



Llywodraeth Cymru
Welsh Government

MEETING

Council for Economic Development meeting 14 September 2020: agenda and notes

Agenda and summary of discussion from the 31st Council for Economic Development meeting 14 September 2020.

First published: 14 September 2020

Last updated: 14 September 2020

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Contents

Agenda

Attendees

Officials

Apologies

Item 1: Minister's Introduction and Update (Minister for Economy, Transport and North Wales)

Item 2: Economic reconstruction and recovery strategy (John Watkins)

Item 3: Economic Resilience Fund (ERF) - Duncan Hamer / Emma Watkins

Item 4: Local Containment/Lockdown - METNW

Item 5: Any Other Business

End

Agenda

11:00 to 11:10 Item 1: Minister's introduction and update

11:10 to 11:45 Item 2: Economic reconstruction recovery strategy (John Watkins)

11:45 to 12:15 Item 3: ERF (Duncan Hamer / Emma Watkins)

12:15 to 12:25 Item 4: Local containment/lockdown (METNW)

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12:25 to 12:30 Item 5: AOB

Attendees

Name	Organisation
Ken Skates MS (METNW)	Minister for Economy, Transport and North Wales
Joe Allen	Wales TUC
Ben Cottam	FSB
Jonathan Davies	The Law Society
Rhian Edwards (in place of Derek Walker)	Wales Co-Op
Ifan Glyn	Federation of Master Builders
Mark Harris	Home Builders Federation
Peter Hughes	Unite the Union
Leighton Jenkins	CBI

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Sara Jones	British Retail Consortium
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Robert Lloyd Griffiths	IoD
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Chris Nott	Capital Law
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Lloyd Powell	ACCA Cymru/Wales
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Ian Price	CBI
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Paul Slevin	South Wales Chamber
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Mags Simpson	FTA / Logistics UK
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Shavanah Taj	Wales TUC
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Paul Slevin	South Wales Chamber of Commerce
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Nisreen Mansour	Wales TUC
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Huw Thomas	NFU
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Rhys Williams	Road Haulage Association (RHA)
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Martin Warren

ICAEW

Sir Adrian Webb

MAB Chair

Officials

Emma Watkins, Duncan Hamer, John Watkins, Gethin While, Claire McDonald, Stephen Layne, Nigel Keane, Karen Dascombe, Rhiannon Perkins; Zenny Saunders.

Apologies

Ruth Brady: GMB

Sally Gilson: Logistics UK

Julie-Ann Haines: Principality Building Society

Derek Walker: Wales Co-Op.

Item 1: Minister's Introduction and Update (Minister for Economy, Transport and North Wales)

METNW:

Welcomed everyone to the meeting and thanked attendees for their continued engagement during uncertain times. He also welcomed Rhian Edwards, Wales Coop standing in for Derek Walker.

The Minister talked about the economic harm the pandemic has already caused,

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Wales was in the deepest recession in living memory, with the labour market yet to see the worst impacts once the UK Government's furlough scheme comes to an end. Welsh Government (WG) was pressing the UK Government (UKG) to extend the scheme. Unemployment was a major concern. The Economic Resilience Fund (ERF) may have helped many people avoid unemployment. Labour market statistics will be released tomorrow, these will show the significant numbers of those unemployed.

The Minister said that in recent days there were restrictions introduced at both a local and national level to help control the virus. He noted the added problem of UK leaving the EU without a comprehensive trade deal, which would be deeply damaging in normal circumstances. Wales would receive only £12.5 million – not the extra

£500 million - in new revenue consequentials as a direct result of the Chancellor's Summer Economic Statement and no additional capital funding.

WG was calling upon the UKG for further support. The WG has shaped ERF to complement the support from UK government. Any stimulus package from UKG must allow the WG to be flexible in how we support recovery, e.g. switch capital to revenue. Using its levers, the WG wanted to stabilise the economy as much as it could and public services provided and also invest in economy reconstruction.

A Comprehensive Spending Review would be carried out in the autumn. WG Ministers would undertake further discussions with UK counterparts with regard to stimulus package and would press that UKG's commitment to 'not a penny less'. Wales has levers such as Development Bank for Wales and Business Wales and a strong collaboration with social partners. .

METNW:

- thanked CfED members for engagement and their ideas.

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Item 2: Economic reconstruction and recovery strategy (John Watkins)

John Watkins (JW):

- Explained the content of his paper on Economic Reconstruction and Recovery Strategy.

METNW:

- Invited comments and questions.

