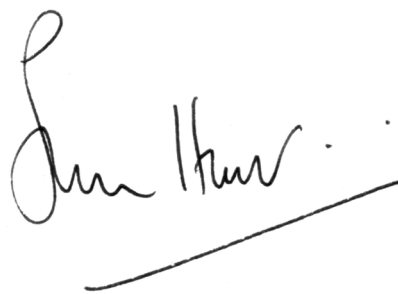
“As we emerge from the global pandemic, we must now begin the first steps of our recovery. This Plan for Wales brings together an ambitious programme of renewal that will generate jobs and prosperity in our local communities. From the manufacturing centres in the north and south east, to the rural heartlands and our coastal communities, Wales will benefit from and play a crucial role in the greening of our economy with our wealth of natural resources and innovation expertise.”

communities and the Welsh Government. At Budget, the UK Government made clear its commitment to level up across the whole of the UK, extending support across all four nations as we set a clear path towards economic recovery. We are now delivering on this commitment. The Levelling Up Fund will invest up to £4.8 billion across the UK in local infrastructure that has a visible impact on people and their communities. The UK Community Renewal Fund will support people and communities most in need, working directly with the twenty two Welsh local authorities and local partners, who are best placed to understand the needs of their areas and to deliver quickly on the ground.

The UK Government remains committed to establishing at least one Freeport in Wales as soon as possible, to attract new businesses and investment and create jobs and opportunity in areas that need them most. We are also investing in Wales' transport infrastructure. On top of the £343 million announced for Welsh rail last year, a number of additional projects are in the pipeline and £20 million has been made available for cross-border connectivity between the nations of the UK. We are investing in the Global Centre of Rail Excellence, to create a world class train testing and research and development facility in Wales. This will help to regenerate former coalmining sites at Onllwyn

and Nant Helen – providing highly-skilled jobs and supply-chain opportunities. The pandemic has highlighted that everyone should have access to high speed connectivity. This is why Project Gigabit, to which the UK Government has committed a landmark £5 billion to roll out gigabit-capable broadband in the hardest to reach areas, and the Shared Rural Network, a £1 billion deal with the mobile network operators to enhance 4G mobile coverage, are crucial long-term investments.

Wales has long been a land of innovation. And it is this creativity, new technology and determination that will take us forward. Alongside our partners, we will continue to work together to build back better and emerge from the pandemic with a plan that delivers real benefits to the people of Wales.



The Rt Hon Simon Hart MP
Secretary of State for Wales

Introduction

This Plan lays out, for the first time, the UK Government's key commitments to date to Wales. From start to finish, the Plan underlines Wales' integral economic, scientific and cultural contribution to the fabric of the United Kingdom, and, reciprocally, what the United Kingdom and its collective resources can and will deliver for Wales.

It articulates what has been, is being and will be done across a broad range of areas – from sport to steel, rail to research and development and broadband to business support – that are the foundations of everyday and economic life.

The focus of the Plan is on the tangible and specific benefits that the UK Government will deliver at a local level. It also looks ahead to the longer-term endeavours which will leave a lasting legacy for generations to come. The ambitions of the Plan are a call to all partners concerned with the future prosperity of Wales, including the Welsh Government, local authorities and other stakeholders; their partnership and collaboration will be integral to delivering this Plan and improving the lives of people throughout Wales. And as the challenges and opportunities facing Wales evolve, so will the nature of the UK Government's commitment – what matters is that it is enduring, a foundation on which future governments can and will build.

This Plan is not the limit of our ambitions for Wales and this Government will continue to work hard to support and deliver new opportunities for jobs, growth and innovation.

Part 1 – commits to support economic growth right across Wales through empowering communities and levelling up, backed by the Plan for Jobs, Levelling Up Fund, UK Community Renewal Fund, UK Infrastructure Bank and City and Growth Deals, and to strengthen Wales' key economic sectors such as steel and the automotive industry.

Part 2 – commits to build back greener on the foundations of Wales' distinctive low-carbon and renewable energy resources, noting the growing interest in Wales in hydrogen, offshore wind, marine and advanced nuclear energy.

Part 3 – commits to ensure communities in Wales are well-connected, with long-term investments in transport and digital infrastructure in the pipeline to support economic growth.

Part 4 – commits to strengthen Wales' place at the heart of a prosperous UK, through its contribution to the Armed Forces and by championing Welsh language, culture and sport, and to protect communities from adversity.

Part 1: Supporting growth through empowering our communities

For the UK to prosper, all parts of the Union must prosper, which is why the UK Government has placed levelling-up at the heart of its agenda.

The UK Government also believes that we must take an approach that recognises that different places have different challenges and strengths, and places the regions and communities of the UK at the heart of investment decisions.

The UK Government will work with local authorities, local partners and communities in Wales to deliver jobs and growth.

£27 billion through the Levelling Up Fund, UK Community Renewal Fund and UK Infrastructure Bank has been made available to level up across the whole of the UK including communities in Wales.



“We are beyond grateful for the furlough scheme here at the Quay Hotel. We have 107 employees here on the books. We used it to the full benefit that we possibly could, basically as security for our staff. And we are absolutely thrilled that the Chancellor reduced VAT. The UK Government has been fantastic”.

Brid Adams, General Manager, Quay Hotel and Spa

Plan for Jobs

The Plan for Jobs is protecting, supporting and creating jobs in all nations and regions of the UK and providing the strongest possible foundations for a full and swift economic recovery. It is providing vital support to people and businesses in Wales.

The deferral of Value Added Tax (VAT) is providing a lifeline to Wales' tourism and hospitality sectors. As of 6 May, over 6,000 jobs in Wales have been made available for young people to apply for through the Kickstart scheme. UK-wide, the number of work coaches supporting people into work has doubled. These measures are on top of the £8.6 billion provided to the devolved Welsh Government throughout the pandemic, equivalent to over £2,700 per person in Wales, and the commitments to level up economic opportunities and infrastructure investment.

