



Llywodraeth Cymru
Welsh Government

POLICY AND STRATEGY

COVID-19 reconstruction: challenges and priorities

Our priorities to help stabilise Wales as we continue to live with coronavirus, prevent longer-term damage and plan to build a new future.

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Ministerial foreword

The coronavirus pandemic has affected all of our lives in many ways. Primarily a public health crisis and to many a personal tragedy, we have all been touched directly or indirectly by the virus. The consequences for our economy, our society and communities have been profound.

The impact of the virus has not been evenly distributed across society however. The pandemic has exacerbated existing inequalities, and the most vulnerable have been hardest hit. The pandemic hit us after a decade of austerity in which our public services had been starved of investment and incomes in the lives of many people had been held back. There is no doubt that some communities have been affected more than others; either from a health perspective, such as BAME communities and disabled people, or economically, especially those working in sectors such as retail, tourism, the arts or hospitality. We know that young people in particular may carry the burden of dealing with coronavirus with them through their working lives, unless we act.

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But in spite of all these challenges, we have seen the best of people too: individuals offering help to one another and organisations uniting to work rapidly in partnership to respond to the pandemic. We have seen communities coming together and unprecedented numbers of volunteers stepping forward, as those people suddenly unable to work looked for new ways to contribute to society. There have been changes to the working world which can offer better ways to work in the future, more flexibly, with less impact on our environment.

The virus is of course very much still with us, with transmission rates at the time of writing once again increasing in parts of the country. Each of us must carry on playing our part in preventing the spread. We recognise how much continues to be asked of people in Wales, how much people are missing family and friends and how worried people are about their future, as we respond to the daily challenge of limiting the spread of the virus.

But part of that response to the virus is also the need to think and plan ahead. Particularly given the wider context of our commitment to countering climate change, and the prospect of further economic damage caused by the end of EU transition when our economic relationship with our most important trading partners will change significantly, whether or not the UK and EU can reach an agreement. Our future in Wales will look different as a consequence of coronavirus, but the future is not fixed and we must try to shape it.

Throughout the pandemic, we have continued to deliver key areas of our programme for government, working to create a more prosperous, equal and greener Wales. Now, by bringing those values of economic justice, social justice and environmental justice to bear, by reflecting the principles of the Well-being of Future Generations Act and by building on those existing priorities in our programme for government, we will aim to reconstruct Wales in light of the coronavirus pandemic.

The Welsh Government wants to be open to new ideas and to constructive challenge, so part of this work must be a national conversation. We want to know what matters to you. To start that conversation, we asked people to get in touch through OurFutureWales@gov.wales and tell us what they want our future Wales to look like. As well as hearing directly from individuals, we have also heard from a wide range of community organisations, from business, public

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services, trade unions, the third sector, our universities, young people and experts in various fields. We will continue this dialogue with others to help us reach those we have previously not easily reached – including young people and disabled and BAME groups.

These responses have given us and will continue to give us, a very clear sense of how people in Wales feel their lives have been most affected by coronavirus to date, as we develop the set of priorities for reconstruction set out below.

We recognise that the submissions we have received and the discussions we have had about the impact of the virus have taken place at a time when the transmission of the virus was, for the time being, in decline. As we enter the next phase of tackling the virus, the context for some of this work may change, sometimes perhaps significantly, but all of us across the Welsh Government look forward to continuing our conversation and to working closely with our partners to make these priorities a reality.

Mark Drakeford MS
First Minister of Wales

Jeremy Miles MS
Counsel General and Minister for European Transition

Priorities

For the remainder of this term, these are our key priorities for reconstruction:

- We will do everything we can to reduce unemployment and give everyone the best chance to find and keep decent work with long term prospects, adding value to the UK government's Kickstart programme. We will work with trade unions, employers, schools, and colleges to provide opportunities for people to develop their skills and to acquire new ones.
- We will make sure that our young people do not lose educationally or economically through the effects of coronavirus or because of any economic downturn that is not of their making. We will support all of our young people to stay in education and to catch up at school and in college. In addition, we

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will make sure that particularly disadvantaged groups, including members of BAME communities, receive the additional help that they need.

