



Llywodraeth Cymru
Welsh Government

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Date: 17 October 2020

MINISTERIAL ADVICE

For decision by: Minister for Economy, Transport and North
Wales and Minister for Finance and Trefnydd

Subject	Covid-19 Economic Resilience Fund: Further support for firebreak lockdown
Summary	Subject to First Minister and Cabinet's consideration of the options for a firebreak lockdown, agreement is being sought in respect of the detailed implementation arrangements for firebreak support for businesses commencing on 23 October 2020 which complements other support measures for the Welsh economy, businesses, social enterprises and charities.
Timing	Urgent. The First Minister is scheduled to announce these arrangements during a Press Conference on 19 October 2020 should the decision be taken to implement the firebreak lockdown.
Recommendation	<p>The Minister for Economy, Transport and North Wales is asked to agree the following enhancements to arrangements previously agreed to support business through the Covid-19 pandemic in view of the October-November firebreak lockdown::</p> <ul style="list-style-type: none"> • In the event of business closures being limited to those listed in draft regulations to be considered by the Cabinet on 18 October: <ul style="list-style-type: none"> ○ Automated payments of £1k to businesses occupying a property with a rateable value of £12,000 or less and agree whether this should apply to all businesses in this category or those required to close only. ○ Automated payments of £5k grants to businesses required to close during the firebreak lockdown period occupying a property with a rateable value between £12,001 and £50,000.

	<ul style="list-style-type: none"> ○ A discretionary £2k top-up grant for businesses closed or materially affected by the firebreak lockdown to apply for. ○ Agree whether or not a further discretionary £1k grant should be made available to businesses materially affected by local lockdown measures for 21 days or more prior to the start of the firebreak lockdown period. • An enhancement to the previously agreed Business Development Grants to remove the co-funding requirement for businesses required to close during the firebreak lockdown period. <p>Subject to the Minister for Economy, Transport and North Wales agreeing the enhanced business support measures, including the additional £1k discretionary grant, the Minister for Finance and Trefnydd is asked to agree the following to create a financial package of support for businesses impacted by the October-November firebreak lockdown:</p> <ul style="list-style-type: none"> • To allocate an additional £134.5m from the centrally held Covid-19 revenue response reserve to the Economy and Transport MEG. • That the balance of £20m from the original £500m Economic Resilience Fund (ERF) package is deployed. • To re-purpose the £160m ERF phase 3 funding agreed last month as set out in paragraphs 16-40. <p>Taken together, this will comprise a £294.5m package as detailed in this advice.</p> <p>The Minister for Finance and Trefnydd is also asked to agree:</p> <ul style="list-style-type: none"> • To earmark a further £294.5m, which would be subject to further advice based on the context of the time, in the centrally held Covid-19 revenue response reserve should a further firebreak or lockdown be required. <p>This advice is also copied to the Minister for Local Government and Housing noting the crucial role of Local Authority delivery partners.</p>
Decision report	<p>This decision requires a decision report:</p> <p>The Minister for Finance and Trefnydd has agreed a finance package to enable support for businesses during Covid-19 related firebreak measures announced by the First Minister on 19th October 2020, and the Minister for Economy, Transport and North Wales has agreed arrangements for deploying support.</p>