Levelling Up Fund

In February, the UK Government announced it would deliver the Levelling Up Fund UK-wide. This will enable the UK Government to take a strategic view of the whole of the UK, allocating funding in all parts of the country irrespective of administrative borders.

The Fund will invest in local infrastructure that improves everyday life across the UK, including regenerating town centres and high streets, upgrading local transport, and investing in cultural and heritage assets. Wales will receive at least 5% of total allocations for the first round of funding, and the Fund will also give £125,000 in capacity funding to each local authority in Wales to help build a new relationship with the UK Government. In Wales and across the UK, the Fund will put local authorities at the centre of deciding which proposals to put forward for their areas. We will seek views from the Welsh Government as part of the assessment process.

UK Community Renewal Fund and the UK Shared Prosperity Fund

At the Budget in March, the UK Government made clear its commitment to level up across the whole of the UK, extending its support across all parts of the United Kingdom as we set a clear path towards economic recovery. We are now delivering on this commitment by rolling out new investment programmes UK-wide to ensure that no community is left behind, particularly as we recover from the Covid-19 pandemic.

The UK Government is providing an additional £220 million of funding through the UK Community Renewal Fund (UKCRF) to help local areas prepare for the launch of the UK Shared Prosperity Fund (UKSPF) in 2022. The UKCRF will deliver key investments for people and communities across Wales. It will be focussed around investment in skills, communities, place, local business, and supporting people into employment. This Fund will see the UK Government working directly with the twenty two Welsh local authorities, who are best placed to understand the needs of their local areas and more closely aligned to the local economic landscape.

It will be local authorities that bring forward project bids from their regional partners. In doing this, we are ensuring that every project has local skin in the game and truly addresses the needs of local communities.



The UKSPF is the domestic successor to the EU Structural Fund programme. It will maximise the benefits of leaving the EU through quicker delivery of funding, better targeting, better alignment with domestic priorities and by cutting burdensome EU bureaucracy. Whilst the UKSPF will be different in its design and duration, the UKCRF will help inform the design of the UKSPF through the funding of one year pilots. The UK Government will set out further details on the UKSPF in a UK-wide investment framework later this year and will confirm its funding profiles at the next Spending Review.

UK Infrastructure Bank

The Chancellor's announcement at Budget of a new UK Infrastructure Bank, with an initial £22 billion of financial power, represents an unprecedented opportunity for Wales.

The Bank's objectives will be to help tackle climate change, particularly meeting our net zero emissions target by 2050; and to support regional and local economic growth through better connectedness, opportunities for new jobs and higher levels of productivity. Its focus will include economic infrastructure in the clean energy, transport, digital, water and waste sectors. The Bank will operate across the whole of the UK, working closely with public and private sectors to support infrastructure investment. Building strategic relationships with Welsh local authorities and relevant institutions, such as the Development Bank of Wales, will be a priority. From the Summer, the Bank will offer loans to local authorities across the UK, including Wales at an attractive rate for high value and strategic projects of at least £5 million.

City and Growth Deals

Working with partners, the UK Government has committed £791 million to progress City and Growth Deals across all of Wales.

In 2016, the UK Government signed the first City Deal in Wales. This partnership between the UK Government, the Welsh Government and the Cardiff Capital Region saw the UK Government commit to £500 million of funding for the region in a deal worth £1.2 billion. This deal and Wales' subsequent Growth Deals empower Wales' regions to determine how best to drive jobs and growth in their areas and to identify their own needs and strengths. UK Government investment in the Cardiff Capital Region has, for example, enabled the establishment of the compound semi-conductor foundry, which builds on strengths in the region in advanced semi-conductor manufacturing.

In 2017, the UK Government signed Wales' second deal in the Swansea Bay region. The UK Government committed £115.6 million as part of the Deal's investment with the aim of delivering 9,000 jobs and £1.8 billion of gross value added (GVA) uplift over the lifetime of the deal. The Deal has progressed low carbon energy interventions such as the Pembroke Dock Marine project, research

and development projects such as the Pentre Awel Wellbeing Village and a digital infrastructure intervention with the aim of attracting businesses to the region.

The North Wales Growth Deal was then announced in 2018. Following the signing of its Final Deal Agreement in December 2020, the UK Government committed £120 million with the aim of leveraging £2.2 billion of GVA uplift with the investment landing just in time for the Deal to play its part in Covid-19 recovery.

The Deal's tidal energy project, Morlais, shows great promise as it prepares the site off Anglesey for private sector developers to lease the area for deploying their tidal energy technologies.

The UK Government committed in 2019 £55 million for the Mid Wales region. Following the signing of its Heads of Terms in December 2020, Mid Wales is now drawing together a portfolio of ambitious interventions.

At Budget 2021, the UK Government was pleased to be able to accelerate funding for the Swansea Bay City Deal, the North Wales Growth Deal and the Mid Wales Growth Deal so that these regions can receive their investments sooner and the Growth Deals can play a key role in Covid-19 recovery. Looking ahead to the future, we remain absolutely committed to using City and Growth Deals to level up and strengthen the Union. The 2019 manifesto included a commitment for a Marches Growth Deal on the Wales–England border.



Freeports

The UK Government has been clear that Freeports will benefit the whole of the UK; we remain committed to establishing at least one Freeport in Wales as soon as possible. The Freeports offer will attract investment and new businesses, driving growth and prosperity in Wales.

This will ensure that Wales will be able to take advantage of the Freeports offer to attract investment and new businesses, to drive growth and prosperity. Levelling up is a key objective of the Freeports policy, and we want to use Freeports to bring jobs and investment to some of our most deprived communities. We will ensure that the economic and regeneration opportunities Freeports can bring to Wales, can be fully realised.