Shavanah Taj:

- Welcomed the paper and asked for a summary on place and green and also requested that recommendations from BAME COVID subgroup and young people values are reflected in the pyramid. It was important that the Fair work commission work was reflected in recovery. There should be an investment focus on green and digital economies.

Adrian Webb:

- Strong measures identifying what a good job means rather than just a job was needed. Underline that focus is about how far the economy underpin/facilitate wellbeing. He said that the quality of local spaces has become much more important since COVID-19.

Ian Price (IP):

- Agreed with Shavanah Taj and Adrian Webb, we need to be clear about what would be measured and how. He also stated that the challenge was businesses not looking too far ahead. He added that it was a challenging time and we need to be looking a long way into the future equally, yet businesses are still in survival mode.

Action: IP to share views and questions on Economic Reconstruction Recovery Strategy with JW.

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Ben Cottam:

- Agreed with Ian Price about business bandwidth. The point at a higher level was how we communicate with organisations about what the concept of a wellbeing economy would be and the themes within it. Whatever model comes out of the Strategy then businesses must feel that they have co-designed it, rather than it has been done to them.

METNW:

- Stated that the BAME report will be considered and acted on. WG is working with the Department for Work and Pensions (DWP) and was engaged with Kickstart programme. He agreed that fair and just growth is important, fair work increases confidence. Careers Wales has produced a good report that highlights emerging sectors for growth.

Chris Nott:

- Stated that a lot of policy development around the 'What' has been done. It would be good to see the 'how' being developed in parallel. Agreement was needed on direction and what recovery looked like. He also commented that it was great to see government and social partnerships collaborating.

Paul Slevin:

- Said EAP refresh can deliver pace and energy solutions to industry. The pace and energy and different way of operating should be maintained. He went on that Economic Reconstruction Recovery Strategy paper doesn't demonstrate the pace and energy we saw in April/May. This needs to show more pace.

METNW:

- Agreed, not to get too bogged down in processes. Any further comments or concerns can be emailed to officials.

There were no further comments on this paper.

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Item 3: Economic Resilience Fund (ERF) - Duncan Hamer / Emma Watkins

Duncan Hamer:

- During phases 1 and 2 ERF £300 million funding has supported 15,000 business in Wales, approximately saving 150,000 jobs that otherwise may have been lost.

Emma Watkins:

- Said that ERF 3 was genuine policy in development in its early stages, sharing in spirit of collaboration and co-production. Phase 3 has been in development over the summer, building on success of Phase 1 and Phase 2. The economic impact of COVID-19 was moving fast and as many have indicated we have issues of recovery, lockdown, ongoing issues in BREXIT. Over the summer, officials continued to develop options and as with Phases 1 and 2, Phase 3 eligibility would be based on clear economic analysis. Important that our interventions support, Economic Action Plan, Economic contract. Considerations were given to sector impacts, the shape of the labour market, EU Brexit as well as UKG interventions Officials are considering whether there should be funding for local lockdowns. Our regional partners, such as local authorities and regional teams, were vital in development of this thinking.

Duncan Hamer:

- Shared a presentation on the ERF phase 3 options in detail. Applications would be open between Oct and Nov 2020. Turnaround time on ERF to 5 working days – a lot developed in a short period of time. We have a set of discussions over the next few weeks, METNW 29th September, triage checker open 5th October

METNW:

- The ERF has been hugely successful and thanks officials working through

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the summer on 3rd phase.

Ben Cottam:

- Thanked Emma and officials for work on Phase 1 and 2 of ERF. The timescale had been challenging. The notion of a business development grant is sensible. He asked how pulling the messaging together about a well-being economy for recovery when presenting ERF Phase 3 to businesses was an opportunity. There needs to be pressure on UK Govt, including pressure to support the self-employed community. He said that overall he was pleased with WG's approach to supporting business.

Ian Price:

- Concurred with FSB and gave huge credit to officials who have worked really hard. He will email his thoughts on this and the Recovery to Officials.

Action: CBI to share further comments on Economic Reconstruction Recovery Strategy paper and views on Phase 3 ERF with the Minister/Officials.

Robert Lloyd Griffiths:

- Thanked officials for their hard work. A Business Wales board meeting was held last week, outcomes and views would be fed in. He said that the diagnostic tool on the Business Wales website was good.

Sara Jones:

- Questioned whether the WG is considering other economy boosting measures aimed at the consumer, such as the Eat Out to Help Out scheme. The possibility of a cliff edge faced by businesses when NDR relief ends in April 2020 is a huge challenge for the retail sector.

