Official Sensitive – Cabinet

Not for publication

COVID 19 – Core Group meeting:- Wednesday 13th May 2020 (08:30) Caerdydd 1 &2 / Skype VMR meeting

Present -

Ministers: First Minister; Rebecca Evans; Vaughan Gething; Kirsty Williams; Julie James; Lesley Griffiths; Ken Skates; Eluned Morgan; Jane Hutt; Hannah Blythyn; Julie Morgan; Lee Waters; and Dafydd Elis Thomas.

Local Government: Cllr. Andrew Morgan – Chair WLGA.

Federation of Small Businesses: NR

WCVA: NR

Opposition party leaders: Paul Davies MS; Adam Price MS.

Officials: Permanent Secretary; Andrew Goodall; Frank Atherton; Reg Kilpatrick; Albert				
Heaney; Jonathan Price; Carys Evans; Toby M	lason;	NR	Chrishan Ka	malan;
Will Whiteley; Jo Trott; Christopher Morgan;	NR	l	NR	
Special Advisers: Jane Runeckles; Ian Butler	; NR	Clare Jen	kins; Gareth	Williams;
Tom Woodward.	<u> </u>	_,		

NHS and Public Health Update

- 1. The CMO reported that the spread of infection remained stable with a little improvement. The recent changes to the restrictions in Wales were proportionate, as evidence from other parts of the world, such as Korea, Germany and Singapore, demonstrated that relaxing measures too soon and too quickly had led to increases in the number of reported cases of the virus.
- 3.2. The transmission and death <u>Death</u> rates in care homes were new reducing, following the peak in mid-April, and the testing of patients transferring from hospitals had-may <u>have</u> helped with this. Infection rates in hospital settings was still an area of concern, which reinforced the need for more general improvements to infection control. It was important to better manage the patient pathway to improve the recovery rates of those who entered intensive care.
- 4.3. It was noted that the clinical review of the management of infected patients in the Aneurin Bevan University Health Board area was due to report shortly.
- 5.4. The CMO repeated his recent advice on the wearing of face coverings and confirmed that it was permissive but not mandatory. The emphasis should remain on staying safe by maintaining social distancing and regularly washing hands.
- 6.5. Antibody testing was being piloted in A&E departments at present and once developed there would be a discussion with the UK Government on procurement. The efficacy of any antibody test would need to be fully proven before the tests could be used more widely and a cytology test was also being developed. However, there was no certainty that recovery from the virus would result in immunity from further infection.
- 7.6. Further research would be undertaken on the spread of the virus amongst children. The relevant expert groups would need to assess the use of oximeters and newly developed ventilators, such as CPAP, before being considered by clinicians and aligned with wider practice in the UK.

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- 8.7. The Group speculated ondiscussed how quickly the rate of infection could reduce and noted that the current stage of knowledge suggested that it was possible for this to be around 1,000 new cases a week in Wales by the end of May, providing people continued to abide by the regulations and follow the Government's messages.
- 9.8. It was noted that the Minister for Health and Social Services would be announcing that afternoon in the Senedd the Government's Test, Trace, Protect strategy.
- 10.9. The Chief Executive of the NHS reported that the majority of Health Boards were continuing to report Green / level 1 as an indicator of capacity and response. Two hospital sites, Morriston and Prince Charles were reporting level 2. This slight change demonstrated that there had been an increase in the delivery of some non covid health services.
- 11.10. Around 38% of acute hospital beds were currently unoccupied and available for use. There were 964 confirmed or suspected COVID-19 patients in NHS beds across Wales, which was around 38% lower than the peak in mid-April.
- 12.11. Approximately 65% of invasive ventilated beds were unoccupied and available. Of the 127 in use, 72 were occupied by confirmed or suspected COVID-19 patients.
- 13.12. Average attendance at Accident and Emergency Departments was beginning to return to the lower level of normal pre-COVID 19. There had been isolated reports of increased attendance at A&E Departments over the weekend, mostly related to alcohol related injuries.
- 14.<u>13.</u> Hospitals would now need to prepare for further increases in patients accessing medical services.

Local Government Update

- **15.14.** Cllr. Morgan reported that, in response to the Government's changes to the Regulations, Councils were preparing to open community recycling centres in the coming week, with all sites being operational by the end of the month. In addition, they were putting plans in place to enable libraries to reopen after the next review.
- 16.15. A significant number of staff had been re-deployed from other duties to support shielded people, but as Councils returned to delivering other services there would be a need to backfill these posts. It was reported that the The WLGA was in discussions with its English equivalent about seeking additional funding from the UK Government to meet these costs.
- 17.16. There would also be a need for further engagement on how long the restrictions on shielded people would remain in place, particularly given that there had been a 10% reduction in costs.