ADVICE

Background

1. The full background to phase 3 of the Economic Resilience Fund (ERF) announced on 28th September 2020 is provided in MA/KS/3126/20. This MA should be additionally considered in the context and policy requirement set out in previous MAs (KS/1150/20; KS/1666/20; KS/1337/20).
2. Phase 3 of the ERF includes up to £80m for Business Development Grants, of which £20m is ring-fenced for tourism and hospitality businesses. It also includes up to £60m for a Local Lockdown Fund to support businesses materially affected (a negative impact of at least 40% reduction in turnover) by the imposition of local restrictions which stretch beyond the first 21 day period. This was established to work on the basis of a financial allocation to each local authority using the non-domestic rates (NDR) system. As part of this, an additional 5% has been allocated for a local discretionary grant (award amounts of £1,000 or £1,500) for materially affected businesses that do not qualify for the NDR grant.
3. Since MA/KS/3126/20 was approved, developments have occurred at pace and in response to the continued spread of the virus. Further coronavirus restrictions have been introduced to local areas in Wales with a total of 17 areas (15 of which are whole local authority areas) subject to measures at the time of drafting this advice with further potential for a national firebreak under consideration.
4. While the package of measures announced in phase 3 of the ERF have been broadly welcomed by the business community, some local partners have called for businesses in adjoining areas to be eligible for support because they too have been materially impacted by local restrictions.
5. There have also been further, significant UK Government policy announcements in light of the need to control further spread of the virus. This includes an announcement by the Prime Minister, introducing a tiered approach to restrictions in England (12 October) and the Chancellor's announcement on 9 October 2020 which included:
 - An expansion of the Job Support Scheme (JSS) from 1 November to support businesses across the UK that are legally required to close their premises due to coronavirus restrictions.
 - An expansion of the Local Restrictions Support Grant scheme. Under this scheme, grants will be issued for each three-week period that a business is closed following the implementation of statutory localised restrictions and business closures. The scheme expansion announced by the Chancellor means that qualifying businesses in Tier 1 areas in England subject to the most stringent restrictions will be able to receive up to £3,000 per month, and are eligible for payment sooner, after only two weeks of closure rather than three.
 - It should also be noted with Lancashire entering the third tier of lockdown on the 16 October and with ongoing discussion for the Manchester City Region further consideration may be required as the detail of the financial package emerges.

6. The Chancellor's statement also referred to the devolved administrations in Scotland, Wales and Northern Ireland benefitting from a £1.3 billion increase to their guaranteed funding for 2020-21 - allowing them to continue their response to Covid-19 including 'through similar measures if they wish'. As a consequence, Wales has received a £400m uplift to the HMT guarantee. It is unclear whether the £400m directly relates to the Local Restrictions Support Grant Scheme or if it includes wider (including non-business related) measures being introduced in England. The Minister for Finance and Trefnydd has pressed for a reconciliation of the guarantee to ensure there is clarity and transparency.
7. In Scotland, lockdown restrictions implemented on 9 October 2020 are supported by a new support fund of up to £40m for one-off grants to businesses administered by local authorities for businesses required to close by law. A £2k grant is available for businesses with a rateable value of under £51,000 and a £3k grant for those businesses with a rateable value over £51,000. An upper limit of £15k in total will apply to any eligible business operating multiple premises. Additionally, local authorities will invite applications for a business hardship fund - with payments of £1k or £1.5k, dependent on rateable value - to support some businesses that remain open but are still significantly impacted by the restrictions, including those in the direct supply chains of firms that must close. An upper limit of £10k will apply in total to any eligible business operating multiple premises.
8. The Northern Ireland Executive has provided up to £3,200 support for businesses affected by restrictions in Derry City and Strabane and is in the process of considering how to utilise an additional £200m of support for businesses and livelihoods affected by the restrictions to be applied for a four week period across all of Northern Ireland.

Support for firebreak lockdown

Context

9. Given the scale and speed of the virus' ongoing spread, preparations for a two week firebreak lockdown are being considered, pending Cabinet decision. This MA has assumed that it is likely to involve non-essential retail, tourism and hospitality businesses (except for takeaway / delivery) across Wales being required to close for the period commencing on 23rd October until 9th November 2020 (subject to Cabinet agreement).
10. The timing coincides with the closing of the UK Government's Coronavirus Job Retention Scheme (CJRS) on 31 October 2020 and the commencement of the Job Support Scheme (JSS). It is important to recognise that firms face additional operating costs over and above wages supported by the CJRS and JSS. The First Minister wrote yesterday (16 October) to the Chancellor asking for the start date of the JSS to be brought forward to 23 October. If the Chancellor agrees this, it is expected that Welsh businesses would benefit by £11m and would not change the proposals set out in this advice which have been designed to complement the economy-wide support which only the UK Government has the resources to provide. Depending on the response from the Chancellor, the additional cost of paying 67% of the wage costs of eligible employees instead of 60% may fall to the Welsh Government.

