# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE** | **Stabilisation and Reconstruction in the Wake of the Coronavirus Pandemic** |
| **DATE** | **14 July 2020** |
| **BY** | **Jeremy Miles MS, Counsel General and Minister for European Transition and Rebecca Evans MS, Minister for Finance and Trefnydd** |

Following the Chancellor of the Exchequer’s Summer Economic Update, we have a clearer idea about the additional funding available to Wales for the remainder of the financial year.

We have so far received around £2.8bn in consequential funding from the UK Government, but the majority of this has been committed as part of our initial response to the coronavirus pandemic:

* Providing personal protective equipment for frontline NHS and social care workers;
* Redesigning our hospitals and creating 19 field hospitals in a matter of weeks;
* Creating and running the Wales-wide NHS Wales Test, Trace, Protect system;
* Providing extra funding to local authorities to tackle homelessness and support social care; people who are shielding and families who need extra help;
* Supporting our public transport;
* Providing additional support to the third sector;
* Putting place the most generous package of business support of any part of the UK.

This massive investment in protecting the health and well-being of Wales will mean that driving forward the process of restarting the economy and repairing the damage caused by coronavirus, above all to children and young people, presents a significant challenge.

We simply do not have enough money to do all of the things we would like to do – or even all the things we had planned to do. Unlike the UK Government, we do not have the flexibility to increase our borrowing at times of urgent economic need.

It is particularly disappointing the UK Government has done nothing to increase the capital funding available to Wales. The recent announcements by the Prime Minister and the Chancellor have resulted in not an extra penny of new investment.

As we look towards the second half of the year and prepare for 2021-22, we must prioritiseandinnovate. This will include finding new ways of delivering capital investment in infrastructure and housing to create jobs and meet our other priorities and challenging the UK Government’s ongoing unreasonable restrictions which are placed on how we can use our budget.

We see the way forward in two phases – an initial phase where we **stabilise** our economy and our public services, followed by an intense effort to **reconstruct** our society on a new basis.It is not enough to think in terms of recovery – our economy and society will not go back to normal. We must think in terms of a new normal, which we must first imagine and then create.

Our first task must be to prevent a second wave of coronavirus – this will require a collective effort from everyone in Wales to prevent a resurgence of the virus from its current levels as restrictions are gradually eased.

As we move into winter, we must ensure our NHS and social care services are in the best possible position to respond to a second wave of coronavirus cases, should it occur. This will mean new ways of working to ensure essential care can continue, building on the use of new technology introduced at the start of the pandemic to minimise face-to-face contact.

Critical to this will be using the NHS Wales Test, Trace and Protect system to swiftly identify and help contain new outbreaks and working with employers and trade unions to make sure workplaces are operating in a coronavirus-safe way to protect employees and minimise the risk of transmission.

In the days ahead, we will agree the extra funding needed to support our NHS for the remainder of this financial year.

We are determined to support our children and young people after such a long period outside the classroom. The Education Minister has announced a catch-up programme for the 2020-21 academic year and we will increase investment in skills and work alongside the Department of Work and Pensions to ensure that the Kickstart Programme delivers for Wales and for our young people.

We will not allow our children and young people to be forever disadvantaged by coronavirus.

We will move our Economic Resilience Fund into a new gear with a focus on helping businesses, particularly those in the low carbon economy, to safeguard and create good quality jobs, rooted in local communities. We will work in social partnership with trade unions and employers to put a stronger emphasis on our economic contract – a ‘something for something’ approach which puts social justice at its heart.

We will also push forward with our response to the climate emergency and our plans for investment in renewable energy, our natural environment and reducing the environmental impact of our housing stock.

Over the course of the pandemic we have forged a very close partnership with local authorities – we are very grateful for the huge amount of work and support of our partners in local government in responding to coronavirus. We want this to continue and we will work to stabilise public services and build on the successful aspects of digital delivery.

So we are working hard to stabilise our society and economy. And we have also started to work towards reconstruction, developing a strategy which will run alongside the budget process.

We have created an advisory group of external experts to challenge our thinking, which has met for the first time. During the summer, the group will undertake a series of themed discussions to inform our thinking.

We continue to receive submissions from the public via OurFutureWales@gov.wales and we encourage people to send in their ideas and proposals before the end of July. We have commissioned the Wales Centre for Public Policy to help us analyse those submissions and we are continuing to gather ideas through our key partnerships and stakeholder fora.

We will then aim to publish our response to what we have heard in the coming weeks, as the next stage of this national conversation.

Informed by this extensive engagement with our delivery partners, we will continue to work across government to develop a consensus on the way forward based on our values of fairness, solidarity, equality and a commitment to addressing the climate emergency and the principles embedded in the Well-Being of Future Generations Act.

At the heart of this will be a ruthless focus on good quality jobs as a way of tackling poverty and worklessness, particularly those in the green growth economy: sustaining and creating employment opportunities and supporting people – particularly the most vulnerable – to access them.

We know the coronavirus pandemic has had a particularly negative impact on the prospects of the young, on people from black, Asian and minority ethnic communities and on women. Our efforts must put their interests centre stage.

As we move forward, we must move beyond business as usual and focus on change. Coronavirus has changed our world – where and how we work, the way we shop and socialise, the role of city centres and local communities, patterns of travel and how we respond to nature and to mass gatherings. The end of the EU transition period will add to the upheaval – as we emerge from this we must reconstruct our economy in a way which puts us firmly on the trajectory to the zero carbon society we are committed to achieve.

We look forward to updating Members on our progress in the autumn.