Western Gateway

Strengthening the Union while boosting the economy of Wales are two of the key reasons why **the UK Government is exploring, with regional partners, the opportunity for a Western Gateway, spanning South East Wales and the West of England.**

Officially launched before the last election, work is progressing under an independent Partnership Board, led by Katherine Bennett CBE, Senior Vice President Airbus, and involving local authorities from South East Wales and the West of England with the support of private enterprise and the UK Government to see how the two regions can benefit from the initiative which led to the lifting of tolls on the Severn Bridges. An independent economic review, led by Deloitte, is currently underway to analyse and make recommendations for greater synergies and a roadmap to prosperity.

Global Centre of Rail Excellence

The Global Centre of Rail Excellence will support future innovation in the domestic and international rail industry. The facility will enable track, train and other rail infrastructures to be piloted, tested and approved before being rolled out at scale, providing an incentive for rail manufacturers to invest in the UK. The Centre will also help the UK to accelerate the development of net zero rail technologies such as hydrogen.

Early projections suggest that the Centre could create up to 120 jobs, the majority in research, development and technical roles, and over 300 indirectly and in construction. This will provide economic opportunities to support the former coalmining areas of Onllwyn and Nant Helen in South East Wales.

As announced at Budget, we will be investing up to £30 million, subject to approvals and alongside the Welsh Government, in the Global Centre of Rail Excellence, to create a world class rail testing and research and development facility in Wales.

Steel

The UK Government is committed to supporting a productive, vibrant and modern steel sector in Wales.

Steel remains important to the economy of Wales and strategically important to the whole of the UK.

We will continue to work closely with the industry to ensure it has a sustainable future. Working with industry, we have introduced the Steel Public Procurement guidance which ensures the public sector takes into account the wider social and environmental benefits when procuring for major projects. We have also reconvened the Steel Council and launched a joint procurement taskforce with UK Steel to ensure we can continue this relationship. The UK Government is fully committed to reaching net zero carbon emissions by 2050. In order to achieve this the steel sector will need to decarbonise. We will continue to work with industry to support its decarbonisation. The UK Government has already announced a £250 million Clean Steel Fund to support the UK steel sector to transition to lower carbon iron and steel production, through investment in new technologies and processes. The Fund will help the sector towards achieving our target, by maximising longevity and resilience while harnessing clean growth opportunities.

Automotive

The UK Government is determined to ensure that Wales, and the UK, continues to be one of the most competitive locations in the world for the automotive sector. We are investing in research and development and capital projects to develop and embed the next generation of zero emission vehicles and technologies in the UK.

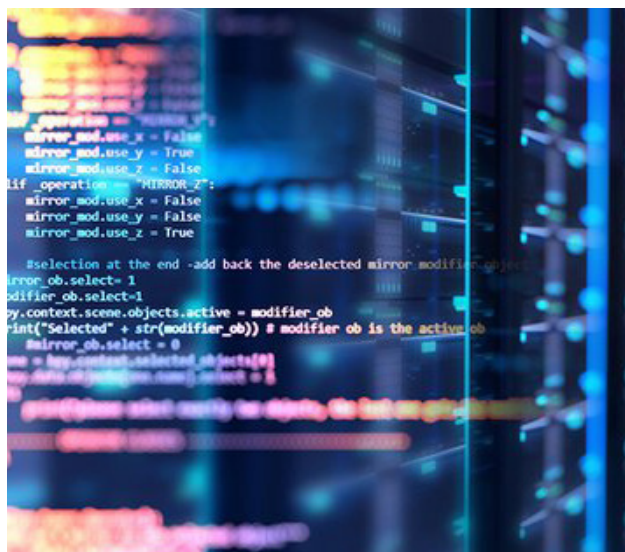
As part of the Prime Minister's 10 Point Plan for a green industrial revolution, nearly £500 million for the Automotive Transformation Fund will be made available over the next four years to build an internationally competitive electric vehicle supply chain. The Fund is open to all parts of the UK and will support capital as well as research and development investments across strategically important parts of the electric vehicle supply chain, including securing battery cell manufacturing.

In addition, we are investing in schemes to support the delivery of chargepoints in homes, workplaces, and on residential streets.

Welsh Trade and Investment Hub

Exports and Foreign Direct Investment (FDI) will be central to the UK Government's mission to 'level up' the UK economy.

The new Welsh Trade and Investment Hub will be home to export and investment specialists. This will enable Welsh businesses to access UK-wide government support to help them maximise their export potential. They will also help businesses boost their trade in new markets overseas, gain better access to major trade markets like Japan, the US and India, and feed directly into the Department for International Trade's (DIT) free trade agreements programme. The Hub will also support inward investment into Wales.



CASE STUDY: Active Building Centre

The UK Government is backing the industries of the future that will deliver jobs and opportunities across the UK, including Wales. Through the Industrial Strategy Challenge Fund's (ISCF) Transforming Construction Challenge Programme, £36 million was awarded to the Active Building Centre. This joint project by Swansea University and innovative companies has demonstrated active building technologies to transform how buildings use energy, turning them from energy consumers into energy providers. This investment in clean energy innovation shows that the UK continues to lead the way in cutting emissions while growing our economy, and is supporting exciting green technology that could cut energy bills, reduce carbon emissions and create better homes and workspaces.



Supporting sectors and businesses of the future

The UK Government is committed to supporting key sectors in Wales, while also creating an environment where businesses of the future can thrive. We already have significant sector strengths in Wales, including our compound semi-conductor cluster, the fintech sector, artificial intelligence, data science, agri-tech, aerospace, the creative industries and farming.

We have supported these industries through grants and loans. For example, **the UK Government has invested £25 million through the Strength in Places Fund in CS Connected to support Wales' compound semi-conductor cluster, and has provided over £2.2 billion to micro, small and medium-sized businesses in Wales.**

Looking ahead, the UK Government is working to increase productivity, economic growth and jobs in Wales. The UK Government remains committed to reaching its target of 2.4% of gross domestic product being spent on research and development across the UK economy, including Wales, by 2027, after a record-high research and development budget of almost £15 billion, and a boost of more than £1.5 billion in 2020/21 alone.