11. It is considered that further support in addition to that scoped for phase 3 of the ERF is necessary to support businesses affected by a nationwide firebreak lockdown.
12. Estimating the economic impact of firebreaks is also challenging as would be the impact of further financial assistance. However, it could be assumed that firebreaks could return many businesses back to the situation they faced during the first phase of the pandemic in the spring and would therefore require additional financial assistance.
13. A report by Capital Economics¹ suggests that a UK-wide 'circuit-breaker' lockdown in October 2020, where most pubs and restaurants close across the country could set the UK's economic recovery back by a year. Although there are uncertainties, a two-week lockdown of similar severity to April's could reduce GDP by 5%, month on month.

Further support proposed

Policy principles

14. In considering the recommendations made in this MA, the modelling has applied the principles set out below. Any change would require a review of the modelling and financial position.
 - There are 267,000 active enterprises in Wales – recognising we cannot support all, the proposed package aims to target those closed by restrictions.
 - This modelling assumes access to Job Support Scheme from 1 November 2020 or CJRS in October at the higher rate of intervention (67%).
 - Value for money is assessed on a counterfactual basis – that is the business will close or is impacted significantly - to receive the proposed support.
 - That the case made meets the Accounting Officer principles of value to HMT.
 - The model assumes for each cycle a maximum 3-4 week closure period – for period one this could include local lockdown restriction plus a 2-3 week firebreak.
 - In designing the model, deliverability, pace and fairness have been considered alongside the value for money assessment.
 - Welsh Government will not be able to fill all costs of private business and/or save all businesses; as indicated by the Chief Economist, both employment and GVA will be impacted in any event.
15. Officials are focused on the need to manage and deploy additional support needed for a firebreak lockdown with transparency and value for money in mind, balancing risks and applying appropriate due diligence, insofar as is reasonable and proportionate given the nature of this Fund. It is proposed that further support is agreed as follows.

¹ <https://www.investmentweek.co.uk/news-analysis/4020499/capital-economics-lockdown-restrictions-set-economic-growth>

Enhancements to Rapid Response (Local Lockdown) Fund

16. MA/KS/3126/20 secured agreement for allocating up to £60m for a Rapid Response (Local Lockdown) Fund to support businesses materially affected (a negative impact of at least 40% reduction in turnover) by the imposition of local restrictions which stretch beyond the first 21 day period. The scheme agreed to make available per three week period of local lockdown:
- £1,500 for retail, leisure and hospitality businesses occupying properties with a rateable value of between £12,001 and £51,000; and
 - £1,000 grant to businesses eligible for Small Business Rate Relief (SBRR) in Wales with a rateable value of £12,000 or less
17. Instead, the following is now proposed:
- Automatic payment – pre application
18. Small businesses occupying a property eligible for SBRR (rateable value of £12,000 or less) receives a payment of £1,000 to cover Covid-19 related expenses. The following two options have been considered for deployment:
- A. Apply automatically based on the NDR database to all 56,000 properties eligible at a cost of **£56m**.
 - B. Apply to only closed sectors estimated to be 30k at a cost of **£30m**
19. Option A is recommended. It is noted that it risks a minority of underserved cases receiving support. However, the benefit of universal support to small businesses is felt to be compelling as every small business is highly likely to be impacted as a result of – for example - the stay home / stay local restrictions resulting in reduced footfall and reductions in workforce capacity arising from increased levels of sickness and caring activities, as well as requirements to self-isolate. Officials will work with local authority partners on detailed deployment to avoid ineligible payments as far as possible.
20. Also, it is proposed that a grant is paid to all identified and known businesses occupying eligible hereditaments with a rateable value between £12,001 and £51,000 and legally required to close by Welsh Government as a result of a firebreak lockdown. There are 8,500 hospitality, retail and tourism businesses in this category based on support provided through NDR in April, so, if these sectors **are closed** (on confirmation of the legislation we will work with Local Partners to finesse the database and remove those remaining open), the cost would be up to **£42.5m** subject to detailed analysis of the database if they were each provided with £5k. It is suggested that this figure is justified on the grounds that it provides £312.50 for each of the sixteen days of closure proposed which is certain to not exceed the revenue that any business closed in this size category would otherwise need to receive in order to survive. This would include some hotels and B&Bs required to close for commercial customers but which would remain partially open on a restricted basis to service emergency accommodation and deliver relevant related services on contract to local authorities. It is considered very unlikely that businesses remaining partially open would, overall, receive income beyond what they would have received without lockdown measures in place. However, this risk will be considered with the Accounting Officer and

further advice will follow if any further adjustment is considered necessary to mitigate this risk.