METNW :

- Stated that colleagues in CST are considering consumer based interventions and those businesses who will continue to face pressure, such as closed industries. He encouraged anyone with further views to share them via

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email.

Item 4: Local Containment/Lockdown - METNW

METNW:

- Said that all would be aware as of today face coverings become mandatory in indoor public places such as shops due to the increase of COVID-19 cases across Wales. There have been exemptions for people who cannot wear face coverings for health or medical reasons. All evidence shows that the virus is spreading in domestic dwellings for most parts. FAQs and other information has been published online. FSB have been really helpful in gathering intelligence on those lessons learnt on lockdown in places like Leicester and Aberdeen.

Ben Cottam:

- FSB are in the process of gathering intelligence about the lockdown in Caerphilly County Borough. Local lockdowns are negatively impacting businesses in those areas, e.g. hair and beauty businesses are experiencing high cancellation rates from clients. He further advised WG to use social partnerships to communicate guidance and messaging about lockdown. Guidance on face coverings came out much later than the announcement. Clear lines of communication should be established, including using local authorities. FSB has been fielding a lot of calls from businesses, the WG should sharpen up those lines of communication.

Sara Jones:

- Agreed. WRC members have raised many concerns, including how changes will be enforced. Members don't want to put their staff at risk by placing burden of enforcement on retail staff. Clarity around enforcement responsibility needed. Enforcement of face coverings for people with disabilities is also a concern. Disabilities are not always visible. How we can make sure they are not challenged. Share our experiences. Generally compliance has been very good.

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Shavanah Taj:

- Said there had been confusion when Caerphilly lockdown was announced. Wales TUC had been calling for face coverings for some time but consistency would be useful. She also mentioned enforcement: in retail – questions received is it mandatory for them or customers to wear face coverings. Big supermarkets/smaller businesses – every store is managed by somebody different. She also questioned whether there is any update on the UK level trial of an increased rate of sick pay for those who were going to be in a situation of a local lockdown.

METNW:

- Stated that he would ask the Minister for Finance and Trefnydd (MfFandT) for an update on the trial.

Action: METNW to check whether there are any updates on trial of increased rate of sick pay in England with MfFandT

Rhys Williams:

- He appreciated the letter of thanks the industry received from METNW. There are several haulage firms in Wales that would be severely impacted by the closure of sectors. There are specialist event hauliers in Wales that cannot trade because the event industry was closed. The vehicles of these specialist hauliers have been designed to transport event-specific goods and cannot be diversified.

Lloyd Powell:

- Requested that if WG is in conversations with HMT or BEIS please ensure raise concerns that there is a danger SMEs are forgotten in KickStart plus.

Emma Watkins:

- There are two things in relation to support. The Minister has a conversation with Tourism Minister this week about the hospitality sector and it was on the agenda for this week's BEIS Quad

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Action: RHA to share intelligence about Welsh companies at risk with officials in advance of WG/BEIS meeting

Paul Slevin:

- Stated that it's was likely the Chamber is one of the consortia for the Kickstart programme. DWP criteria is going to change immediately. SWCC awaiting update.

Ian Price:

- Private sector businesses providing their own testing, Ian said he was interested if WG knew about anyone who had ventured into this.

Action: METNW to check whether there is an update on private sector COVID-19 testing with Minister for Health and Social Services (MfHSS)

Item 5: Any Other Business

METNW:

- Thanked everyone for their time and reminded attendees to share any further comments or updates with Officials. The WG will launch 3rd Phase of ERF and ensure that the recovery plan is taken forward at maximum speed.

End

Action	Lead
Economic Reconstruction & Recovery Strategy paper to be shared.	WG
	Actioned

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BAME Report will be considered and acted on.	WG
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METNW to check whether there are any updates on trial of increased rate of sick pay in England with MfFandT.	WG
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CBI to share further comments on Economic Reconstruction & Recovery Strategy paper and views on Phase 3 ERF with the Minister/Officials.	CBI (IP) Actioned
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RHA to share intelligence about Welsh companies at risk with officials in advance of WG/BEIS meeting.	RHA (RW) Actioned
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METNW to check whether there is an update on private sector COVID testing with MfHSS.	WG
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WG lead on EC to engage with Wales TUC to discuss the Economic Contract and ERF.	WG Actioned
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WG officials to investigate Welsh business readiness to respond to demand for increased testing capacity.	WG
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