Wales has seen investment of £86.9 million on 97 projects through UK Research and Innovation's Industrial Strategy Challenge Fund.

“The UK leads the world in the design and manufacturing of compound semiconductor wafers. The £25.4 million funding from UK Government is welcome and serves as recognition of the potential of the cluster which remains the world’s first for compound semiconductors, and will be crucial in helping the UK to fulfil its technology potential. Compound semiconductors are the most advanced semiconductor materials available with a range of unique properties, and will be at the heart of almost every major industrial sector of the 21st century.”

Dr Drew Nelson, President, IQE plc

The UK launched a review of research and development tax reliefs to make sure the UK, including Wales, remains a competitive location for cutting edge research.

A consultation was launched at Budget 2021 to explore the nature of private-sector research and development investment in the UK. Amongst other things, the consultation seeks views from stakeholders on their experiences of conducting research and development in different parts of the UK and whether there is a role for tax reliefs in ensuring this activity is widely dispersed.

At the Budget, the UK Government announced funding for small and medium-sized enterprises for digital adoption and management training, called Help to Grow. This will enable firms to become more efficient and reduce their costs, boosting productivity growth and therefore profits to ensure these firms can reach their full potential. The UK Government also announced the Super Deduction. From April 2021 until March 2023 companies can claim 130% capital allowances on plant and machinery investments. This will encourage firms to invest in productivity enhancing plant

and machinery assets that will help firms grow and become more efficient. The most innovative companies are drivers of future growth. But growing, innovative companies with high research and development costs still often find it difficult to access the funding they need. As a result, the UK Government has launched the Future Fund: Breakthrough. The UK Government will commit £375 million to co-invest alongside the private sector in high growth, research and development intensive UK firms.



“This investment supports major programmes to help the UK achieve its Net Zero targets, with the development of compound semiconductors for electric vehicles and future telecom networks, providing economic growth and high-valued jobs for the region, and excellent export opportunities.”

Dr Andy G Sellars, Strategic Development Director, Compound Semiconductor Applications Catapult

CASE STUDY: Promoting investment into Wales

Through UK Government support such as the Compound Semi-conductor Catapult Centre and the Strength in Places Fund, UK Government has supported the development of the compound semi-conductor cluster in South Wales. This world-leading innovation is one of Wales' key assets, and in October UK Government announced that it would further support the cluster as part of a programme to provide targeted promotion to showcase the opportunity to foreign investors.



High Potential Opportunities Programme

Wales will also benefit from DIT's High Potential Opportunities (HPO) programme, which identifies specific investment opportunities from across the whole of the UK that would benefit from targeted promotion.

In October 2020, DIT announced the second round of successful bids for the HPO programme, including two HPOs in Wales in compound semi-conductors and med-tech health. DIT works with partners to identify these opportunities, develop investment propositions and implement promotion plans which showcase the opportunity to foreign investors, driving investment into the UK's regions and nations.

Part 2:

Building back greener: Wales at the heart of the drive to deliver net zero

Wales is well-placed to play a central role in the global effort to reach net zero by 2050.

The UK Government has committed £90 million to innovative Welsh net zero projects, including:

- £36 million for the Active Building Centre project to transform the way the UK designs, constructs and operates buildings.
- £15.9 million for electric heavy vehicles to be made in Cwmbran.
- £7.9 million for district heating in Bridgend and Cardiff.
- £1.4 million for hydrogen transport technology.
- £1 million to kickstart the clean industry transition along the Milford Haven Waterway and close to
- £2.45 million for the Pembroke Dock Marine project.

In addition, Wales has the opportunity to benefit from further funding including through the active £289 million Industrial Energy Transformation Fund, the announced £250 million Clean Steel Fund, the £240 million Net Zero Hydrogen Fund and the £1 billion Carbon Capture and Storage Infrastructure Fund.



CASE STUDY: South Wales Industrial Cluster

The £20 million funding will support the development of a South Wales Industrial Cluster, stretching from Pembrokeshire to the Welsh-English border. This project aims to create a sustainable plan for the region through the production and distribution of hydrogen power, cleaner electricity production that uses carbon capture technologies, hydrogen-rich natural gas and large industry decarbonisation through fuel switching and the production of cleaner transportation fuels.



South Wales Industrial Cluster

Over 10 megatons of carbon emissions were generated by businesses and industry in Wales last year. Their transition to sustainable, low-carbon industrial production techniques will be indispensable to Wales' transition to net zero.

The UK Government and industry have committed to invest over £40 million, £21.5 million and £18.75 million respectively, to support the cluster of industries in South Wales to transition to net zero.

As part of the Industrial Decarbonisation Challenge, this includes £38 million to enable South Wales to undertake detailed engineering studies into hydrogen and carbon capture, utilisation and storage (CCUS) infrastructure and a further £2.25 million to enable South Wales to develop a tailor-made, industry-led strategic decarbonisation plan.

Holyhead Hydrogen Hub

The Holyhead Hydrogen Hub proposes a hydrogen pilot production plant to supply hydrogen fuel to the heavy goods and maritime vehicle markets on Ynys Môn. The proposal looks to take advantage of the region's favourable natural resource endowments and its position as a cross-border, multi-modal transport corridor.

The UK Government has made available £4.8 million, subject to business case and other approvals, to support the development of the Holyhead Hydrogen Hub.

“This grant from the UK Government will help secure thousands of jobs already employed in industry in South Wales and help attract thousands more in years to come. By developing a plan and a vision for the required low carbon power, hydrogen and carbon capture utilisation and storage infrastructure, industries can then strategically plan their own routes net zero.”