21. The figures proposed for grant payments are based on a number of factors:

- Applicability to the offer in other UK nation/regions notably England
- Regarding the SBRR support, recognition that based on ERF, the average business employment is 2.5 FTEs – a £4,000 support package would represent 80% of average salary for two staff as an indicator of costs.

22. These payments would be made automatically without appraisal so carry higher risk in respect of value for money and demonstrable need.

23. Based on the draft legislation proposed, the actual number of businesses closed, and the resulting cost of the package can only be made on an estimated basis assuming shut down of tourism, non-essential retail and hospitality. This package is designed to support more than 70k of the 267k businesses but aligned to target those with employees and closed by the regulation.

24. If a decision is taken to close businesses in additional sectors, then the amount made available to each business would need to reduce accordingly, with the risk of the fund being spread too thinly to have a meaningful impact and deliver value for money. Moreover, if the decision is taken to close businesses in significant sectors beyond those outlined in proposals considered by the Cabinet on 18 October 2020 (e.g. construction and manufacturing) the scheme will be unaffordable.

25. The modelling has been done against learned experience of the March lockdown and through the summer. Officials recognise that there is significant potential for margin of error and these proposals will need to be reviewed in view of the Cabinet's decisions on 18 October 2020 and prior to details of actual amounts being available to individual businesses being announced.

- NDR grants: Discretionary and application based offer

26. It is proposed that in addition to the SBRR element (£1,000 grants on an application basis), businesses closed by the lockdown can apply for an additional top up. Officials have considered two options modelled on half of the 55,000 portfolio making an application.

- A. A universal £2k top up for all eligible businesses (closed by the lockdown or substantively closed) – assuming 50% eligibility this would equate to **£56m** cost
- B. A universal £2k top up for all eligible businesses plus and additional £1,000 for those in Local lockdown for more than 21 days equating to an additional £20m thus **£76m** in total (all local authority areas eligible, excluding Powys, Ceredigion, Pembrokeshire, Carmarthenshire and Gwynedd).

27. These figures have been proposed to provide a meaningful amount of compensation to as many businesses as possible with the funding available as well as aligning to offers made elsewhere in the UK.

28. Option B is recommended to ensure those in local lockdown receive the higher level of support to account for the impact of local lockdown measures equivalent to a UK wide offer combined with that already proposed and agreed under MA/KS/3126/20 for local restrictions.
29. In addition, and as previously set out MA/KS/3126/20, it is also proposed to increase from 5% to 10% (12% in Gwynedd and Carmarthenshire to cover town lockdowns for Bangor and Llanelli respectively) a discretionary fund. The discretion would be provided to enable support to those small businesses closed but not paying rates due to inclusive rates bills, working from home, new start up or sharing a property. This would enable provision of £3k grants to business closed but without a rates bill on an application only basis. This would require application of an additional **£20m to support up to 6,500 businesses**.
30. These grants would need to be delivered by local authorities in the affected areas. It should be noted that diverting local authority resources to deliver the fund is likely to negatively affect their ability to collect council tax and non-domestic rates, impacting on the Welsh Government's Budget in 2020-21 and in 2021-22, and this would therefore need careful consideration and risk mitigation. Monthly data collected from local authorities shows a significant drop in local tax collection rates, partly as a result of local authority resources being moved to deliver Covid-related grant funding.
31. Delivery of both the NDR and discretionary elements by local authorities would be subject to further discussion and agreement and would be likely to incur an additional cost to administer, expected to be 2% of budget figure. The 2% proposed fee compares very favourably to other options, for example contracted private sector support is typically levied at 10-12% on administration of this type. It should also be noted that this would take the total payment processed by local authority partners close to £1bn, so in the round the cost would be a much smaller percentage as a fee was not previously levied. It is proposed that the new funding is top sliced to meet this cost so up to a total cost of no more than £3.9m.
32. The total cost of these proposals if the recommendations are accepted is estimated to be **£194.5m**. Based on the scenario of a two week nationwide firebreak lockdown commencing on 23 October 2020 and including the additional top up and discretionary element. Therefore, in addition to the £60m already approved for the Rapid Response (Local Lockdown) Fund, **approval of an additional £134.5m** is requested.
33. In the event of further lockdown restrictions being likely following a firebreak lockdown, additional advice will follow. It is recommended that **£194.5m** is held to support a need for further lockdown measures during 2020-21.