- We will step up construction of council and social housing to increase access to high quality housing across Wales, in particular investing in low carbon housing at scale and upgrading housing stock particularly social housing, to make it more energy efficient and to reduce fuel poverty.
- We will step up our investment in our local town centres to help build resilient communities and capitalise on how coronavirus has re-focused people's lives on the communities in which they live, including providing better access to open spaces, the creation of remote working hubs, and making sure our public services are more accessible.
- We will continue to respond energetically to the climate emergency by pursuing a strong decarbonisation agenda, managing our land for the benefit of rural communities and future generations and protecting and enhancing our natural resources.
- We will take the opportunities offered by changing working and travel patterns to build on trials of demand responsive public transport, working with trades unions, local authorities and passengers and put a clear emphasis in our new Transport Strategy on minimising the need to travel, spreading demand for public transport more evenly across the day, and enabling active travel as an investment in public health.
- We will focus on the 'everyday'/foundational economy and support the growth and independence of Welsh-headquartered businesses in order to build the resilience of the Welsh economy in the face of coronavirus and the end of the EU Transition Period.
- We will support the NHS to make up lost ground in terms of treatment of non-coronavirus-related conditions.
- Across all these 8 priorities and in everything we do, we will focus our efforts on supporting those who have been most adversely affected by the COVID-19 crisis, including children and young people, women, those in low paid and insecure employment, BAME people and disabled people.

Part 1: Moving towards reconstruction

Responding to the pandemic has meant we have had to make some difficult

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choices about how we allocate our resources to deliver the most effective outcomes for Wales. As well as responding to the immediate challenges of the pandemic, we have continued to make progress on those things that matter most to us.

Health and social care services have been forced to adapt quickly in response to coronavirus. But in many ways, the response to coronavirus has accelerated progress towards the objectives set out in our publication “A Healthier Wales”, which sets out our ambitions for health and social care, including targeted actions which address quality of care, wellbeing, and health inequalities. For example, we have made rapid progress on moving services out of hospital and into the community, using technology and digital as an enabler for new models of care, and integrated partnership working between the health service and local government in the context of contact tracing.

More generally, we know that the pandemic will be here for some time, has had a profound effect on all areas of our lives and for some a disproportionate effect that has highlighted long-standing inequalities; but in spite of the new challenges and demands we will continue the progress of the last 4 years to keep Wales moving forward, guided by our values.

To build a future that is fairer, in which nobody is held back, and which addresses the very real inequalities laid bare by the pandemic. A future where public services work for everyone, where community is celebrated and strengthened, where we strive for fair work and prosperity for everyone. Where our children get the best start in life, where our natural environment is cherished.

Before and throughout the pandemic, we have worked closely with our partners across Wales to continue to deliver on our priorities as a government, as well as to mitigate some of the worst consequences of the pandemic.

These actions have been driven by our values and vision for Wales.

Well-being of future generations

A more prosperous Wales

- Recognising the impact of the pandemic on employment, our firm priority has been on supporting people to stay in jobs and helping them find work; through a new £40 million fund to support anyone 16 or over to access advice and help to find work, increase their skills, qualifications and employability, secure an apprenticeship, a job or to start a business.
- A £2.4 billion package of support, including the Economic Resilience Fund, an emergency support package for small businesses worth £200 million and £350 million of non-domestic rates relief, to support the economy.
- £26 million for charities to manage through the period of financial turbulence caused by the pandemic.
- Universities, further education colleges, and students supported with a £50 million fund to maintain teaching and research.
- £24 million to restart the Childcare Offer and establish our Childcare Provider Grant, recognising the importance of access to affordable and flexible childcare for working parents and to support child development.
- A £14 million Sport and Leisure Recovery Fund will support the sector with the ongoing challenges resulting from the coronavirus pandemic and provide longer-term sustainability.
- Allocated £53 million to a Cultural Recovery Fund to support the culture and arts sectors cope with the dramatic loss of revenue they have experienced because of the pandemic.

A more equal Wales

- Establishing the First Minister's BAME Covid Advisory Group, to identify rapid action in response to the disproportionate impact of the virus on BAME people including launching our Race Equality Action Plan and the risk assessment tool in health, care and other settings.
- An £11 million boost to the Discretionary Assistance Fund to help families who were suffering financial hardship during the lockdown.

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- Over 2,200 people provided with emergency accommodation during lockdown, including people sleeping rough, fleeing domestic abuse, relationship breakdown, or hidden homeless.
- 700 new high quality temporary or permanent homes across Wales, helping ensure that no-one is forced to return to the streets.
- The Coronavirus Childcare Assistance Scheme provided childcare to 9,000 pre-school age children of critical workers and over 900 vulnerable children, sitting alongside the support available in school hubs.
- Using Hwb to support the delivery of education and providing thousands of devices and software licences to local authorities, to support digitally excluded learners.
- A major programme of mental health support for children experiencing increased stress or anxiety as a result of the virus.
- £40 million to ensure the continuity of provision in lieu of free school meals including throughout the school holidays.
- £40 million to support adult social care services during the coronavirus pandemic – helping meet the increased costs of PPE, food, staffing costs and ICT.
- Setting up a BAME Covid helpline to provide referral and signposting to specialist advice, mainstream and community organisations.
- Launching our ‘Home shouldn’t be a place fear,’ campaign to make sure victims and survivors of domestic abuse know that they are not alone and that they can access support through the coronavirus and beyond.