“Without these infrastructure developments, the risk is that industries will be forced to relocate to regions and/or countries that do. This grant therefore starts South Wales industry on its journey to net zero and is therefore hugely important to the future prosperity of Wales and its future generations.”

Dr Chris Williams, Head of Industrial Decarbonisation, Industry Wales

Offshore wind

The UK Government has an ambition to reach 40 gigawatts of offshore wind capacity by 2030. Welsh projects are helping to drive progress towards this target: **two gigawatts of wind energy projects off the coast of North Wales are in development.**

The UK Government is also working to realise one gigawatt of floating offshore wind generation capacity. This technology has strong deployment potential in Welsh waters, particularly in the Celtic Sea off the coast of South West Wales and England where wind speeds are high and deep seas are accessible from major strategic ports. We are already seeing developers looking to Wales as a preferred location.

The UK Government and its partners are also taking a range of other actions:

- Floating offshore wind developers will be able to bid into the next Contracts for Difference auction later this year.
- The UK Government's Net Zero Innovation Portfolio will invest in ground-breaking and innovative floating offshore wind technologies.
- **The Crown Estate has confirmed its intention to hold a formal leasing round for floating offshore wind projects in the Celtic Sea, focusing on projects of up to circa 300 megawatts in scale.** This is more than ten times the UK's current floating wind capacity and will put Wales at the forefront of the next wind energy revolution.
- Backed by £2.45 million UK Government funding, the Pembroke Dock Marine project will provide test sites and engineering expertise to boost floating offshore wind.

Marine energy

Wales is well-placed for marine energy generation, particularly the opportunity presented by tidal stream technology, provided it can offer clear value for money. The manufacture and deployment of tidal stream devices could be a significant industrial opportunity for Wales, particularly in North Wales where the tidal current is among the strongest in Europe.

The UK Government recently ran a Call for Evidence inviting views on what scope there is for marine technologies across the UK, including examining what additional support could move technologies towards commercialisation.

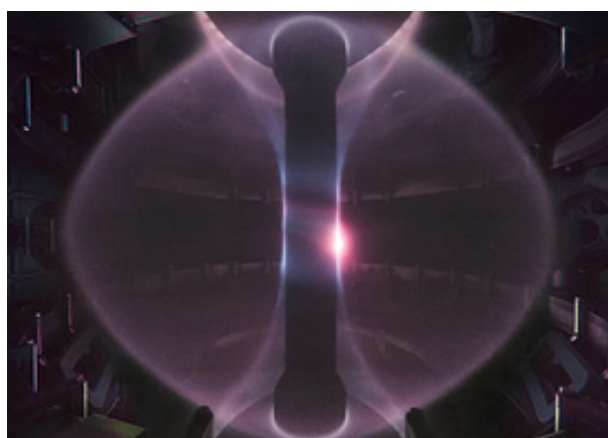
The UK Government is considering policy related to wave and tidal stream energy in light of the information received from the recent Call for Evidence.

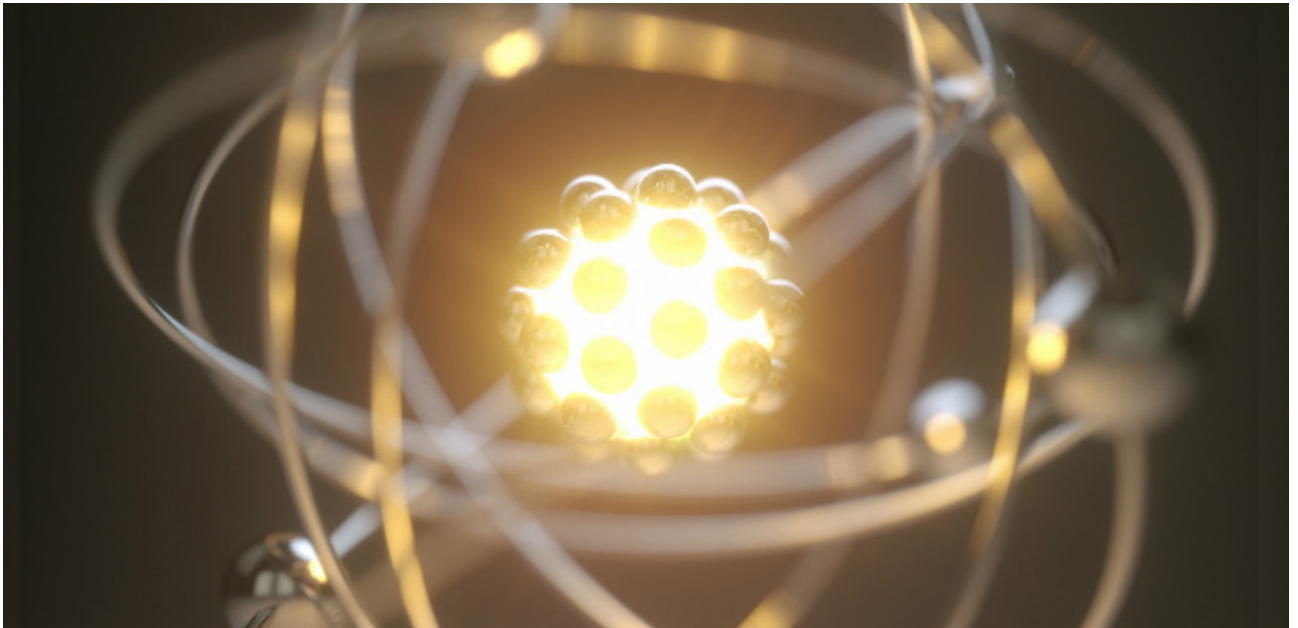
In addition, local authorities in Wales and elsewhere have the opportunity to apply to the UKCRF for funding for, among other things, feasibility studies for net zero projects such as coastal energy initiatives.