Enhancements to Business Development Grants – to be renamed ERF Grants

34. It is recommended the Business Development Grants continue to be offered as planned with the arrangements set out in MA/KS/3126/20 being modified to allow any business closed or materially impacted as a result of the firebreak lockdown being eligible without the need for co-funding (as already allowed for tourism businesses). To deliver this change, it is recommended that **£20m** is added to

the £80m already agreed delivering a £100m fund. This additional funding can be accommodated within the original £500m set aside for the ERF.

35. Delegation is requested to provide discretion of up to 100% of eligible costs for these grants to support Small, Medium and Large businesses. Co-funding will remain the default position, but the additional cover is sought for businesses who, for example, have rateable values above £50k but may still be independently owned and required to close. The aim is to provide further flexibility and ability to expand as required.
36. Given that these grants will now increasingly serve to support businesses affected by lockdown measures, they will be renamed 'ERF Grants' but maintain the appraisal principles of the Business Development Grants set out in MA/KS/3126/20.
37. It is recommended that should a further lockdown firebreak be required in the new year an additional £100m is reserved for a re run of grants similar to those provided through phases 1 and 2 of the Economic Resilience Fund - further advice would be developed to cover this point but the signalling in an announcement now that provision is being made to provide similar levels of support for future impact is deemed an essential element to provide assurance to business.

Summary of additional funding

38. If these proposals are agreed, additional funding needed would be:

Intervention	Funding
Additional funding to supplement Rapid Response (Local Lockdown) Fund during firebreak lockdown period with enhanced grant support	£134.5m new finance (added to £60m agreed in MA/KS/3126/20) to make a combined budget of £194.5m subject to options being agreed
Enhancements to Business Development Grant scheme – ERF	£20m allocated from the final portion available of the £500m ERF
Total allocation for the October Fire Break	£100m ERF £194.5m Local Support Total = £294.5m package (£160m ERF and £134.5m new finance)
In addition it is recommended funding of £294.5m is earmarked this year in the event a further firebreak is required. This package would be subject to further advice and is recommended to provide assurance to the business community	£100m ERF – if support for operating costs is required. £194.5m Re Run Local Support Total = £294.5m package

Assessment processes and decision making responsibilities

39. It is proposed that applications for ERF Grants are assessed against the eligibility criteria set out MA/KS/3126/20, modified as set out in paragraph 34 above.
40. It is proposed that applications for discretionary grants available for businesses not occupying premises and materially affected by the nationwide firebreak lockdown are assessed and approved under arrangements agreed with local authorities and set out in guidance.

Deployment

41. As agreed under MA/KS/3126/20, applications for ERF Grants can be submitted from week commencing 26 October 2020 and, subject to agreement with local authorities, the applications and payments to be administered by them would commence at the same time.

Due diligence

42. For the Business Grants, due diligence will continue to be undertaken as outlined in MA/KS/3126/20.
43. A detailed value for money analysis for the measures being proposed to support the nationwide firebreak lockdown has not been undertaken as the business beneficiaries will be dependent on decisions unknown at this time. However, this intervention is targeted at mitigating some of the burdens by the lockdowns. Therefore, while additionality is difficult to assess, officials are confident that the scheme would deliver value for money on an equity basis.
44. As far as is possible, due diligence processes utilising the BAS Customer Management system, aim to ensure that Welsh Government support for the same purpose(s) is not provided. This will be supplemented by post completion follow up and claw back where required.