A greener Wales

- A further £15 million to support active travel and achieve sustained changes in travel behaviour in the future.
- £105 million to date to ensure train services can continue to operate on the Wales and Borders network and £140 million to support bus services facing reduced fare income, helping keep cars off the road.
- Expanded the £13 million Circular Economy Funding for businesses and local authorities and publicly funded bodies, including town and community councils to support a green recovery from coronavirus.
- A new optimised retrofit programme, fitting energy efficiency measures in up

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to 1000 homes, tackling domestic carbon use and fuel poverty.

- Set a target of 30% of the country's entire workforce to work from or near home in future because it will help to reduce pollution and congestion.
- £5 million to begin work to establish a National Forest across Wales, including the development of community woodlands, Tiny Forests and a Forest Industry Recovery Scheme to help the forestry sector contribute to a green recovery.
- £2.6 million fund to help restore some of our most precious habitats, the N2K network, to begin a path to reverse the decline in biodiversity in Wales.
- Authorities across Wales received an additional £4.4 million to repair flood defences, as well as 100% funding towards the preparation of new schemes and natural flood alleviation projects. Together, this will accelerate delivery and help address the dual challenges of flooding and the pandemic, taking total investment so far to over £60 million this year.
- Brand new community outdoor spaces are being created through the Local Places for Nature Programme, which has taken on an increased significance through the pandemic, wildlife gardens, community food growing projects and accessible woodlands, with many of new spaces created between March and September of this year.

Part 2: Our future Wales

Coronavirus has exacerbated many of the deep seated challenges the Welsh Government has been working to tackle. And throughout the pandemic we have protected – and indeed extended – many of the priorities and programmes which we have developed to address or mitigate those issues.

We have been clear that our goal as a government is to deliver a more prosperous, equal and greener Wales. These values remain as valid today as they did before the pandemic, focusing our efforts on addressing the big issues that we face. Climate change, for example, remains as urgent a challenge at the end of 2020 as it was at the start. Our basic ecosystem is in decline, with threats to species, biodiversity and the impacts which this produces on water quality, air quality and the wider Welsh economy. Developments in digital are transforming our expectations about how we access services in all fields. We need to ensure

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that public services aren't left behind, harnessing the power of automation and Artificial Intelligence for the public good in Wales. We need to tackle the inequalities that exist within society.

We will need to be bold and creative in meeting the challenges that the pandemic has presented to us. Some of the things that have worked in the past may no longer work in very changed circumstances. We know that we will need to show flexibility and imagination in appraising our current approaches and in developing new ones.

That is why we are determined to open up as wide a conversation as possible, within and beyond Wales, so that we can expand our ways of thinking. We asked you to get in touch, to tell us what mattered to you, to suggest ideas for how to reconstruct a Wales that works better for all of us.

We received over 2000 submissions from individuals, activists, charities, businesses and representative bodies.

The Wales Centre for Public Policy has helped us analyse the responses. They have identified the 6 key areas which respondents focused on:

- Society
- Economy
- Environment
- Health, Social Care, and Well-being
- Political engagement
- Digital technology.

The analysis also highlights 2 cross-cutting issues – inequalities and the future of work – which emerged strongly from peoples' responses. A summary of the responses is set out below, with the **full report** annexed to the paper .

Society

A significant number of responses called for a focus on furnishing young people with the skills that will lead to sustained and well-paid employment within Wales.

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There was also strong recognition of the need to support the development and wellbeing of children and young people, particularly vulnerable children.

There was a recognition of the benefits of working from home, but also of some of the disadvantages, leading to a preference for a mixture of home-based and office-based work in future.

Respondents were keen to see suitable and affordable housing, including a good supply of quality homes for vulnerable people. Green housing featured in the responses, with proposed use of sustainable energy sources for homes in Wales and a move to a 'Net Zero' status. Some have advocated that empty office or retail space vacated as a result of the pandemic could be repurposed into housing.

The period of lockdown saw people working together to support each other in the community. Respondents believed that there is a need to capture this momentum and build on these positive community initiatives. Some suggested government should consider how it could nurture this.

Economy

The importance of supporting people to remain in work, or be able to secure employment came across in the submissions.

Respondents were keen to see Welsh businesses supported, including developing the Welsh brand and bringing sectors together into hubs. There was also recognition of the need to drive a sustainable economic recovery, promoting the circular economy. Wales is seen by most respondents as a country that is well-placed to develop sustainable energy, and there were calls for efforts to ensure the economy in Wales is based on renewable energy supplies from wind, water, and solar power, to be intensified.