Fusion energy

In December 2020, the UK Atomic Energy Authority (UKAEA) launched the nomination process to find a site for “STEP”, a prototype fusion power plant to be built in the UK by 2040 and backed by £222 million UK Government investment so far. Fusion technology is a long-standing global research endeavour which the UK is looking to maintain an advantage in.

Alongside sites from elsewhere in the UK, **Welsh sites have applied to host the prototype fusion power plant.** Following a UKAEA-led assessment of all sites, the successful site will be chosen by the Secretary of State for Business, Energy and Industrial Strategy in late 2022.





Small modular reactors

Small modular reactors (SMRs) are small-scale, modular-built nuclear power plants.

The UK SMR consortium, led by Rolls Royce, believes that a domestic SMR programme has the potential to support up to 40,000 jobs should it reach its peak, predominantly across North Wales and North West England. As part of the Prime Minister's Ten Point Plan published in November 2020, the UK Government is committing up to £215 million to progress SMR technology subject to approvals.

Just this month, the UK Government published new guidance for advanced nuclear technologies – both small and advanced modular reactors – to enter the Generic Design Assessment (GDA) process. This unlocks a key step on the path to the deployment of these new nuclear technologies in the UK. An assessment of potential locations for SMR deployment will take place in due course.

The UK Government anticipates SMRs could be deliverable in the UK in the 2030s, and welcomes the work being undertaken by Cwnmi Eginio to consider potential locations for SMR deployment.

Part 3:

Well-connected communities

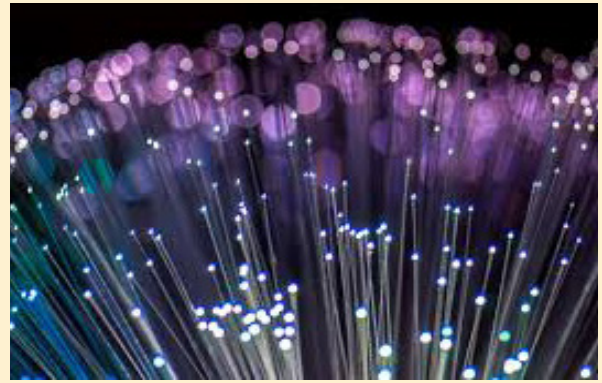
For its communities and businesses to thrive, it is essential that Wales has the infrastructure that its people need to travel and to work effectively.

The Covid-19 pandemic has brought home the necessity of good broadband and mobile connectivity – for too long, some areas have had to make do with poor and inadequate coverage and service.

Mobility is an important driver of growth and prosperity, and it essential that Wales has modern transport infrastructure and services that are fit for the 21st Century.

CASE STUDY: Enhancing mobile connectivity in the Wye Valley

Devauden, a small village in the Wye Valley, was the first rural community to receive enhanced mobile coverage as a result of the Shared Rural Network programme, when a mast went live in June 2020.



Mobile Connectivity

The UK Government has agreed a £1 billion deal with the four mobile network operators to deliver the Shared Rural Network. In Wales the Shared Rural Network will see 4G coverage from all four operators rise to a minimum of 80% up from 60% today and coverage from at least one operator will increase to 95% of the Welsh landmass up from 90% today.

The four mobile operators have already commenced work on the first element of the programme which is funded by the industry, and are on track to eliminate the majority of partial not-spots by mid-2024.

There have already been 76 upgrades and 33 new sites in Wales announced this year by the mobile network operators.

With funding now available for the publicly funded element of the network, the UK Government and the operators remain confident that combined coverage will be delivered to 95% of the UK by the end of 2025, with areas starting to see improvements to 4G coverage long before completion. This will level up across the UK by improving mobile coverage for an extra 280,000 premises and 16,000km of roads – giving Wales and the rest of the UK the world-class digital infrastructure it deserves.

Broadband

As a result of public and private sector investment to date, 95% of Welsh premises can now access superfast broadband, and a gigabit-capable connection is available to just below 26% of premises in Wales. There is, however, still much work to do.

The UK Government has committed a landmark £5 billion to Project Gigabit, to support the rollout of gigabit-capable broadband. As part of this, the Spending Review 2020 allocated £1.2 billion over four years.

This investment will target the hardest to reach premises, where it can have the most impact, and prioritise approaches which are expected to deliver most quickly to those in need, including in Wales.

The UK Government has issued over 1,800 vouchers worth close to £3.4 million for use in the coming financial year to stimulate investment in gigabit-capable broadband in Wales.

A new voucher scheme was launched earlier in April 2021, targeted at the hardest to reach premises where it can have the most impact, which will lead to further investment in Wales. **In addition, up to 700 sites will be upgraded across Wales**, including 350 in North Wales, 170 in the Cardiff Capital Region, 70 in Pembrokeshire and 103 as part of the Rural Gigabit Connectivity programme, to bring gigabit-capable broadband within reach of local homes and businesses.

“Sound physical transport infrastructure is imperative for the delivery of goods and services into, out of, and within Wales”

Michael Plaut OBE, Building a More Prosperous Wales

Union Connectivity Review

Last year, the Prime Minister asked Sir Peter Hendy CBE to undertake an independent review into transport connectivity between Scotland, Wales, Northern Ireland and England. The review will make recommendations on how the UK Government can level up transport infrastructure, boost access to economic opportunities and improve people's everyday connectivity.

Sir Peter's interim report highlighted:

- Faster and higher capacity connections for passengers from HS2 to Scotland and North Wales;
- Rail improvements in South-East Wales building on ideas from the Welsh Government's Burns Commission; and
- Better port capacity at Holyhead, and connections from Ynys Môn and the North Wales coast to Merseyside and Manchester, with stakeholders and consultees identifying the A55 as a road of interest to the review.



£20 million has been made available to begin to develop schemes which are crucial for cross-border connectivity.

The final Union Connectivity Review report is expected to be published in the summer along with final recommendations.