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- 18.17. Ministers thanked Local Governmentlocal authorities for administering the grants for businesses in Wales that were linked to non-domestic rates, and noted that around £591m had been paid out so far. It would be important to continue to encourage eligible businesses to apply for the grants.
- 19.18. It was recognised that Local Government would need to be involved with the plans for economic recovery.

Contingencies / Resilience update

- 20.19. The Director of Local Government advised the Group that officials had already begun the process of preparing for the next review of the Regulations, and the plan was to ensure that the advice from the Technical Advisory Cell was available earlier. There would also be a <u>developmental staged</u> approach, which would allow the Government to change lockdown measures in between reviews.
- 21.20. The Strategic Co-ordinating Groups were reporting that the PPE supply chain was being managed well, and they were preparing for their role in the Test, Trace, Protect strategy. There was a concern amongst Police Forces about the differing messages from UK Ministers.
- 22.21. There were now no capacity issues in preparing for excess deaths, and it was recognised that these facilities remained in place to respond to any future peaks in cases of the virus. It was reported that, with less elaborate funerals taking place, the income of funeral directors had reduced significantly and there would be a need to consider what support could be provided to the sector.

Update on the Economic Situation

- 23.22. The Chief Economist informed the Group that a recent report from the Bank of England appeared to follow the scenario published by the Office of Budget Responsibility (OBR), and indicated that the economy would contract by at least 25% in the current quarter and maybe even more. Growth was expected to rebound in 2021 on the assumption that the epidemic was short-lived. However, the IMF had set out scenarios which were much more negative about when the recovery would take place.
- 24.23. On the basis of the scenarios considered by the OBR and the Bank, unemployment was expected to increase by between 80,000 and 100,000 in Wales and Universal Credit claims had already increased significantly. In addition, given that many of the jobs were being lost from labour intensive sectors, it might be some time before the labour market returned to anything close to normality.
- 25.24. The tourism sector had been badly hit by the lockdown restrictions and its recovery would depend on how soon the domestic restrictions would be lifted and when the overseas holiday market would re-open.

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- 26.25. In addition to directly economic issues, there was also the indirect impact from job losses on people's wellbeing, with a disproportionate impact on the low skilled, low paid and self-employed. It was recognised that the UK Government's job retention scheme, while very important in maintaining jobs, did not replace or create work and did little to help young people entering the labour market.
- 27.26. It was suggested that remaining EU funds could be directed to support people moving into employment and it was noted that the Economic Resilience Fund would also be available during the recovery period.
- 28.27. The First Minister welcomed Ben Cottam of FSB Wales to the Group and invited him to provide an update on the impact on small businesses in Wales.
- 29.28. The FSB had recently published a report, which had called for a number of measures to help shops, small hotels and businesses to survive the crisis and to enable them to return to trading once the restrictions had been lifted. The FSB was also conducting a survey of its members on the impact of the pandemic and this would be shared with Ministers.
- 30.29. The UK Government's decision to extend the job retention scheme had been welcomed but there would be a need to understand the implications of the changes that had been announced by the Chancellor of the Exchequer, and it was suggested that UK Ministers could give some thought to a hibernation scheme for the tourism sector.
- <u>31.30.</u> There were reports that some businesses were delaying product development which could have longer term implications for the economy.
- 32.31. In terms of support for small business, it would be helpful if the Government ensured that Departments made prompt payments. It would also be helpful if the FSB could discuss the impact on pandemic on the foundational economy and the transforming town initiative.
- <u>33.32.</u> Furthermore, it would be helpful if the Government could liaise with the Police and Crime Commissioners to ensure that messages about the increase in cybercrime targeted at small business was shared widely.
- 34.<u>33.</u> The First Minister thanked Ben for attending the meeting, and it was notedasked that officials would take into account the issues that had been raised.

Actions

- Officials across departments to ensure prompt payments were made to businesses All Ministerial Departments (Emma Watkins)
- Officials to discuss the impact on the foundational economy in the context of Covid-19 recovery – Deputy Minister for Economy and Transport (Emma Watkins)
- Officials to continue discussing the transforming towns initiative in the context of Covid-19 recovery Deputy Minister for Housing and Local Government (Emma Watkins)
- Officials to liaise with PCC's to ensure messages to businesses about the impact of an increase in cyber crime as a result of Covid-19 continued to be shared widely Deputy Minister and Chief Whip (Reg Kilpatrick).

CABINET SECRETARIAT May 2020