Environment

Respondents acknowledged that Wales' greatest asset is its natural

environment, which should be enhanced and nurtured. There were calls to ensure all communities have a green space open to all, and suggestions for how to manage our land to encourage rewilding and tree planting.

We heard support for actions that would encourage people to buy food locally, and for the Welsh Government to take actions to support sustainable food production, informed consumer choice and food security.

Respondents also wanted to see an increase in greener transport in Wales, from electric vehicle charging infrastructure, to measures to decrease reliance on cars and support cyclists.

Health, social care, and wellbeing

Respondents highlighted the importance of increasing the status of social care, and recognising the contribution made by paid carers through better wages and working standards. There was a clear acknowledgement of the importance of health and wellbeing, including spending more time outdoors and interacting with the natural world, a better work-life balance, and support for access to healthy, affordable food and physical exercise, along with improving mental health awareness and support.

Some raised concerns about more limited access to healthcare in rural communities compared with urban areas.

Digital and Technology

Several respondents felt that now was the ideal time to support digital skills training to upskill the Welsh workforce. The increased use of a digital approach was seen as a driver for economic growth and improved productivity.

Some concerns were expressed about digital inequalities across Wales, either in terms of access to technology and reliable broadband, or the skills to use digital equipment.

Political engagement

Respondents wanted to see greater public and diverse participation in the democratic process, and there was a desire to build on the increased communications and messaging directly from the Welsh Government, particularly in relation to the response to coronavirus.

There was support for placing the Well-being of Future Generations Act principles at the heart of recovery.

Inequalities

We heard a recognition from respondents that coronavirus had exposed existing inequalities and strong support for action to address this and to bring about a fairer and more equal society, addressing digital, health, and entrenched economic inequalities in particular.

Future of work

A key theme which emerged from the responses was the changed future of work, with some employees able to rebalance time spent in the office with time working from home, and the implications for Wales' infrastructure. There was recognition that working from home was not always possible, or did not suit everyone's circumstances. Several respondents felt that remote working arrangements could enable locally-focused regeneration schemes and provide employment opportunities in emerging sectors, potentially encouraging more skilled young people to stay in Wales.

We welcome these responses for their breadth, creativity and their challenge. We are pleased to see the alignment between these suggestions and our values.

Roundtable and advisory group

We have also held a series of roundtables with individuals from community groups, the third sector, local authorities, businesses, academics, young people and representative organisations from Wales, other parts of the United Kingdom and internationally, and more are planned going forward. We also established a small advisory group, tasked with helping us identify key areas of focus. The group which has 4 standing members: Torsten Bell from the Resolution Foundation, Rebecca Heaton who represents Wales on the UK Committee on Climate Change and leads on climate change within the Drax Group, Paul Johnson who heads the Institute of Fiscal Studies and Miatta Fahnbulleh who leads the New Economics Foundation. A fifth member different for each of discussion, brings a particular sectoral or other dimension to the subject being considered (**Planning for a Prosperous, Equal and Green Recovery from the Coronavirus pandemic**).

The discussions in the roundtables have considered a broad range of issues to help us consider where best to prioritise our efforts, given the scale of the challenge we face. A number of similar themes have emerged from the discussions of the advisory group but often set in the context of comparable developments elsewhere.

They have also helped us identify the unequal impacts of the pandemic, highlighting that children and 16-24 year olds are likely to be most profoundly impacted by the immediate consequences of the pandemic and longer-term, both in terms of employment disadvantage and the fiscal costs of dealing with the pandemic. BAME communities and disabled people are also disproportionately impacted. They have also underscored the importance of a concerted effort to support people to stay in education or training in the immediate future, including maximising youth employment and skills development through traineeships and apprenticeships.

The need for government intervention to support people to remain in employment and to help create new jobs has been prominent in the discussions. These will require separate interventions, but both must be underpinned by a complementary approach to skills development, reflecting the needs of the

economy. When looking to support job creation, the green housing sector, energy efficient retrofit and using modern methods of housing construction have all been identified as key areas. Further jobs could be created by proactively supporting the development and resilience of Welsh supply chains to support this sector.

The priority attached by the Welsh Government to a just transition as a result of economic impact of Coronavirus has been echoed in these discussions, whether that is to town centres, land management or farming, manufacturing, developing green technology, or making changes to public service delivery. This series of submissions and discussions has taken place at a time when the trajectory of the virus in Wales and across the United Kingdom was generally downward. They have also taken place in a time of uncertainty about the nature our future relationship with the European Union. As we enter the next phase of dealing with the virus, and as we approach the end of the EU Transition period, the context for setting our priorities will naturally change, but what we have heard from people in Wales and beyond remains fundamental to how we calibrate our response and our reconstruction effort.