Risks and mitigations

45. The main risks in respect of this grant funding continue to be:
- In view of the urgency surrounding the support needed, while appropriate checks will be put in place to screen applications, a reduced level of due diligence will be undertaken on applications so there is an increased risk of error and/or fraud in the process.
 - Business failure despite having received support from this fund.
 - Demand for the fund has been tested but it is not possible to fully define as likely to be driven by match funding availability and bandwidth of the applicant business' management team to complete applications. The ERF team will continue to test and assess through its delivery as the legislation is completed and deployed.
46. As recognised from the outset of the ERF, it is almost inevitable that a proportion of businesses receiving this funding will still fail. For example, the 1 year survival

rate between 2017 and 2018 for enterprises in Wales was 90%². Officials continue to believe that it can be expected that at least 10% of businesses provided with funding could reasonably be expected to not survive beyond one year, although failure rates are likely to vary among industries (e.g. although in very different times - 15% of businesses in retail compared to 7% in arts, entertainment and recreation failed in 2018).

47. The parallel application of business advice through Business Wales continues to mitigate this risk in part. For example, an independent study noted that a 3 year survival rate for a new business supported by Business Wales was double that of the broader population.
48. As outlined, the risk of automated payments being made to businesses required to close for commercial purposes but still trading on a restricted basis is being considered with the Accounting Officer.
49. Fraud risks continue to include:
 - Applicants falsifying accounts / documentation
 - Applicants not declaring receipt of business rate relief
 - Incorrect payment information deliberately given for payment purposes
 - Unique tax reference number not valued or a duplicate
 - Duplicate funding, where business have already claimed from other sources
50. To mitigate these risks, it is proposed that this fund continues to adopt an approach similar to HMRC on a self-assessment principle of "Process now, check later" to ensure that affected people benefit as quickly and efficiently as possible but then with a degree of retrospective compliance checks.
51. The ERF Grant scheme will continue to use at least two points of automatic and process check from verified data sets including VAT, Companies House and PAYE records.
52. Alongside appropriate checks built into the assessment process, this approach makes clear that the responsibility for providing accurate information rests with the applicant - with it being expected that retrospective due diligence will be undertaken with enforcement if required.
53. The grant schemes will continue to be the subject of ongoing review to monitor uptake against need and assess any compliance and due diligence issues. An impact and evaluation study has been commissioned and the Senior Responsible Officer has agreed project completion monitoring arrangements with approval. In principle secured a new team to deliver this. The comprehensive completion of PCM work does depend upon agreement being secured for additional currently at final approval.

Financial implications

54. Subject to the agreement of Ministers, the £134.5m additional funding now being sought will be transferred from the centrally held Covid-19 revenue response

² Business Demography dataset from the Office for National Statistics (ONS) – available here

reserve to the Economy and Transport MEG (BEL 3751 – Business & Regions), as part of the supplementary budget later this financial year. The funding set aside for the event of a future firebreak or other form of lockdown(s) will be the subject of further advice in order to retain flexibility in how that funding is deployed.

55. As highlighted in MA/KS/3126/20, given that we are now in the second half of the 2020-21 financial year, the uncertainty around businesses' willingness to apply for co-funded ERF Grants now and/or in the event of a re-launch in early 2021 and the need to manage money flexibly to respond to lockdown situations means there is a risk that all of the funding will not be utilised through the grant mechanisms being proposed within this advice. A monthly update on costs will be provided to Ministers to enable this position to be kept under review.
56. As outlined in MA/KS/3126/20, ongoing considerable expansion of teams undertaking business funding application appraisal will be required to administer the ERF Grants. Welsh Government contractors, and sponsored body staff and officials with relevant skills have been moved from other activities to support this work and costs are being met within existing staff budgets. This is likely to continue to engage around 50+ full-time equivalent staff taken away from business-as-usual activity.
57. As outlined in paragraph 30, utilising local government revenue and benefits staff to deliver a further grant scheme could reduce the amount of local tax collected in 2020-21. In discussion with the WLGA as much assurance as possible on this point will be sought by officials. Early data returns suggest that the contribution to the NDR pool is down by around £100m compared to previous years, with a potential proportion of this reduction driven by local authorities not having the resource to pursue unpaid bills. Similar scales of reduction are possible in relation to council tax collection. A reduction in local tax revenues will have a direct impact on the Welsh Government's budget in 2021-22 and will also affect local government spending power. In order to mitigate this risk as far as possible, officials continue to negotiate with the WLGA and individual local authorities on delivery arrangements. This will be subject to ongoing review and we will work with local government policy colleagues to ensure that ministers are regularly updated in this area.