CASE STUDY: Severn tunnel electrification

London and South Wales are now closer than ever. As of June 2020, rail passengers have benefited from an electrified railway from London to Cardiff as Network Rail has successfully completed the electrification of the Severn Tunnel. For the first time ever, an electric railway will run from Cardiff and Newport in South Wales, through the Severn Tunnel and all the way to London Paddington. At 134-years-old and four miles in length, the Severn Tunnel has an extremely challenging environment, as over 14 million gallons of water are pumped out of it every day by Sudbrook pumping station to stop it from flooding.



Rail upgrades

In August last year, the Department for Transport announced a £343 million investment package for Welsh rail, which will upgrade infrastructure and improve journeys for passengers. This commitment included £196 million, transferred to the Welsh Government, for the Core Valley Lines, a further £76 million to complete the electrification of the Severn Tunnel, £5.8 million to kickstart designs to upgrade Cardiff Central Station and regenerate the wider area, and £4 million to re-open Bow Street Station near Aberystwyth.

The Department for Transport and Network Rail continue to progress proposals for Welsh rail enhancements, including:

- Increases to line speeds on the South Wales Relief line between Cardiff, Newport and Severn Tunnel Junction, which will enable additional services to run and improve journey times.
- Journey time reductions on the North Wales Coast Line, through increasing line speeds and between North Wales, North West England and other major UK centres and improving connectivity with HS2.

- Journey time and capacity improvements on the Cardiff-Swansea route, through a mixture of infrastructure enhancements and service interventions.

The UK Government will invest £2.7 million to upgrade the digital signalling capabilities on the 241-kilometre Cambrian line, which runs from Shrewsbury Sutton Bridge Junction to Aberystwyth and Pwllheli. The planned state-of-the-art digital signalling system will modernise the network, improve the reliability of services and support the roll-out of a new fleet of trains across the network in December 2022.



Part 4: Wales at the heart of a prosperous United Kingdom

Wales stands strong and proud in the Union of the United Kingdom – one of the oldest and most successful political Unions in history.

A Union of traditions, history and cultures. Intertwined through the centuries and yet special and distinct. Wales is the sum of parts: modern, ancient, industrial and rural. A country forged in an ancient landscape, where the cauldron of industry merges into a wider whole with a language and voice of its own.



Welsh Language

Welsh/Cymraeg is the oldest indigenous language of these British Isles. It is also one of the oldest in Europe. Since 2011 it has been a language protected by law and has equal status to English in Wales.

The UK Government is supporting the Welsh language, including the aim of achieving 1 million Welsh speakers by 2050.

The Office of the Secretary of State for Wales is the lead department in Whitehall for the promotion of Cymraeg. The UK Government has increased the use of the language in public debate, including the House of Commons.

Defence

Wales has a long military history. Welsh servicemen and women have served with courage and distinction for generations. The Royal Welsh can trace its origins back to earlier formations in 1689 – among the oldest in the British Army. Today, the Army, Royal Navy, RAF and reserves number more than 5,000 in Wales, supported by thousands of jobs in the defence industry.

In the last 12 months, many servicemen and women have taken on a different challenge – playing an important role in the campaign against the pandemic. They have selflessly supported and served to protect our communities helping to organise and carry out more than 60,000 tests and 10,000 ambulance responses.



Defence footprint

The Ministry of Defence (MoD) remains committed to maintaining a strong Armed Forces footprint in Wales.

In January, the MoD confirmed that the 160th Infantry Brigade and Headquarters will remain in Brecon. A significant armed forces presence will be maintained at St Athan. The Army also remains committed to relocating a major Regular Army unit to Wales, and the MoD continues to examine the options to locate a second major unit in Wales. The UK Government has an enduring commitment to RAF Valley on Ynys Mon, which is home to all RAF and Royal Navy fast jet training and hundreds of military personnel. HMS Cambria is a new, £11 million Maritime Reserve facility in Cardiff Bay. North East Wales is home to the Defence Electronics and Components Agency, which employs 400+ staff at its Avionic and Component Centre of Excellence and Business Centre at MoD Sealand.

The UK Government is working in partnership with the Welsh Government to create an Advanced Technology Research Centre at MoD Sealand to develop a vibrant technology and innovation cluster aligned to emerging technologies.

Defence industry in Wales

The defence industry is one of Wales' most important sectors of the economy, providing high-skilled jobs and driving innovation in cutting-edge technologies. On average, over £1 billion has been invested by the MoD in Welsh industry over the past three years, supporting some 7,000 jobs per annum.

As set out in the recently published Integrated Review, Defence Command Paper and Defence and Security Industrial Strategy, our defence requirements are becoming ever more sophisticated.

Supported by UK Government investment, Wales is at the heart of developing the UK's future defence capabilities.

Through £500 million of UK Government investment, a global repair hub for the F-35 fighter jet has been established at MoD Sealand on Deeside. 89 AJAX armoured vehicles are being assembled by General Dynamics UK at Merthyr Tydfil and a new battlefield communication system is being developed at its plant in Oakdale, a £330 million project. Defence manufacturer Qioptiq, based at St Asaph, has been awarded a six-year, £82 million contract to maintain surveillance and targeting equipment.