Our priorities for reconstruction set out below are our emerging response – refracted through the prism of our values of economic justice, social justice and environmental justice – to those concerns and ambitions that have come to the fore through this wide-ranging set of discussions.

Part 3: Priorities for recovery in the short-term

The immediate response to the coronavirus is not yet at an end. As the recent increase in infection rates reminds us, Wales continues to wrestle with the most urgent public health and economic emergency it has faced in many generations. As we prepare for what will be a difficult autumn, our primary focus as a Welsh Government remains tackling the virus and protecting those at greatest risk in our communities. But in parallel we must bring sharp focus to the other challenges we face; the devastating impact that the end of EU transition will bring and the climate change emergency.

Throughout the pandemic we have protected delivery in key areas; on affordable

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housing and retrofit programmes, on reducing the cost of the school day to the most disadvantaged learners, on the foundational economy, social care and air quality. Whilst programmes have been disrupted and needed to adapt, they have continued to deliver, from the Childcare Offer to mitigating the effects of poverty, from initiatives to support digital inclusion to supporting communities adapt the facilities that sit at their heart. We have continued to drive decarbonisation through housing, transport and public services and delivered biodiversity projects that will protect and restore our natural environment.

It is from this firm foundation of delivery that we can now look ahead, to the work of reconstruction and how our economy, our public services and our communities can move forward.

A significant priority of our recovery work is aimed at helping many of the people and businesses, whose livelihoods have been lost or turned upside down by lockdown, find work and a future. We see that our most important role, through our Economic Resilience Fund and wider skills support, is to help individuals and Welsh firms transition to the economy and the jobs of the future. That means helping to keep people in jobs through this turbulent period, and supporting people, particularly young people, by building on our existing skills programmes and creating an environment of lifelong learning. It means that we will support job creation and emerging sectors to help people find sustainable jobs and continue to focus on fair work.

Whether it's building new homes, retrofitting existing homes, the reenergising of our local town centres, changes to the way we travel and how we work or how we secure our cherished public services like the NHS and social care for the future, we have the opportunity to continue to create jobs and sustain employment, to build stronger, fairer communities and respond to the climate emergency.

In looking forward we have listened carefully to the interesting ideas and opportunities that have been put forward for positive change. Whether it be more remote working in the economy, greater use of telemedicine in our NHS, a strengthened partnership with the third sector and communities or better air quality in our towns and cities – things that just a few short months ago seemed challenging or innovative now seem possible and part of our daily lives.

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The pandemic has highlighted the critical importance of digital delivery of public services, and remote ways of working. There is a huge opportunity to build on the experience of delivering public services remotely to evaluate what has worked well and what has not. We want to consolidate the progress we have seen by identifying opportunities to use digital ways of working and design to support interventions throughout this plan and across the public sector. At the same time, we will need to step up our support for digital inclusion and facilitation for those who will otherwise risk becoming (often, even more) marginalised from public services.

Many of the priorities for reconstruction also play an important part in how we respond to coronavirus in the here and now, as well as how we address its consequences into the future. They will also contribute to how Wales responds to the challenges of leaving the EU Transition period.

During the remainder of this Senedd term, these will be our priorities, as we embark on the work of reconstruction:

1. We will do everything we can to reduce unemployment and give everyone the best chance to find and keep decent work with long term prospects, adding value to the UK government's Kickstart programme. We will work with Trade Unions, employers, schools, and colleges to provide opportunities for people to develop their skills and to acquire new ones.

More specifically:

We will use the third phase of our Economic Resilience Fund to support businesses to adapt to operating in a post-coronavirus world, while also responding to the changed nature of our trade with the EU after the end of the transition period. We have also set aside funding to support any businesses which need to close as a result of local lockdowns.

As we have already announced, a further £40 million from the ERF will be used to boost our training programmes, such as the long-established ReAct programme which supports those who face redundancy and are working closely with the Department of Work and Pensions to support the successful roll-out of Kickstart in Wales, which is designed to provide placements for those under 25 who are struggling to find employment. We are introducing new incentives to encourage employers in these difficult times to provide apprenticeships for young people, with additional premia for disabled people.

We will also step up funding to the Active Inclusion Programme run by the Welsh Council for Voluntary Action (WCVA) which provides opportunities for both young and older people who find themselves marginalised from the labour market, and support the WCVA to undertake a study into how we can support an older workforce, while also creating new training opportunities related to our new investments in housing (see below).