Legal issues

State Aid

58. State Aid rules have been taken into account when designing this support package. Officials' advice in respect of their application to this fund continues to be:
- It is possible to award funding of less than €200,000 over a three-year fiscal period as de minimis aid, in accordance with the de minimis Regulation.
 - In the event of the de minimis Regulation not being applicable, the European Commission has adopted a State Aid Temporary Framework to support EU economies in the context of the Covid-19 outbreak. This envisages Member States being able to, amongst other things, set up schemes to grant up to

€800,000 to a company to address its urgent liquidity needs, for a limited period until 31st December 2020 and subject to conditions. The Temporary Framework is able to be used by the Welsh Government and all funding provided from this fund will be kept within this higher temporary threshold.

Powers

59. Section 60 of the Government of Wales Act 2006 (GoWA 2006) provides the Welsh Ministers with broad powers in relation to the promotion of well-being. The Welsh Ministers may do anything which they consider appropriate to achieve the promotion or improvement of the economic, social or environmental well-being of Wales. This power may be exercised in relation to or for the benefit of either the whole or any part of Wales, or all or any persons resident or present in Wales.
60. Section 58A of GoWA 2006 provides that the Welsh Ministers may exercise executive ministerial functions which are within devolved competence, or which are outside of devolved competence if they are ancillary to a function. This is a general power which includes a function involving expenditure or other financial matters.
61. Section 126 of the Housing Grants, Construction and Regeneration Act 1996 ("the 1996 Act") empowers the Welsh Ministers to give financial assistance to any person in respect of expenditure incurred in connection with activities which contribute to the regeneration or development of an area. Section 127 of the 1996 Act sets out that such financial assistance may be given by way of grants and section 128 of the 1996 Act provides that terms may be attached to such financial assistance.
62. As this advice does not cover any new legal issues, the Legal Services Department has not been asked to provide clearance.

Communications

63. If agreed, the arrangements outlined in this advice will be announced by the First Minister in a Press Conference on 19 October 2020.

ANNEX 1: ASSURANCE AND COPY RECIPIENTS**CLEARANCE TRACKING**

Aspect	Tracking	Yes	No	N/A	Clearance no.
Finance	Financial implications over £50,000?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Cleared by Group Finance?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ET/CF/20/231
	Cleared by Strategic Budgeting?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SB/1336/5
	Cleared by Local Government Finance?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Legal	Legal issues?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Cleared by relevant lawyers?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Governance	Novel and contentious issues?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Cleared by Corporate Governance Centre of Excellence?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	CG/2021/086

DIRECTOR, STATEMENT OF ASSURANCE

In clearing this MA, I confirm that I, Sioned Evans, have quality assured this advice, ensuring it is provided on the basis of evidence, accurately presents the options and facts and I am accountable for the recommendations made

I am satisfied that the recommended decision or action, if agreed, would be lawful, affordable and comply with all relevant statutory obligations. Welsh Government policy priorities and cross portfolio implications have been fully considered in line with delivery of the government objectives.

I have fully considered the statement of assurance contained in the MA guidance to ensure all relevant considerations have been taken into account and that the actions and decisions take account of regularity, propriety and value for money.

COPY LIST

All mandatory copy recipients (as indicated in the guidance). Additional copy recipients specifically interested in this advice:

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- **NR**
- Amelia John