Policing and community safety

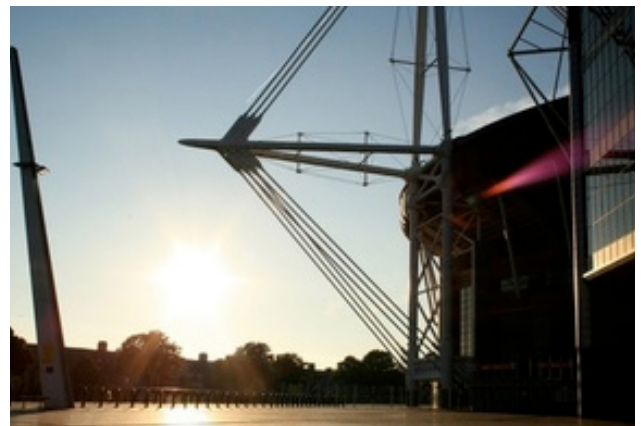
The UK Government is committed to reducing crime and the harm it causes. As part of the UK Government's campaign to bring in 20,000 additional officers to forces in England and Wales, **437 police officers were recruited last year and there is an allocation to recruit a further 297 this year.**

These additional officers will help to tackle crime and keep Welsh communities safe. The Home Office is also investing in reducing serious violence, with £2.6 million allocated to develop the South Wales Violence Prevention Unit. The Unit will bring together key services and partners to identify the local drivers of serious violence and agree a multi-agency response to them. And last year, Wales received close to £1.8 million from the Safer Streets Fund, which supported a variety of local interventions, while the Youth Endowment Fund supported investment in provision for young people.

Sport

Wales has a rich sporting heritage, particularly as one of the world's leading rugby nations. In November last year, The Football Association of Wales announced that all 44 clubs in the Cymru League will receive financial support as part of a unique partnership with The National Lottery.

That funding, facilitated by the UK Government, saw matches continue to be played behind closed doors, during Covid-19 restrictions. Hosting high-profile major sporting events can significantly help to foster and celebrate a sense of shared identity and pride across the four nations of the UK. With that in mind, **the UK Government has announced a joint UK and Ireland bid to host the 2030 FIFA World Cup, which would see Wales play a key part in the tournament.**





Culture

The UK's public service broadcasters including S4C – the only Welsh language broadcaster – play a critical role in supporting and empowering Welsh-speaking communities across the UK.

The BBC, as set out in its 'The BBC Across the UK' proposals, plans to invest in local news and develop the Radio Cymru 2 service. Commitments such as these are being supported by Cardiff's fast-emerging creative cluster, which has grown by 54% since 2012. The UK Government's successful support for the Welsh screen industries, including the UK-wide tax reliefs for film, high-end television, animation and video games, and more recently the launch of the £7 million Global Screen Fund pilot, will support UK screen exports and build links across the screen businesses of all UK nations.

2022 looks to be a year of cultural celebration and renewal, bringing the people of the UK together around landmark cultural events, taking place in all parts of the UK, such as Her Majesty's Platinum Jubilee, the Commonwealth Games and Festival UK* 2022.

Welsh interests at the heart of UK Government policymaking

The Places for Growth Programme is working to deliver the UK Government's objective to relocate 22,000 civil service roles from London and the south east by 2030.

The UK Government will facilitate the relocation of roles to Wales. The Cardiff Hub (Ty William Morgan) opened in February 2021.

The Hub provides a clear focal point for the UK Government's presence in Wales' capital city and will host UK Cabinet meetings. The Cardiff Hub will also host a number of UK Government departments that are central to delivering the commitments set out in this Plan. In the longer term we would seek to secure substantial representation in the Hub from almost every department and to spread the UK Government's presence across Wales more widely.

The UK Government is also seeking to maximise opportunities for Wales more widely from the Places for Growth Programme and the programme of UK Government Hubs.

The UK Government's commitments to Wales to date

Supporting growth through empowering our communities

- Making available £27 billion through the Levelling Up Fund, UK Community Renewal Fund and UK Infrastructure Bank to level up economic opportunities across the whole of the UK.
- Committed to establishing at least one Freeport in Wales as soon as possible.
- Progressing City and Growth Deals across all of Wales, backed by £791 million.
- Exploring, with regional partners, the opportunity for a Western Gateway.
- Investing close to £87 million in 97 Welsh research and development projects.
- Investing up to £30 million, subject to approvals, in the Global Centre of Rail Excellence.
- Supporting a productive, vibrant and modern steel sector in Wales.
- Strengthening Wales' compound semi-conductor cluster, backed by £25 million.
- Backing micro, small and medium-sized Welsh businesses with £2.2 billion.

Building back greener: Wales at the heart of the drive to deliver net zero

- Pioneering net zero innovation with £90 million for Welsh projects.
- Decarbonising industries in South Wales with a £40 million joint-funding commitment.
- Piloting the use of hydrogen in the transport sector as part of the £4.8 million Holyhead Hydrogen Hub project.
- Expanding offshore wind, with 2 gigawatts of potential projects off the coast of North Wales in development.
- Supporting the emergence of floating offshore wind, with The Crown Estate focusing on Celtic Sea projects of up to circa 300 megawatts in scale.
- Considering policy related to wave and tidal stream energy.
- Assessing potential sites in Wales and elsewhere in the UK to host the UK's first prototype fusion plant.
- £15.9 million for electric heavy vehicles to be pioneered in Cwmbran.



Well-connected communities

- Launching the £5 billion Project Gigabit to roll out gigabit-capable broadband across the UK, including in Wales, beginning with £1.2 billion over the next four years.
- Issuing over 1,800 vouchers, worth £3.4 million, for use in this financial year to stimulate investment in gigabit-capable broadband in Wales, and connecting up to 700 Welsh sites.
- Improving 4G mobile signal at 109 sites, subject to approvals.
- Developing proposals for cross-border transport connectivity.
- Progressing Welsh rail enhancement projects.
- Upgrading the digital signalling capabilities on the Cambrian Line with £2.7 million.

Wales at the heart of a prosperous United Kingdom

- Maintaining a strong Armed Forces footprint in Wales.
- Working with the Welsh Government to create an Advanced Technology Research Centre at Ministry of Defence Sealand.
- Developing critical UK defence and security capabilities in Wales.
- Supporting the aim of achieving 1 million Welsh speakers by 2050.
- Bidding to host the 2030 FIFA World Cup, with Wales playing a key part.
- Increasing police numbers by 437 in the last year alone, with a further 297 allocated for the coming year, and investing in community safety.