Within the ERF, we are launching a ring-fenced fund to support the tourism and hospitality sector and will also look to further expand the funding available through the Development Bank for Wales, which has proven its capacity to deliver funding quickly and efficiently to the front-line of Welsh businesses.

We will make substantial new investment this year in school buildings and trunk road maintenance to support jobs in the construction sector and related supply chains.

And finally, because workers need protection from the small minority of employers who cannot be relied on to see their employees as their most important asset, we intend to increase our funding for services which provide employment advice.

2. We will make sure that our young people do not lose educationally or economically through the effects of coronavirus or because of any economic downturn that is not of their making. We will support all of our young people to stay in education and to catch up at school and

in college. In addition, we will make sure that particularly disadvantaged groups, including members of BAME communities, receive the additional help that they need.

More specifically:

We will boost the Childcare Development Fund to increase support for the very youngest children with language development and personal and social development and provide a multi-million pound package of additional support to the childcare sector to secure continued provision. We will provide additional funds to take forward capital projects related to Flying Start which have already been developed and take forward a significant package of measures for looked-after children, with a strong focus on prevention.

We will increase spending on the Pupil Development Grant to support the most economically vulnerable parents struggling with the costs of their childrens' education and intend to extend Free School Meal provision through the remaining school holidays this year.

We will increase the funding already announced to provide additional support to pupils who may have fallen behind in their learning at crucial stages in their education: this will include dedicated mentoring and revision support to those in years 11, 12 and 13, with a specific focus on BAME and vulnerable pupils and the development of new online learning materials in both English and Welsh for GCSE students to support blended learning and learning for those who have to self-isolate.

In Further Education, we will boost funds available to colleges to provide IT equipment to learners who lack access to it at home.

funding to both the Further and Higher Education sectors to support an increase in learners enrolling due to higher than anticipated grades and because of the limited options in the labour market and to provide increased support to students facing financial, emotional or mental health difficulties.

More broadly, we will bring in the socio-economic duty on public services

requiring them to design their services to address socio-economic disadvantage.

3. We will step up construction of council and social housing to increase access to high quality housing across Wales, in particular investing in low carbon housing at scale and upgrading housing stock particularly social housing, to make it more energy efficient and to reduce fuel poverty.

More specifically:

We intend to increase the budget of our Social Housing Grant Main Programme over and above the £30 million increase already announced as a consequence of our decisions on the Land Transaction Tax. We will also boost our Innovative Housing Programme, which combines economic stimulus with the provision of new environmentally-friendly social homes for people across Wales.

We will also significantly expand the Optimised Refit Programme to radically increase the number of existing homes which are upgraded in terms of their environmental performance and are also hoping to build on this by supporting a new partnership between local authorities and housing associations with potential to retrofit up to 5,000 social homes (though this is unlikely to be deliverable in the current financial year). These investments will make a significant contribution to employment in the construction and green futures sectors of the economy.

In order to both increase the supply of affordable housing and provide a stimulus to SMEs in the construction sector, we will be injecting new capital into our Property Development Fund and Wales Stalled Sites Fund, which provide finance to SME builders and property developers to bring forward housing schemes: demand has far outstripped supply for these funds and providing extra finance will prevent them being close to new applicants.

4. We will step up our investment in our local town

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centres to help build resilient communities and capitalise on how COVID-19 has re-focused people's lives on the communities in which they live, including providing better access to open spaces, the creation of remote working hubs, and making sure our public services are more accessible.

More specifically:

We will seek to build on the new sense of community generated by the coronavirus pandemic, by supporting local authorities and the third sector to sustain volunteering activities and to enable communities to themselves take action to improve the local environment and local facilities.

We intend to launch a Strategic Sites Acquisition Fund to enable local authorities to acquire land high street premises in our local town centres in order to revitalise centres which may see increased footfall as a result of the increased propensity to work from home for some or all of the time, rather than commute to larger cities. This will support our policy of 'Town Centre First' in terms of the provision of public services and help enable a network of enterprise centres and 'local to home' working hubs. Where there are no viable uses for derelict sites, the Fund should also enable the creation of new green spaces.

We will build on the experience of the Circular Economy Fund, which has already supported a number of re-use cafes and local repair shops to launch a dedicated fund to create additional facilities on our high street, contributing significantly to waste reduction and our efforts to combat the climate emergency as well as to revitalising our town centres.

We will start our roll out of community-based endoscopy services in local town centres and boost our Primary Care Capital Programme. We will also move forward our 'Town Centre First' agenda, prioritising integrated health and social care centres in town centres.

We will work with local authorities to develop a co-investment scheme to

enhance the attractiveness of town centres which may see increased footfall as a result of the increased propensity to work from home for some or all of the time, rather than commute to larger cities. This will particularly focus, in its initial stages on enhancing green spaces.

We all want to see vibrant town centres that can make a positive contribution to our sense of well-being and which can contribute to supporting local shops and services and all of the jobs that these provide.

In order to improve the environment in our town and city centres, we will press ahead with pilot projects of 20 mph zones.

5. We will continue to respond energetically to the climate emergency by pursuing a strong decarbonisation agenda, managing our land for the benefit of rural communities and future generations and protecting and enhancing our natural resources.

More specifically:

We will boost our Circular Economy Fund in order to fund around 50 additional projects which contribute to the green recovery, both and that contributing to developing the green jobs of the future.

We will continue to invest in the long term programme of a National Forest for Wales, building an asset and legacy for generations to come helping to maximise the multi-level benefits of the forest for all, and seek to grow Wales' forest industries.

We will support a pilot project to drastically reduce the carbon footprint of one our major hospitals by integrating a solar energy plant onto its site. We will provide seedcorn funding for smart living hydrogen hubs across Wales – an important set of emerging technologies which may be key to creating the low carbon industries of the future, from marine energy to zero carbon aviation.

We will also double the number of projects to support public sector organisations reduce their carbon footprint delivered by our Energy Service Green Stimulus Package and will invest in developing a number of new local renewable energy plans.

6. We will take the opportunities offered by changing working and travel patterns to build on trials of demand responsive public transport, working with trades unions, local authorities and passengers and put a clear emphasis in our new Transport Strategy on minimising the need to travel, spreading demand for public transport more evenly across the day, and enabling active travel as an investment in public health.

More specifically:

We understand that most people can not work from home and that many of us will continue to rely on public transport to get us to and from work. In addition to the sharp increase in our funding for bus and rail services to sustain them during the current period of low public usage, we will fund a programme intended to pilot the reform of bus services, building on the Fflecsi trials of demand responsive bus services which area already underway.

We will also press forward with the development of a decarbonisation strategy for our transport system which will act as a source of challenge as we develop our new Wales Transport Strategy.

7. We will focus on the ‘everyday’/foundational economy and support the growth and independence of Welsh-headquartered businesses in order to build the resilience of the Welsh economy in the face of coronavirus and the end of the EU Transition Period.

More specifically:

As explained above, the third phase of our Economic Resilience Fund will focus on securing the future of small and medium sized enterprises, the majority of which are headquartered in Wales by co-funding investments in adapting to the new realities we face. We are also providing specific support to the tourism and hospitality sectors which have been so badly hit by the pandemic. It is vital to maintaining jobs in Wales that we protect the tourism, hospitality and cultural sectors in our economy.

Our very significant additional housing investments will provide economic stimulus for the construction sector, with a strong focus on SMEs, while our Innovative Housing Programme will also provide a stimulus for manufacturing linked to construction through the use of modern methods of construction.

We will also boost our Superfast Broadband Programme which supports Welsh businesses to increase their digital presence, online trading and digital innovation, essential given the massive shift we have seen towards the working remotely and digitally.

8. We will support the NHS to make up lost ground in terms of treatment of non-coronavirus-related conditions.

More specifically:

We will significantly step up investment in our Primary Care Capital Programme, bringing forward at least four major projects, which will provide both added stimulus to the construction sector and much improved integrated health and

social care facilities for local communities. We will also commission a study to learn from experience to date and inform future phases of the programme.

We will also move forward with our endoscopy recovery plan, setting in train the creation of a network of endoscopy centres in town centre locations which will enable us to start to catch up on the backlog created in terms of cancer screening as a result of the pandemic.

We will also boost provision of mental health support through the third sector in order to prevent problems escalating to a point at which they need to access services in primary and secondary care as well as increasing funding for residential rehabilitation of homeless people with substance misuse problems. At the same time, we will take forward our Winter Protection Plan to ensure the health and social care system has plans and contingencies in place to:

- Respond to coronavirus demands
- Continue to upscale essential services, including mental health services, and to reintroduce routine services where it is safe to do so
- Prepare for winter
- Reduce health inequalities and the impacts of coronavirus (the “4 harms”)
- Protect and promote the well-being of the health and social care workforce.

Across all these eight priorities and in everything we do, we will focus our efforts on supporting those who have been most adversely affected by the COVID-19 crisis, including children and young people, women, those in low paid and insecure employment, BAME people and disabled people.

We will progress the recommendations of the COVID-19 BAME Advisory Group.

We will provide additional support to our Violence Against Women, Domestic Abuse and Sexual Violence programme.

We will increase the support we give to the families of female offenders.

We will boost the Disabled People’s Organisations’ COVID-19 Response Fund.

Part 4: Longer term change

The conversation about recovery that we have been engaged in with our partners over these last few months has been extremely productive. It has helped us identify some of the immediate priorities for the early part of our work on reconstruction.

But our work over these last few months has also highlighted that this is a moment for real change in the longer term.

Coronavirus has forced us all to think in new and sometimes more creative ways about what we do, how we do it and how that can change or influence the future. It has given us the platform to develop policies in new and bolder ways than we may have been able to previously, to embrace technology and ensure we are developing truly citizen-designed services.

Challenges which are sometimes all too familiar and which have often been hard to tackle have become even more pressing. The task is to seek to get to grips with them, building on the public appetite for change, and the new ways we have found of working together – government, communities and individuals, the public, private and third sectors.

The need to tackle questions of intergenerational unfairness, the revitalisation of our town centres, the transition to a sustainable and decarbonised economy, the digital opportunity, the fragility of some of our public services privately delivered, the urgency of the need to protect our biodiversity. None of these are new, but the scale of these issues has become more widely understood, and the public appetite for tackling them has become deeper, with our experiences of recent months.

To help us address some of these issues, we are exploring a financing partnership with local authorities which could extend our capacity to invest together and stimulate employment.

As we are approaching the end of this Senedd, the task of meeting these challenges into the future will fall not only to the current government, but also the government formed in the new Senedd. But there is ongoing work which we will

carry forward in the remainder of this Senedd term. Alongside the immediate work of reconstruction therefore, we will take forward the work of addressing some of those longer-term priorities, building on our work to date by:

- Doing everything we can, working with the UK government, the wider public sector, employers and trades unions and the third sector to continue to increase access to jobs and training.
- Urgently considering how to address the underlying fragility and fragmentation of the social care system and increase support for non-profit provision.
- Putting in place the National Development Framework to embed the 'town centre first' approach for the location of public services and set ambitious standards for repurposing under-utilised retail space.
- Focussing business support wherever possible on supporting decarbonisation of the economy and fair work and pressing forward with reforms to procurement to develop local supply chains.
- Reforming and investing in public transport in the long-term to support a modal shift, developing a high quality, reliable, affordable and integrated public transport system across Wales that can support our ambitions for a greener, fairer and more prosperous nation.
- Considering the implications of the breakdown of risk-sharing with private operators of public transport networks for future operating models.
- Pushing forward on the longer-term restructuring of further and higher education to put greater emphasis on vocational provision and more flexible learning opportunities and to ensure closer linkages between institutions and their regional economies.
- Setting out our ambitions on digital transformation in our new digital strategy; and embed the work of the new Centre for Digital Public Services across the public sector, to drive forward user-centric service delivery and improve capability and leadership to support digital transformation in services.
- Stepping-up our support for digital inclusion and facilitation for those who will otherwise risk becoming (often, even more) marginalised from public services.
- Pressing ahead wherever possible on projects which leverage investment into renewable energy schemes.
- Moving forward on the reform of farm funding to focus on environmental

benefits and improve access to countryside and open spaces.

- Strengthening the resilience of our communities and economy to the impact of climate change, including our protection against flooding and other extreme weather.
- Restoring Wales' natural heritage, improving the condition of our rivers, peatlands, forests and sea.
- Strengthening the pipeline of major renewable energy projects by building stronger local capacity and plans.
- Reviewing our procurement policy to maximise the support to the foundational economy and Welsh supply chains.
- Protecting the resilience of our Welsh-speaking communities and networks, pressing forward with our commitments to increase the number of people who learn and use the Welsh language in future, and ensuring our responses to coronavirus takes these commitments fully into account.

The months ahead

We don't yet know exactly how the months ahead will unfold in the transmission of the virus, the availability of new clinical responses to tackle its spread and the range of actions which governments will need to take. We are also facing considerable uncertainty as the end of EU Transition approaches on 31 December. The end of transition means change and disruption for businesses, whether or not the UK and the EU are able to come to an agreement on our future trading relationship. End of transition impacts may also fall heavily on communities and households who have been already been deeply affected by the implications of coronavirus. The impacts on all will be that much greater if no agreement is reached, but it's impossible to predict with certainty on whom the impact will be greatest.

We can't foresee exactly the context for the priorities we have outlined here. It will always be the main priority of this Welsh Government to keep people safe and to do all we can to protect people's livelihoods. But alongside that work, this document shows how we will look also to the future, and the actions we will aim to take forward as part of our overall response to coronavirus.

As with much of our response to date, these priorities can best be taken forward

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in partnership with others in the public, private and third sectors who we work with in the Welsh Government. And they can only be taken forward with the support of the people of Wales – whose dedication to the task of reconstruction, we are confident, will equal their commitment to tackling the coronavirus pandemic itself.

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